

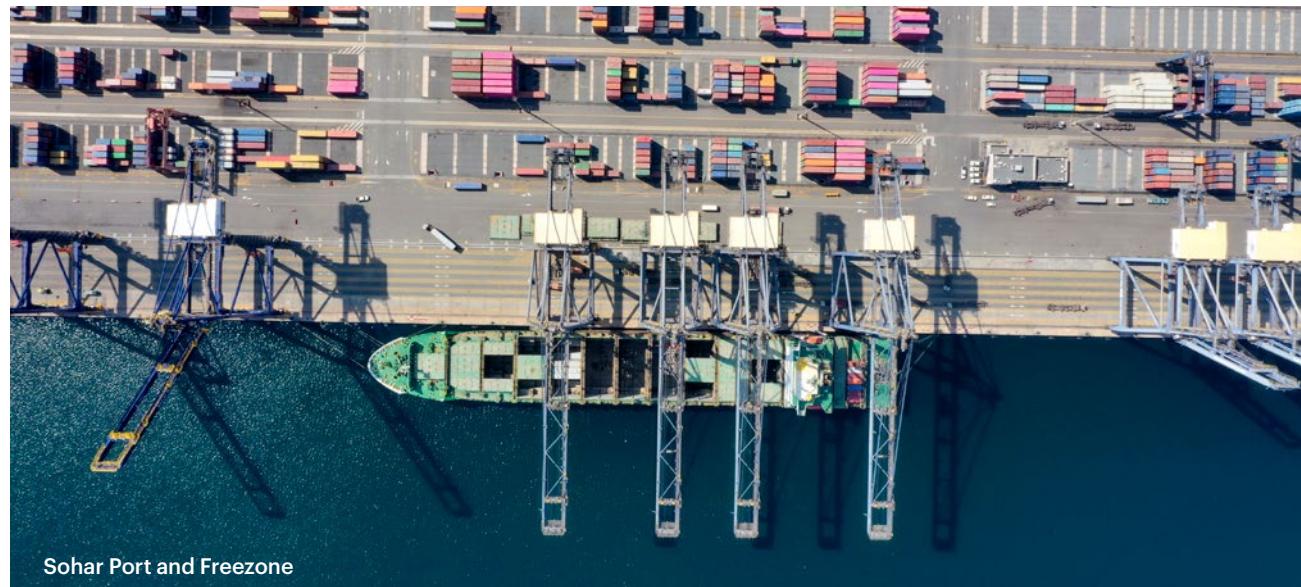
Middle East
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— SPECIAL REPORT —





Sohar Port and Freezone

The Infrastructure and Capabilities Shaping Omani Logistics

Oman has long been a pivotal destination along global trade and shipping routes. Now, the sultanate is bolstering its logistics legacy with cutting-edge infrastructure, investment, and business appeal.

When it comes to international trade, Oman needs no introduction. For more than a thousand years, the sultanate has been a gateway to the world, connecting continents and transporting goods along some of the most famous trade routes on Earth. Over the course of centuries, trading giants from Africa, Asia, and Europe have frequented Oman's bustling ports, dealing in incense, spices, silk, and other precious commodities of the day. Now, the sultanate's legacy as a trading hub lives on, and its leadership is on a mission to keep Oman firmly on the global logistics map.

Oman is ambitious. By 2040, it aims to count among the top 10 logistics hubs in the world and has embarked on a strategy that could

see related industries contribute \$36 billion to the national GDP and create up to 300,000 jobs. On course for success, the Oman Logistics Strategy 2040 is expected to transform the sector into the country's second-largest economic contributor after hydrocarbons.

Among the strategic objectives set out by Oman in recent years have been digitizing and enhancing logistics through IT investment, easing congestion, and boosting capacity, with tangible progress already made. Up in the air, routes for national airline carriers have been expanded, with Oman authorizing American carrier Jet Blue to commence a codeshare service to the sultanate with Emirates Airlines in 2022. In 2021, Oman Air also entered into a

code share agreement with Qatar Airways, providing flights to the U.S.

Back on land, major road projects have been completed in recent years, including the \$2.6 billion Batinah Expressway, which runs through Muscat and Sohar to Oman's border with the U.A.E, and in July this year, the board of the Public Authority for Special Economic Zones and Free Zones (Opaz) valued the royal decree establishing Khazaen Economic City.

However, while sizeable investment has been plowed into developing aviation and road links, it is Oman's seaports that continue to dominate the logistics landscape—and with good reason. As of March 2022, imports by sea accounted for 65.5% of the country's total, with land accounting for just over a

quarter and goods imported by air just 9%. Oman's Ministry of Transport, Communications, and Information Technology has also reported a substantial increase in its maritime affairs services for the first half of 2023, with the release of 406 new services tied to maritime activities—an 81% increase compared to the same period last year.

Oman is home to seven state-owned commercial ports, all of which are overseen by Asyad, the logistics arm of the Oman government, with leading private sector companies involved in day-to-day operations. Of the seven, three are deep-water ports: Sohar in the north, Salalah in the south, and Duqm, the sultanate's flagship development project located between Muscat and Salalah along Oman's Indian Ocean coast. Combined, the three ports connect to 86 ports in 40 countries, and capacity is building fast.

As the economic strains catalyzed by the Covid-19 pandemic begin to ease, once-halted infrastructure projects are now coming back to life, and ports and special economic zones are seeking foreign investment to finance ambitious development plans—an endeavor that is set to become easier thanks to the recently improved public-private partnerships law.

Duqm, in particular, is home to an abundance of opportunity with its new port, naval base, dry dock, fisheries hub, industrial free zone, power and desalination plants, oil tank storage terminal, and oil refinery, as well as new hotels to accommodate the growing number of visitors.

In May 2023, Brazilian mining company Vale signed an agreement with the Port of Duqm Company and an MoU with Saudi utility company Marafiq to develop a "mega-hub" at Duqm SEZ to



Asyad Shipping

produce low-carbon products for the steelmaking industry. Meanwhile, in 2021, Asyad built its first new ship at Duqm's drydock, and Saudi Basic Industries Corp. and Oman's state-owned energy company, OQ, signed an MoU relating to a potential petrochemical project.

Not to be overlooked, Oman's Salalah and Sohar ports present significant opportunities, too. Salalah is Oman's busiest and largest port, with infrastructure capable of handling the world's largest container vessels, as well as bulk cargo, bunkering, and warehousing facilities. For two consecutive years (2021 and 2022), Salalah ranked as the second most efficient container port in the world on the Container Ports Performance Index published by the World Bank and S&P Global. In November 2022, the continuing expansion of the port's services hailed the introduction of a new trans-shipment connection with China and Yemen.

For its part, Sohar's free zone, which hosts the sultanate's largest operating oil refinery, continues to lead downstream manufacturing in Oman and has ambitions to attract additional manufacturing and distribution facilities.

Matching Oman's state-of-the-art port infrastructure is a growing reputation for world-class service. In 2020, Oman ranked top for port calls according to the United Nations Conference on Trade and Development, with the time taken to handle a ship's containers averaging 12.5 hours. Oman has also successfully reduced the cost, time, and effort required to transport goods via road using the TIR system—a procedure that enables goods to move across international borders under customs control without payment of the duties and taxes typically due at importation.

In addition, shipping inspections have been streamlined, one-stop shops have been established to manage coordination and customer service, and customs and other agencies are operational 24/7 to facilitate round-the-clock clearance.

When it comes to service, Asyad is Oman's undisputed leader, with a portfolio that includes a fleet of 80 modern vessels, three of the world's most efficient deep ports, one dry port, two free zones, an economic zone, and an extensive road network. The company's offerings also include Asyad Express, which operates last-mile delivery services from a 3,000-square-meter fulfillment center.

As a \$4 billion enterprise backed by an initial \$26 billion in government infrastructure spending, Asyad attracts customers and investors in search of state-of-the-art logistics facilities and manufacturing capabilities and is supporting Oman on its journey to becoming one of the world's leading logistics hubs.

For centuries, if not millennia, Oman has played an integral part in the story of global trade. Now, with vision, investment, and a solid strategy firmly in place, that role looks set to continue as the country builds a logistics sector to rival the best in the world.

A New Force Rises: Oman's Powerhouse Redefining Logistics In Mena And Beyond

Oman's global integrated logistics provider, Asyad Group, has evolved into an unstoppable force that is reshaping the logistics landscape in MENA, taking on heavy hitters, and setting benchmarks for global success.



Asyad Line

In the short, rocky years when established players stumbled in the face of a pandemic, geopolitical crises, and market volatility, the four-billion-dollar newcomer turned back-to-back challenges into rare opportunities to build and expand an integrated logistics ecosystem that spans continents. Asyad's journey of success and exponential growth has culminated in the business becoming the fourth biggest logistics company in MENA, enabling regional and global trade.

Pivotal to this phenomenal success was integration. Asyad built an exceptional business model predicated on integrating all the facets of its business from infrastructure to products, to brand and culture.

From the outset, Asyad's culture centered around innovation and

“The group positioned itself as more than an integrated solution provider; it molded its assets and capabilities to efficiently cover the entire logistics journey of its clients”

integration across the board, from brand and touchpoints to products and services. With this culture, the group created a seamless, holistic customer journey supported by a diverse asset portfolio. Today, that portfolio comprises three deep ports, an 80-plus vessel fleet, a world-class drydock, a last-mile doorstep delivery arm, and a set of highly attractive free and economic zones, ensuring a strong Asyad presence in every link of the supply chain.

Asyad's integrated business model that carried the group to regional and global recognition focused primarily on integrating its assets from coast to coast and promoting efficiencies and synergies

between its various arms. Additionally, the logistics disruptor ensured a culture that promoted agility in decision making to maintain a robust, dynamic architecture while adopting the right commercial mindset to approach planning and investment. These prescient strategies allowed the group to introduce tailored solutions that catered to standard demand as well as niche industries and actors across the globe searching for a trusted logistics brand.

To epitomize customer centricity in its signature approach to logistics, the group positioned itself as more than an integrated solution provider; it molded its assets and capabilities to efficiently cover the entire logistics

journey of its clients and enable them to focus on growth and expansion, all while acting as a reliable partner imbedded into their business models. Maintaining its commitment to an integrated logistics offering, Asyad began to reap the rewards of its client-oriented approach.

By 2022, Asyad's growth numbers were staggering: a CAGR of 24% in revenue and 89% in profit since 2016 backed by a strong balance sheet with over four billion dollars in assets. This double-digit growth in revenue and net profit year-on-year was a remarkable display of consistency that placed Asyad Group among the top revenue generators in a region booming with wealth, mega development projects, and fiercely competitive logistics and investment scenes.

Maintaining such rapid growth was not simply a fortuitous outcome. It was the result of a diligently diversified portfolio, acute market foresight, and carefully devised strategies that capitalized on the abundant resources and innate advantages of Oman. Financially, Asyad adopted a forward-thinking strategy that safeguarded its performance, maintaining a healthy debt-to-equity ratio, securing a cash-rich position, and proactively identifying and mitigating risks. The group's exceptional management and efforts to maintain financial sustainability earned it global recognition, receiving the prestigious title of the Best Treasury Management Company in the Middle East awarded by the Association of Corporate Treasurers (ACT).

With the aim of hedging against the cyclicity of the logistics business, Asyad has been keen on keeping adequate cash balances that serve as a shield to fend off various market threats, and a spear to swiftly and timely enter new markets and seize investment



Asyad Express Last Mile Delivery

“Asyad's journey of success and exponential growth has culminated in the business becoming the fourth biggest logistics company in MENA”

opportunities based on its targeted acquisition plans. The source of the group's financial flexibility goes beyond its cash-ready stance, it is enabled by advanced risk analysis capabilities that help the business respond to challenges free of excessive debt burdens. Combining fiscal prudence and financial agility, Asyad's strategy resulted in a 79% growth in shareholder equity between 2016-2022.

Parallel to securing financial health and robustness, Asyad advanced its regional and global success by combining a proactive approach to market needs with strategic investments in quality assets and data-based targeting of select markets. Impactful mergers and acquisitions were undertaken to both anticipate and respond to changes in customers' demand, whether by extensively expanding current capabilities, such as purchasing state-of-the-art vessels and acquiring a floating dock, or unlocking new logistics areas such as developing cold chain capabilities through the sizeable acquisition of Al Ameen Stores and Refrigeration LLC.

Throughout a decade of operational and financial success, Asyad Group remained true to its core value of sustainability and its quest to shape a greener future for logistics, deploying innovative and

impactful sustainability initiatives. As early as 2019, Asyad accessed green financing initiatives by financing two vessels through the Sustainability Link Loan via Standard Chartered. The group also developed its own finance ESG framework showcasing its commitment to raise future financing in green sustainable products.

In addition, Asyad Group partnered with emission reduction and waste management private entities to decarbonize logistics and promote an eco-friendly industry. Other strategic partnerships were executed with global corporations to analyze Oman's prospects and competitiveness in the clean energy business and lay the groundwork for Oman's nascent hydrogen industry, in a bid to transform Asyad's major ports into global hubs for clean energy.

Through commitment to integration, innovation, and bullish expansion, Asyad Group quickly rose to the top of MENA's logistics. Today, Oman's logistics giant continues to push the boundaries of success, making great strides to become a major global contender connecting continents and powering trade.

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A Culture Of Integration Driving Operational Success

From ports to last-mile delivery, Oman's Asyad Group is stamping its mark on the global integrated logistics landscape.



The impact of these rapid expansions has been felt across MENA, as Asyad plays a crucial role in catalyzing trade and arming industry actors with reliable direct maritime solutions.

However, Asyad's push for a larger maritime footprint has not been confined to the Middle East; the group is actively expanding into neighboring markets in Asia and establishing a presence in countries like Singapore.

Another crown jewel in the group portfolio is Asyad Drydock. In 2022, the drydock handled over 200 projects and recorded over \$30 million in net profit, while expanding its capabilities by acquiring a new floating dock that will increase the yard's annual capacity to 240 ships.

Meanwhile, Asyad Express has also experienced significant growth. The year 2023 saw the group's last-mile delivery arm record 50% growth in volume and partner with global e-commerce tycoons, including Amazon and the UK's parcel delivery giant, Evri.

With cross-cutting growth, Asyad Group has reached a new level of integrated success. The new global contender has risen to regional prominence and is now making its presence known across the world's logistics landscape.

Customer-centered culture, active expansion, and integration count among the key drivers of success at Asyad Group, and they permeate every asset and every aspect of the business. Just some of the group's shining examples of success include Asyad's ports, shipping arm, and drydock that have all developed into regional and global models of integrated efficiency.

The full range of maritime solutions from the regional logistics powerhouse includes three ports globally recognized for their efficiency, one of the largest drydocks in the Middle East, and a diversified fleet of ocean-going vessels. The vessels operate on Asyad's extensive sea transport network connecting Oman's maritime gateways to over sixty countries and 200 ports across the globe.

Asyad began its maritime journey with a mid-sized commercial fleet of 45 ships, but thanks to a targeted investment strategy, the group's colors were flying across oceans on board 80 vessels in less than a decade. The fleet's growth went

beyond size, as the group focused heavily on diversifying its shipping business, moving away from the strict reliance on traditional oil and gas transportation and entering the bulk and container shipping markets. Today, the Oman-based maritime arm operates a fleet that includes very large crude carriers (VLCCs), very large ore carriers (VLOCs), product tankers, liquefied natural gas (LNG) carriers, chemical carriers, liquefied petroleum gas (LPG) tankers, and dry bulk carriers.

Asyad has consistently continued to bolster its advanced capabilities, most recently by ordering two fifth-generation LNG carriers. This formidable shipping capacity is complemented by an expanding maritime network that connects Oman's ports with the biggest trade hubs and largest consumer markets. Asyad Line now operates 13 monthly voyages connecting 33 ports of call through four direct lines: the India Express service, the Red Sea service, the Far East Express, and Oman Gulf Express.



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Oman

Asyad Group Middle East's Integrated Logistics Provider

Your gateway to 2 billion global customers through seamless connectivity and limitless opportunities.

Connecting continents, connecting businesses, connecting global trade.



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Pioneering Green Mobility

Logistics powerhouse, Asyad Group is at the forefront of establishing Oman as a leader in green mobility, working tirelessly to position the nation as a key instigator for global change.

With sustainability at its core, Asyad Group is not just participating in the transformation of the logistics industry; it is leading it, by integrating concrete actions for environmental care into the DNA of its corporate ethos.

Asyad has woven sustainability into the very fabric of its operations. The group's steadfast commitment is evident not only in its approach to decarbonizing logistics but also in its financial strategies, which include a strong focus on green investments. Such initiatives are pivotal to Oman's strategic role in solving global environmental challenges. Asyad's comprehensive approach highlights its ambition to lead by example, reaffirming its status as an innovator in green mobility and a central hub for sustainable progress.

Asyad pursues these ambitious goals through substantial initiatives and investments that align with Oman's national objective of net zero emissions by 2050 and the UN's Sustainable Development Goals. The group has so far taken the lead in international green incentives, accessing green financing by securing \$35 million in funding through Sustainability Link Loans.

In its pursuit of sustainability on a global scale, Oman's logistics powerhouse identified the nascent



Asyad Drydock

hydrogen sector as the key to unlocking a green future. Asyad is mobilizing its freezones, ports, and manufacturing-enabled drydock to construct a world-class green hydrogen ecosystem that covers the end-to-end hydrogen value chain and transforms Oman's Duqm region into a global hub for green hydrogen and clean energy.

In Duqm, Asyad Drydock – guided by Asyad Group's green strategy – is banking on its high-capacity workshops and technical prowess, as it develops heavy manufacturing capabilities to produce the necessary hardware for the green hydrogen industry, starting with wind turbines. Oman's flagship drydock is also located in Duqm Freezone, where large swathes of land have already been allocated for mega hydrogen production projects.

Both Duqm and Salalah freezones are taking major strides to enable Oman to realize its goal of producing one million tons of ammonia by 2030. Salalah Freezone is already home

to major green hydrogen and ammonia international joint ventures, including SalalahH2 that is targeting total production capacities of 430,000 tons per annum.

With manufacturing and production plans in progress, transporting hydrogen is also in Asyad's crosshairs. The has group partnered with the industry's biggest global names to conduct a joint feasibility study in preparation for future plans to transform

Duqm and Salalah ports into vital green fuel bunkering centers and powerful hubs that transport green hydrogen across oceans.

Asyad Group has also joined the UN Global Compact while unrelenting efforts to promote global citizenship has earned the group – represented by its CFO Muhsin Al Rustom – a place in exclusive international forums such as the CFO coalition for the SDGs, and has earned it global recognition on Forbes Middle East's Sustainability Leaders list.

With ambitious plans, immense resources, and strong values, Asyad is on an unstoppable quest to shape a green future through clean energy, clean trade, and clean logistics.



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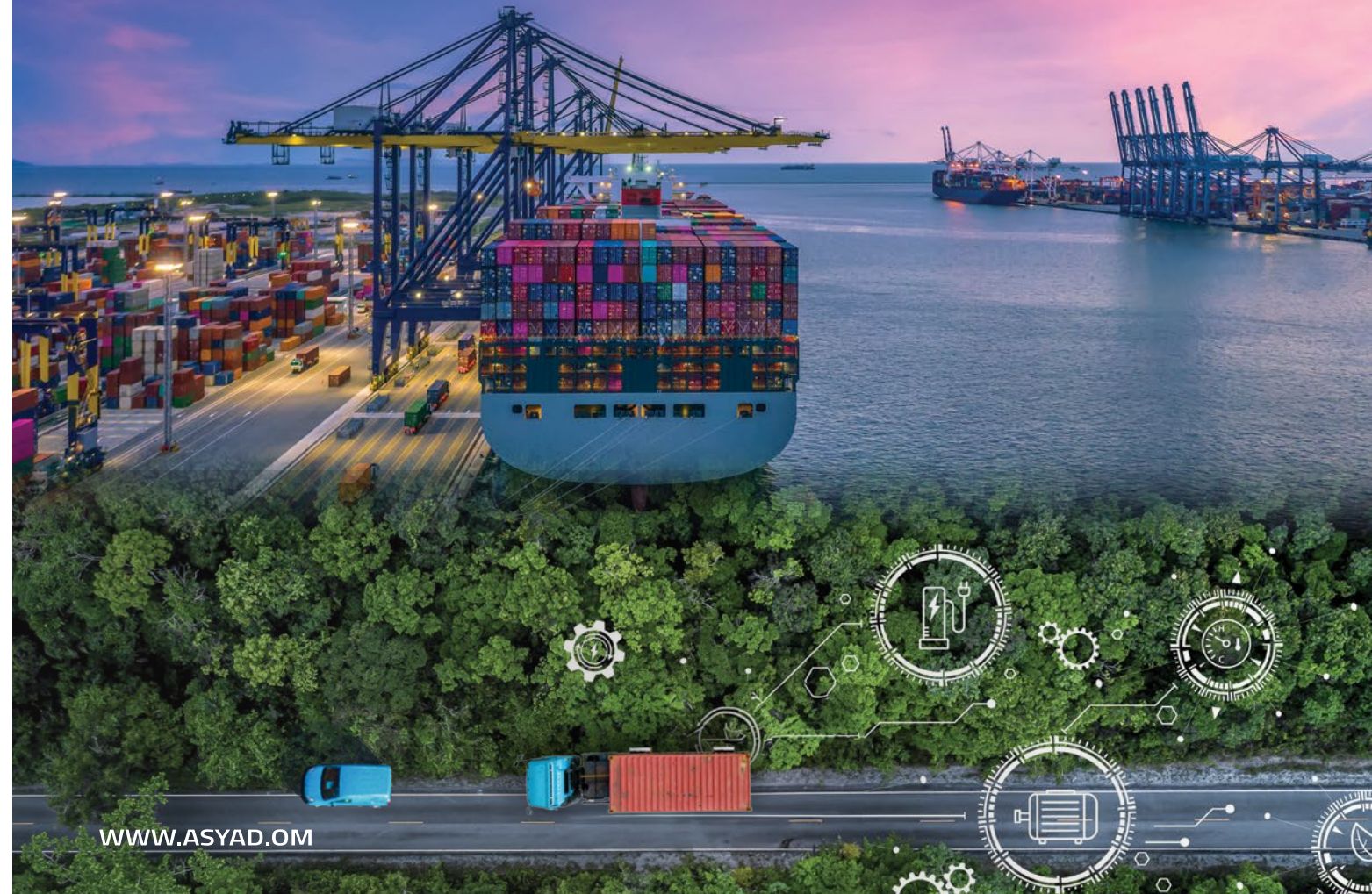
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Asyad Group Pioneering Sustainable Logistics

Unlocking the full potential of a world-class logistics ecosystem. From maritime excellence to last-mile delivery, we embrace sustainability, drive connectivity, and contribute to the global flow of trade and supply chain.

Sustainability is embedded in Asyad Group's DNA, driving long-term, and transformative change for a better, and greener future for the industry.



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