Salalah: The Economic Development and Spatial Fragmentation of a Globalized Port City in Southern Oman

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Introduction

Salalah, for a long time an unspectacular town in today’s Southern Oman, appeared on the economic world map when its container port was built at the turn of the millennium. As a central transhipment hub near to the world’s main East-West trade route, the port now numbers among the world’s top 30 container ports. In the meantime, it is being complemented by industrial and free zones and tourism schemes as well as additional infrastructural and urban projects. This paper examines the spatial and economic development of the Greater Salalah area as well as its resulting connection with the outside world in a theoretically informed manner. Thus, it starts with concepts of post-modern urban development, especially of global(ized) cities, referring also to their social and spatial fragmentation and to characteristics of contemporary port cities. A historical overview will situate contemporary Salalah in a longer perspective that will be followed by an analysis of its current evolution, concentrating on the major economic and urban projects. Finally, the paper tries to understand the extent to which Salalah can be conceptualized as a “global” or a “globalized” city and how it fits the characteristics described for post-modern cities and contemporary port cities.¹

¹ This paper is based on the research project “Tanger – Salalah: Globalizing ’Regional Cities’” at
Concepts of Globalized Post-Modern Cities

World, Global, and Globalized Cities

Together with the upcoming debate on “globalization,” the examination of “world cities” and “global cities”2 started to get new impetus in the late 1980s with the seminal work of Friedmann, followed by Sassen’s publications and the studies of Taylor and his colleagues of the “Globalization and World City” (GaWC) research group.3 Their common denominator is that they see the emergence of a global transnational network of cities that constitute a new “meta-geography”4 as the spatial articulation of globalization. “Global cities” are understood as nodes and hubs of the global economy that constitute “basing points”5 for global capital, where leading industries, mainly in finance and other highly specialized services with global importance, are concentrated. They have a strategic and privileged position in the global “space of flows”6 and have central control, command, and decision-making capacities for the organization of economic activities all over the globe. Other authors also emphasize their cosmopolitan character and their global scope of influence in fields such as research, transport, media, politics or culture. Such global cities (or the relevant parts of them) can be more connected to other world centers than with their immediate surroundings.

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2. Often the “global city” concept is understood as a result/construct of the contemporary socio-spatial phase of “globalization”, in contrast to the relatively timeless concept of “world cities” (e.g., Sassen, Global City, 349).

3. See essentially Friedmann, “World City Hypothesis”; Sassen, Global City; Taylor, e.g. “World Cities” and World City Network; Beaverstock et al., World City Network; www.lboro.ac.uk/gawc, accessed April 27, 2011. In the following, chapter 2 relies considerably on Gerhard, “Global Cities”; Heineberg, Stadtgeographie, 337 ff.; Taylor, World City Network and Beaverstock et al., World City Network who give good overviews on the “global” and “post-modern” city debate.

4. Beaverstock et al., World City Network.

5. Friedmann, “World City Hypothesis.”

To determine “global city” status and position in the global urban hierarchy, a broad array of criteria is used. Over the last two decades, analyses often focused on the presence of the FIRE (finance, insurance, real estate) sector, but also included locational strategies of other leading global sector firms. Categorization, however, is often reduced to economic variables, and quantitative studies predominate. The strong focus on services ignores how important production industries (and the material flows they involve) still are for the development of global cities. Studies with a broader perspective also integrate political, social, and cultural dimensions such as the presence of international institutions and events and the cities’ role as main transport hubs or destinations for tourism and migration.

As consequences of this high integration into the “new international division of labor” (in the 1980s) and the “global economy” (since the 1990s), on the one hand, we can observe far-reaching changes in the physical landscape such as the establishment of new quarters and buildings, the proliferation of housing and office complexes, and the spread of places of leisure and consumption. On the other hand, some authors emphasize the reverse side of these restructuring processes, leading to increasing social and spatial disparities and entailing high social costs.

The global city debate also shows a widespread focus on the commonly recognized top group of world cities (mainly the London-New York-Tokyo triad), from which it is difficult to draw generalizable conclusions for other cities that do not necessarily show identical development patterns, globalization experiences, and routes to global city positions. Moreover, even if it is increasingly accepted that a number of global cities also exist in “emerging countries,” there is still a large ignorance about cities in the “global South.” Thus, Arab Middle Eastern cities, too, have not figured prominently in the ranking tables up to now. Only Cairo is regularly given some importance, though Dubai is ascending over the years. Even in the broader GaWC sample, other Gulf cities are found only in the lower categories. The

7. E.g., Friedmann, “World City Hypothesis” differentiated between core and periphery primary respective secondary cities; the GaWC inventory includes alpha, beta and gamma (i.e., full service, major and minor) world cities and cities with evidence of world city formation (Taylor, World City Network; Beaverstock et al., World City Network; www.lboro.ac.uk/gawc, accessed April 27, 2011).
9. Cf. also Varsanyi, “Global Cities.”
10. Cf. also Hall, “Global City-Regions”, 72.
11. For such rankings, see also www.foreignpolicy.com/story/cms.php?story_id=4509&print=1 (accessed November 22, 2008; for the Global City Index) or Institute for Urban Strategies …, Global Power City Index.
Omani capital area of Muscat is just given a “highly sufficient” (2000) to “sufficient” (2004/08) potential to rise to world city status. At the same time, analysis should not overlook the emergence of larger “global city regions” that transcend administrative limits and serve as platforms for global processes.12

The dominant focus on establishing a global ranking of cities is intrinsically normative and risks a competitive run for “global city” status. In contrast, Taylor and his colleagues ask for a relational analysis that examines “inter-city relations,” “network connectivities,” and cities’ specific “hinter-worlds” to understand their integration into the network and, hence, their “world city-ness.” Although cities often display selective global key functions only in particular sectors, with quite different spatial reaches and located on very distinct global circuits,13 they may have an important complementary role in the working of the global urban system. The difficulty in drawing a bottom points to the need to further investigate cities below the top levels. There are finally no “non-global cities” any more, but all are “cities in globalization” affected by and contributing to current processes regarded as globalization.

In consequence, authors like Krätke or Marcuse and van Kempen point to the existence of “globalising cities.”14 For them, in principle, a central characteristic of all cities is global – mainly economic and cultural – interconnectedness, also in “developing countries,”15 even if specific degrees, intensities, and constellations may differ considerably. Nevertheless, more active participants in globalization processes can be distinguished from those, mainly at the periphery of the world system, that can rather be considered “spectators” and constitute “entrepôts” and passive locales, through which goods are transiting with little associated local economic activity.16 The global(ized) economy nowadays has considerable implications for the development of numerous “ordinary cities” all over the world with significant transnational networks and flows in place.17

**Fragmented Globalization in the Urban Space**

Taylor points to the need for re-theorization of the idea of a coherent “core” that contrasts with a broad and continuous peripheral zone in the global system.18 If

15. Cf. also Stren, “Local Governance.”
17. Robinson, “Global and World Cities.”
world cities are seen as core areas, then the core already constitutes a widely dispersed archipelago of disjoint places of relative prosperity. Previously, Friedmann already has stated the apparent mixture of core and periphery processes that in particular exist in Third World mega cities.19

Scholz develops the idea further: Instead of binary polarization, mosaic-like fragmentation of the urban structure reflects “fragmented development” under conditions of globalization at different spatial scales of the world system.20 According to him, “acting global cities” are clusters of high-tech production, know-how, and the manufacture of highest-quality commodities, as well as command centers that contribute actively to global processes. In contrast, “affected/exposed global cities” or “globalized cities” are the precarious backyards of globalization that are closely linked with the aforementioned cities, but hierarchically subordinated to them. They concentrate on high-tech services, offshore banking, and outsourced industries for mass consumption commodities at low wages, e.g., in free export production zones. Further characteristics include mining and agro-industry as well as leisure and tourism industries. Finally, the “New South” constitutes a disconnected and excluded “new periphery” of destitution and misery. It has no chance for “catch-up development” and suffers from ills like ethno-regionalisms, fundamentalism, and neo-tribalism.

Excessive competition and continuous crowding-out lead to repeated reconfiguration of spatial clusters and networks. Cities are hardly ever “global” or “globalizing” in entirety: typically, “globally integrated urban fragments” are well-connected trans-locally by production, information, and infrastructure links. Operational centers are surrounded by paradise- and citadel-like residential and representative quarters, followed by adjacent low-standard habitat and extended industrial zones. Parallel to this, the “new periphery” can be found simultaneously at local, regional, and national levels. Inside cities, emblematic of this is the seamless contrast of “no-go” areas and “no-entrance” zones (such as gated communities).

**Postmodern Urbanization**

Especially in the 1990s Soja put post-modern urban development, best exemplified by Los Angeles, on the agenda and tried to link it with the debate on global cities.21 His six “restructurings” over the last decades that led to the “post-metropolis” point to:

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19. Friedmann, “World City Hypothesis.”
21. Soja, e.g., “Los Angeles” and “Postmoderne Urbanisierung.”
- the expansion of post-Fordism production mode, including the establishment of technopoles and new industrial estates outside the inner city, and the rise of the FIRE sectors;

- the development of the globally networked cities, with worldwide hinterlands and the extreme social and cultural heterogeneity of populations;

- the restructuring of urban forms, through decentralization, recentralization and poly-centralization, particularly in the form of “exopolises,” accompanied by economic and ethnic differentiation;

- the transformation of the socio-economic structure with an accentuation of socio-spatial segregation, inequality, and (re-)polarization of the “fractal city”

- and the privatization of space and its fortification by security services, walled properties and gated communities or the dissemination of indoor shopping and entertainment centers. 22

Finally, our imaginations of what a city could and should be have changed radically. Soja emphasizes the emergence of virtual “simcities,” the creation of “fantasy worlds” as well as the production of “hyper-realities.” The city itself gets transformed into a theme park, and the need is felt for its extensive branding and marketing that allows it to achieve global visibility.

However, here we need to critically assess whether the insights Soja developed with the help of his outstanding example can be easily applied to other cities in other parts of the world, in particular in the less-developed “global South.” Nevertheless, a fragmented urban landscape, the privatization and physical separation of large parts of the city, and the opposition between different social clusters with disparate degrees of global integration in close proximity can be regarded as widespread in times of neo-liberal politics and post-modernity. In addition, not all cities contribute actively to their own transformation, but are still dependent and globalized by external force. Globalization has an important impact on the material aspects and the symbolic meaning of urban development, architecture, and infrastructure.

22. Cf., for example, also Stren, “Local Governance”; Scott et al. 2001, “Global City-Regions.” These places, including secluded, fenced free zones or free ports, export-processing zones and special economic zones, can be regarded as areas of “territorial exclusion” (Stren, “Local Governance,” 202) or “extraterritorial enclaves” (Weizman, “Extraterritoriality”).
The Development of Port Cities

A port city can be understood as a city whose port constitutes its main economic base and central organizing principle. Port cities are pronounced nodal points in the system of international trade and labor migration. The development of port cities is often described using a sequential model of several historical phases of port city interaction. Technological changes in the shipping industry, with ships and logistics requiring more extensive land and water areas, industrial and post-industrial development and globalization, resulted in the increasing functional and spatial separation of the port and the city.

Thus, inner-city harbors were integral parts of the city’s economy and society until the 19th century. Marked by increasing industrialization and the intensification of trade, cities and ports expanded simultaneously until the early 20th century. With the development of larger and technologically more advanced ships, symbiosis began to evolve into separation: modern deep-water seaports were established outside of, but still relatively close to the inner cities. Since the late 1960s, with the introduction of container shipping, port activities spread out even farther away from urban centers to less congested suburban or peripheral sites, and former port areas deteriorated into wastelands. More recently, revitalization programs for the areas surrounding the old ports transformed them into business and residential areas; mainly, urban waterfronts started to be redeveloped. Processes of social exclusion and gentrification especially affected segments of the population living close to ports or [living] from port activities.

As most port models are based on Western experiences, authors point to the high diversity of trajectories. Particularly in eastern parts of Asia, containerization contributed to a specific model of port-cum-city evolution. According to Lee et al., colonial city-ports there finally developed into hub-port cities with the emergence of external mega-container terminals. Logistics, free trade, and special economic zones have been added around these ports since the 1960s. Around the 1990s, old docklands also began to be redeveloped into global centers for tertiary and tourism activities. But because existing (cargo) port installations have not been closed, ports and cities still keep developing more contiguously.

23. For patterns of port city development and port city interaction cf. Broeze, “Port Cities”; Ducruet, “Dynamiques scalaires” and “Approche compare”; Lee et al., “Asia’s World Ports”; Kokot, “Port Cities”; Notteboom and Rodrigue, “Port regionalization”. Hoyle, “Port-City Waterfront” and Prelorenzo, “Retour” focus particularly on waterfront development.
24. Lee et al., “Asia’s World Ports”,

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Finally, several Asian cities succeeded in emerging as global hub-port cities that experience rapid globalization of production and increase in container transhipment. They display global status in both of these, intermediacy in their transport systems and centrality in the urban network. In contrast, port-cities in the Western world often developed into general (global) cities, separated from emerging transport hubs. More generally, O’Connor proposes that global city regions are important logistical and intermodal gateways in the global flow economy due to their infrastructure and the concentration of logistics services (including multinational terminal operators). 25 Internally, some are discovering a certain twinning of metropolises and new ports in South and South East Asia. 26

Ports also have been places of contact between people of different origin. 27 Especially from the mid-19th century to the early 20th century, when global circulation increased rapidly, port cities were nodes of intensified human mobility and places of concentrated transnational contacts. Ports have been regarded as sources of modernity, openness, and cosmopolitanism. They often contributed to the liberal self-image of maritime metropolises or have even been used for deliberate self-promotion to gain worldwide esteem. This often contrasted heavily with unwanted influences and undesired behavior originating from ports (such as prostitution, crime, or diseases) that prompted massive negative reactions including particularistic conflicts, social exclusion, and control attempts by the state.

**Historical and National Contexts of Contemporary Salalah**

**Natural, Ethnic and Historical Dimensions**

Salalah is the capital and largest town of Dhofar, a region naturally, ethnically, and historically quite distinct from the rest of Oman. 28 Separated by vast sandy deserts from the North and the East and bordering the Arabian Sea in the South, it finds topographical and ethno-linguistic continuation towards the Mahra and Hadhramawt regions in today’s southern part of Yemen. The contemporary city occupies most of the coastal plain, which is nearly 50 km long and about 15 km wide. Climatically, the plain and the seaward flanks of the adjacent Dhofar mountains are the only places on the Arabian Peninsula that are touched by the khareef, the summer monsoon. It brings moderate temperatures and plenty of rain, which allows

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25. O’Connor, “Global city regions”.
26. For India cf. Eliot, “Chorotype”.
27. Amenda and Fuhrmann, “Hafenstädte”; Kokot, “Port Cities”.

for a high population density, intense cattle breeding, and fertile agriculture. The Salalah area is inhabited mainly by settled, Arab-speaking clans of the Al Kathir that is widespread throughout Eastern and Southern Arabia. The descendants of former slaves, who used to work as palace servants or herders in the mountains, and other people of African origin also formed a considerable part of Salalah’s population, along with fishermen of different origin, traditionally considered the group with the lowest social prestige.

Over the centuries, Dhofar was ruled mainly by outsiders who exercised only limited power. From ancient times, it was one of the main producers of frankincense that was reputed for its high quality. An inland trail departed from the mountainous growing areas through the desert to join the main route from Hadhramawt that controlled the trade through Western Arabia to the Mediterranean and Mesopotamia. A second trade route used the harbors along the Dhofar coast to ship the precious commodity to other southern Arab ports, from where it was conveyed along the overland route to the north.

Since the 5th century BC, Dhofar seems to have been mostly part of the Sabaeen vassal state of Hadhramawt. The fortified town of Sumharum, some 40 km east of contemporary Salalah, developed into the political and economic center of Eastern Hadhramawt. Its port Moscha was a major place for incense exports and became important for the long-distance trade with India in the Roman times. After the demise of the Hadhramawt kingdom in the early 4th century AD, little is known about the history of Dhofar. Sumharum was abandoned around the 5th to 7th century. In Islamic times, the port city of Zafar (now known as al-Baleed) was another important trading place that nowadays lies within the Salalah municipality. In the 13th century it prospered, even if it had to be rebuilt several times.

For several centuries, Dhofar has been more or less ruled by Kathiri sultans, with Hadhramawt as their stronghold. In the more recent past, the coastal villages that today form greater Salalah have been among the important export harbors for frankincense. Whereas caravan trade dominated throughout the 17th and 18th

29. In contrast, the hinterland was mostly inhabited by transhumant communities that communicate in various Southern Arab languages, such as Shahri (or Jebali) and Mahri. The Al Kathir of Salalah also often spoke these idioms, which are still heard widely today, because of close family and trade relations with the mountain tribes.

30. Cf. also Janzen, Nomaden Dhofars, 48 ff.


32. Barrault, Regards, 27.
century, exports switched to the direct sea route to Jeddah in the early 19th century. This coincides with the local reign of the former freebooter Mohammed Aqil Ajaibi (1804-29), who led Dhofar through a period of economic prosperity and growth.

After Ajaibi’s assassination, the Al Bu Said, the ruling Omani dynasty, first annexed Dhofar in 1829. But the troops being needed in East Africa, the region remained virtually independent for half a century. From 1876 on, Fadhl ibn Alawi, a fanatic priest who had been expelled from India, claimed to take up power in the name of the Ottoman Empire. The Kathiri forced him to flee in 1879 and formally recognized Omani sovereignty over Dhofar. To prevent Ottoman expansion, the sultan sent an expedition and a governor to finally exercise effective control. The frankincense trade, which had reoriented towards India since the 1830s, was now taxed and constituted a major part (1896: 43 percent) of the sultanate’s customs revenue. However, the Omani rulers visited the area only occasionally to enjoy its climate, until Said ibn Taymur (1932-70) showed increased interest: he was twice married to wives of Jebali origin and already had spent a large part of World War II in Salalah. As a frequent visitor in the subsequent decade, he improved the palace, extended his authority throughout the plain and into the mountains, and established several private estates outside the town. From 1958 on, when internal troubles continuously stirred up in Northern Oman, he never returned to his official capital of Muscat again.

Salalah during the Civil War

Formally, Dhofar was a “dependency”, but Said regarded it as his private fiefdom for economic exploitation, distinct from the rest of the country. He ruled by overt oppression and held his small private local army, the Dhofar Regiment; strict restrictions applied to the population. To control trade, he increased tariffs to four times the regular taxes in the rest of the country. Neither the fact that he took permanent residence in Salalah, nor the discovery of oil in the mid-1960s, seems to have instilled much interest in the Sultan to improve living conditions of the local population. In Salalah, at that time, there was no public electricity supply, only one

33. Bang, Sufis and scholars, 82 ff.
36. See in contrast Valeri, Sultanat d’Oman, 104 and 208: When it became clear in 1966 that Oman would soon have oil revenues, Said commissioned infrastructural and other developmental projects. Later, these steps enabled his son to quickly present development results.
basic health facility, and one primary school that accepted 25 boys yearly, exclusively on the basis of the Sultan's personal approval. In addition, in the late 1950s, Dhofar’s agriculture suffered a severe drought. Many Dhofaris, like Omani in general, left the country in search of education and work abroad, mainly in the Gulf countries.

Fuelled by its backwardness and misery, Dhofar was ravaged by a civil war that started in 1965 after several minor raids of sabotage. Many Dhofaris joined the guerrilla armed struggle that initially was an autonomy movement. After the founding of the People’s Democratic Republic of Yemen and with the support of “progressive” countries, the rebellion grew into a broader anti-imperialist movement with ambitions of “freeing” the whole Gulf area from feudal rule. The rebels increasingly gained ground, and in 1969 they brought the Salalah-Thumrait road, the only (yet unpaved) connection with Northern Oman, under their control. In the liberated areas, they established a network of “revolutionary schools” and public service committees and improved farming practices. By early 1970, only the Salalah plain, where the Sultan’s forces stood, was still under state control.

Sultan Said countered the rebellion with military and repressive means. With their territorial gains, the insurgents regularly bombarded the town from the nearby mountains or came down to the plain to attack its outer defences. Following an assassination attempt in 1966, Said had the city completely fenced off with several rings of barbed wire. This served to prevent the Jebaliyin from entering and trading with the local population, thereby cutting off the supply lines of the Liberation Front. Also the orchards in the plain were destroyed for a better control of the area.

Said’s son Qaboos, who grew up in Salalah and was kept under custody at the palace since 1964, deposed his father in July 1970, not least because of the devastating situation in Dhofar. Immediately he proclaimed a “five-point plan” for the region. In an outspoken “winning hearts and minds” campaign, he combined a strengthened military endeavor with economic and social reforms. Politically, Dhofar was formally incorporated into the Sultanate as the “Southern Province.” Restrictions on entering or leaving the city were lifted. His vigorous developmental program, which he was able to finance with increasing oil revenues and financial assistance from other Gulf countries, was based on education, health, and social welfare. Water wells were drilled, storage and distribution networks for fresh water built, and the falaj water supply system for the farms in and around Salalah restored.

38. Cf. also Townsend, Oman, 104 ff.
39. Later the governorate of 99,300 km², comprising 32 percent of Oman’s territory, was renamed Dhofar again.
Mountain tracks were constructed as well as administrative centers that comprised a small shop, a health clinic, a school, and a mosque. Plantations in the Salalah plain were revived. Generator-produced electricity arrived for the first time in 1971. In 1974, an 8,500-kilowatt power station started operation, and a transmission network was built rapidly.

The Dhofar Development Program for the province resulted in a distinct reconstruction budget in 1972, and special institutions were set up for the preparation and implementation of the projects. The main focus of development was the capital area of Salalah. Whereas Dhofar represented only 10 percent of the indigenous Omani population, at least a quarter of the overall government funds for development (approximately OMR 600 million, equivalent to USD 1.8 billion) went to the region during the first national five-year plan from 1971 to 1975. Together with the establishment of regularly paid tribal militias for former rebels and the integration of tribal leaders into the higher ranks of administration and government, these socio-economic projects helped to undermine the insurgency, in particular because many shaikhs were ready to withdraw their support to the movement that they regarded as a revolt against the established social order. With extensive foreign military help (mainly from UK, Iran, and Jordan), the liberation front was increasingly pushed back west to the Yemeni border. By late 1975, the Sultan formally declared the end of the Dhofar conflict, even if smaller attacks continued until 1980.

Urban Development in the 1970s and 1980s

Salalah originally was more an oasis (and a ruler’s residence) than a harbor town. Today, it is a conglomeration of old Salalah proper and several formerly distinct villages. A green band of extensive plantations (mainly of coconuts, papayas, bananas, and sugarcane) stretches from east to west and separates the coastal villages from the inland city center. Until 1970 Salalah functioned as a military and commercial site. Government offices concentrated around the waterfront palace in al-Hisn. The palace district included the market quarter and the residential zone for the African population and was surrounded by a high wall. Zanzibar-Omanis who had fled the island after the 1964 revolution inhabited two suburbs. The royal properties in Salalah – al-Hisn palace (3.6 km²), Qasr Mamoora (4 km²), the former gardens of

41. Agriculture in and around Salalah is the major contributor to Oman’s high degree of self-sufficiency (Barrault, Regards, 51: 93 percent) in fruit.
Said at the eastern end of the town and the nearby private royal Razat Farm (9 km2) – still have a prominent role.\textsuperscript{43}

After 1970, a “land law” was adopted to regulate allocation of plots, revising the policy of the former sultan who had barred any urban development. Every Omani family was entitled to the allocation of a free building plot. In Salalah first, fallow land inside the wired area was divided in 60-foot-square lots that left little free space for roads. In fact, land was given away without planning or surveying. In a second phase, the fence was replaced at a greater distance, providing more space for urban development. An area of 70 hectares was assigned for a new “commercial town center”, but the ground was not opened for construction until 1985. To this day, when offices, banks, shops, a market, restaurants as well as the recently inaugurated Sultan Qaboos mosque occupy the area, there is still enough space for further construction. Plans also included a system of urban roads and plots for administration buildings. In the first half of the 1970s, the population of Salalah had already doubled, and all land inside the enclosure was exhausted again. As nearly half of the sites were not built up, this resulted in intense urban sprawl in the coastal plain. The region-wide construction boom also benefited the commercial and industrial sectors; in particular, the import business surged. Imports by far exceeded exports and consisted mainly of construction material, consumer goods, and technical equipment including motor vehicles coming by sea.

In 1975, a municipality was set up, and the “Salalah Town Plan” arranged for areas for specific residential, commercial, and industrial purposes. New expansion zones were envisioned to the North East and North West, whereas to the North the airport blocked further extension.\textsuperscript{44} In a subsequent phase, a comprehensive land use and development plan identified residual spaces inside the fence, and construction has been completely regulated by zoning plans. A “structure plan” for the next two decades included, among others, a complete public water supply for Salalah and a comprehensive telephone network.

From an estimated 4,000 people at the turn of the 1970s, the population of Salalah grew rapidly until the mid-1980s (ca. 70,000) and today reaches about 200,000 inhabitants.\textsuperscript{45} Many countryside Dhofaris who can afford it maintain a

\textsuperscript{43} en.wikipedia.org/wiki/Qaboos_bin_Said_al_Said; de.wikipedia.org/wiki/Qabus_bin_Said_bin_Taimur_Al_Said (both accessed May 09, 2011).

\textsuperscript{44} Initially an agricultural area was to separate the settlement zone in the North East from the existing city, but this idea was later abandoned due to water scarcity and new quarters were planned instead.

\textsuperscript{45} Especially until the mid-1980s, estimates are not very consistent. The following figures are
second home in the regional capital. Already during the war, thousands of Jebalis fled to Salalah. Afterwards, there was temporary or permanent migration from the mountains and the desert to Salalah, and expatriates started immigrating and working as farm and construction workers or sales clerks. Nowadays, Salalah is the second largest city in the Sultanate, and the wilaya concentrates 76 percent of the inhabitants of Dhofar. According to the 1993 census, the only one that published more detailed data, the share of foreigners in the population of Dhofar was already 34 percent. Of them, 85 percent came from the Indian subcontinent, 60 percent were Muslims and 82 percent were male. At about 43 percent in 2008, the percentage of foreigners has grown again by nearly 10 points since 2003 and lies considerably above the national average.

The Current National Development Vision

After a long period of seclusion, Oman experienced economic development only after oil production started in 1967 and far-reaching development projects were implemented. For an extended time, Oman could live well on its oil reserves, but its economic development and foreign trade depended heavily on the fluctuations of the global market. To diminish reliance on oil, Oman adopted the “Vision for Oman’s Economy – Oman 2020” in 1995, which emphasizes the diversification of the national economy and integration into the global economy, in addition to Omanization and private sector development. The contribution of non-oil sectors to the overall GDP is to increase from less than two-third to over 90 percent. In particular, the segments of trade and tourism are expected to contribute a share of 18 percent of GDP, meaning that it would become “[t]he leading sector of the Omani economy.” Parallel to that, the Fifth Five-Year Plan, for the second half of the 1990s, focused on export development and international investment.

Besides flour mills, cement companies, and some food processing, import-substituting industrial development did not start until the late 1980s when consumer

thus provisional and indicative without being precise. For population figures, see Wegmann, “Entwicklungsplanung”; bevoelkerungsstatistik.de; www.populstat.info; de.wikipedia.org/wiki/Salala; en.wikipedia.org/wiki/Salalah (all accessed May 01, 2011).
47. Figures according to bevoelkerungsstatistik.de (accessed May 1, 2011).
49. Between 1995 and 2007, the share of oil and gas in Oman’s exports fluctuated between 67 percent and 84 percent.
50. MoNE, Long-Term Development; OBG, Report; Pikulski, “Oman’s Economic Development”.
51. MoNE, Long-Term Development, 120.
goods were first produced for the local market. In the beginning of the 1990s, the country experienced a first shift towards export industries, but dependence on the hydrocarbon sector continued with a concentration on downstream investment in oil, gas- and energy-based industries. Port development also became an important issue as the government sought to re-establish the country’s historic role as an entrepôt for trade. According to the five-year plan of 2001-05, mining and tourism are further sectors to be developed. With increasing economic openness, the Sultanate also engaged in expanding and diversifying external economic relations.52

Muscat and the cities along the northern coast have for a long time been Oman’s economic and demographic center of gravity.53 Yet, during the civil war, Sultan Qaboos directed a huge part of the national development budget to Dhofar. But when the rebellion was quelled, it seems that attention slacked, and apart from the rapid social improvement no industrial development took place for a long time. Regarding its human development, Dhofar held the second place among regions in Oman for its education index, but regional GDP ranked fourth and life expectancy was second-to-last.54 Only in the 1990s did interest in the region grow again. In an endeavor to secure more geographically balanced growth inside Oman, the southernmost region, in particular its capital Salalah, has also received special attention. This resulted in the construction of an important container hub and cargo port, the promotion of industrial development including an international free zone, and a range of tourism schemes, complemented by additional infrastructural and urbanistic projects.55 Projects currently underway in Dhofar and included in the current five-year plan amount to OMR1.2 billion compared to OMR270 million allocated in the previous period.

Urban Development and Economic Change in Salalah

Port Development

Over the centuries, Oman has been an important recognized maritime power in the Indian Ocean. In particular Sohar, Qalhat, and Sur were of great importance for regional sea trade. The port of Mutrah, near Muscat, was the country’s dominant

52. Wippel, *Between the Arab World*.
53. Belgacem, “Littoralization”.
54. MoNE, *Human Development*.
55. For the following Salalah development projects, I also refer to my own information and documentation (interviews, articles, news services etc.) compiled during field research in Oman in 2009 and 2010. Only reference works and firm websites will be cited. Last access of all websites has been in the first half of May 2011.
transit place in the 19th and 20th centuries, but its location offers only limited expansion opportunities. In Salalah, port activities took place near the palace where ships had to anchor offshore and goods were reloaded onto smaller boats. Raysut, about 15 km west of the city, had a small natural harbor and was protected by a fort probably built in the early 16th century.56 After 1970, a new, all-season port turned Mina Raysut into the maritime gateway for ships and dhows heading for Dhofar.57 From 1973 to 1976, cargo handled in the port increased more than six-fold.58 In 1976, the Ministry of Communication commissioned the German construction firm Hochtief to expand the port.59 The total potential handling of goods increased to one million tons. The construction was finished in 1980; a paved road already linked the port to Salalah at that time.

In 1996, Oman’s long-term development strategy intended to make the country an international center for trade.60 This included the completion of infrastructure, in particular relating to seaports. The importance of ports for the Omani economy is shown by the fact that about two-thirds of its imports arrive by sea.61 For example, a new port opened in Sohar in 2004; it mainly handles imports and exports as well as serves the industrial development of the Sultanate. Another cargo and container port at Duqm in the remote Wusta region is under construction and will comprise one of the biggest dry docks in the wider area.

However, with the construction of the Salalah container port, one of the first and biggest infrastructure projects in the country had been started. The long discussions that preceded its realization highlight the reluctance to develop the remote region. Finally, in 1996, the Omani government commissioned the construction and management of a container terminal on the premises of the existing cargo port at Raysut.62 This agreement aimed at the establishment of a world-class terminal and a leading transhipment hub that would benefit from its location near the main East-West world trade route between the world’s economic centers in Europe and Asia. In 1998 the container port was opened with two deep-water berths. In 1999, 2007,

56. Barrault, Regards, 30.
57. Al Hamdani, Winning Hearts and Minds, 73; Janzen, Nomaden Dhofars, 174; Barrault, Regards, 58-59.
60. MoNE, Long-Term Development.
61. Ministry of Information, Oman, 231; OBG, Report, 141.
and 2008, four more berths were added, bringing quay length to a total 2.2 km and yearly throughput capacity to 4.5 mn twenty-foot equivalent units (TEU). With a maximum draught of 17.5 m, Salalah was among the few ports worldwide that were able to accommodate the biggest existing container vessels. In 2008, the government sanctioned the construction of terminal 2: three additional berths with a combined length of 1,350 m will enlarge capacity to 7.5 mn TEU by 2012. In a more distant future, it is envisaged to prepare for a handling capacity of 15 to 20 mn TEU.

In its second year, Salalah had already surpassed container handling in Muscat. In 2000, realized throughput stood at one million TEU, and it approached 3.8 mn TEU in 2010. In its first 10 years, the port was among the fastest growing terminals in West Asia. When global container traffic suffered a heavy turndown during the financial and economic crisis in 2009, Salalah was one of the rare ports whose throughput still grew considerably (+ 11 percent).

**Figure 1: Salalah container port with traditional dhows in the foreground and the industrial zone with a cement mill and the Dhofar mountains in the background**

Parallel to the construction of the container port, the general cargo terminal was expanded. Deep-water vessels, big bulk carriers, and smaller cargo ships as well as dhows and fishing boats can call at 11 berths. At the end of 2010, cargo turnover was close to 5 million tons, compared to 1.5 million tons six years earlier. With additional quays and new loading and storing capacities being planned, capacity will double
from 2007 to 2014. Salalah also has an oil jetty and a liquids terminal; a separate terminal for the increasing number of cruise liners calling is under construction. With a workforce of 2,400, the Port of Salalah is said to be one of the biggest employers in the whole governorate.

In view of its size and its development, the container port of Salalah has achieved regional and global importance. Over the last few years, it ranked between place 30 and 40 among container ports worldwide and achieved rank 29 in 2009. In the Western Indian Ocean region, it is ranked fifth after Dubai, Mumbai, Colombo, and Jeddah. At the same time, Salalah is facing fierce competition. In light of the expected shortage of port capacity, multiple port extension and new construction projects are being planned or are under construction in its wider neighborhood. However, Salalah benefits from the country’s relative political stability, the high efficiency of its freight handling, and its attractive geographic position, which saves vessels a several-day detour through the Strait of Hormuz.

Salalah’s importance is also based on its role in the geo-economic strategies of global players. The port has long-term agreements with major container shipping companies. The most important one is with Mærsk Line that belongs to the Danish A.P. Møller-Mærsk group and has become the biggest container line operator worldwide. Mærsk is also constructing container vessels itself and has put into service several liners with the hitherto biggest capacity. Mærsk also leads in developing transport logistics. Based on huge transhipment hubs that are hardly linked with their hinterland anymore, long-distance point-to-point connections combined with feeder services for regional distribution allow for considerable economies of scale and a flexible serving of otherwise unprofitable niches. Salalah has the highest transhipment rate worldwide: only one to two percent of the freight crosses the limits of the port to its landside. In 2009, seven Mærsk lines called at Salalah travelling east to west, mostly weekly, serving ports in Asia (in particular in China, Japan, and Malaysia), Europe, and Northern America (East Coast). Five shuttle and feeder lines linked Salalah with ports around the North-Western Indian Ocean (Indian subcontinent, East and Southern Africa, Indian Ocean islands) including the Gulf

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63. Cf. also OBG, Report, 97.
64. Investment costs for all pending expansion work were stated as OMR 123 mn (ca. EUR 250 mn).
66. According to Heymann, *Container shipping 2006 and 2011*, four of the five top transhipment hubs are main Mærsk ports.
and the Red Sea. Other shipping lines operate similar services via Salalah. Already in 2002, Salalah was the seventh port in Mærsk’s global network by volume; as a nodal point it was among its five most important hubs. 67

Mærsk has a monopolistic position in these transhipment centers. In Salalah, too, the company drew on 97 percent of its container capacity in 2002. Since 1998, Mærsk has gradually shifted a large part of its operations from Jebel Ali and Colombo to Salalah. To control the transport chain and to further reduce costs, at the end of the 1980s Møller-Mærsk started operating and owning ports directly via its subsidiary APM Terminals. In Salalah, it holds the largest and only foreign share (30 percent) in the Port Services Company and is managing port activities.

**Industrial Estates and Free Zones**

A first industrial area was allocated in Salalah in 1974. 68 In 1992, Raysut Industrial Estates were inaugurated west of Salalah with an area of 267 hectares. 69 The expansion of the nearby port seems to have especially boosted demand, so that 205 hectares have been rented by about 90 tenants. Another 100 hectares are available for further expansion. Businesses present in Raysut include those relating to the food industry, medical and pharmaceutical supplies, agricultural inputs, pipe, steel and aluminium fabrication, building materials and construction industries, printing and packing materials as well as trading and other services. The 27 firms active in 2008 employed more than 800 people at that time. Among these firms, the Raysut Cement Company is the biggest producer of cement in Oman and the UAE and currently ranks 11th in revenues among the top Omani companies. It operates a joint venture in India and two terminals in South Yemen and has acquired another plant in Ras Al-Khaimah in 2011. 70 Seventy percent of its yearly production is exported.

Yet, the most prominent project is the Salalah Free Zone (SFZ), conceptualized in 2000 and set up in 2006. It offers facilities mainly for multinational firms producing for international markets. Immediately adjacent to the port, the free zone offers, according to an advertisement, “access to over 1.6 bn consumers in the Middle East, East Africa and the Indian Ocean rim.” 71 Of the 1,900-hectare site earmarked for

67. Frémont, “Global Maritime Networks.”
68. Wegmann, “Entwicklungsplaung”.
71. www.sfzco.com; SFZ, Power Point presentation. For details on SFZ see also, e.g., www.portof-salahal.com/port_news_item.aspx?id=9581; OBG, “Salalah”.

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it, development of the first 200 hectares was completed in 2008, providing facilities for distribution, logistics, and manufacturing. Another 400 hectares in the Adhan area, close to the Raysut Industrial Estate, are under preparation with a focus on warehouse units, offices, an IT park, and light and medium industries. As a free zone, SFZ offers advantages such as 100 percent foreign ownership, repatriation of profits, 30-year tax exemptions, customs-free imports and exports, and a 10 percent instead of a 30 or 45 percent Omanisation rate. Whereas the first phase was expected to create about 2,200 jobs, the planned expansion is supposed to provide 8,000 new employments directly and up to 30,000 indirectly.

The first and biggest company that started operation in the Salalah Free Zone is the US-based Octal Petrochemicals. It invested USD1.5 billion in a polymer products manufacturing facility and in 2009 began to produce PET, which is used to package liquids, food, and consumer products. It is now the biggest supplier of PET resin in the Middle East and of PET sheet worldwide, which are exported via the Port of Salalah to more than forty countries. At the port, it owns a chemicals storage terminal and expected to ship about 430,000 containers in 2011. About 850 jobs were said to have been created. Octal’s total production capacity was expected to go up to 927,000 tons in 2012.

The Salalah Methanol Company was established in 2006 by Oman Oil Co. It started production of methanol for domestic consumption and export from the

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adjacent port facilities in 2010 using gas supplied through the recently established pipeline from the North. Its investments were around USD900 million and the project was expected to employ about 400 people. Since 2008, Dunes Oman, a foundry capable of producing 17,500 tons of ductile iron and grey iron castings annually for the international automotive industry, has operated in Salalah. It is owned by Brakes India Ltd., the leading manufacturer of braking systems and ferrous castings in India. The company was preparing to double its capacity with an additional investment of USD20 million, expected to be operational in 2011.

Other international clients of the SFZ are Sapphire Marine, a manufacturer and designer of patrol, military, and luxury boats, established in 2008, that distributes its products worldwide; Oswal Oman Caustic, established by the Indian Oswal Group Global, has invested USD350 to 400 million in a caustic soda processing plant, which is expected to be operational in 2012 and will serve the regional as well as the rapidly growing Australasian market; and the Bahraini Petrogenera, an industrial development company established in 2007 to develop downstream petrochemical related manufacturing in the GCC. In 2008, more than 50 other interested companies in the fields of construction consultancy, supply, and logistics had registered with investment plans of more than USD700 million.

Investors, both in the industrial and free zone, emphasize their proximity to the Port of Salalah, which provides immediate access to the important world trade routes. Whereas African markets are important for a number of producing entities in the Industrial Estate, in addition to the Gulf, Middle Eastern and Asian countries, Octal and Salalah Methanol are mainly present in Eastern Asia and Western countries. Octal sees the US as a market of particular interest thanks to the recent bilateral Free Trade Agreement. A considerable number of firms, mainly the most important and internationalized ones, have their production sites in Salalah but their main offices are in Muscat.

Another free zone at al-Mazyounah is intended to serve customs-free trading with Oman’s eastern neighbor. It was established in 1999 and is situated close to the inland border with Yemen. Since 2010, the Kuwaiti Golden Hala Company

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73. Cf. also www.salalahmethanol.co.om.
76. Besides Raysut Cement and Octal, see e.g. www.salalah-mills.com; www.salalahmacaroni.com.
77. Cf. also www.almazunah.com; www.free-zone-company.com/dubai-uae/content/free-trade-
has been developing its first phase. About 360 hectares are already rented and 90 is available for future expansion.

Tourism Development

Oman opened up very late to tourism for fear of infrastructural and psychological unpreparedness. However, the national “Vision 2020” also proposed policies for encouraging the development of the internal and foreign tourism sector.78 The promotion of so-called quality tourism constitutes a principal element of the national tourism development strategy. Since 1995, the number of tourists coming to Oman has climbed from merely 350,000 to nearly 1.7 million annually in 2006 and in 2008.79 By 2020, it should triple again to reach five million. Correspondingly, the five-year plan 2006–10 proposed a series of major tourist projects. Much of the investment focus is on “integrated tourism complexes” (ITCs) that in general include several hotels and tourist apartments, but also larger residential units, shopping areas, and sometimes schools and hospitals. The number of hotels has multiplied five times over the last 15 years and is expected to grow by another 20 percent over the next five years. Room capacity tripled over the same period and will more than double by 2014. In 2007, 22 percent of all rooms were located in five-star hotels.80

Limited tourism in Dhofar had started in the early 1980s. In 2010, the governorate had 30 hotels, 27 of them in the Salalah plain. Three hotels were five-star, and one a four-star. In 2008, Dhofar’s then 28 hotels had 1,525 rooms. This corresponded to 15 percent and 17 percent, respectively, of hotels and rooms nationwide. More than a third of the rooms were located in four- and five-star hotels. The number of guests increased considerably, from 56,000 in 199771 to about 100,000 in 2008 and 180,000 in 2010. Dhofar’s share of all tourists in Oman grew steadily from 8.5 percent to 11.2 percent whereas the share of nights fluctuated between 7 percent and 11 percent. The region thus is the second tourism destination in Oman. The share of Europeans coming to Dhofar increased from 14 percent to about one half (in Oman: 31 percent). This expansion is probably based on the start of weekly charter flights from Sweden. In contrast, the number of Omani and GCC citizens both showed a decline (each group is now around 15 percent to 19 percent). Hotels’

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79. All data MoT, Data. The number fell again to approximately 1.3 mn in 2009, mainly due to the H1N1 and the financial crises.
80. All following figures are based on MoNE, Results; MoT, List.
81. Barrault, Regards, 62.
income augmented from OMR 4.5 million to 8.5 million (2004-07). They gave work to an increasing number of employees (2007: 608), about a third of who are non-Omanis.

The monsoon offers the Salalah area a second tourist season, when the heat becomes unbearable in the rest of the Arabian Peninsula. From 2006 to 2008, the number of visitors increased from nearly 300,000 to 450,000; but due to the economic crisis, the figure fell to about 260,000 in 2010. In parallel, the number of nights spent peaked in 2008 (2.75 million), as did expenditures (OMR66 million). In 2010, while 15 percent of the visitors stayed in hotels, 71 percent stayed in furnished flats and homes. Visitors during khareef are mostly Omanis (2008-10: 61 percent), followed by other GCC citizens (33 percent).

A major event is the yearly Salalah Khareef Festival, the biggest festival of its kind in Oman.83 In 2008, almost 1,600 acrobats, performers, and dancers took part, and the year before saw about 2.5 million visitors. At the same time, the Baleed Archaeological Park – now declared a UNESCO World Heritage – and Frankincense Museum (inaugurated in 2007) is the museum with the largest number of visitors Oman-wide (53,000 in 2008).84

Until recently, Salalah had only two international hotels. The first one, initially the Holiday Inn, now Crowne Plaza Resort, was established in the late 1970s.85 The second five-star hotel, the Hilton Salalah Resort, was not opened until 1999; it is not too far from the port to welcome tourists and businessmen, who were expected to arrive in larger numbers.86

In recent years, the construction of new tourist resorts has started. Two ITCs and two other projects are likely to triple hotel capacity in the coming years.87 The Salalah Beach project is being carried out by Muriya, established in 2006 as a joint venture between the Egyptian Orascom Hotels & Development (70 percent) and the government-owned Omran.88 The project area is between 15 km2 and 25 km² in size with an 8-km beachfront, located 15 km east of Salalah proper. It will comprise

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82. All figures from MoNE and MoT, Salalah Khareef Visitors 2009 and 2010.
83. Ministerium für Information, Oman, 224.
84. MoNE, Statistical Yearbook, 487 Cf. also Ministerium für Information 2009, 170 and 176.
86. See also www.hilton.de/salalah.
87. MoT, List.
88. www.salalahbeach.com; www.muriya.om; www.orascomdh.com. Muriya is developing a second project in Dhofar, a seven-star eco-lodge on the small Sodah Island that will be managed by the French operator Louis Vuitton Moët Hennessy Hotel Management.
five five-star beach hotels with a 1,200-room capacity, two marina boutique hotels, luxury apartments and villas, together with a 200-berth marina, a promenade, as well as two 18-hole golf courses with a golf hotel and club. The ITC offers freehold property permitting 100 percent foreign ownership and granting residency permits to foreign investors and their families. The hotels will be managed by leading multinational operators such as ClubMed, Rotana and Mövenpick. Construction work on the villas of phase 1 (248 of the planned 1,150 real estate units) was expected to be finished in the course of 2011. The first 396-room hotel, the marina, and a golf course are under construction, too. In 2010, 850 workers (mainly South Asians) were on the site. Initially, completion of the whole project was scheduled for 2014, but construction phases will probably be spread over about 16 years because of flagging demand following the global financial crisis.

Figure 3: Salalah Beach model at Muriya showroom

The second ITC project is Mirbat Beach, 74 km east of Salalah, developed on 2 km² by the Dhofar Tourism Company, established in 1993 by Omani investors and the Qatari Supreme Council for Economic Affairs and Investment. Global marketing and selling has been passed to Hampton International, a subsidiary of the Emirati Emaar Properties. Phase 1 was completed at the end of 2010 with the

opening of the 237-room Salalah Mariott Beach Resort. Phase 2 will include a second 5-star hotel with 300 rooms. Besides, 1,600 residential units in townhouses, villas, and apartments will be built during construction phases 2 to 5. A marina with 75 berths will be complemented with a 9-hole golf course and clubhouse, camel and horse racing facilities, and diving, water and entertainment centers. A private hospital with helipad and a school with boarding facilities will supplement the scheme.

Also listed among the current top tourism projects is the Tourism and Commercial Center, now termed “Salalah World,” that will be the first “real” mall in the Dhofari capital. The complex at the central city’s northern edge is being built around a landscaped garden and will include a shopping mall, cinema complex, and theme park, as well as 169 hotel-like serviced apartments. It is being developed by Al Reef Company, a subsidiary of the Kuwaiti United Real Estate Company, at a project value of over USD8 million.

In 2010, Oman International Development and Investment Co. (Ominvest), established in 1983 with investors mainly from Oman and the Gulf, announced a project estimated to cost USD1 billion. The company’s subsidiary Salalah Resort is expected to start work on a 4-km² mixed-use ITC on the coast close to the city in 2011. In its first of three envisaged phases, it will include three five- and four-star hotels, several residential villas and apartments, a village center and a souk. With its Ministry of Tourism designation as an ITC, it will also offer special ownership rights and tax privileges to international investors.

**Further Urban and Infrastructural Developments**

More construction projects will be shaping Salalah’s cityscape. Often, it is not easy to separate projects for commercial, residential, and tourism purposes. Currently,

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90. [www.marriott.de/hotels/travel/sllms-salalah-mariott-resort](http://www.marriott.de/hotels/travel/sllms-salalah-mariott-resort). Investment costs: about OMR 10 mn according to OBG, “Salalah”, 178. Initially, the hotel was to be operated by Golden Tulip.

91. [www.salalahworld.com](http://www.salalahworld.com); [www.kucm.com/details.aspx?id=35](http://www.kucm.com/details.aspx?id=35); [www.option-1.org](http://www.option-1.org). The complex is complemented by the nearby new Lulu Hypermarket that opened in early 2011, the existing three-star Hamilton Plaza hotel with the Hamdan Commercial Complex and the Centre-point shopping centre.

92. [ominvest.net](http://ominvest.net).

93. This is probably identical with the master plan that has been designed for an integrated residential “lifestyle destination” at Khor Awqad ([www.klingmann.com](http://www.klingmann.com)). In addition to the residential area of 4 ha, the 32-ha project site includes retail services, botanical and water parks and a wildlife area. In the meanwhile, also initial plans for another tourism project at Aftalqot between Salalah and Mughsayl have been revived.
Salalah’s first gated community Zahrat Al Khareef is under construction, and 218 luxurious apartments will be finished in 2011. At the end of the three construction phases of the project, there will be 586 units built on a site of over two hectares. The real estate project is being developed by the Iskan Oman Investment Company, established in 2008 with a 45 percent stake of the Kuwaiti Housing Finance Company and a second major public shareholder from Kuwait, and is intended for sale to GCC citizens only. In the SFZ Adhan area, another high-standard residential zone, the “Jawharat Salalah,” is intended to provide accommodation for the international workforce. It will also contain a mall and public market, a medical center, entertainment and recreation facilities, office buildings and a new five-star hotel. Finally, the 4.5-km al-Hafa shoreline, which is very popular today, will also undergo upgrading. A new corniche had been constructed several years ago between the Palace and al-Baleed. The master plan foresees resettling the population and replacing existing buildings with a new “tourist-oriented beachfront” that will include hotels, markets, recreational and tourism facilities, as well as residential areas. The project with development costs of OMR 20 million and compensation costs of OMR 27.2 million was to be tendered in 2010 and finished in 2013. Some of the older homes had already been abandoned in 2010.

Figure 4: Salalah beach villa under construction

Photo: Steffen Wippel 2010.

95. E.g. OBG, “Salalah”, 178.
Infrastructure developments after the coming to power of Sultan Qaboos include the building of an urban and regional road network. In the first half of the 1970s, this network developed only on the Salalah plain, mainly on the Raysut-Taqa axis. In 1975, the opening of the road to Thumrait, secured since 1973, offered a first paved landside link to other parts of Oman. Today, overland roads link Salalah directly to Northern Oman, to the Yemeni border in the West, and to Hasik in the East. The two border posts also provide access to decent roads in Yemen that are said to have been built by Oman. Long-distance coaches now operate daily from Salalah to cities in Northern Oman, the UAE, and South-Eastern Yemen. Current projects include the dualisation of the Salalah-Nizwa and the Taqa-Mirbat overland roads and the construction of a coastal road from Hasik to al-Shuwaimmiyah that gives another access to the North. In 2010, the municipality unveiled a comprehensive study to develop the intra-urban road system. It includes a 37-km extension of the existing bypass road to the industrial areas and the port in the East, the building of several interchanges along the main East-West through carriageway, and the dualization of two further arteries.

These infrastructural projects are intended to link the port with its wider hinterland and to allow multimodal transport, even if Salalah will predominantly remain a transshipment hub. On a larger scale, Dhofar will also be integrated into the proposed trans-Arab road and rail network. Inside Oman, tenders for a freight and passenger railway started recently: its first phase is to be built from Muscat to the UAE borders, but there is discussion on extending the line, first to Duqm and then to Salalah and Yemen in later phases. In addition, Oman signed agreements to connect the country to a North-South-Corridor from the Baltic to the Oman Sea, and the Saudi Bin Ladin group is planning an Afro-Arab bridge across the Bab al-Mandeb.

98. en.wikipedia.org/wiki/Salalah.
99. The Salalah-Taqa section already has motorway standard, since it was recently shifted to circumvent the extended Salalah Beach project area.
100. As an example, costs are given at OMR 21 mn for the first interchange, OMR 17 mn for the third lane of Ar-Rubat Street, 84 mn for the Hasik-Shuwaymiyyah road, as well as OMR 50 mn for the third phase of the Nizwa-Thumrait and OMR 48 mn for the dualisation of the Thumrait-Salah road. The Eighth Five-Year Plan (2011-15) foresees OMR 250 mn for the dualisation of the Nizwa-Thumrait road.
101. E.g. OBG, Report.
Additional infrastructure projects include modernization of the Salalah airport. Previously predominantly used by the military, it became operational in 1977, but handled only domestic flights from and to Muscat. In 2003, year-round regular flights to Dubai were introduced, and Gulf carriers scheduled further flights during the *khareef* season. A year later, the first non-Arab airline launched flight operations here. Finally, in 2005, the first direct seasonal charter flight arrived from Sweden. Through the last decade, the annual number of passengers arriving or departing grew by 250 percent to over 450,000. Besides seasonal flights, Salalah today has 39 regular weekly departures: 35 are scheduled by Oman Air to Muscat and Dubai; Air India Express operates three flights to Kochi, Kozhikode, and Thiruvananthapuram; and Felix Airways has one to Aden, al-Ghayda, and al-Mukalla.

At the moment, the second national airport is being expanded and modernized to accommodate the increasing number of passengers. This is also part of the strategic offensive to develop the region as a tourist destination. The new terminal envisages an expansion of capacity to one million passengers annually by 2014. Interim measures include the expansion of the existing arrivals and departures areas. Further expansion stages will factor in future demand growth to two and six million passengers annually when necessary. Since its establishment, the Salalah Port Services Co. has wanted to offer sea-air transhipment, so the airport is now being equipped accordingly. Future cargo terminal capacity is set at 100,000 tons p.a. (currently it handles 70,000 tons).

**Urban Characteristics and Conceptualisation of Contemporary Salalah**

Since ancient times, the area of Salalah has been integrated into global economic networks. But in the 1960s, under-development and exploitation prompted a civil war; the current Sultan was able to pacify it by social development measures, among others. Apparently, no further economic progress took place later, and only in the 1990s have further efforts been undertaken. A main catalyst has been the new port of Salalah, which experienced impressive growth and achieved a top position among container hubs worldwide. It has been complemented by industrial and

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102. [www.omanairports.com](http://www.omanairports.com).

103. See also [en.wikipedia.org/wiki/Salalah_Airport](http://en.wikipedia.org/wiki/Salalah_Airport) and versions in other language. But data are not very consistent: it seems that Oman Air has two weekly flights to Dubai, but [www.omanaire.com](http://www.omanaire.com) gives none. [www.felixair-ways.com/schedule.php](http://www.felixair-ways.com/schedule.php) shows one weekly flight on the Sanaa-Aden-Mukalla-Salalah route.

104. Barrault, Regards, 58.
tourism development efforts, including the Salalah Free Zone and two integrated tourism schemes whose first phases are now being finalized. More infrastructural and urbanistic projects are being planned.

Salalah is once again well integrated into trans-local flows by global container traffic, international tourism, working migration, and production for foreign markets. Often these flows display regional specializations, such as summer tourism from the Gulf countries, feeder services to India and Africa, and migration from South Asia. Sometimes, these flows extend more to reticular or archipelago-like “hinter-worlds” than to contiguous hinterlands. The port and the free zone, in particular, show very limited links with the rest of the Sultanate. As globally integrated fragments, they contribute little to the local community and economy. Even the employment effects, considerable for the size of the city, contribute further to its globalization, as the workforce – as well as the management – is largely non-Omani. In contrast, the industrial estate is more locally and regionally integrated but is increasingly also trying to build on its proximity to the port for enhanced export orientation. Thus, over the last decade, Salalah has become part of a network of ports and cities along the Europe-Asia range and in the Western Indian Ocean area that cooperate and complement each other, as well as strongly compete with each other. Despite its central position in the global container trade, Salalah has not yet developed into an intermodal traffic hub.

Integration into the global economy has important consequences for the physical landscape. Often projects are located at an obvious distance from the inner urban space proper; they thereby contribute to the spatial and functional fragmentation of the wider agglomeration. The port has developed out of a small existing fishing harbor; yet, Salalah itself was not previously known explicitly as a port city. Characteristically, the newly established sites, such as the port area, ITCs and residential communities or malls, are fenced, walled and gated or located on privatized ground, offering only restricted access. Plans to improve the Hafå shore will affect the local population considerably. This waterfront project development is not a revitalisation of former docklands, but part of broader orientation of the city, whose modern centre lies behind the plantations, towards the seashore.

Salalah’s transformation into a globally connected transit and destination point also involves manifold international and multinational actors. Port activities and container lines are operated by one of the largest global shipping companies, and the

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105. This does not yet form a “city region” in default of an immediate hinterland. Also typical (and one of the reasons for urban fragmentation) is the lack of integral planning and of a central planning institution.
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Port has a very central role in their lines and hubs network. ITCs and other real estate projects involve international developers, purchasers, and users. Foreign investors run businesses in the Salalah Free Zone. In contrast, the airport is mainly served by the national carrier and, up to now, there is only one Swedish tour operator regularly bringing beach tourists to Salalah. However, international stakeholders have their headquarters elsewhere in the world (from India through the Gulf or Egypt to the US), and even local representatives and joint ventures often locate their main offices in Muscat, and not on-site where operations take place.

Salalah has recently been attracting huge amounts of capital that have been invested in construction and operation of quite a number of important projects. It has an important role as a major transport hub, having specialized in container transhipment, a crucial factor in today's world economy flow. Yet, it is neither a basing point for global capital nor a command center for worldwide activities. Consequently, Salalah exerts no influence of its own on the ongoing process of globalization, but considerably contributes to and is affected by it. It is located on very specific geographical circuits in accordance with the sectors present and is exposed to strong competition. Thanks to its backing by oil revenues, social disparities may be less pronounced than in other parts of the non-Western world. However, current protests by the local Omani population show great discontent with the socio-economic situation and perspectives. Cosmopolitanism as described above for traditional port cities seems to be more a pure co-existence among different groups, considered necessary rather than a welcomed element of urban life.

To summarize, Salalah today is a specialized “globalized” city displaying numerous characteristics such as fragmentation, segmentation, and securitization that have been described as aspects of post-modern cities as well as of contemporary port cities.

106. At a certain moment, the Dubai Jebel Ali Free Zone Authority also became interested in managing SFZ.
107. What I have left out here are endeavors for worldwide positioning, marketing, and branding of Oman or Salalah as a transport hub, a production place, or tourist destination as well as individual projects such as the port, SFZ, and the large tourism complexes. Common to them, is a reference to their seaward orientation and their strategic situation in the wider Indian Ocean area between Asia and Europe, the Middle East, and Africa. Thematic orientation also includes the eclectic architecture of ITCs and other real estate, oscillating between contemporary global styles and references to (imagined and reinvented) local design (Wippel, “Port and Tourism Development”).
References


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**Steffen Wippel** is currently a senior researcher at the Research Network “Re-Configurations. History, Remembrance and Transformation Processes in the Middle East and North Africa,” which is closely connected to the Center for Near and Middle Eastern Studies (CNMS), Philipps-Universität Marburg (Germany). He has a Master’s Degree (Diplom) in Economics from the Albert-Ludwigs-Universität Freiburg i.Br., a Ph.D. from Freie Universität Berlin and a habilitation degree from Friedrich-Alexander-Universität Erlangen-Nürnberg. At the University of Erlangen, he is teaching as an associate professor (Privatdozent). Until 2013, he carried out research at the Zentrum Moderner Orient (ZMO) in Berlin on the port cities of Salalah (Oman) and Tangier (Morocco). Simultaneously, from 2008 to 2011, he worked on Oman’s regional economic orientations at the Institute for Oriental Studies, University of Leipzig. At the same institute, Wippel was a visiting professor for the Economy and Social Geography of the Middle East in 2010, and he was an invited Professor for Contemporary Middle East Studies at the Department of History, University of Southern Denmark at Odense in 2014/15. His most recent publications include “Under Construction: Logics of Urbanism in the Gulf Region” (ed., with K. Bromber, C. Steiner and B. Krawietz, Ashgate 2014) and “Regionalizing Oman: Political, Economic and Social Dynamics” (ed., Springer 2013).
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