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A Study on the Role of Investment Projects in Al Duqm Special Economic Zone.

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Abstract
The motive of this study is to know the impact of investment projects in the economic zone inDuqmonthedevelopmentoftheeconomy,andtherew asacorrectrelationshipbetweeninvestment projects in Duqm and the return on assets, where the number of returns on assets givesinvestors an idea of the effectiveness of the company in transferring the money it invests into netincome. The impact of the infrastructure was also strong, as the Special Economic Zone at Duqmenjoys a privileged location, political stability, natural resources, exceptional terrain and stunningviewsthatmakeitan excellentchoiceforcommercial andtourisminvestment,due toitsstrategic location, allowing it to be a navigational center in the region and attracting investors, asithas attracted profits One of the currentprojects in Duqm is forinvestors tolearn aboutinvesting in the area. This study relies on secondary data from the income statement, balancesheet, cash flow statement, and other reports. The purpose of the study was illustrative, as thequantitativeresearchmethodwasusedtoconductthe study, theratiomethod, financialperformance, andprofitsinrecentyears.

I. INTRODUCTION

It is known that the growth of the economy of the Sultanate of Oman cannot be guaranteedwithout large and various projects can be able of reaching a high level of the economy.Where itis necessary to choose the investment related to the economy, as the Sultanate has sought todevelop the economy by investing recently, not only in the industrial sector, but also expanded inother sectors in tourism, trade, logistics, and real estate development.It opened a very suitableplace for investment work. On October 26, 2011, AD, the Economic Zone was established inDuqm. It sought to attract a variety of economic and industrial activities until it became today animportanteconomic center for industry and a tributary to the national economy in the Sultanateof Oman. The Duqm area is characterized by vast areas capable of providing many spaces andbranches for investors to build their projects.Where we address in this research the problem ofhow the national economy flourishes and develops in the Sultanate of Oman. With this, we willexplainhowitispossibletoinvesttheDuqmregionin buildinginvestmentprojectsandincreasing production so that it is able to form relations between foreign countries and to build aprosperous future from the national economy. and how to train station staff to fulfill touristrequirements and increase annual production rates Investing in company opportunities that areboth facilitators and profit producers for other investments, on the other hand. Tatweer is focusedon enabling and facilitating more investment in the Duqm special economic zone. Tatweer wantsto be the preferred Local Minority Investment Partner for investors in Duqm. Tatweer plans touse minority ownership and local help to simplify investments and boost investor trust in theirDuqm enterprises. Tatweer is well-positioned to provide full local help, including site selection,businessregistration,legislativeclearances,localdebtfinancing,andfurtherlocalequitysupport,amongotherthings.

Statement of the problem

At present, the economy of the Sultanate of Oman is known to be a middle-income economy aswe affirm that the increase in the economy will be through various projects and investments thatcan reach a high economiclevel.Duqm was chosen becauseitis a very suitable area forinvestmentwork. taking advantage of the available incentives and competitive advantages suchas the presence of a modern international port and a dry dock that can develop infrastructure asconcerning the cargo berth at Duqm, where achieved the preservation and delivery of the goodssafety at the Asyad stations with success rates 1M tonnes per annum of general cargo and 100Kvehicles per annum alsoin bulkcargoberth about5M tonnes per annum , this shows thevariation in the development of the special economic zone at Duqm from one period to another.To keep this numbers increasing by making some facilities receiving daily of investors whostartedtheirprojectsinthezonewhereeasytoaccesslandthroughlong-termleasingarrangements with cheap interest rates for the investors also corporate tax and customs taxes arebeing reduced and Personal income taxes are exempted tobring alargenumber of investors.Such as, Potable water and sewer networks, pump stations, electrical and telecommunicationsinfrastructure, fences and gates, and other infrastructure projects are examples. When this projectis completed, products will be able to move via the Port, increasing transportation efficiency andmaking the Duqm Special Economic Zonemore appealing. to the existing commercial docksThis shows the variation in the development of the special economic zone at Duqm from oneperiod to the next, where the Asyad stations achieved the preservation and delivery of goodssafely with success rates of 1M tonnes per annum of general cargoand 100K vehicles perannum, as well as in bulk cargo berth about 5M tonnes per annum. To keep these numbers rising,some facilities are being built to receive daily investors who have begun their projects in thezone, where land is easy to access through long-term leasing arrangements with low interest ratesfor investors, corporate tax and customs taxes are being reduced, and personal income taxes arebeingexemptedinordertoattractalargenumberofinvestors.

Study questions:

- Areinvestmentprojectsintheeconomiczonei nDuqmaffectedbyexchangerate,laborcost,marketsize,economicgrowthandinfrastructure?
- extenttheimpactof thelargeareaandinfrastructureon thediversificationofinvestmentventuresinDuqm?
- illustratetheadvantagesoftheeconomiczonei nDuqmandclarifythepreviousresultingprofitsforventures toattractinvestors?

Objectives of the study:

- EconomicprojectsinDuqmaresignificantlyaffectedandchangedbyexchangerate,laborcost,marketsize,economic growth,andinfrastructure.
- EvaluateofthebasiccomponentsoftheDuqm EconomicZonetomaintaineconomicdiversificationandfinancialsustainability.
- Submitting proposals to develop projects in the economic zone in Duqm and to attract thelargestnumberofforeigninvestors.

Significance of the study:

This research will provide a study on the success of investment projects in the Special EconomicZone in Duqm by calculating the profit and stock prices in the last year to attract more foreigninvestments. Through this research, the successes that have been achieved in recent years willdeprive investors more to know about the region and to invest in Oman, which leads to thedevelopment of the economy, especially in the economic zone in Duqm Moreover, the studypresented in this research will convey valuable information to investors in terms of advantages inDuqmtoenhancethe economyinthe SultanateofOman.

II. LITERATURE REVIEW

The Oman Company for the Development of Duqm Special Economic Zone SAOC (Tatweer)was establishedin 2014 as a wholly owned 100% subsidiary of Opaz. Tatweer's mission is tohelp Obaz develop the Special Economic Zone at Duqm, ensuring that infrastructure is built andmanaged efficiently, and that the area attracts investment. However, invest in the capabilities ofthe company that are enabling and profit-generating factors for other investments. Tatweer aimsto enable and facilitate more investment in the Special Economic Zone at Duqm. Tatweer aspiresto be the preferred local investment partner in Duqm for investors. Tatweer intends to simplifyinvestments and increase investor confidence in their projects in Duqm by sharing minorityownership and local assistance. Tatweer is well positioned toprovide all the local support,including site selection, business registration, legal approvals, local debt financing, as well asadditional support for local equity. It will have a developed exit plan to allow domestic andinternational investment in Duqm to list the development strategy to achieve our objectives ofassetmanagementandmanagementintheregioninaccordancewiththeDuqmSpecialEconomic Zone Agreement.Completing the strategy of the Special Economic Zone at Duqm todevelop the Special Economic Zone at Duqm. Enhance sectoral investment in Duqm by bringingin skills and expertise across the entire value chain, such as the fishing, metals, utilities, aviation,logistics and petrochemical sectors Invest a small amount of money, vested stock, or land leaserights as a minority stake. Provide local assistance regarding site selection, business formation,legislative permits, local debt financing, and attract more governmental and non-governmentalfinancing institutions in Oman. Monitor the performance of joint ventures. At the right moment,lightenuporleave.

Existingwork (previous studies)

Thecompanyislookingatinvestmentpossibilitiesinavariety ofareas,includingutilityservices, gas distribution networks, chemicals, commercial space, and airport zone development,amongothers.Thecompanyislookingtofreshinvestmentopportunitiesin Duqm.Theseinitiatives may be necessary in order to encourage Duqm's growth. With viability gap financing,Tatweer is poised to take on these initiatives. Tatweer may depart the initiative at a later point,when the projects are self-sustaining. Tatweer is willing to work with private companies todevelopstimulatinginitiativesinDuqm,aswellasmanageand operateassetsintheZone,as approved by SEZD. The Company plays a critical role in ensuring that all SEZD infrastructureprojects are completed on schedule, with high quality, and at a low cost. The company hascompleted several infrastructure projects in the last few years, totaling 37 to date, and is makinggood progress on strategic projects such as the Port of Duqm, the Duqm refinery, the FisheryHarbor,and othergeneral infrastructure projects such as roads,utility dams,and channels,amongothers.ComplementtheSEZD'sstrategyforthedevelopmentof theDuqm specialeconomiczoneBoostsectoralinvestmentinDuqmbybringinginskillsandexperiencethroughout the whole value chain, such as in the fishing, minerals, utility, aviation, logistics, andpetrochemicals sectors. Invest a little amount of money, sweat equity, or land leasing rights as aminorityinterest.Providelocalassistanceintermsofsiteselection,businessformation,legislative permissions, local debt financing, and attracting extra local equity from governmentand non-government fund houses in Oman. Keep an eye on the joint ventures' performance. Atthe right moment, dilute or depart Tatweer can take on projects that appear to have little interestfrom privateinvestors butare necessary toboostinvestmentin the SEZD.Because of thelengthier payback period and lower financial returns, private investors may be hesitant to engagein such initiatives.Profitsfrom presentDuqm projects have attracted investors tolook foradditional options in the region. The department store (OSS) in the Duqm Special EconomicZone experiences a large growth in business volume year after year. Despite switching to onlineservicesaroundtwoyearsago,theone-stopshopcontinuestogetdozensofinvestorsorbusinesses on a daily basis whowant to investin Duqm.The numberof licenses runningeconomic operationsinDuqmwillincreaseby50%between2020and2021.

Dependent Variable:

- IntangibleAssets:Costlessaccumulatedamortizationisusedtovalueintangibleassets.Intangibleassets have a costthatis equal to theiracquisition price plus any additional costs.Only subsequent expenditures that boost the future economic advantages inherent in intangibleassets are capitalized. All other expenses are recorded as incurred expenses in the statement ofcomprehensive income. Amortization is calculated on a straight-line basis over the expectedusefullifeofeachcomponentofanintangibleassetandchargedtothestatementofcomprehensiveincome.Theintangible assethasa 5-yearuseful life.
- Property, Plants and Equipment**:** Except for land, property, plant, and equipment are valued atcost minus accumulated depreciation and any impairment losses. The value of the land has beenrevalued. The cost of property, plant, and equipment includes the purchase price as well as anyacquisition-relatedexpenditures.

Independent Variable:

- Financial Risk Management: The Group's operations subject it to a number of financial risks,including market risk (including foreign exchange risk and interest rate risk), credit risk, andliquidity risk. The Group's entire risk management program is focused on the unpredictability offinancialmarkets,withthegoalofminimizinganynegativeconsequencesontheGroup'sfinancial performance. Management is responsible for risk management, which is overseen bythose inchargeofgovernance.

Market Risk

* Foreign Exchange Risk: When the value of a financial instrument fluctuates owing to changesin foreign currency rates, foreign exchange risk exists. Because all revenues and key operationalexpenditures are denominated in Rial Omani, the management believes the Group is not exposedto substantial foreign exchange risk as a result of currency exposure. Certain transactions andyear-end monetary assets and liabilities of the Group are denominated in US Dollars (USD). Theforeign currency risk associated with exposure to the US Dollar, on the other hand, is deemedmodestbecausethe RialOmaniis tiedtoUSDollars.

* Interest Rate Risk: Is the possibility that the value of a financial instrument may fluctuateowing to market interest rate movements. Because the Group does not have major interest-bearing assets and obligations with fluctuating interest rates, it is not exposed to considerableinterest rate risk. The Group's comprehensive income may increase or decrease for every 5%changeininterestrate.

(Credit Risk): Is the risk of a financial loss if a customer or counterparty to a financial instrumentfails tosatisfy its contractual commitments, andit originates primarily from cash and cashequivalents,aswellasclientcreditexposuresandcommittedtransactions.

(Liquidity Risk): The danger of the Group's inability to satisfy its net financial requirements isknownasliquidityrisk.Marketinterruptionsorcreditdowngradesmightresultintheunavailabilityofsomefundingsources,posingaliquidityrisk.

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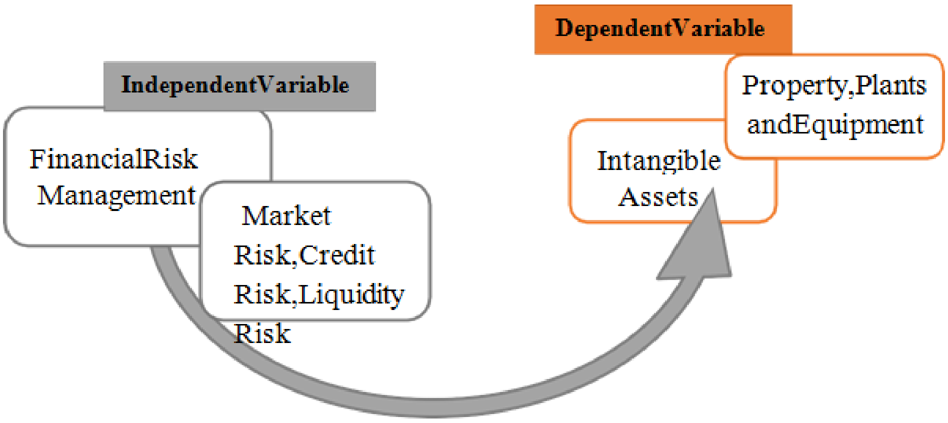


Research Gap

Based on the previous research that was in this field and the information obtained through itwas not enough for us as students, and accordingly our research will depend on studying theimpact of projects in the Duqm Economic Zone on the effects of economic growth for the cost oflabor.The studyofthe exchangerate,marketsize andinfrastructureinthe pastyears.

Research Methodology

As a group of investorsis pickedmore and they will have a greater opportunity toengageinother nations to invest in the Special Economic Zone in Duqm, this study depends on secondarydata from theincome statement, balance sheet, cash flow statement, and other reports. Sincethen, we've been focusing on a financing portion of a development company in Duqm, as well asits financial data for the previous years in the Covid-19 period, between 2020 and 2019, in orderto improve our analysis and better understand the epidemics and the impact on the region'sperformance andinvestments.

Research Design

This research relied on secondary data in Duqm Special Economic Zone. We will use the annualreports of Tatweer Company in Duqm for the years 2019 and 2020, after which we will find thedata collectionforthis company.

Data Collection

Data will be gathered via the Tatweer company's annual financial reports, which will includespending and revenue. Furthermore, articles, books, and financial publications will be used togather further data and information for the research of the Duqm Special Economic Zone. Ourresearchwillfocusontheyearsleadinguptoandfollowingthe pandemic.

Secondary data

ThestudyontheSpecialEconomicZoneinDuqm used different toolsto fullyassistinthisstudy.The main tools are the company's two-year annual reports and financial ratios, afterwhichthefollowingratioswillbeusedtoassessliquidity, thensolvencyandprofitability.

FinancialRatio

- DebtRatio=TotalDebt/TotalAssets

- TotalDebt=CurrentLiabilities+Non-CurrentLiabilities

Itisdefinedasthe ratiooftotaldebttototalassets,expressedasa decimalorapercentage.

- CashRatio=Cash/CurrentLiabilities

The cash ratio is a liquidity measure that shows a company's ability to cover its short-termresponsibilitiesusingonlycashandcashequivalents.

- Current Ratio = Current Assets / Current LiabilitiesCurrentassetsminuscurrentliabilities
- ReturnonEquity=NetProfit/ AverageEquityx100

ReturnonEquity(ROE)isameasureofabusiness'sprofitabilityinrelationtoshareholder andinvestorequitythat canbe calculated bytaking allassetsandsubtractingall liabilities.

- GrossProfitMarginRatio=GrossProfit/Sales x100

Itistheanalyticalmeasureexpressedasacompany's netsales minus itscostofgoodssold.Itshows the amount of profit made before deducting selling, import, export, distribution, andadministrative expenses.

- ReturnonAssets=NetIncome / Average TotalAssets

Itmeasureshowefficientlyacompanyusesitsassetstoproduceincome.

- NetProfitMargin=EBIT/Sales(Turnover) x100

Itis theratioofnetprofittorevenueforacompanyorbusiness sector. Thenetprofitshows howmuchofthe revenueinOmaniRialscanbetransferredtoa companyintoprofit.

Data Analysis and Interpretation

This study depends on secondary data from the income statement, balance sheet, cash flowstatement, and other reports. Except for freehold land and equity investments through othercomprehensive income, which are carried at revalued amounts and fair value, respectively, theconsolidated financial statements for the year 2019 have been prepared on a historical cost basisin accordance with International Financial Reporting Standards (IFRS) and relevant requirementsoftheCommercialCompanies Law.

Data collection and resources

The data will be collected, calculated and analyzed if there are profits or losses through theannual financial reports of the Tatweer Company in Duqm, which will include expenditures andrevenues. Furthermore, articles, books and financial publications will be used to collectmoredata and information for Duqm Special Economic Zone research. Our research will focus on theyears2019and2020leadinguptoandafterthe pandemic.

Data analysis and discussion

DataAnalysis: In thischapter,dataabouttheresearchobjectivesanddatacollectingaregathered from TATWEER company, and all of the data is secondary. This research also analysesthe performance of project in special economic zone at Duqm liquidity status and delivers theoutcomes of our data analysis. The financial statements for the year 2019 and 2020 have beenpreparedonahistoricalcostbasisinaccordancewithInternationalFinancialReportingStandards (IFRS) and relevant requirements of the Commercial Companies Law, exceptforfreehold land and equity investments through other comprehensive income, which are carried atrevaluedamountsandfairvalue,respectively.

1. **Debt Ratio:** It's a financial measure that determines how much debt a business has.Some firms refer to the percentage of the company's assets thatare financedby debtastheproportion of total debt,and theproportion of total debtiscomputedbydividingtotalassets.

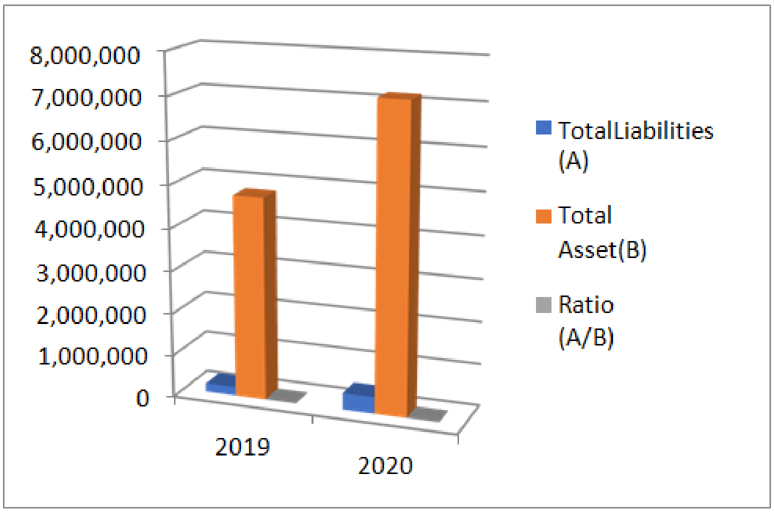
Data Ratio=Totalliabilities/Totalassets

Table 1.1DebtRatio

	Tatweer		
	TotalLiabilities (A)	**TotalAsset (B)**	**Ratio(A/B)**
2019	202,556	4,765,712	0.04
2020	392,340	7,168,403	0.05

➢ ***Source:AnnualReports2020***

Interpretation: In 2019, the debt ratio fell to 0.04 in the table, which is not a healthy rate forthe organization. The business is unable to finance its assets in order to pay its creditors.While the debt ratio climbed to 0.05 in 2020, it is still a desirable ratio for the companybecause creditors anda large numberofinvestorscanfundthecompany's assets.



2. **Cashpositionratio:**Thecashratioisaliquidityindicator thatdemonstratesacompany'scapacitytomeetshort-termobligationsonlyusingcashandcashequivalents.

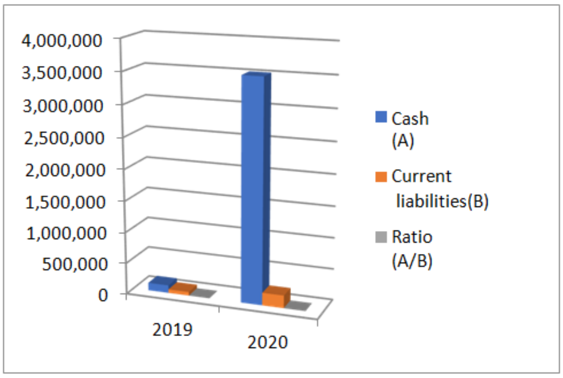
Cashpositionratio=cash/currentliabilities

Table 1.2
Cashposition ratio

	Tatweer		
Year	**Cash(A)**	**Currentliabilities (B)**	**Ratio(A/B)**
2019	122,857	58,504	2.10%
2020	3,516,987	202,169	17.40%

➢ ***Source:AnnualReports2020***

Interpretation: From 2019 to 2020, the percentage of the company's cash position is shownin the table. Tatweer Company's cash flow ratio in 2019 was 2.10%, and it grew to 17.40% in2020,indicatingthecompany'sabilitytomeetitsobligations.Afterthen,theproportionfellin 2019. Our conclusion that Tatweer has the best cash position in the areas of investment isbased on the central ratio, which indicates that the company has limited ability to meet itsobligations tonewinvestors intheregion.



3. **Currentratio:**Workingcapitaliscalculatedascurrentassetsminuscurrentliabilities,whichisthelong-termfinancesthataretraditionallyseenasbeingallocatedtofinancialcurrentoperations.

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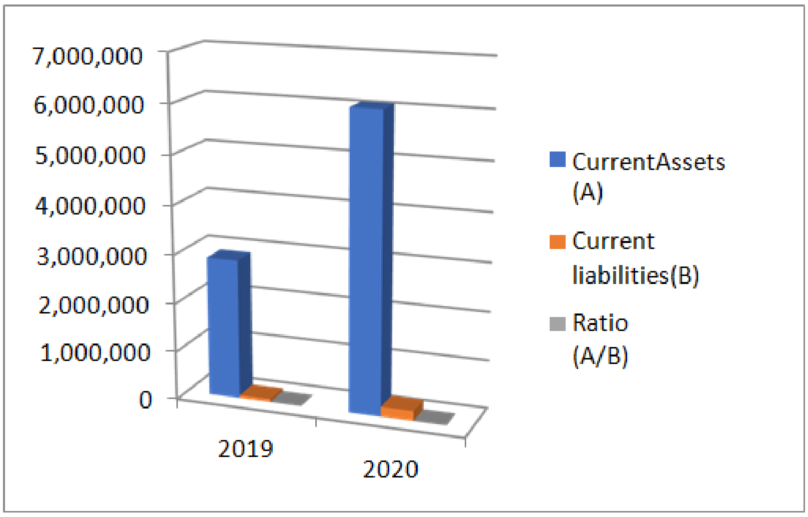
CurrentRatio=Currentassets/Currentliabilities

Table 1.3
Current Ratio

	Tatweer		
Year	**CurrentAssets(A)**	**Currentliabilities(B)**	**Ratio(A/B)**
2019	2,877,039	58,504	50%
2020	6,077,188	202,169	30%

➢ ***Source:AnnualReports2020***

Interpretation: The current ratio increased to 50 times in 2019, which is good for thecompany because its current assets are larger and it can pay its current payments to investors,but it decreased to 30 times in 2020, which is bad because the company is unable to pay itscurrentobligationsagainstitscurrentassets.



4. **QuickRatio/AcidTestRatio/LiquidRatio:**OnlyliquidassetsareincludedintheAcidTestratio,whichexcludesinventoriesfromcurrentassets.Thereasonfor thisisbecause it may not be able to swiftly convert inventory into a known amount of cash.**Quick Ratio/ Acid Test Ratio/Liquid Ratio =Current Assets – Stock (Inventory) /CurrentLiabilities**

Table 1.4QuickRatio

	Tatweer		
Year	**QuickAssets(A)**	**Currentliabilities(B)**	**Ratio(A/B)**
2019	2,877,039	58,504	49.17%
2020	82,296,656	65,440,428	30.05%

➢ ***Source:AnnualReports2020***

Interpretation: The table shows the quick ratio for two years from 2019 to 2020. In theabove-mentioned ratios, the quick rate for 2019 was 49.17, and 2020 was 30.03.These ratiosshow us that a development company has a low ratio.The reason behind this decision is thata development company in the region cannot easily convert its assets into cash without losingtheirvalue,astheirratiosarethesame.

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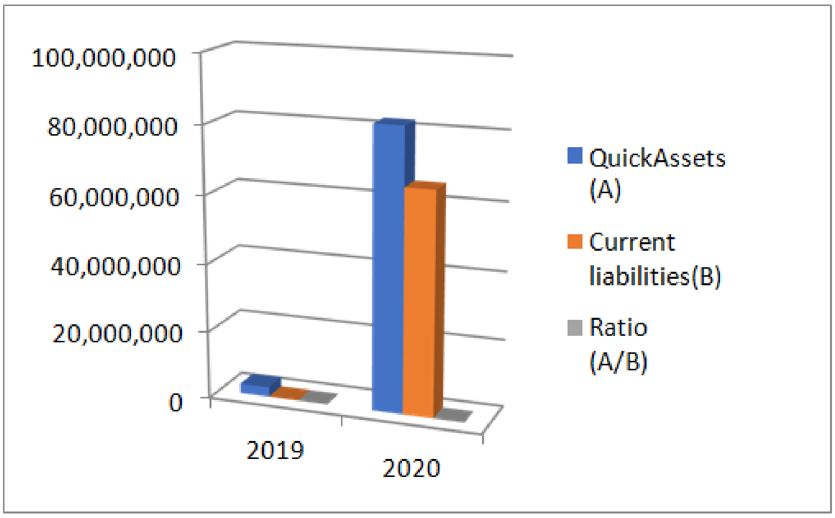


5. **Asset Turnover Ratio:** It is an indicator of how efficiently a company uses its assetsto generate revenue, and thus the turnover ratio will be a determining factor for thecompany's performance. There is a relationship between the ratio and the company'sperformance, with the higher the ratio, the better the company's performance, and theasset turnover ratio can vary from company to company. Other, it's usually computedon an annual basis for a given financial year, and the asset turnover ratio is derived bydividingthetotalassetsbythe netsalesvalue.

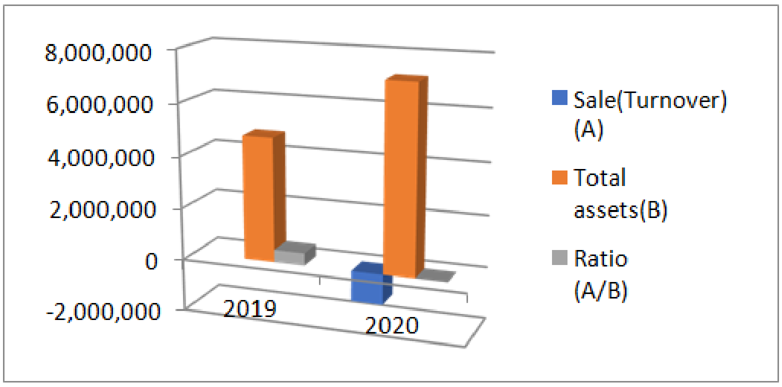
AssetTurnoverRatio=Sale(turnover)/Totalassets

Table 1.5
Asset Turnover Ratio

	Tatweer		
Year	**Sale(Turnover)(A)**	**Totalassets(B)**	**Ratio(A/B)**
2019	-	4,765,712	476,571
2020	(1,163,292)	7,168,403	(0.162)

➢ ***Source:AnnualReports2020***

Interpretation: The table displays the turnover rate over two years, from 2019 to 2020, witha ratio of 476.571 in 2018 and 476.571 in 2020. (0.162). The higher the percentage, the betterthe company's performance, according to this metric. In reverse, the company's performanceimprovedin2019,buttherewasa lossin2020duetotheCorona virus**.**



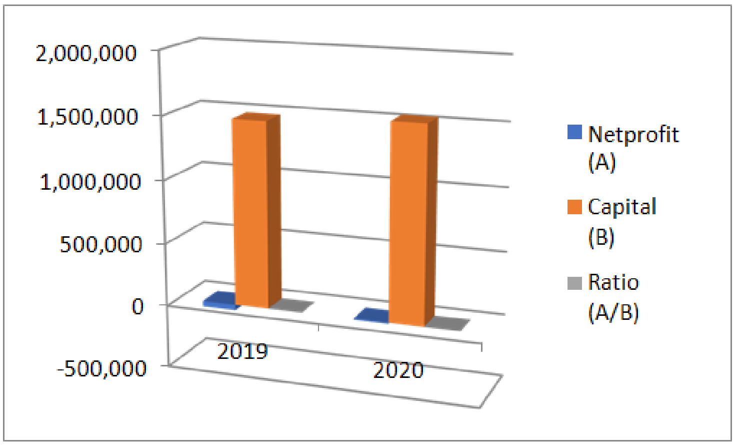
6. **Return on capital employed (ROCE):**is a financial ratiothat may be used toevaluatetheprofitabilityandcapitalefficiencyofacompany.Itevaluatesacompany's abilitytogenerateprofitfromits capital.
Returnoncapitalemployed(ROCE)=Netprofitbeforeinterestandtax/Capitalemployed*100

Table1.6
Returnon capital

	Tatweer		
Year	**Netprofit(A)**	**Capital(B)**	**Ratio(A/B)**
2019	(44,646)	1,475,577	(3%)
2020	(88,82)	1,540,480	(5%)

- *Source:AnnualReports2020*

Interpretation: Thetableshowsanincreaseinthereturnoncapitalto(5%)in2020,whichis good for the company because it increased its profits and will attract a large number ofcapital investors, while the return on capital decreased to (3%) in 2019, which is not good.ofthe company because it increased its capital.Bank ownership and investors may lose theirshares.



7. **GrossProfitMarginRatio:**Itistheanalyticalindicatorthatiscalculatedbysubtracting a company's net sales from its cost of goods sold. It indicates the profitbefore deductingsellingand distributioncosts,aswellasadministrativecosts.
GrossProfitMarginRatio=GrossProfit/Sales×100

Table 1.7
Grossprofit marginratio

	Tatweer		
Year	**Grossprofit (A)**	**Sale(B)**	**Ratio(A/B)**
2019	223,622	-	22.3%
2020	2,212,907	(1,163,293)	(1.90%)

- *Source:AnnualReports2020*

Interpretation: The gross margin ratio for two years, 2019 and 2020, is shown in the table.TheaveragegrossmarginforTatweerCompanywas22.3 percentinthepreviouslyspecifiedratios,anditis(1.90) percentin2020. Thisratioindicatesthecompany'sfinancialhealth.
Higher rates indicate that for each railroad in which the corporation invests, the companygeneratesmoremoney.

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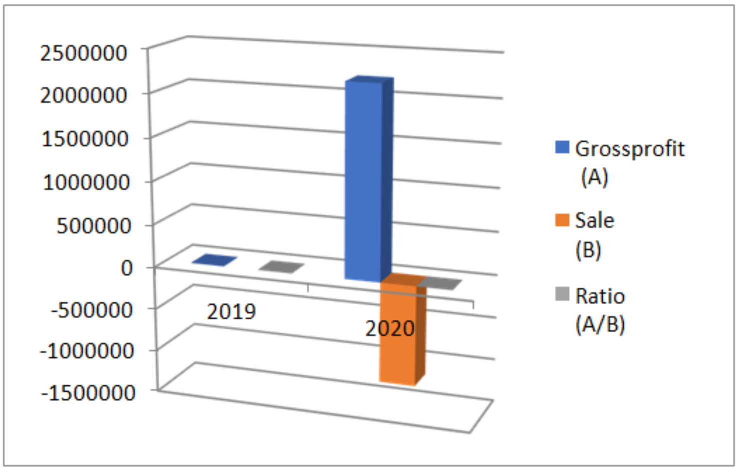


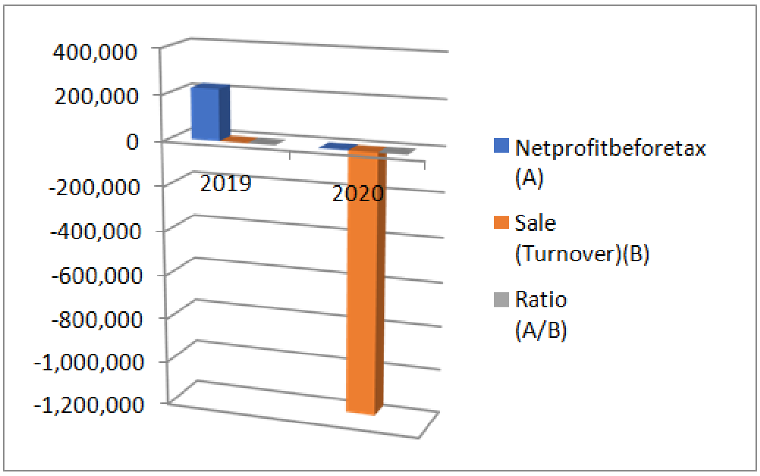
8. **Net profit margin:** It's a company's or business segment's net profit to revenue ratio.The net profit shows how much of each Omani Riyal in revenue may be convertedintoprofitbya corporation.
NetProfit Margin: Profitbeforeinterestandtax/Sales(Turnover)×100

Table1.8
NetProfit Margin

	Tatweer		
Year	**Netprofitbeforetax (A)**	**Sale(Turnover)(B)**	**Ratio(A/B)**
2019	223,622	-	22.3%
2020	2,212.907	(1,163,293)	(1.90%)

➢ ***Source:AnnualReports2020***

Interpretation: Thetableshowsnetprofitmarginsforthreedifferentyearsfrom2019to2020, where the profit margin in 2019 was 22.3% while in 2020 it was (1.90%), and theachievement ofthisprofitshowshowmuchTheproceedscanbetransferredtothecompany.



9. Operatingmargin: Afterpayingforvariablecosts,butbeforepayinganyinterestortaxes,acompany'soperatingmarginistheprofititmakesonsalesincome.**Operatingmargin=OperatingProfit/Sales Revenue**

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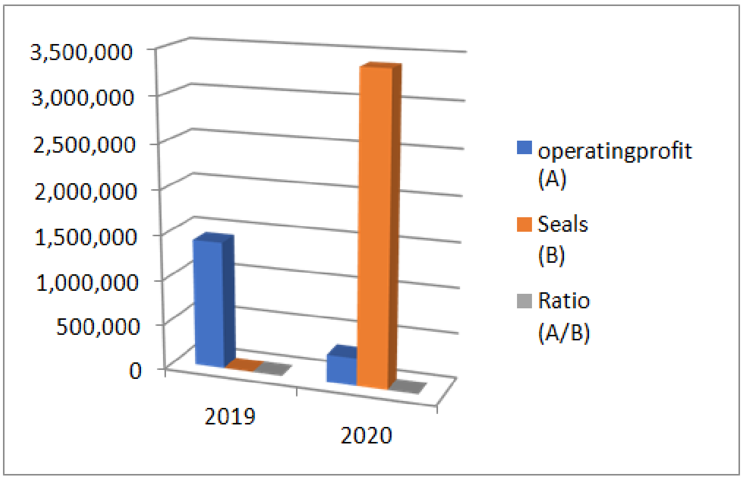
Table 1.9Operatingmargin

	Tatweer		
Year	**operatingprofit (A)**	**Seals(B)**	**Ratio(A/B)**
2019	1,413,686	37,848,84	0.37%
2020	303,378	3,389,501	0.08%

➢ ***Source:AnnualReports2020***

Interpretation: The table shows the increase in the operating margin to 0.37% in 2019,which is good for the company because it achieves a larger profit margin, and the higher theoperating margin, the better for the company, while the operating margin decreased to 0.08%in2020andthisisnotgoodforthe companybecausethecompanydidnotgetthe benefitsandprofitsandthisprofitwilldecreaseintheoperatingmarginofthecompany.



10. **Return on equity:** Divide net income by shareholders' equity to get a measure offinancial success.Because shareholders' equity equals a company's assetslessitsdebt,thereturnonnetassetsis referredtoas ROE.

Return on equity = revenue – cost / revenue / average equity * 100

Table 1.10
Returnon equity

	Tatweer		
Year	**revenue –cost/revenue (A)**	**Capital(B)**	**Ratio(A/B)**
2019	361,090	4,563,156	80%
2020	0.55	6,776,063	8%

➢ ***Source:AnnualReports2020***

Interpretation: According to the table, the return on equity capital climbed to 80% in 2019,which is good for the company because it raised earnings and would attract a big number ofcapital investors, but it declined to 8% in 2020, which is not good. Because the company'scapitalwasraised,itwasabletogrow.Investorsmaylosetheir sharesifthebankownsthem.

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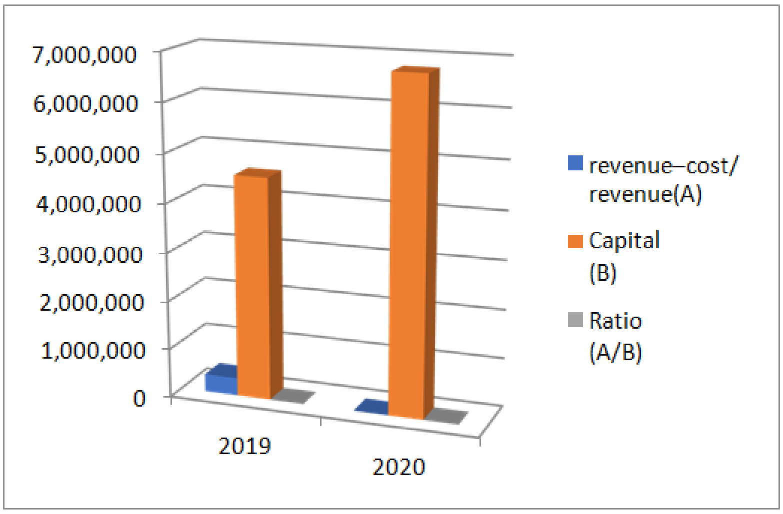

Findings, Conclusion and Recommendations:

Findings:

The study reached the most important main results about the expectations of financial distress inTatweer Company in the Special Economic Zone in Duqm over a period of two years from 2019to 2020, which are included in the company's financial statements and based on the Oman 2040vision,andthemostimportantresults are:

1. The debt ratio obtained by the company in 2019 was 0.04 greater than the debt ratioobtainedin2020,whichindicatesthatthecompanyisnotexperiencingfinancialdifficulties.
2. The monetary position ratio in 2019 was an estimate of 2.10%, and in 2020, the ratio was17.40%,which indicatesthat The company'sabilitytopayitsobligationsin cash.
3. The currentratio in 2019 reached 50, and in 2020 itreached 30 times, which indicatesthatthecompanyisexperiencingfinancialdifficultiesandhasthepossibilityofstumblinginthefuture.
4. The rapid rates in 2019 reached 80 percent, while in 2020 they reached 80 percent, andthis indicates that a development company in Duqm is unable to convert its assets intocash.
5. The turnover in 2018 amounted to476.571, whilein 2020 itamounted to (0.162), andthis indicates that the company is experiencing distress and has a lower probability ofrepaymentinthefuture.
6. The gross profit margin in 2019 was 22.3 percent compared to (1.90) percent in 2020,whichindicatesthatthecompany isgettingmoremoneyfor eachrailroaditinvests.
7. The return on capital in amounted to 13.85, while in 2020 it reached 3.46, which leads toaloss ofinvestorshares.
8. The gross profitmargin in 2019 was 22.3% compared to (1.90%) in 2020, and thisindicatesthat thecompany isgettingmore money foreachrailroaditinvests.
9. 9-The net profit margin rate in 2019 was 22.3% while in 2020 it was (1.90%) , and thisindicates that the company has not achieved much success in turning over revenue in thecompany.

10. The operating margin increased in 2019 to 0.37, while it reached 0.08 in 2020, and thisindicates that the company achieved a large profit margin, and the higher the operatingmargins,thebetter.

Conclusion

Projects in the Special Economic Zone at Duqm, in our opinion, are greatly influenced by theanalysis of financial statements and change according to the local exchange rate, the cost ofexpatriate labor, the size of the regional market, and the economic growth that is influenced byproject profits and losses. The study also focused on the Duqm Economic Zone in order tomaintain economic diversification based on the assets and financial viability of a low-percentagedevelopment enterprise. The reason for this decision is that, because their ratios are similar, thedevelopment firm in the region cannot readily transform its assets into cash without losing value.According to our opinion, the company must use assets with good capabilities and competenciesin order to properly manage the company and address the difficulties and problems it faces, andin the end, it was determined that the rates are due to an increase in total assets due to the properand proper use of assets, and capital mustbe provided so that itis not depleted. Because theentire assets on hand exceed the total required, the corporation must boost its rate in order to payoffthedebt.

Recommendations
Basedontheresultsof thestudyinthedifferenttwoyears,theserecommendationsweresubmittedtoinvestors,andthesuggestionswere asfollows:

1. Taking appropriate measures to manage the Special Economic Zone at Duqm facingfinancial hardship in order to quickly improve liquidity and profit and take appropriateinstructionstoimprove the financialpositionandavoidbankruptcyofthe region.
2. Keepingtrackofjointventureperformance.
3. Provide local assistance with site selection, company formation, legal approvals, localfinancing, and additional support for local equity from Oman's government and non-governmentfinancialinstitutions.
4. The Special EconomicZone atDuqm mustincrease the assets of the proceeds in orderfor the Tatweer company to gain high efficiency in investing its assets, and it will beachieved significantly in the coming years, and the percentage of the assets of the returnswillbeincreasing.Efficientinvestmentmanagementinassets.
5. The Special Economic Zone at Duqm must continuously increase the financing of theregion's investment in current assets. The Special Economic Zone at Duqm must alsomaintain the debt ratio in the future to improve the growth of the region and facilitateinvestmentfinancinginallassets.

6.The Special Economic Zone at Duqm must increase the exchange rate, labor cost, marketsize, economic growth and infrastructure in the coming years for the debts to be paid ontheduedate.Thehigherthecurrent ratio,the greatertheliquidityratioofthe region.
7.IncreasingsectoralinvestmentinDuqmbyprovidingskillsandexperienceandrealizingvalue at all stages, such as in the fisheries, mining, utilities, aviation, logistics, andpetrochemicalssectors,forexample.

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