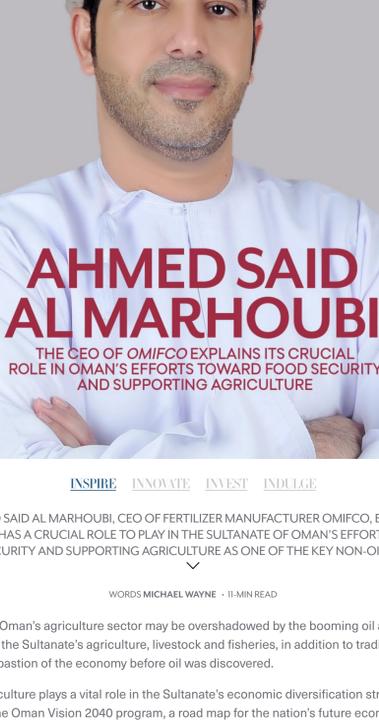


# CEO MAGAZINE



## AHMED SAID AL MARHOUBI

THE CEO OF OMIFCO EXPLAINS ITS CRUCIAL ROLE IN OMAN'S EFFORTS TOWARD FOOD SECURITY AND SUPPORTING AGRICULTURE

INSPIRE INNOVATE INVEST INDULGE

DR AHMED SAID AL MARHOUBI, CEO OF FERTILIZER MANUFACTURER OMIFCO, BELIEVES HIS COMPANY HAS A CRUCIAL ROLE TO PLAY IN THE SULTANATE OF OMAN'S EFFORTS TOWARDS FOOD SECURITY AND SUPPORTING AGRICULTURE AS ONE OF THE KEY NON-OIL SECTORS.

WORDS MICHAEL WAYNE • 11-MIN READ

While Oman's agriculture sector, much overlooked by the booming oil and gas industry, it was the Sultanate's agriculture, livestock and fisheries, in addition to trading, which formed the bastion of the economy before oil was discovered.

Today, Omani agriculture plays a vital role in the Sultanate's economic diversification strategy and food self-sufficiency. The Oman Vision 2040 program, a road map for the nation's future economic and social development, has set competitive targets for expanding the non-oil share of Oman's GDP while the Omani government is investing heavily in the agricultural sector, launching policies, plans and programs to promote and achieve sustainable development.

**OMIFCO Corporate Film**

By combining time-honored practices with modern irrigation innovations, the Omani farming community has overcome its geographical disadvantages to contribute to the country's self-sufficiency. As a result, Oman has achieved 100 percent self-sufficiency in date production, 90 percent in milk production, 25 percent in fruits, 26 percent in vegetables and 60 percent in poultry.

The government has also provided healthy incentives to encourage foreign investment and assisted Omani companies with their export programs. As a result, many assets have been driven towards deriving added value from the country's oil and natural gas resources while addressing Oman's agricultural input needs.

One company that has proven to be an amalgamation of foreign interest, governmental responsibility and petrochemicals investment is Oman India Fertiliser Company (OMIFCO).

### FERTILE GROUND

The leading producer of ammonia and urea in Oman, OMIFCO is the product of a collaboration between the Omani and Indian governments. OQ, the global integrated energy company with roots in Oman, owns a 50 percent stake in OMIFCO, while the India-based Indian Farmers Fertiliser Cooperative (IFFCO) and Krishak Bharati Cooperative (KRIBHCO) own 25 percent apiece.

In the first 15 years of operation, OMIFCO's produce was exported to India while also meeting local urea demand. Following the conclusion of the contract in mid-2020, international markets were explored. In early 2022, OMIFCO signed an agreement with OQ Trading India as a single off-taker securing its entire production. The deal was one of the key initiatives undertaken during the tenure of CEO Dr Ahmed Said Al Marhoubi, who had stepped into the role the previous year.

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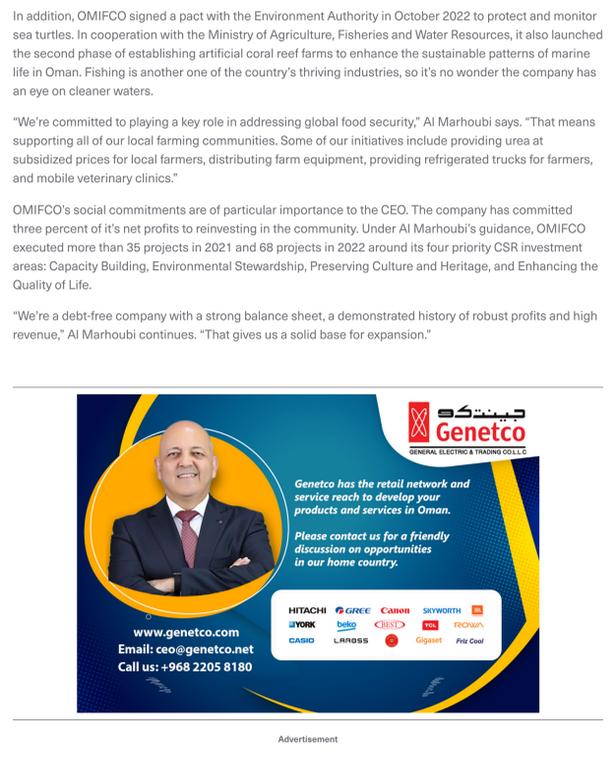
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"In 2021, OMIFCO achieved its highest net profit in 17 years," Al Marhoubi explains. "That was driven mainly by operational efficiency and strong commitment from our employees, aided by robust urea and ammonia prices, with continuous guidance and support from the OMIFCO board of directors. I'm expecting our 2022 performance to be even better."

Al Marhoubi started his career in the finance sector and later joined OMIFCO where he has now been for 17 years. In 2019 he was appointed Chief Finance Officer, and two years later, his steep ascent through the company's ranks peaked when OMIFCO's board of directors named him as CEO.

His time with OMIFCO has seen significant changes in how the company operates. For most of the company's existence, India was its customer. "We were selling our urea to the Government of India at a fixed price," he reveals.



**"We've worked hard on brand recognition at home and globally, and have come a long way with this."**

"But in July 2020, we moved into the international marketplace, and today, we're selling to more than 14 countries – including the United States, Brazil, Australia and countries in Africa. So it's been a huge jump."

The expanding customer base across the globe has mirrored the growth of the OMIFCO brand. "Our base is in Sur, around 200 kilometers from Muscat. We've worked hard on brand recognition at home and globally, and have come a long way with this," Al Marhoubi says.

### TWO FLAVORS

OMIFCO's primary products are ammonia and urea. The latter, a dry, concentrated solid nitrogen fertilizer, makes up more than 65 percent of the global demand for nitrogen fertilizer.

Nitrogen is one of the primary nutrients required by plants for strong and healthy growth. Due to its high nitrogen content, long-lasting effect and being highly water soluble, urea is widely used for crops.



**"The overarching goal of OMIFCO is to meet stakeholder expectations – both internal and external."**

Ammonia is an essential ingredient in nitrogen fertilizer. Its use in the fertilizer industry accounts for up to an estimated 90 percent of global supply consumption.

Paired with traditional and modern irrigation techniques, it's urea provides vital support to the Omani agricultural industry in achieving the government's goal of self-sufficiency.

"The overarching goal of OMIFCO is to meet stakeholder expectations – both internal and external," Al Marhoubi says.

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As OMIFCO's profile has expanded, so has Al Marhoubi's role as a brand ambassador. "I have been a member of the Arab Fertiliser Association (AFA) since 2016 and the Agri-Nutrient Committee of the Gulf Petrochemicals and Chemicals Association (GPCA) since 2015, so I've come to represent OMIFCO and the Omani fertilizer industry in both places," he explains.

The success of OMIFCO as both a renowned brand in the agri-nutrient sector and a thriving and sustainable operation is a testament to Al Marhoubi's persistence and tireless work.

The fact that OMIFCO is half-owned by Indian companies means that he also acts as an ambassador for the two Indian shareholders within Oman. "They need someone who can represent them here, a role that I have fulfilled," he explains.

### GREEN BILL OF HEALTH

Al Marhoubi shows no signs of pressure for someone with his much on their plate. Instead, he has embraced his responsibility towards his company and his country.

"The current focus for us is to continue to meet social expectations while generating internal cash flow and achieving operational excellence," he says. "That means achieving the highest standards in all areas – plant operation, production, capitalization, on-stream days, downtime, safety and emissions."

Given that ammonia production is particularly prone to higher levels of carbon emissions, OMIFCO has upped its participation in environmental conservation efforts. In January 2023, the company received a Green Branch Award from the Environment Authority of Oman designed to recognize the efforts undertaken by institutions and individuals to promote environment conservation and to highlight their distinguished contributions in this field.

OMIFCO, in cooperation with the Omani government authorities, is supplying and installing an Ambient Air Quality Monitoring Station (AQMS). The company is also exploring multiple decarbonization initiatives.



In addition, OMIFCO signed a pact with the Environment Authority in October 2022 to protect and monitor sea turtles. In cooperation with the Ministry of Agriculture, Fisheries and Water Resources, it also launched the second phase of establishing artificial coral reef farms to enhance the sustainable patterns of marine life in Oman. Fishing is another one of the country's thriving industries, so it's no wonder the company has an eye on cleaner waters.

"We're committed to playing a key role in addressing global food security," Al Marhoubi says. "That means supporting all of our local farming communities. Some of our initiatives include providing urea at subsidized prices for local farmers, distributing farm equipment, providing refrigerated trucks for farmers, and mobile veterinary clinics."

OMIFCO's social commitments are of particular importance to the CEO. The company has committed three percent of its net profits to reinvesting in the community. Under Al Marhoubi's guidance, OMIFCO executed more than 35 projects in 2021 and 68 projects in 2022 around its four priority CSR investment areas: Capacity Building, Environmental Stewardship, Preserving Culture and Heritage, and Enhancing the Quality of Life.

"We're a debt-free company with a strong balance sheet, a demonstrated history of robust profits and high revenue," Al Marhoubi continues. "That gives us a solid base for expansion."

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Al Marhoubi has helped OMIFCO build an efficient supply chain operation with a solid and committed supplier base, ensuring operational sustainability and business continuity.

Despite the renewed strength of the company's supply chain, the COVID-19 pandemic managed to make an impact. "Most of our spare parts and similar materials are sourced from Europe," Al Marhoubi notes.

"That caused a bit of a challenge during the pandemic, but our plant kept going. Operations were not impacted at all. Considering the plant's been running continuously for more than a decade and a half, that reflects the resilience we built into our operations."

The trouble caused by the pandemic ultimately meant little in the scheme of things. "We have a robust spare parts management system," he continues.

"We take into account the long lead time for specific critical spares. Our efficient supply chain operations and highly experienced, motivated and dedicated staff enabled us to support our operations. Our employees are our most important asset."

### TEAM EFFORT

It's through this side of the business that OMIFCO has managed to cultivate a committed supplier base. "By offering long-term contracts, we incentivize our partners to be efficient and reliable," Al Marhoubi says.

"The efficiency and strength of our supply chain and supplier base provide us with operational integrity and business continuity that helps set us apart from the competition."



**"The quality of our products is well known."**

According to Al Marhoubi, the list of OMIFCO's industry differentiators is long. "We have a lower cost base, for starters," he acknowledges.

"We have a long-term natural gas supply contract, which provides stability in the availability of raw material and a significant input cost advantage. In addition, our safety is second to none thanks to our rigorous plant maintenance program and asset integrity."

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The quality of OMIFCO's products has also garnered international renown. "Australia, for instance, sent its team of government representatives to examine the quality of our urea," he reveals.

"It's tough to enter the Australian market, but they approved our products, and we started selling there. Brazil was another. The quality of our products is well known."

### CROSS COUNTRY PARTNERSHIP

Quality is an area where OMIFCO's Indian, Omani shareholders play a critical role. "They have more than 50 years of experience in this business. In addition, Oman and India share a long history dating back centuries, so India's support is invaluable," Al Marhoubi stresses.

"Whatever we need, whether a license or technical support, we get full backing from our shareholders. These elements all combine to enable us to form an unbeatable prospect within the fertilizer industry in Oman."

He adds that the company's board members act as a vital support system. "They provide excellent guidance to nurture our ambitions while maintaining operational excellence."

OMIFCO's wins are closely tied to its corporate culture. The company's values – Operational Excellence, Ownership, Teamwork, Integrity and Growth – are at the heart of every interaction, transaction and initiative.



**"The success of OMIFCO is the success of the supplier, the contractor and the shareholder in tandem."**

"They reflect how we interact with our partners, clients, colleagues, contractors, and community," Al Marhoubi says. "They're how we stay accountable and build a workplace of which we are all proud to be a part."

This intense focus on culture has allowed OMIFCO to build some of its most significant external relationships and piece together its renowned supply chain. "Again, the long-term contracts and open communication go a long way with our supplier base," Al Marhoubi explains.

"We want to work with suppliers as a partnership. It's teamwork, ultimately. The success of OMIFCO is the success of the supplier, the contractor and the shareholder in tandem. So whether internal or external, we build that strong relationship."

## DECARBONIZATION AT SCALE

**ACROSS INDUSTRY**

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The Omani government is one of it's closest partners, he adds. "They supply gas, which is our primary raw material. We are extremely grateful for the support from the ministries and regulators in building OMIFCO into what it is now."

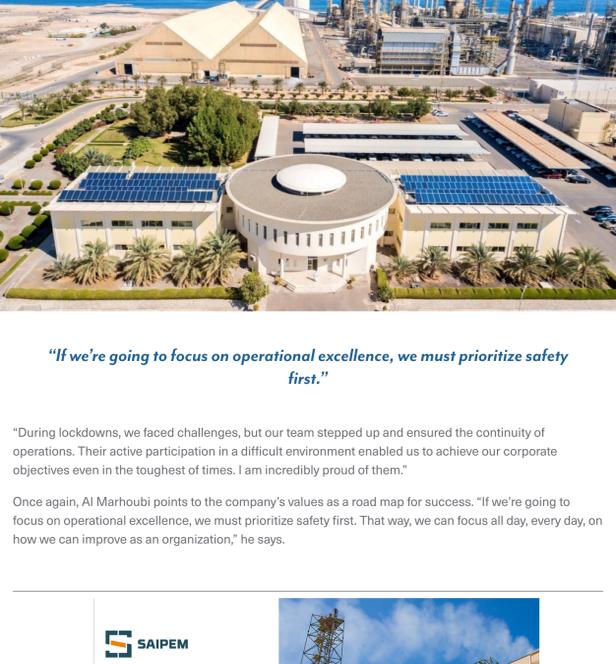
According to Al Marhoubi, the OMIFCO plant working continuously at peak performance is paramount and this relies on OMIFCO's licensors. "It's critical, so our licensors are very important to us," he adds.

And then there's the topic of personal success, which Al Marhoubi believes is tied to more than just profits. "Contributing to the Oman Government's zero carbon neutrality efforts and making a difference to our communities matters the most."

### GREEN TEAM

But it's the people behind the profits who Al Marhoubi believes are the true indicators of success. "We've worked hard to build a strong team. We have more than 600 employees, and their welfare and development remain our top priority," he says.

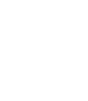
"We have a lot of support in this regard from our shareholders, who support by way of technical know-how and knowledge sharing."



***"If we're going to focus on operational excellence, we must prioritize safety first."***

"During lockdowns, we faced challenges, but our team stepped up and ensured the continuity of operations. Their active participation in a difficult environment enabled us to achieve our corporate objectives even in the toughest of times. I am incredibly proud of them."

Once again, Al Marhoubi points to the company's values as a road map for success. "If we're going to focus on operational excellence, we must prioritize safety first. That way, we can focus all day, every day, on how we can improve as an organization," he says.



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Al Marhoubi adds that teamwork provides the framework for all other successes. "It's about providing support to each other, giving and receiving feedback, embracing new ideas and having the intention of learning something new every day," he says.

"That's a growth mindset. If you're dependable, do the right things, innovate and embrace change without compromising your responsibilities towards the communities you represent, that's when you're building a profitable operation and a powerful institution."