

Regional player, global hub

As the CEO of ASYAD, Oman's flagship, state-owned logistics and transport group, **Abdulrahman Salim Al Hatmi's** goal is to establish the company as Europe's business-choice for a fully-integrated logistics partner in the Middle East - leveraging the Sultanate's advantageous location, world-class infrastructure, neutral political relations and globally-competitive business environment

While Oman had been actively diversifying its economy since Sultan Qaboos bin Said came to power, the shock fall in oil prices during 2014 added impetus to the country's efforts to tackle its reliance on oil revenues, explains Al Hatmi, CEO of Oman's state-owned ASYAD transport and logistics group. "The 2014 oil crisis confirmed to us that the oil boom days were well and truly over; this helped expedite the push to diversify and focused minds on the need to develop other sectors."

Oman's wide-ranging Vision 2020 strategy placed diversification of the Sultanate's economic base as one of its core objectives. But what sectors could, realistically, be developed to become a backbone of the economy? "That was the key question", says Al Hatmi. Tourism, logistics, fisheries and mining were quickly identified as promising areas of focus, offering "predominantly service-based sectors, rather than commodities - apart from mining, of course. For us, logistics made business-sense; we identified the opportunity to leverage our strategic location - open to global trade routes and directly adjacent to the largest growth markets - to deliver a truly unique product for global customers," explains Al Hatmi, adding, "A 65-strong team was formed in 2014 to create a national strategy that would realise the Sultanate's enormous potential."

That group, comprising members from both the private sector and government, quickly realised that Oman, thanks to its Vision 2020 strategy, already had most of the hard infrastructure necessary to develop a logistics sector: world class roads, deep water ports and modern airports. However, the question was "How do we translate all of our investments in hard infrastructure into broad, diversified economic growth and expand our trading and transportation links with key partners - including the EU?" Our focus was to fortify the advantage of our location and hard infrastructure with a globally competitive business environment and trade facilitation instruments. And that is what we have done; slashing the time it takes to clear shipments at the Sultanate's ports to just 21 minutes, leveraging technology and a smart risk management system, "Bayan", to significantly reduce our inspections rate to 2.5 percent - putting the Sultanate at one of the top five countries globally in inspections efficiency - and introducing regulations and incentives to make it easier and competitively profitable for international companies to establish businesses in the Sultanate. Each of these measures forms a part of our long-term National Logistics Strategy, and contributed to the World Bank's recognition of Oman as highest performing country in the region

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in terms of cross-border trade in their Doing Business 2020 report."

Al Hatmi's decades of business experience played a pivotal role in creating Oman's National Logistics Strategy 2040. He is acknowledged as one of the architects of the often innovative and pioneering approach taken by ASYAD in implementing the four central pillars of the strategy: Trade Facilitation – removing trade barriers and making it easier to do business; Marketing – identifying the sectors, industries and services that the Sultanate wants to nurture; People – developing local jobs and training; and Technology - including the take-up of new technologies such as Artificial Intelligence and increasing technology transfer. These pillars became the central hub of the National Logistics Strategy.

So, with a strategy defined and in place and a clear set of objectives identified, the next question, explains Al Hatmi, was, "Who is going to deliver it?". He continued, "We needed an organisation to oversee all elements of executing and delivering the strategy, as well as ensure that all of Oman's publicly-owned logistics companies work to the same overarching objectives." The solution was to amalgamate all of Oman's transport and logistics assets under one umbrella brand, delivering to international customers integrated solutions under one orchestrated offering. For this reason, we put all the ports, free zones, shipping and transport companies and associated infrastructure and assets within the transport and logistics supply chain under one national integrated umbrella organisation." Thus ASYAD, Oman's flagship transportation and logistics group, was formed in early 2016.

ASYAD's set of guiding principles is the national logistics strategy. "The government has several holding companies, but ASYAD is unique in that we have a mandate to execute national strategy as well as corporate objectives." It's clear that Al Hatmi relishes the parallel opportunities that running ASYAD offers: delivering on national government strategies and goals on the one hand while developing Oman's private sector growth on the other. "Success is measured not just on our corporate, but also on our national performance."

Al Hatmi's ambition is to make ASYAD not simply a national, but a global end-to-end logistics provider, one that embodies everything that is modern Oman. The Sultanate, with its 'Friend of All, Enemy of None' policy, is expanding its political as well as its economic footprint, both in the Gulf and Middle East as well as to the south and east with historic and new trading partners. There is also eagerness to progress discussions on a Free Trade Agreement with the EU and expand cooperation across sectors including agriculture and fisheries, energy, tourism and of course transportation.

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"We aspire to become one of the world's top ten logistics groups by 2040," says Al Hatmi. Plans to expand the footprint of ASYAD beyond the Sultanate centre around the country's three world-class ports: Sohar on the Gulf of Oman and, on the coast of the Arabian Sea, Duqm and Salalah - facing east and south respectively. These emerging transport and logistics powerhouses were, until coming under the ASYAD umbrella, responsible for their own management and marketing in competition with each other.



"Within ASYAD, we are looking not only at Oman's economy but also at the economy of the wider region. We will be serving not simply four million Omanis but the two billion people around us. This is a fundamental aspect of our thinking and marketing and will be how we develop and expand into the Indian and emerging African markets, the GCC and Iran – connecting them quickly and efficiently with →

countries around the world."

To achievie its goal of becoming a global inter-modal logistics hub, Oman has teamed up with some of the best global ports and major container terminal operators. These include the Port of Antwerp at Duqm; Maersk, which helped build and now co-manages Salalah; and the Port of Rotterdam, which co-owns and co-operates with Sohar Port. This strategic alignment with Europe's two largest container ports highlights the importance that Oman and ASYAD place on establishing the country as a global logistics hub. In many ways, it embodies Oman's modern re-emergence. "We won't be able to become an international trading hub unless we have connectivity to major markets. The only way to build this connectivity and influence is by investing directly in these markets in Africa, Asia and beyond. So, we are expanding our footprint outside Oman, acquiring ports and companies that will allow us to provide end-to-end solutions from the factory to the customer and everything inbetween.

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And, thanks to Oman's strategic location, political stability and predictable regulatory environment, it is well placed to do so. "When an investor comes here, they know what they're going to get", says Al Hatmi. "We are also one of the safest countries in the world. With all these considerations, I believe we are ideally placed to serve the wider regional market."

Indeed, Oman's geostrategic position has not gone unnoticed. China is investing heavily in the Gulf region and has a $10bn deal to develop Duqm alongside Belgium's Port of Antwerp, while India has announced plans to invest $20bn in the region. Driving this interest is the estimated €400bn market to repair what has been destroyed in Syria, Yemen and Iraq. Oman, with its world class ports, has the value proposition to become the Middle East's restoration hub.

There's a plaque outside Al Hatmi's office that highlights ASYAD's vision of becoming the leading logistics service provider of choice worldwide. "Can we become one of the world's top ten logistics groups by 2040? Can we become an integrated regional and global hub? Yes, I believe we can. It just takes the will to do it. And I believe we have that will." ★

GATEWAY TO THE GULF: OMAN'S THREE WORLD CLASS PORTS

Sohar

Sohar is a deep-draft port with remote-controlled container gantries capable of loading and unloading the world's largest container ships. With its general cargo, liquid bulk, container and service-dedicated terminals, Sohar boasts state-of-the-art management and vessel notification systems and offers the full spectrum of maritime support. Sohar's services include bunkering, lineman, marine supply, tug and towage, stevedoring and crew change, pilotage, ship supplies and fresh water deliveries, cargo handling and ship-to-ship transfer and operations.

The port, and its adjacent free zones, are managed by the Sohar Industrial Port Company, a joint venture between the Port of Rotterdam and the Sultanate of Oman.

Sohar International Development and the Sohar Free Zone Company offer impressive facilities and a wide variety of industrial, trading, commercial and logistics opportunities for clients with both regional and global interests. Sohar is operated as a joint venture between Hutchison Port Holdings, the Sultanate of Oman, Steinweg of Netherlands and several well-established Omani investors.

Salalah

Established in 1998 with an infrastructure investment of approximately $800m, Salalah is one of the world's largest transhipment ports. It boasts world-class terminal capabilities for liquid bulk and mineral bulk handling. Salalah's six container berths and 18-metre deep channels can accommodate the world's largest container ships. Salalah Port is partly owned and managed by one of the world's largest container terminal operators, APM Terminals, together with the Salalah Port Company.



Salalah's strategic location astride the major east-west trade shipping lanes linking Asia, the Indian subcontinent, the Middle East, the US and Europe, enables better transit times than other ports in the Gulf or Indian Ocean.

Salalah's world-class infrastructure means the port can serve any size or type of vessel, from container and cargo to crude carriers and cruise ships. The port's adjacent free zone provides a base where companies can set up and thrive.

Duqm

Situated on Oman's south-eastern seaboard, Duqm's 2100 metre quay and expansive basin mark the port as a potential world-class, multipurpose commercial gateway. The approach channel, with its 19-metre draft, makes the port accessible to virtually all modern ships, with the capacity to handle containers, liquid bulk, dry bulk, project and other types of cargo and minerals. Duqm will be a leading commercial hub of the huge 1777 square kilometre SEZAD industrial development, which will include a free zone, airport, dry dock, refinery, heavy and light industrial manufacturing zones and a mixed-use residential and commercial centre.

Duqm is managed by the Port of Duqm Company SAOC, a 50-50 joint venture between the Consortium Antwerp Port (CAP) and the Sultanate of Oman. CAP is supported by the Port of Antwerp, one of Europe's largest hub ports.

Source: ASYAD



Danny Cornelissen - Port of Rotterdam Authority

Building connections

The Port of Rotterdam's partnership with Oman on developing the Sohar Port and Freezone, can serve as a showcase for port development across the world

Since 2003, the Port of Rotterdam Authority has been building new connections using its world-renowned port development expertise and experience to promote local development, identify opportunities and promote knowledge sharing and innovation. The Port of Rotterdam is Europe's largest port industrial complex, stretching for over 45 kilometres and covering 13,000 hectares. Rotterdam handles nearly 470 million tons of cargo, making it Europe's largest by volume. Moreover, the port is an important economic engine indirectly employing 385,000 people and generating approximately six per cent of the GDP of the Netherlands. The Port Authority's long-term vision, sustainable approach to port development and recent experience in constructing the Maasvlakte 2 expansion has made it a benchmark: *the World Economic Forum has ranked the Netherlands as leaders in quality of port infrastructure for six years in a row.*

The Port Authority has used its experience and expertise in port development to expand beyond its national borders. It has developed the Sohar Port and Freezone jointly with the Omani government. Sohar has become one of the fastest-growing ports in the world, increasing from four million tons of cargo in 2007 when operations began, to over 62 million tons in 2018. Sohar has attracted tens of billions of euros in private sector investments and generated tens of thousands of jobs in Oman, becoming a case study in successful port development. According to René van der Plas, Director of Port of Rotterdam International, that partnership with Sohar has proven its worth. "The Port and Freezone has developed into a home base for numerous logistics and industrial firms. It has also created significant social and economic value, including new jobs, increased trade and returns. It can serve as a showcase for ports all over the world, demonstrating what is possible in a mere 15 years."

Port of Rotterdam Authority CEO, Allard Castelein believes →

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Director of Port of Rotterdam International, René van der Plas



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Port of Rotterdam Authority CEO, Allard Castelein

that the authority contributes to Sohar's development by sharing its knowledge of rules, regulations, standards and procedures. "We have been part of the management team of Sohar Industrial Port Company for 15 years now. Sohar has developed from an industrial port into an important full-service port for general cargo, containers and dry bulk terminals. That's why our experience fits in so well here. Every time I visit Oman, I feel a new optimism. We cherish our relationship with Sohar and are proud of everything we've jointly accomplished over the course of our partnership. We look forward to continuing our relationship and contributing to the port's development."

With this proven international track record, the Port of Rotterdam has embarked on identifying other promising port development opportunities. It is seeking to replicate its Omani success in Brazil, where it has become a shareholder in the Pecém Industrial Port Complex, a rapidly-expanding port development complex in northeast Brazil. After an invitation by recently elected President Joko Widodo, it has also opened an office in Jakarta to pursue projects in Indonesia and support the Indonesian government in realising its port development ambitions. Furthermore, the port authority has carried out various consultancy assignments for governments, port authorities and private companies in countries as politically and geographically diverse as the United States, China, India, Argentina, Latvia, Mozambique and Egypt, further strengthening its reputation as an international port developer. It has also expanded its range of activities, becoming a supplier of digital solutions for ports in its belief that digitisation is one of the most disruptive trends that ports will have to confront.

Castelein explains, "When we enter into a partnership with a foreign port, both parties stand to gain. We can use our extensive knowledge and experience to support them in their development, particularly ports in emerging economies. We have strong expertise in strategic port planning and port management. The Port of Rotterdam accommodates a mix of logistics and industrial activities, as does that of Sohar. We undertake a variety of roles in our collaborations with ports and authorities around the world: adviser, port manager and occasionally investor. But we can also act as a supplier – offering IT solutions within our Digital Business Solutions program, for example. All parties benefit from these activities. What's more, this allows us to broaden and deepen our knowledge of international developments. We can strengthen our ties with leading players in the international industry and logistics sectors. This in turn enables us to expand our playing field and enhance our innovative capacity. This is in line with our ambitions to be international leaders in sustainability and digitisation."

"The Port of Rotterdam has so much to offer," adds Van der Plas. "To build a successful port, everything has to fit together: market, design and construction, financing, environmental aspects, sustainability and digitisation. We seek to connect ports by encouraging new commercial developments and innovation. We achieve this by sharing knowledge. The best way to create opportunities for yourself is by creating them for others. Any parties who are interested are welcome to join us." ★



Ernst Bode - Port of Rotterdam Authority

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