



Opportunities emerge in Oman's mining sector

 Oman

April 12, 2023

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Naif AL AWAIID

Group CEO

KUNOOZ OMAN HOLDING

Naif Al Awaid, group CEO of Kunooz Oman Holding, talks to The Energy Year about opportunities arising in Oman's mining sector and how the group's diversity gives it greater resilience. Kunooz Oman Holding is a private-led mining and mineral processing company held 20% by state-owned Minerals Development Oman (MDO).

Mining is among the sectors forecasted to drive Oman's future non-hydrocarbons growth. What are the steps ahead for Kunooz to capitalize on opportunities in this sector?

As part of Oman's strategy to enhance the mining sector and its contribution to the country's GDP, the government in April 2022 announced a new tender offering four mining blocks for investment in the 2022 bidding round (blocks 53-A, 53-B, 53-C, and 51-D).

We are assessing the situation and studying all the tenders carefully because we want to be sure about our skillset as well as our financial abilities before jumping into projects. However, we are very serious about the diversification of our business and ensuring that we gather as much as we can from the rising opportunities within Oman's mining sector. For example, we are currently looking into either JVs, investors, or international partners for our Dolomite deposit project, located in Qurayyat, with promising Dolomite resources. Our objective is to look at the downstream aspect of dolomite, as it contains magnesium that can be commercialized targeting steel producers, creating in-country value [ICV] based on our main targets for the country and the group.

What are your assessment of the mining sector's evolution and the way forward?

We believe we need to change our mindset by creating a manufacturing process within the country. Segments such as logistics, mining, and manufacturing, along with the end users, must work in the same direction and at the same speed. My assessment, then, is that we need to focus on real ICV and instead of exporting raw materials, we need to export refined products. That should be the direction for mining in Oman and should shape the future of the sector. It will take us to the next level, enhancing the country's value proposition by selling materials that already have value for different businesses and segments. Our ultimate ambition is to see the finished, refined products being consumed domestically since this will create added value for the whole country, across all its sectors.

What main challenges have prevented Oman's mining sector from developing more?

The main challenge is that the local market has not been very receptive when it comes to mining. Bankers, for instance, have not understood the value of this sector until recently. Since it is one of the pillars of Oman Vision 2040, it should be well embedded in the country's economic structure, which should enhance it financially. We hope and believe – based on

the diversity of minerals across the country and with the right enablers and decent off-takers – the capacity to transmit the value of mining in Oman and its importance will grow rapidly.

Can you give us an overview of the company's structure and main activities?

We have five subsidiaries that we own 100% in, including Kunooz Gypsum Company, Kunooz Gabbro Company, Kunooz Logistics Company, Kunooz Ready-Mix Company, and Kunooz Marble Company, On the other side we have three associate companies: Carmeuse Majan Company, Majan Mining Company and Salalah International Gypsum. Through subsidiaries and associates, we are contributing to local content with more than OMR 12 million [USD 31.1 million] annually within the local economy, so we are proud to see our group of companies participating positively in Oman's economic growth.

What is Kunooz's approach to reducing its carbon footprint?

Kunooz Oman Holding has always been committed to reducing our emissions. For instance, we are building green belts at our mines, planting trees, putting in areas of greenery, and implementing dust and noise control systems to limit the impact on the neighborhoods close to our sites. In addition, we perform rehabilitation for all those areas where we do mining – especially in gypsum – conducting recovery and leveling activities to leave the sites in the best condition we can. We want to make things more sustainable and that's why we are also in negotiations with several international solar power companies for the installation of PV modules in our facilities. This will help us reduce our consumption by 20-30% and thus our carbon footprint. Kunooz is an Omani company, made of Omani people, and as such we need to take good care of our land.

What is the company's strategy for expanding its presence beyond Oman?

The market today is dynamic and flexible, and we should be likewise. Of course, we need to focus on our strengths and follow the demand, but at the same time, we should not limit ourselves. We need to open our eyes to a global direction, explore new horizons and be ready to make new connections. We want to target the international market in the long run with our high-value finished materials.

Locally, within the next five years, we target expanding our mining activities in dolomite downstream, iron ore, lithium, nickel, manganese, and chrome if we can acquire such activities. Also, we are trying to expand our logistics services to include a cold warehousing depot and ensure we have the right supply chain.

Note: The same article can be accessed at the link below online.

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