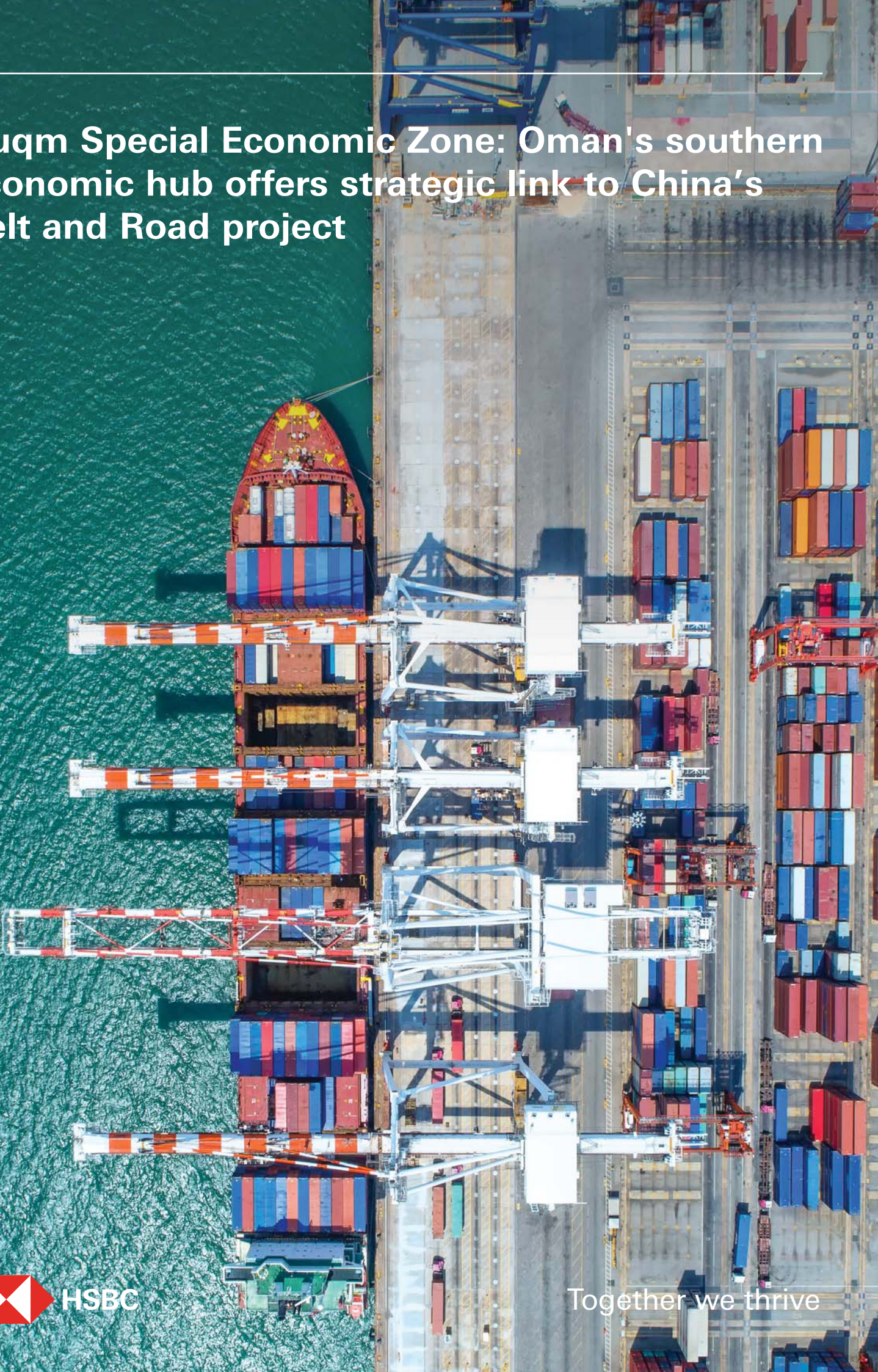


Duqm Special Economic Zone: Oman's southern economic hub offers strategic link to China's Belt and Road project



Together we thrive

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Duqm, which is positioning itself as a transportation and logistics hub, has been on the radar screen of international investors.

International investors have been drawn to Oman's Duqm Special Economic Zone Authority (SEZAD), thanks to its geostrategic location and robust infrastructure. But it is China that has identified the area's true potential and moved swiftly to invest in the project.

SEZAD is spread over an area of 2,000 square kilometres (sq km), with 70 kilometres (km) of coastline along the Arabian Sea. The development is an integrated economic development featuring a sea port, industrial area, new town, fishing harbour, tourist zone, a logistics centre and an education and training zone, all of which are supported by a multimodal transport system, which connects it to nearby regions, such as the Arabian Gulf, Middle East, East Africa and Southeast Asia.

China sees Duqm as a strategic link in its Belt and Road transportation and logistics network and part of an overarching agreement with the sultanate to boost co-operation in infrastructure, industrial parks, logistic parks, railway, ports, and power generation plants between the two nations.

Chinese company Wanfang China from the Ningxia Hui Autonomous Region is developing a 40,000-square-metre (sqm) Sino-Oman Industrial park in SEZAD that aims to encourage other Chinese companies to invest USD 10.7 billion in the development.

"Oman Wanfang Company plans to co-operate with Chinese investors to set up 35 projects in the city located in three locations in the Special Economic Zone in Duqm (SEZD), the heavy industries, the light and medium industries, and the tourist zone," according to a [SEZAD](#)¹ document.

The Duqm SEZ has long been seen as the place that will balance regional development by energising the Al Wusta governorate and diversifying Oman's revenue sources and job opportunities for Omanis, added [SEZAD](#)², which regulates the economic zone.

"The two sides are keen on continuing enhancing the

co-ordination of policies and compromise between ' Belt and Road' initiative of China and the Omani 9th five-year development plan," SEZAD said. "The two sides are also keen on accelerating the discussions and signing co-operation documents related to building ' Belt and Road' initiative."

In a [joint communique](#)³ in May 2018, Oman and China explicitly agreed to use the industrial park as a stepping stone for more economic co-operation.

"China appreciates the active participation of the Sultanate of Oman in the Belt and Road. It welcomes Oman as a partner co-operating in the building of the Belt and Road," the statement said.

Ambitious Plans

[Wanfang](#)⁴ has agreed to build 12 projects in the field of heavy industries including the production of commercial concrete, building materials and related industries, production of glazed glass, methanol and other chemicals. Processing of steel smelting, aluminium production, production of vehicle tires, building materials for protection against water and corrosion, extracting magnesium from seawater, and chemical-aromatic projects.

The light industrial zone will comprise 12 projects, including the production of 1GW of solar power units, 1GW of batteries, equipment of 10,000 private SUVs, production of oil and gas tools, pipelines, and drilling, production of half a million tonnes of colourful panels, assembling bicycles, garment production, production of games, as well as a variety of other projects.

Meanwhile, eight projects in mixed-use areas, include a training centre, a school, hospital offices, a sports centre, and a five-star hotel.

Among these, 10 will be developed in the first phase for an investment of USD 3.2 billion, according to [Wanfang](#)⁵. The largest of the project would be the USD 2.3 billion methanol and methanol-to-olefin project with a capacity of 10 million tonnes, a USD 410 million power station with two 150MW generators at the site,

and a USD 205 million five-star hotel.

Wanfang has already started work on a five-story commercial and residential complex, the first of four commercial buildings planned by the developer.

In addition, the Oman Company for the Development of Special Economic Zone at Duqm, or Tatweer, has agreed on a partnership with Wanfang and Thabat Holding Co. to develop the Building Material Market at the complex. Wanfang will have a 51% stake in the development, Tabat 34%, and Tatweer 15%.

The building materials market is spread over an area of 250,000 sqm, featuring retail, commercial, warehouses and logistics, with the first phase of its construction commencing at the end of 2018, according to [SEZAD](#)⁶.

(END)

FOOTNOTES:

1 http://www.duqm.gov.om/upload/publications/en_SEZAD_Quarterly_Magazine_Issue_13.pdf

2 <http://www.duqm.gov.om/sezad/about-us/profile>

3 http://www.duqm.gov.om/upload/publications/en_SEZAD_Quarterly_Magazine_Issue_13.pdf

4 <http://www.cawanfang.com/zcms/wwwroot/zawfen/upload/Attach/download14/2970333261.pdf>

5 <http://www.cawanfang.com/zcms/wwwroot/zawfen/upload/Attach/download14/2970333261.pdf>

6 http://www.duqm.gov.om/upload/publications/en_SEZAD_Quarterly_Magazine_Issue_13.pdf

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