



**Sultanate of Oman**  
Ministry of National Economy

**Speech**  
**of His Excellency Ahmed Abdul Nabi Macki**  
**Minister of National Economy**  
**Deputy Chairman of Financial Affairs and Energy**  
**Resources**  
**On the occasion of the 40<sup>th</sup> National Day of the**  
**Blessed Renaissance**

**November 2010**



His Majesty Sultan Qaboos Bin Said

## **In the name of God, the Compassionate, the Merciful**

Since the beginning of the blessed Renaissance in the 23rd of July 1970 and during the last four decades, the Sultanate has realized significant achievements despite the ever-changing and variable regional and global conditions that marked this period. This was accomplished as result of the wise and inspiring leadership of His Majesty Sultan Qaboos bin Said-Sultan of Oman, and His Majesty continuous follow-up to the development path and closely monitoring, directing and making sound and crucial decisions.

The government basic goal, since the beginning of the blessed Renaissance , is to achieve growth and progress that comprises the economical and social dimensions and reflects directly and positively on the Omani citizen by way of raising the standard of living and providing a better life and well-being for him and his family. To achieve this, the government adopted a comprehensive development concept on the basis of free market and perfect competition to activate and stimulate the national economy, raise its efficiency and growth rates. It also, followed indicative planning to rationalize the economic path and maximize the social return of growth and improve the quality of life of its citizens. To date seven Five-Year Development Plans were implemented and the Seventh Plan will be accomplished by the end of this year. At the beginning of next year-2011, the Eighth Five-Year Development Plan will commence. All these plans sought the achievement of the long term strategic plan which was carefully prepared with clearly defined objectives, policies and mechanisms needed for implementation. The Five-Year Development The plans were characterized by wide participation of the various community entities so that their directives meet the ambitions of all society groups and sectors. The different Wilayats, Governorates and Regions participated in setting down conception of their needs of primary services by providing the sectoral ministries with those needs they have to be taken in consideration when preparing the sectoral plans. Also, groups of specialist from different ministries conduct field visits to the Wilayats to identify their real needs. In addition, the annual Royal Tours in which His Majesty annually visits a number of Wilayats and meets and have dialogue with His citizens about their issues and needs contributed in defining the citizens needs and their immediate fulfillment.

Our development path, during the four decades, passed through two important stages. The first from the beginning of the Renaissance in 1970 and continued for (25) years until the beginning of 1996. The Sultanate was able during this period to setup successively the basic pillars for economical and social transformation. The second stage from 1996 till now which manifests the beginning of the launch to the future horizons, realizing the sustained self-growth and full readiness for deeper and wider link with the global economy and its surrounding significant political and economical challenges.

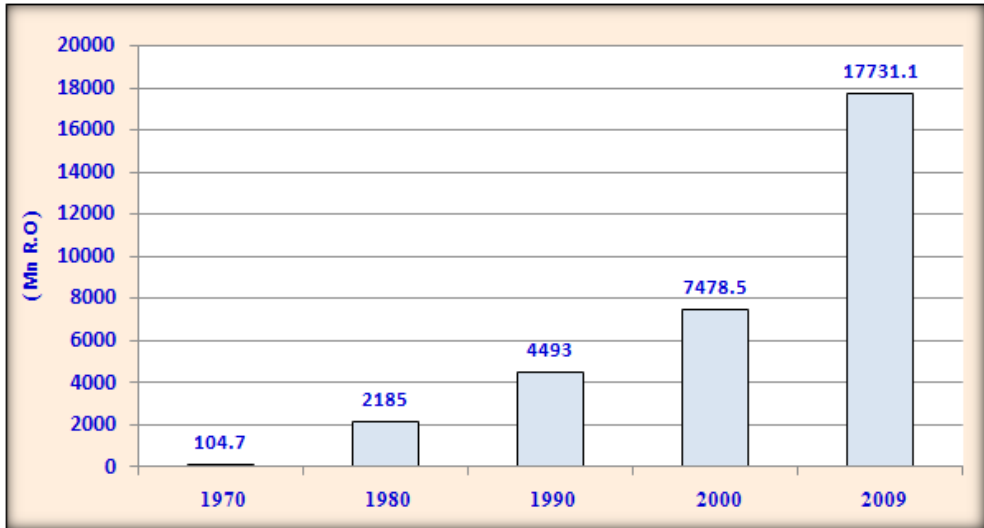
The second stage started with the preparation of the long term development strategy (1996-2020) which anticipates the development vision for the next (25) years. Within the context, of this 2nd stage, the preparation and implementation of the successive Five-Year Plans have been achieved since 1996. The vision defined the path of the Omani economy for (25) years in four main dimensions. Each dimension constitutes a number of objectives to be realized. These are as follows:

- Realizing sustainable comprehensive economic development within a stable economic framework
- Advanced human resources development so that the Omani citizen is enabled to undertake his full role in national economy
- Development and diversification of the production base of the Omani economy within a dynamic and interactive framework with the global economy
- Creation of an efficient and effective private sector that is capable to participate in the economical and social development process and able to compete globally.

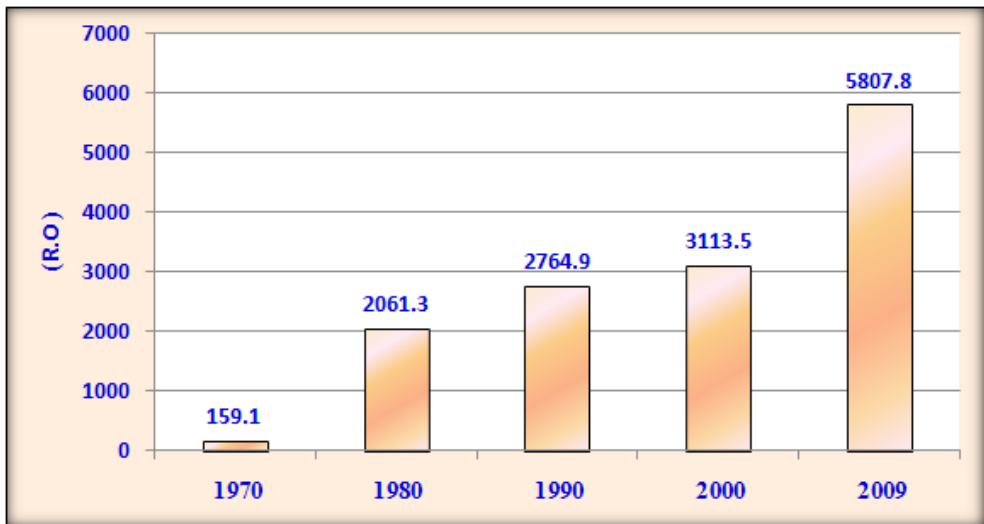
The policies and measures taken by the Sultanate during these two stages, formed forty years of development efforts which had a significant impact on the development, stability and achievements of the Omani economy manifested in:

- 1-**The GDP increased from R.O (104.7) million in 1970 to R.O (17731) million in 2009 i.e increased (170) times. The per capita income increased from R.O (159) in 1970 to R.O (5807.8) in 2009 i.e increased by more than (35) times elevating the Sultanate position amongst the high medium-income countries.

**Figure No (1)**  
**GDP in current prices during (1970-2009)**



**Figure No (2)**  
**Average per capita share in GDP during (1970-2009)**



- 2- The oil sector is considered the prime mover of the Omani economy since the beginning of the Renaissance having the greater share in the public revenues. The daily production increased from (332) (000) barrel in 1970 to above (812500) barrel in 2009. In spite of this significant increase in the daily production, the Omani oil reserves increased from (1.4) billion barrel. to more than (4.8) billion barrel during the same period by virtue of the government's efforts directed towards exploration and prospecting for new reserves.
- 3- With the government's recognition of the leading role of the oil sector in the Omani economy, it pursued during the previous period to create a structural change in the national economy, diversify its production base and reduce its dependence on oil. The non-oil sector share in GDP increased from (31.6%) in 1970 to (59%) in 2009. The oil sector share in GDP retracted from (68%) in 1970 to about (41%) in 2009. Also, its share in government revenues decreased to (66%) in 2009 in comparison to (100%) of total revenues in 1970.

**Figure No (3)**

**Average daily production of oil during (1970-2009)**

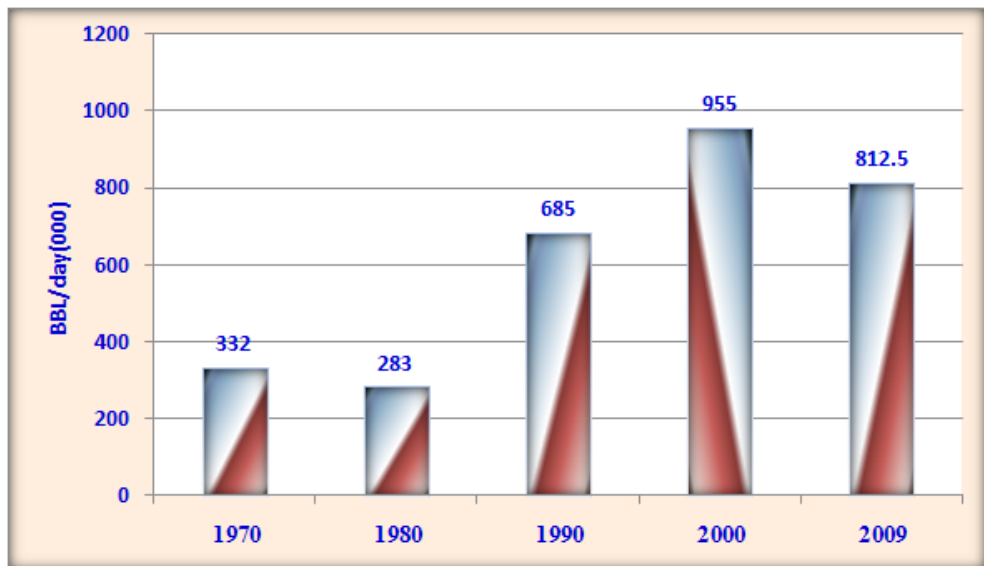
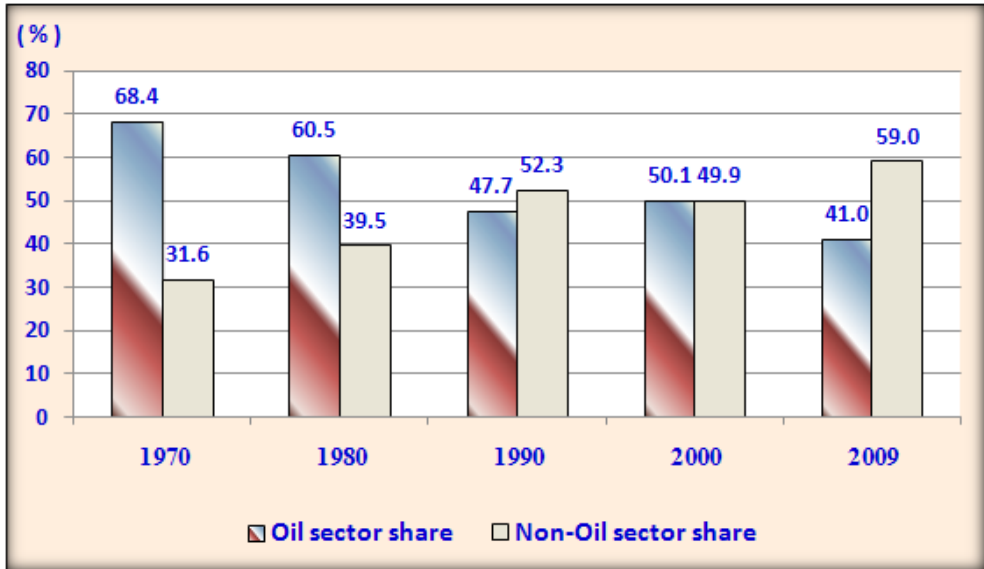


Figure No (4)

Oil and non-oil sectors share in GDP during (1970-2009)



4-

a- In the context of the economic diversification policy, the manufacturing sector realized a steady growth manifested in the increased share in GDP to reach (18.6%) in 2009. This was achieved through the implementation of a number of mega constructional projects in petrochemicals and natural gas-based industries. Of the important projects currently under implementation is the industrial projects at Sohar port, establishment of an industrial area adjacent to the port to meet the growing demand of investment, Ad Duqum area development project by construction of the marine port and the dry dock for ships' maintenance. The two projects, after completion, will have a positive impact on the development of the two areas in addition to support of tourism and the export-directed production.

b- The Sultanate's trade exchange increased by about (23) times during the previous forty years (1975/2009). Total merchandise exports of the Sultanate reached R.O (10.6) billion and imports R.O (6.9) billion in 2009 compared with exports of R.O (753.5) million and imports R.O (488.1) million in 1975.

- c-**The government's monetary policy contributed to the monetary stability and limiting the inflation rates throughout the previous years. The Sultanate adopted a fixed exchange rate system by pegging the R.O to the US\$ since 1973. Since 1983 the exchange value of the R.O was fixed at (2.6008) US\$. This contributed in gaining investors' confidence in Omani economy. In addition, there was expansion in the financial sector and number of commercial banks increased to (17) banks with (249) branches distributed to cover the various areas of the Sultanate. The credit volume granted by banks in 2009 reached R.O (9834) million of which private sector share was (93.4%). The Central Bank of Oman adopts close monitoring policy as a mean of regulating commercial banks operations, which is one of the main reason the banking sector was shielded from the negative impacts of the global financial crisis of 2008 .
- d-** Muscat Securities Market was established and started operation in 1989 aiming to provide alternative form of investment for local/foreign investors alike and means of tapping funds for expansion of companies within the context of natural progression of the economic development process for the country. The Market witnessed steady development since its establishment, manifested in updated legislations organizing its activity, the technology used in the trading process, raising of awareness among dealers and introduction of internet in its operations. The general index of shares' prices reached (6368.8) point at the end of 2009. Traded shares totaled (6.1) billion, total trading value R.O (2285)million, average daily trading value R.O (9.29) million and the total market value of listed shares R.O (9092) million.
- e-** Foreign Direct Investments (FDI) totaled about R.O (5029)million in 2009 increasing by (15.3%) from that of 2008 and by about (130%) from 2006.
- 5-** Total development expenditure on infrastructure projects, roads- airports- electricity and water networks, during the previous period till August 2010 reached R.O (8849.2) million leading to:
- a-** Increase of paved roads' lengths at the end of 2009 to (25926) km where their lengths did not exceed (15) km in 1970. The number of air arrivals and departures increased from (95) thousand in 1970 to (4.4) million in 2009.
- b-** Electric power generation reached (18405) GW/hr in 2009 enabling the provision of electricity to almost all the Sultanate regions.

**c-** The water sector witnessed a paradigm shift and safe water production reached (39657) Million gallons/day. During the Seventh Five-Year Development Plan the production size and extension of main and sub networks in the various Sultanate regions increased. It is anticipated that the production capacity of the desalination plants will reach (143) million gallon/day by end of 2010. Number of subscribers in water sector reached (223870) in the various Sultanate regions. Desalination plants were established in Sohar, Barka, Sur and Al Goubra in addition to (18) small-size desalination plants in Muscat, Musandam, and Regions of Al Wusta, Ash Sharqiyah , Al Dahirah and Ad Dakhliyah. Also, distribution networks were added at the different regions with lengths exceeding (1500) km together with establishment of (81) new tankers' filling stations to benefit from desalinated water and reduce use of underground water. Due to the importance of the water sector, the next Five-Year Plan (the Eighth) set out, within its priorities, the completion of redeveloping of supply networks in main cities and the different Wilayats.

**6-** In the Field of Communication and Information Technology

**a-** The number of internet users increased from (12) thousand in 1996 to (1.5) million in 2009. Also, mobile phone users raised from (53) thousand in 1996 to (3.631) million in 2009, fixed phone users from (202) thousand to (257)thousand during the same period. Number of those studying IT and related studies reached (10201) at end of 2008.

**b-** The Sultanate progress in the field of IT, as recognized by the various international reports of UN and others and also had won numerous awards. It ranked (55th) among (192) countries in e-government services and (19th) in e-government readiness in the international IT report 2009/2010 issued by the World Economic Forum, advancing (20) point from that in the 2008 report.

Also, the Sultanate won the UN award for public service which is considered the highest global appreciation awards in the field of e-services awarded to distinguished service projects. This is beside (34) awards for e-projects of various government institutions (Al Shifa system of Ministry of Health, manpower system of the Ministry of Manpower, civil registry of ROP)

The Sultanate, through the CIT and e-government strategy, which is in line with the approved international standards of the World

Organization of Information Society, sought to realize the millennium goals related to the sector.

**7-** The agriculture and fisheries sectors achieved tangible development during the previous forty years by virtue of efforts exerted by the government to raise production and productivity through establishing extension farms , agriculture and fisheries research stations and distribution of improved seeds and fertilizers to farmers. The total implemented government investments in the two sectors through the development plans (1971-2010) reached about R.O (292) million . This is beside to the government investments outside the framework of the ministries’ development budgets which highly exceeds this amount. The government interest in the agriculture sector was demonstrated in the holding of two symposiums in 2008 and 2009 with Royal patronage of His Majesty in order to create a comprehensive development in the sector. His Majesty, at the closing of the 2009-symposium, bestowed a Royal Grant manifested in directing concerned authorities to plant one million date palm trees within the framework of realizing food security in the Sultanate and support to the agricultural research by R.O (20) million.

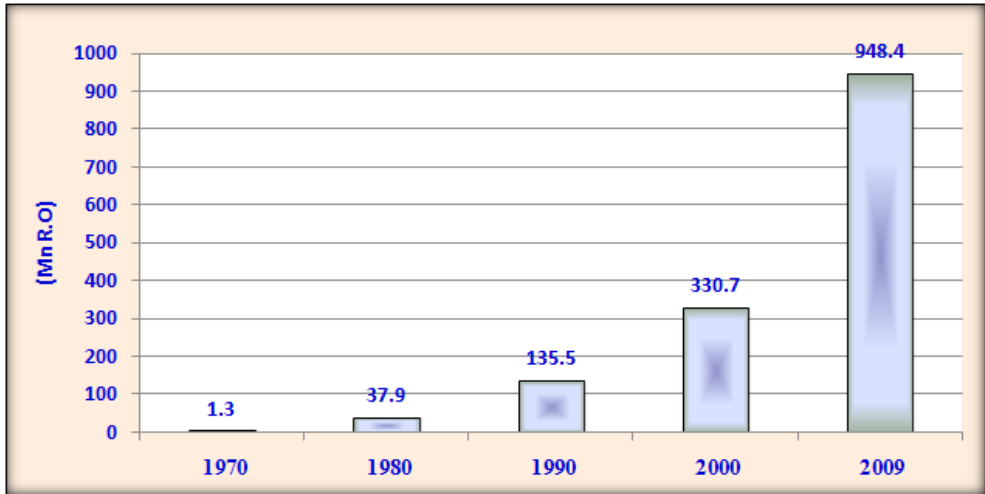
**8-** Tourism sector share in GDP increased to (2.9%) in 2009 according to the “satellite accounts system” used which takes in account the influences of the sector on development of other economic and service sectors.

The number of hotels and lodging utilities increased from (39) in 1993 to (218) in 2009, number of rooms from (2855) in 1995 to (10420) in 2009 . Hotel revenues increased from R.O (35.1)million in 1995 to (144.1) million in 2009 , and number of guests exceeded (1.7) million in 2008 compared to (352) thousand in 1995.

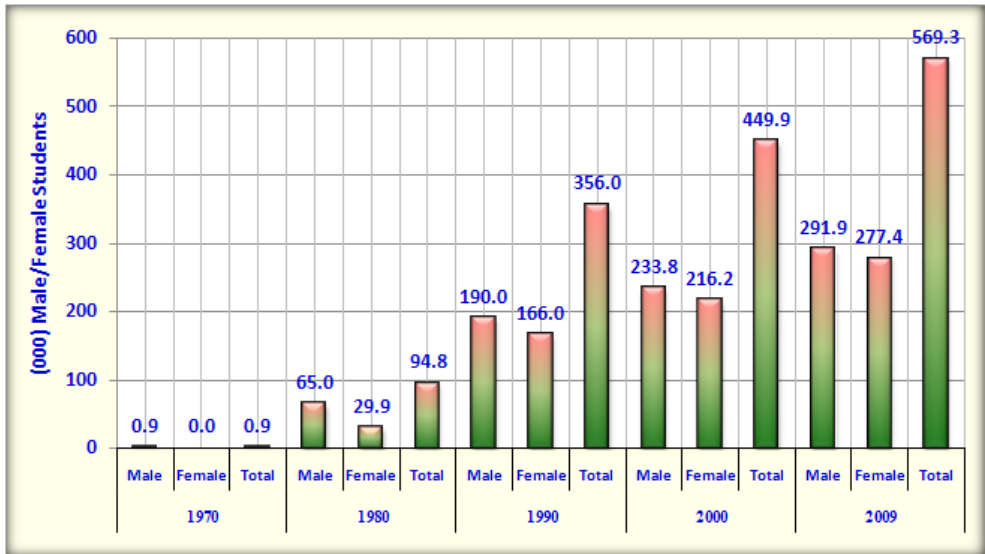
**9-** In the education field, the total government expenditure on education during (1976-2009) amounted to R.O (10.3) billion which has a tremendous uplift on the various educational indicators.

**a-** The total number of students in the general education stage reached (531393) in 2009 compared to about (900) in 1970. Female students ratio in total students constituted (49%) in this stage. Also, the number of general education schools increased to (1040) in 2009 compared to only (3) schools in 1970. Number of teachers reached (44506) compared to (3000) in 1970.

**Figure No (5)**  
**Expenditure on education during (1970-2009)**

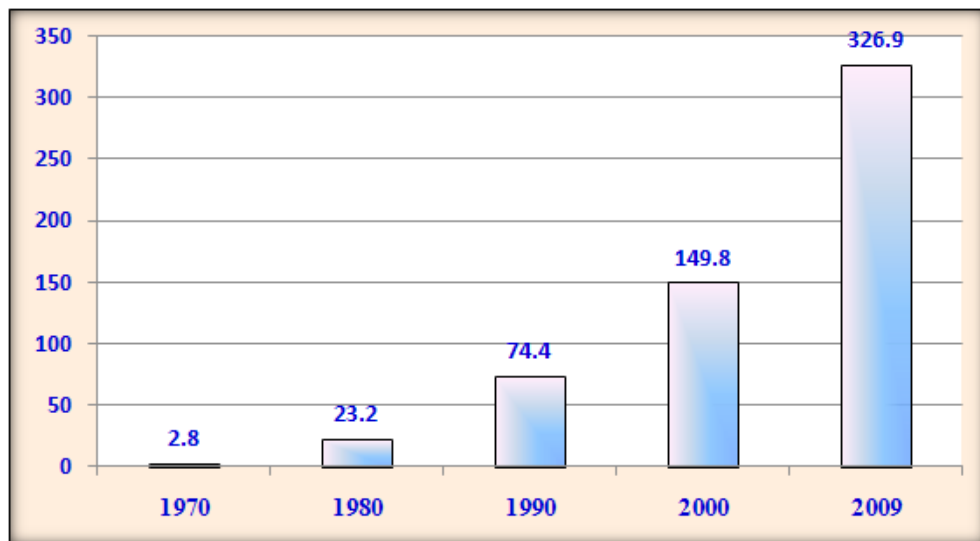


**Figure No (6)**  
**Number of students in general education stage during (1970-2009)**



- b-** In higher education field (23644) students were admitted from success in the general certificate in 2009 in higher education institutions including technical colleges inside and outside the Sultanate in 2009, which represents (52.9%) of success.
- c-** In the technical education and vocational training field, in order to ensure Omani youth acquire technical skills that will enable them to enter the labour market and secure appropriate work opportunities in line with labour market needs, the government established a number of vocational training centres in Shinas, Sur, Salalah and Ibri and other. Number of students enrolled reached (3061) in 2009. This in addition to the private sector vocational training centres which reached, up to now, (152) in the various parts of the country .
- 10-** In the field of health-care services, the Sultanate was able throughout the previous four decades to lay the foundation for a health care network that included all citizens and in the various parts of the country . The health services umbrella covered all the Sultanate Governorates and Wilayats. This is in accordance to a clear scientific and regulatory vision that took in account areas of population agglomerations and observe the closeness of these service centres to citizens. It ranges from health centres and clinics to polyclinics to hospitals and referral hospitals.
- a-** The total government expenditure on preventive and therapeutic health services during (1976-2008) amounted to about R.O (4105) million not including the health service of Ministry of Defense, ROP, Sultan Qaboos University Hospital , PDO and private sector.

**Figure No (7)**  
**Expenditure on health during (1970-2009)**



- b-** The large government's expenditure on health-care sector resulted in marked improvement of health-care indicators that was praised by international organizations operating in the same field such as WHO and UNICEF. According to 2009-statistics, the number of government hospitals reached (55), beds (5430), health centres (151) of which (72) are with beds, polyclinics (21), doctors (4332), nurses (10838) and dentists (255). We can understand how huge these achievements are when compared with that available in 1970 ; only two government hospitals, 13 doctors, 12 health centres and clinic and the number of beds not exceeding (12).
- c-** The development in health-care services has led to the improvement of most health-care indicators. The sultanate was able to eradicate infectious diseases, malaria, diarrhea incidences of children less than (5) years that lead to mortality and polio. Also, measles incidences declined and spread of non-communicable and chronic diseases and their complications were limited. This resulted in raising life expectancy at birth to (72.5) years compared to (49.3) in 1970.
- d-** Infant mortality rate decreased to (9.6)/(000) birth compared to (118) in 1970, and mortality rate of children less than (5) years to (21.5)/(000) birth compared with (181) in 1970.

- e- General mortality rate declined to (3)/(000) population from (13.3) in 1980.

The WHO, in its reports, praised the Sultanate's achievements in this field and placed it amongst the top-ranked countries of the world in efficiency of health-care system and in using allocated resources for health-care services. The Sultanate was also rated amongst the first ten countries worldwide in provision of the comprehensive primary health care services.

- 11-**In the field of social welfare, the government provides annual financial and kind support to households whose living conditions need special care. Cases supported reached:

- a- Social security cases in 2009 reached (50751) with a total aid amounting R.O (36.4) million. This in addition to the annual support granted to sons of these families to enroll in higher education institutions which exceeded (1500) scholarship in 2009. Assistance to these households were given so that they can work towards a stable income through a number of programmes such as Sanad programme, by assisting them to establish private projects. Also, they are supported in provision of the decent housing through the social housing programme.
- b- The government, represented in the Ministry of Housing, pursues the implementation of programmes to provide decent housing for citizens. This is through the programmes of social housing, housing aids and easy-term loans . The number of households benefited from these programmes during the previous Five-Year Plans amounted to (25698) by total cost of R.O (405.4) million .It is worth to mention that the total housing units constructed and those under construction in the 7th Five-Year Plan reached (5986) at total cost of R.O (154) million.
- c- Total housing units constructed in the Seventh Five-Year Plan reached (5986). Within the context of completion of lists of requests for these units, His Majesty Sultan Qaboos bin Said- Sultan of Oman decreed the allocation of R.O (200) million to complete all the registered social housing requests till end of 2009.

**12-** The issue of employment and availability of appropriate work opportunities for all unemployed citizens represents a priority to the government . This in recognition of the importance of work and provision of decent living for the citizen.

The government provides (71477) work opportunities annually in government and private sector establishments or through Sanad and Kasseb programmes. The total number of Omani citizens employed in the government amounted to (136.6) thousand at the end of 2009. The number employed in private sector establishments who are registered at the Public Authority for Social Insurance reached (158315) by the end of 2009. In addition, there are a large number of self-employed citizens working in sectors of agriculture, trade , fisheries and other not registered in the social insurance system.

The Omanization policy adopted by the Sultanate is continuing and proved its success in providing more work opportunities for citizens. Omanization ratio in government sector reached about (87%) . Also, the government will continue in expanding the training and qualification programmes particularly training linked to employment to those nominated to take private sector jobs and raise the Omanization ratio.

**13-** The government pay special attention to the Omani woman in order to advance and empower her to take her natural position in society where she is a participating as an effective member in building a sound household and realizing development. A number of objectives and programmes were set in the successive development plans to serve the Omani woman and provision of education opportunities for her in all stages and raising her participation in the social and economic activities. Also, she is equal with men in rights and duties in various laws and legislations in order to take her natural place as an active member in the Omani society. This can be observed in government institutions and private sector establishments where she works beside men and occupies the highest administrative ranks. This is in implementation to His Majesty Royal Directives calling for a real partnership between them to build the nation through her participation

in the various fields of development. The 17th of October of every year is defined as the Omani Women Day in which the woman's achievements in the different areas are celebrated. In addition, His Majesty bestowed a Royal Grant of an annual (500) complete scholarships in private higher education colleges and institutions in the Sultanate for girls with general diploma with a ratio exceeding (80%). The Royal Grant constituted directive to establish a stable buildings for Omani woman societies in different Wilayats and raising the annual government support allocated for the said societies.

#### **14- The development programme:**

The government is considered the prime mover of economy where it undertakes the implementation of most development projects whether production or service. It is assisted by the oil revenues which are optimally utilized to realize development and welfare of citizens. In spite of the fluctuations in oil prices over time, the government was able to move forward in implementing development projects even during the decline in oil prices benefiting from reserves it accumulated during high prices period.

The development programme of civil ministries and government units represents one of the main executive tools to realize its objectives, policies and implementation of projects included in the successive Five-Year Development Plans. The cited plans were formulated according to requirements and needs of each stage after a thorough assessment of the previous Five-Year Plans.

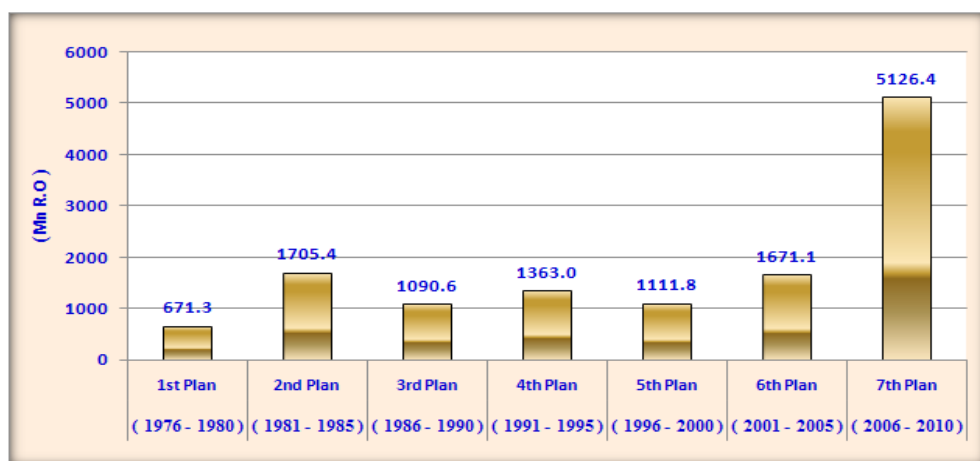
**a-** Total government expenditure during the previous four decades amounted to R.O (94) billion taking in account equitable regional distribution of the outcomes of the development. Education, health, electricity, water, roads, communication and other services were spread in various Governorate and Regions of the Sultanate.

**b-**Total implemented government investments through the development programme of the Five-Year Plans during 1971 till September 2010 reached about R.O (13208.2) million invested in the different economical sectors as follows:

- Implemented government investments in merchandize production sector, which includes crude oil, natural gas, minerals and quarrying, agriculture, fisheries and manufacturing, totaled R.O (1002.6) million representing (7.6%) of total government investments.
- Implemented government investments in service production sector, which constitutes housing, trade, electricity, water, post, telephone, tourism and fiscal and banking institutions, reached R.O (2712.2) million representing (20.6%) of total government investments.
- Implemented government investments in social structures sector comprising education, health, vocational training, information and culture, social and youth centres, amounted to R.O (2338.6) million constituting (17.8%) of total government investments.
- Implemented government investments in infrastructure sector which include roads, airports, ports, irrigation and water resources, town planning and municipalities services, government administration, environment and pollution control and other reached R.O (7081.8) million at (53.9%) of total government investments.

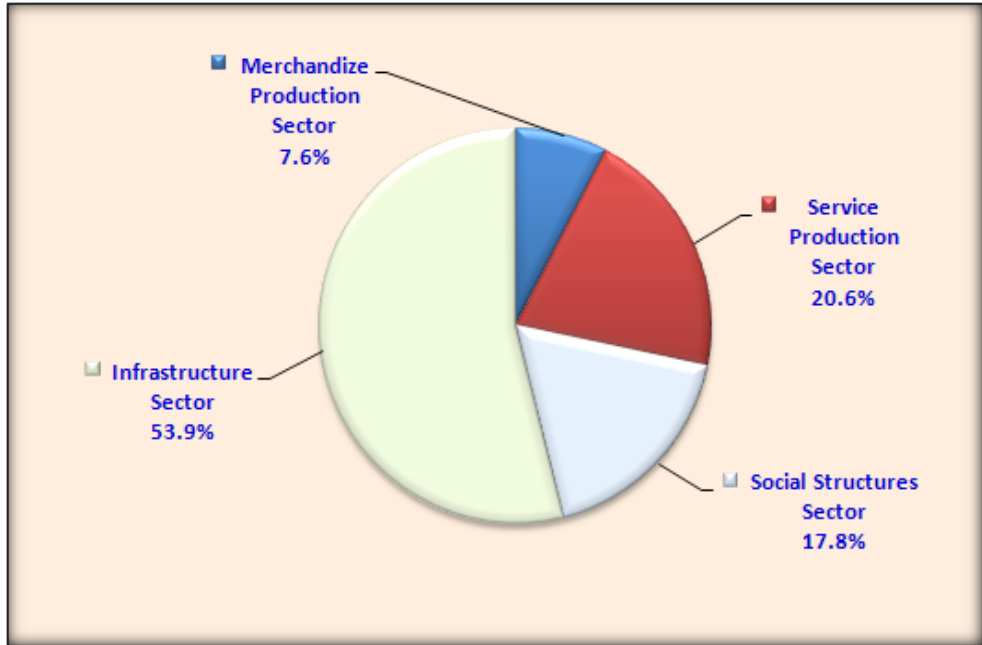
**Figure No (8)**

**Implemented government investments in civil ministries during the Five-Year Plans for the period (1976-2010)**



**Figure No (9)**

**Distribution of total implemented government investments in civil ministries in the Five-Year Plans (1976-2010) on economic sectors**



- c-** The implemented investments of the development programme witnessed a steady growth in the successive Five –Year Plans. It is worthwhile to point that the said investments during (1971-1975) reached R.O (395.6) million, and those in the first six Five-Year Plans (1976-2005) amounted to R.O (7613.2) million while those in the Seventh Plan till September 2010 reached R.O (5199.2) million i.e (64%) of the total invested during thirty five years from 1971 until end of 2005.
- d-** The development programme allocations during 1971 till September 2010 were distributed among the various Wilayts and Governorate of the Sultanate as follows:

**Distribution of implemented government investments of civil ministries  
during (1971- till September 2010)**

**( by regional distribution)**

(Mn R.O)

<b>Region</b>	<b>Total plans (First-Sixth)</b>	<b>Seventh Plan till September 2010</b>	<b>Total implemented for plans (First- Seventh)</b>	<b>Relative share of total implemented (%)</b>
<b>Muscat</b>	<b>2502</b>	<b>1287.1</b>	<b>3789.1</b>	<b>28.7%</b>
<b>Al Batinah</b>	<b>649.8</b>	<b>825.4</b>	<b>1475.2</b>	<b>11.2%</b>
<b>Musandam</b>	<b>139.4</b>	<b>41.4</b>	<b>180.8</b>	<b>1.4%</b>
<b>Al Buraymi</b>	<b>0.0</b>	<b>134.6</b>	<b>134.6</b>	<b>1.0%</b>
<b>Ad Dahirah</b>	<b>282.2</b>	<b>66.9</b>	<b>349.1</b>	<b>2.6%</b>
<b>Ad Dakhliyah</b>	<b>522.5</b>	<b>291.5</b>	<b>814.0</b>	<b>6.2%</b>
<b>Ash Sharqiyah</b>	<b>368.3</b>	<b>339.6</b>	<b>707.9</b>	<b>5.4%</b>
<b>Al Wusta</b>	<b>109.8</b>	<b>587.0</b>	<b>696.8</b>	<b>5.3%</b>
<b>Dhofar</b>	<b>788.0</b>	<b>467.9</b>	<b>1255.9</b>	<b>9.5%</b>
<b>National Projects</b>	<b>2646.8</b>	<b>1158.0</b>	<b>3804.8</b>	<b>28.8%</b>
<b>Total</b>	<b>8008.8</b>	<b>5199.4</b>	<b>13208.2</b>	<b>100.0%</b>

**15-**The government in its role, established and continue to oversee the provision of a safe and stable economical environment beside the political and security stability enjoyed by the Sultanate. Also, it provided infrastructure in the form of roads, domestic and international communication channels in most of the sultanate regions at levels matching that achieved in developed countries. It also established a government apparatus and public institutions that are competent and capable to manage the development path. In addition it enacts legislations, laws and regulations that organize the activity of individuals, public and private establishments. This to provides the appropriate environment that is conducive for domestic and foreign investment . It created economical relations with various countries in different parts of the world and regional blocs through bilateral and multilateral agreements and established appropriate free trade agreements

in addition to its membership in WTO.

Domestic and foreign private sectors can and will benefit from this favorable environment provided to stimulate investment by taking advantage of the measures, procedures, legislations, regulatory framework, laws of investment and taxes , incentives system, development of the banking sector, simplification of procedures and application of the e-government system.

As for foreign investment, in particular, new amendments were introduced in the laws related to foreign investments specifically in relation to securing foreign ownership up to (100%) and reducing tax rate from (30%) to (12%) which makes the Sultanate as one with the lowest tax rate in the region. These policies and procedures resulted in attracting more foreign direct investments which reached R.O (5029) million in 2009.

The said policies and procedures also has led to an increase in the Omani private sector investments during the Sixth and Seventh Five-Year Plans . This is specially after implementation of a number of industrial and tourism projects and the programmes that aim to raise the oil production rates. Also, the Omani private sector directed its activity towards investment in important niche sectors such as education and build-up of institutes of higher learning resulting in a number of private colleges and universities, in addition to investment in health sector by establishing private hospitals. Currently, there are six private universities and eleven colleges in different knowledge specialties . The private universities and colleges admitted in 2008/2009 more then (10000) students and those registered in the various stages exceeded (33) thousand.

**16-** Under the prudent leadership of His Majesty Sultan Qaboos bin Said-Sultan of Oman, the Sultanate was able to realize during the last forty years significant developments in the various areas. The country's economy was transformed from a traditional economy to a modern developing one where Omani citizen enjoys political and economical stability and good living standard. As a result the Sultanate took a prominent and advanced place worldwide. The international institutions reports praised the achievements of the Sultanate in the economical and social fields. In the UN Human Resources Report, the Sultanate ranked (56) among

(186) countries and classified within the countries with medium human development and high growth. Also, it ranked (15) among (57) countries in the 2009-World Competitiveness Report of the Institute of Administrative Development advancing (16) ranks from that of 2004. This was due to the strong economic performance, increasing government's efficiency and ability of the Sultanate to create an economy based on completion and attraction of foreign investments. Moodys Agency in its report regarding credit worthiness rose the Sultanate from the (A2) group to the (A1) for government bonds in both local and foreign currencies, and the sovereign rating of banks deposits in foreign currency from group (A2) to (A1).

In the World Competitiveness Report issued by the World Economic Forum in September 2010, The Sultanate is ranked third amongst Arab countries and (29th) worldwide amongst (125) countries. The classification takes in account a number of important indicators related to overall economic performance such as facilitation of investment's procedures and related legislations , customs and administrative procedures at customs outlets, non-tariff restrictions, freedom and procedures of export and import, availability of infrastructure and the business environment in general.

All this highlights the progress realized by the Sultanate in important fields and sectors which will give a boost to its economy and participate in attracting foreign investment.

### **17- The Eighth Five-Year Development Plan:**

The government is approaching completion of the formulation of the Eighth Five-Year Development Plan, the implementation of which will begin next year (2011) until the end of 2015. The most salient dimensions and directives of the Plan include:

- 1- Maintaining the macroeconomic stability and economical balance that ensure the steady growth in GDP and increase per capita income
- 2- Maximizing the social return of development in a way that positively reflects on citizens life through upgrading of education quality, expansion in higher education, improvement in the quality of health services and its close vicinity to citizens, creation of more employment opportunities for citizens and youth in particular

- 3- Continuance in the economic diversification policy, strengthening the manufacturing fields in various regions of the Sultanate, development of small and medium size projects, increasing non-oil exports and improving its quality level and developing its structure.
- 4- Attracting more national and foreign investments, enhancing the private sector role in the development process especially after setting favorable macroeconomic environment, upgrading laws and legislations related to investment and provision of various incentives.
- 5- Dealing with the rapid regional and global economic variables to ensure benefit from the positives and opportunities available, limiting the negative impacts of these variables and maintaining the economical and strategic interests of the Sultanate.

We have very briefly reviewed the most prominent achievements of the Sultanate during the past forty years. We are confident that the Omani economy will continue its tremendous growth and realize greater achievements and at the same time, overcome the challenges due to the strength and tenacity of its people and constituents.

Lastly, I am pleased to reassure, the full commitment of the government of His Majesty Sultan Qaboos bin Said - Sultan Oman to the continuance of the development path and in maintaining the best interests of the country.

**We pray to Almighty God to grant a long life to His Majesty to continue leading our path.**