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Opportunity for Mining and Mineral-Based Industries in Oman

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Abstract

The Sultanate of Oman is undergoing a structural shift from a hydrocarbon-centric economy toward diversified, non-oil growth under Oman Vision 2040. Mining and mineral-based industries are playing a key role in this transformation. This article evaluates Oman's strategic location and logistics advantages; rich mineral resources of high-grade limestone, natural gypsum, chromite, laterite (iron-ore bearing material), copper and other minerals; and the business-friendly policy environment that aims to attract responsible investment. It identifies near-term and medium-term opportunities for raw material exports and manufacturing and export potential for cement and lime, gypsum board, ferrochrome, copper value chains, and allied downstream industries, and outlines pragmatic approaches to navigating permitting, infrastructure, water, energy, and human-capital challenges.

Keywords: *Chromite, Copper, Diversification, Free Trade Zones, Gypsum, Iron Ore, Laterite, Limestone, Logistics, Mining, Mineral Policy, Non-Oil Economy, Oman, Ports, Vision 2040*

1.0 Introduction

The Sultanate of Oman, an Arab country on the southeastern coast of the Arabian Peninsula, is bordered by the United Arab Emirates, Saudi Arabia, and Yemen, with the Arabian Sea on the southeast and the Oman Sea on the northeast. It is the third-largest country in the Arabian Peninsula.

Oman is blessed with rich mineral resources such as high-grade limestone, natural gypsum, copper, laterite, chromite, and potash[1,3,7]. Its political and economic stability attracts local and foreign investments and promotes industrial development[2,7,8].

2.0 Geographical Location

Strategically located between Asia, Africa, and the Middle East, Oman acts as a key access point for businesses seeking to explore diverse markets. The country's prime location facilitates easy access to key global markets, making it an ideal hub for international trade and commerce. With modern transportation infrastructure, world-class roads, airports, seaports, and free zones, Oman ensures streamlined logistics and enhanced connectivity[4,5,6].

Modern bulk-handling capacity exists for aggregates, clinker, limestone, gypsum, chromite, and metals. Port of Sohar handled more than 60 million tons of cargo in 2022[4], while Port of Salalah processed over 4 million TEUs and nearly 20 million tons of general cargo in the same year[6].

The Port of Salalah, located in southern Oman, has retained its position as the second most efficient container port in the world, according to the 2023 Container Port Performance Index[6] (Figure 1). For mineral exporters, these logistics features translate into shorter sailing distances to demand centres in India, Bangladesh, Sri Lanka, and East Africa.



Figure 1. Port of Salalah, Oman. Photo courtesy of ALSI Oman[6].

3.0 Business-Friendly Policies

Oman has prioritised creating a business-friendly regulatory environment to attract foreign investment. The government has implemented reforms to streamline processes, reduce red tape, and enhance ease of doing business[7].

The Ministry of Energy and Minerals has progressively refined its mineral policy framework to support transparent licensing, investor protection, and sustainability[3].

Oman's free zones, located at Sohar, Salalah, Duqm, and Mazunah, provide incentives for foreign businesses[4,5,6]. These zones already host steel, petrochemical, and fertiliser industries, and are increasingly open to mineral beneficiation projects[7].

4.0 Natural Resources: Priority Commodities

4.1 High-Grade Limestone

Carbonate sequences in several governorates host high-purity limestone suitable for the cement and steel industries. Oman exported approximately 11 million tons of limestone in 2021, primarily to India and Bangladesh[1] (Figure 2).

4.2 Natural Gypsum

Oman is the world's largest exporter of natural gypsum, supplying over 9 million tons annually to India, Vietnam, and Bangladesh[7]. Deposits in southern Oman, near Salalah, provide cost-effective logistics for large-scale exports (Figure 3).



Figure 2. View of a typical Limestone quarry[1].



Figure 3. Gypsum mines near Thumrait, approximately 80 km from the Port of Salalah[7].

4.3 Chromite

Oman produces 0.8–1 million tons of chromite annually, with significant scope for ferrochrome smelting supported by port and power infrastructure[7]. Oman was also the first GCC nation to export ferrochrome[7].

4.4 Laterite (Iron-Ore Bearing Material)

Iron-rich laterites are used in cement industries to reduce calcination heat, and for niche ironmaking applications[1,7] (Figure 4).

4.5 Copper and Base Metals

Volcanogenic massive sulfide deposits in Oman support copper mining. Annual production of copper concentrate has ranged between 15,000–25,000 tons, with export potential via northern ports[7].

4.6 Other Industrial Minerals

Dolomite, silica sand, kaolin, feldspar, marble, and barite provide feedstock for glass, ceramics, refractories, and oilfield services[1,3].



Figure 4. Laterite (iron ore) quarry at Ibra, ~180 km south of Muscat[1,7].

5.0 Mineral-Based Industries

Translating raw-material advantages into industrial value addition is central to Vision 2040. Opportunity streams include:

1. Cement, clinker, quick lime, hydrated lime
2. Gypsum value chain (calcination, gypsum board)
3. Ferrochrome and speciality alloys
4. Copper concentrates and downstream products
5. Glass, ceramics, and refractories
6. Dimension stone and aggregates[3,7,8]

Oman has only two major integrated cement plants (Oman Cement and Raysut Cement), the demand exceeds the domestic production, which is met by imports mostly from the UAE[7].

6.0 Oman Vision 2040 and the Non-Oil Economy

Under Oman Vision 2040, the mineral sector, along with energy, tourism, manufacturing, and logistics, is a pillar of diversification[8].

The Ministry of Energy and Minerals is committed to developing resource sectors with transparency and efficiency, enhancing in-country value and sustainability[3,8].

Vision 2040 emphasises downstream value addition, cluster development, skills, technology, and sustainability as priorities for mining and manufacturing[8].

7.0 Conclusion

Oman's mineral sector represents a strategically significant opportunity within the broader framework of Oman Vision 2040. The nation's advantageous geographic position, modern port infrastructure, and abundance of high-grade mineral resources provide a strong foundation for growth and international collaboration[4,6,8].

Investment in Oman's mineral industries not only promises long-term economic returns but also contributes to positioning the Sultanate as a regional hub for mining, manufacturing, and exports.

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