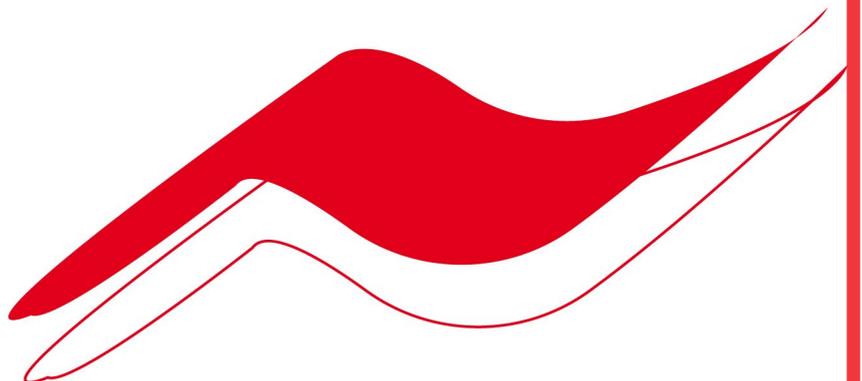


# **SOI IAR**

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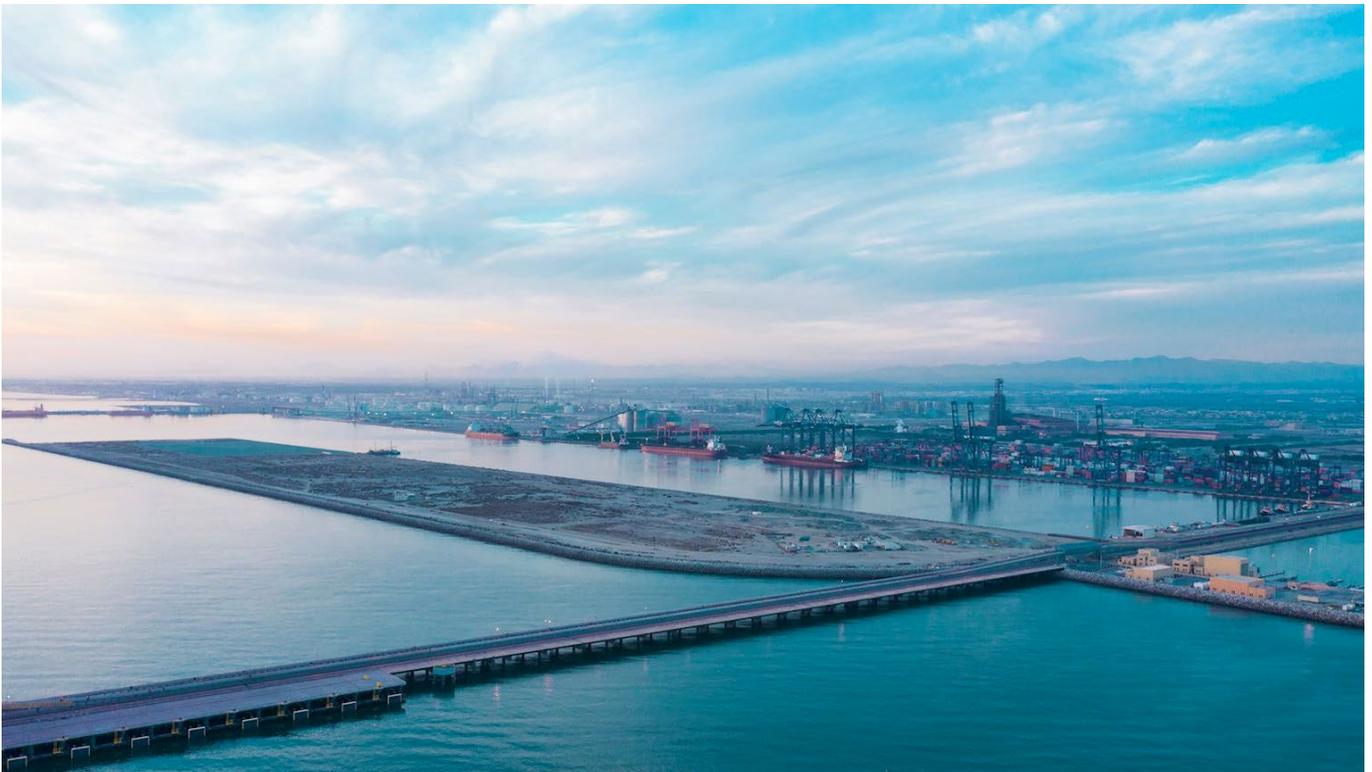


# SOHAR Port and Freezone – A reliable partner for your energy transition

*Tom Costa, Program Manager Energy & Industry, SOHAR Port and Freezone (SIPC)*

Oman's relationship with the UK, which dates back to a trade treaty signed in 1646, has existed and grown throughout the centuries. Today, both nations are bound by a diverse mosaic of personal and commercial ties. The United Kingdom remains one of the Sultanate's largest Foreign Direct Investors (FDI), thanks to robust trade links and the UK's investment in the Sultanate's oil and gas sector.

The Sultanate of Oman, under the wise leadership of the late His Majesty Sultan Qaboos bin Said bin Taimur, experienced tremendous social and economic growth. The resultant prosperity influenced and improved many aspects of life for those living in Oman, both citizens and expatriates working in the Sultanate. A direct effect of the Sultanate's growth was a fourfold rise in demand for natural gas to serve the electricity generation industry between 2005 and 2015.



Oman's Natural Gas represents a valuable yet scarce resource, which is carefully managed by the Ministry of Energy and Minerals. The ministry allocates the resource between three critical sectors: power, industrial and export, ensuring that each sector receives a proportion of this limited resource.

With the power sector required to meet the continual growth of supply-demand by residential, commercial and service industries, the industrial sector represents an important pillar to the continued growth of the nation. By supporting existing industries and attracting new investments for economic diversification, the export market plays an important role in bringing in external revenue.

SOHAR Port and Freezone, located in the North of Oman, was specifically established as an Industrial & Commercial Port in line with this vision and need. Within the 20 years of its operation, the Port has attracted in excess of 28 billion USD of investment, contributing significantly to the strengthening and diversification of the nation's economy.



Within the complex, new investors who request large amounts of energy, are subject to careful assessment against a stringent set of parameters before being allowed to invest. These parameters ensure that any investors contribute positively to the continued development of Oman and that the 'In-Country Value' of the investment is of benefit to the economy. Only approved investments will receive energy allocations to allow operations.

SOHAR Port and Freezone is at the forefront of Oman's logistics strategy and currently undergoing a major expansion within its industrial cluster. At the same time, it is also heavily investing in innovative sustainability practices and projects. For the first time in Oman, industries at the complex can benefit from developments in the renewable energy sector that have long-standing benefits at their core. From reduced carbon footprint, reductions in operational costs and, perhaps the most relevant and significant for Oman, a lower dependency on fossil fuels.

Providing competitively priced and clear energy has been defined as a key success factor for the Vision 2040 of SOHAR, resulting in its strategy execution programmes aimed at energy optimisation and transition. This is to ensure that SOHAR continues to be an attractive industrial and logistic hub in the region while maintaining its fast growth and industrial cluster development. By doing so, the complex is able to further contribute by freeing up valuable energy resources to industries for use in other high-value applications reliant on oil and natural gas as a primary energy source.



SOHAR Port and Freezone is committed to identifying, pursuing, implementing and promoting measures that can or lead to the effective and responsible use of natural resources. The Strategic Affairs Department offers support to both existing industries and any potential future investors. The sustainability approach of SOHAR is based on four pillars: Renewables, Innovation, Synergies and Energy.

A partnership between SOHAR Port and Freezone and Shell Oman is allowing for the first time provision of clean, affordable and renewable energy to industries within SOHAR Freezone. The planned 4,500-hectare 'green Freezone' will offer first-of-its-kind in the country solar-powered solutions to tenants and is part of a proactive long-term strategic objective for the complex. Phase 1, which will be completed imminently, will be a 25 MW solar PV (Photovoltaic) plant. The current end-user, Al Tamman Indsil Ferro-Chrome, will be able to reduce their carbon footprint significantly, and lower their dependency on conventional electricity supply for its operations.

Cooperation with EJAAD and partnership with the Port of Rotterdam allows SOHAR to develop long term strategies for the development of renewable energy sources including green hydrogen initiatives, which represent the most likely energy carrier of the future. SOHAR Port and Freezone is suitable for building and scaling up green hydrogen production capacity in the GCC, until it achieves export threshold volumes as it is home to the largest hydrogen consuming industries in the region. Hydrogen is essential for the production of fertilizers, methanol, and iron and steel and refinery operations, and the large demand is currently being met by natural gas based hydrogen.



Within the marine industry at SOHAR Port and Freezone, a partnership between OQ and Total is in place to provide a bunkering facility for LNG. Recently, SOHAR joined the SEA-LNG, the leading multi-sector industry coalition, to promote its use as a marine fuel and overall investment in LNG bunkering facilities at the Port. The availability of an LNG ship fueling facility will represent a very strong enabler for the Port, making it the first in the GCC to offer such services. Additionally, with the presence of its major shipping lines, SOHAR Port and Freezone will not just be a source of clean fuel, but also a one-stop-shop for all commercial activities.

The future landscape is changing faster than ever before, with renewables and clear initiatives playing a pivotal role in major investment decisions. SOHAR Port and Freezone is committed to being a reliable, in-

novative and instrumental partner for energy transition for all its tenants, partners and potential investors.

SOHAR Port and Freezone, it all starts here.

