Doing Business in Oman:

2016 Country Commercial Guide for U.S. Companies

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Doing Business in Country

Market Overview

The United States and the Sultanate of Oman share a strong bilateral relationship based on a joint commitment to the security, stability, and prosperity of the region. Oman is a regional actor as a member of the Arab League as well as the Gulf Cooperation Council (GCC), which includes Saudi Arabia, Kuwait, the United Arab Emirates, Qatar, and Bahrain. The government of Oman is a monarchy with a population of approximately 4.4 million (including about 1.99 million expatriates), ruled by Sultan Qaboos bin Said Al Said since 1970. During his more than forty years as Oman's leader, Sultan Qaboos has transformed a nation of subsistence farmers and fishermen with a total of six kilometers of paved road into a thriving state with modern infrastructure and continuing economic and social investment.

Oman is a middle-income country with an economy based primarily on limited overall hydrocarbon resources, notwithstanding a few significant recent gas finds. Oil and gas accounted for about 79% of the government's revenue in 2015. The drop in oil price starting in the fall of 2014 has weakened Oman's budget, trade surpluses, and foreign reserves. Increased subsidies and expenditures since 2011 associated with the "Arab Spring" and job creation initiatives are weighing heavily on the budget. Oman has witnessed a decline in GDP by an estimated 14.1 in 2015.The financial system is well capitalized with a very low number of non-performing loans. However, liquidity conditions have tightened and banks' funding costs are increasing. The continuing pressure on state budgets due to the depressed oil prices has resulted in a number of Oman bond issuances as part of a stated plan to borrow between $5 billion and $10 billion from international markets. In May 2016, Moody's downgraded Oman's government issuer rating to a Baa1 credit rating with a stable outlook from A3, reflecting their view that a long period of low oil prices will negatively affect Oman's sovereign credit profile beyond the previously anticipated level, despite efforts taken to offset the crisis.

The government expects to run a deficit of OMR3.3 billion ($8.6bn) this year, according to its latest budgets announced in January 2016. The government intends to narrow the deficit by cutting public spending, slashing subsidies, deregulating fuel prices, raising corporate tax and increasing fees on government services. Though the 2016 Budget cuts development project spending by more than 23 percent, the government intends to press ahead with a number of strategic capital projects such as
new economic free zone at the Port of Duqm, the redevelopment of Muscat Airport, the expansion of Khazzan gas field, a new power plant at Sohar and the Liwa Plastics Industries Complex. The government is also planning to divest stakes in as many as 11 state-owned firms via initial public offerings (IPOs) and introduce a value added tax (VAT) by 2018 along with the rest of the neighboring Gulf Cooperation countries.

According to the National Centre of Statistics and Information, new FDI in Oman jumped to RO 13.6 billion, about $33.8 billion, in 2013, from just RO 980million ($2.5 billion) in 2003. Oman acceded to the World Trade Organization in 2000, is a member of the Agreement on Trade-Related Aspects of Intellectual Property (TRIPS), and a Free Trade Agreement (FTA) with the United States went into force in 2009. The lack of market competition due to the prevalence of family-owned and parastatal oligarchies has resulted in inflated price levels for its mainly imported food and consumer products.

U.S. exports to Oman totaled $4.67billion in 2015 and U.S. imports from Oman totaled $1.45 billion. Both Oman and the United States seek an expanded trade relationship and are working to leverage their Free Trade Agreement (FTA) to that effect. The U.S.-Oman FTA removed most customs duties; the remainder will be phased out over the next few years.

The decline in the oil price has underscored the need to accelerate economic diversification and to increase the role of the private sector. The government is working to diversify the Omani economy by encouraging foreign investment, implementing a robust strategy for small and medium enterprise (SME) development, conceiving anti-trust regulations, boosting industrialization, building modern infrastructure, and expanding privatization. Oman actively seeks foreign investment, especially in the industrial, food processing, logistics, information technology, tourism, healthcare, fisheries, and higher education sectors. The Government of Oman (GoO) has set a goal of 81% of GDP by 2020 for the non-oil sector, with the private sector representing 91% of the economy by that year.

The banking industry is tightly regulated and regarded as stable, although the economic downturn could see a slowdown in lending over the coming years. Commercial banking assets grew at a compounded growth rate of 12% between 2010 and 2014; such expansion has been driven by strong credit growth in recent years. Commercial banking assets were worth $64.2 billion at the end of 2014, while Bank lending $43.8 billion, of which $38.1 billion was to the private sector.

Oman has good diplomatic ties with Iran and is hoping to leverage its ties to establish itself a hub for trade and investment into Iran, once sanctions are lifted. Plans include a 124-mile-long undersea gas pipeline connecting the two countries, an Iranian auto manufacturing plant in Duqm.
In 2013, the CBO issued regulations instructing banks to target 5% of their lending portfolios to SMEs. (Banks traditionally lent only about 2% of total credit to SME's due to the relatively high risk, and required start-ups to demonstrate 200% collateral.)

Market Challenges

A number of constraints affect trade and investment in Oman. The country has a relatively small population and there is no high-value consumer market beyond the capital area. This situation is exacerbated by intense competition from nearby global trading hub Dubai and well-established industries in Saudi Arabia. In addition, other countries in the GCC typically offer higher industrial subsidies and lower quotas for hiring nationals.

While Oman is an attractive market for a number of products and services, at times it can present challenges for American firms to do business. Bureaucratic obstacles exist, including clearances for visas and permits for foreign workers, especially women, lengthy business registration requirements for specialized consultancies, and a prohibition on real property rights for foreigners outside of Integrated Tourism Complexes. (Land ownership is not covered by the FTA.) The divide between the government and the private sector is not well-defined in Oman, leading to potential conflicts of interest. Of note are the oligarchic, closely-held businesses with familial ties to government officials. Government decision-making is often opaque. Firms that have been successful in Oman usually have previous experience in the Middle East or a full-time in-country representative or office.

Of particular concern for many international firms in Oman is the "Omanization" process, wherein the government sets quotas for Omani employment on a sectoral basis. Although the FTA provides for limited exceptions for specialized upper management, U.S. companies are responsible for complying with most Omanization requirements. Many companies, both Omani and international, have noted that some of the quotas are difficult to satisfy. Further, obtaining labor clearances for new foreign workers can be a challenge. Despite considerable government efforts to replace expatriate workers with Omanis, Oman still heavily depends on South Asian and other foreign labor. The total number of expatriates registered in Oman as of March 2016 was 1.99 million; approximately 45% of the population. Around 80% of expatriate workers have only secondary education or lower, and the majority work in low-skill construction and manufacturing jobs. The government estimates needing up to 50,000 new jobs per year to absorb new Omani labor force entrants. Companies are encouraged to meet their Omanization quotas, turn over management jobs to Omanis, and create training programs for new hires, which can be costly. In 2013, the Ministry of Oil and Gas codified "In Country Value" requirements, including Omanization and local content measurements into tender-weighting criteria for the petroleum sector.

The following outstanding issues are of concern to U.S. companies:

- Duties continuing to be charged on American goods transshipped by road via Dubai despite the duty exemption advantage of the FTA
- Authenticated certificates of origin/shipping documents are at times still requested by Omani authorities despite not being required under the FTA
- Company registration can be slow, especially for consulting firms.
- Scarcity of natural gas feedstock for new projects.

Capital projects and infrastructure expansions are being greatly impacted by slowdowns and deferrals of government spending as a result of the sustained lower oil prices and the industry is witnessing a significant number of challenges due to shrinking budgets. Payment delays are also being reported.

Market Opportunities

Oman offers stability, security, a predictable investment climate; respect for free markets, property rights, and rule of law; access to capital, good health care and schools, easy access to global markets through a modern infrastructure network, and a commitment to intellectual property rights enforcement.

The 9th Five-Year Plan for the Sultanate, which is the last of the series of Five-Year Plans for the Vision 2020, aims to cut non-core expenditure for investment spending on selected key programs and projects. Private sector role is considered to be backbone of the plan with emphasis being put on public private partnerships (PPPs). In a report by Oman Arab Bank, in the 9th Five-Year Plan statement total targeted investments of USD 106 billion will be funded by 52% from private investments with the balance coming from public investments. The private investments shall be in manufacturing (32.6%), services activities (37%) and 29% in infrastructure.

Projects identified for PPPs are Oman Rail, Port Sultan Qaboos, Port Khasab, South Batinah Logistics Area, some fisheries projects, Ad Dhahirah Economic Area and Shinas Port. The government has announced the setting up of Mining Development Oman (MDO) with a capital of USD 260 million to be owned initially by government investment vehicles with a public offering of 40% later in the year. MDO will carry out both upstream and downstream activities related to mining as well as collaborate with the private sector.

Apart from economic diversification through vertical expansion in activities dependent on oil, the 9th Five-Year Plan focuses on the development of non-oil sectors such as manufacturing, transportation and logistics, tourism, fisheries and mining. The Ministry of Finance (MoF) has indicated that measures to enhance non-oil revenues could include raising corporate taxes, limiting tax exemptions, regulating customs duty exemptions and enhancing tax collection procedures, including strengthening their audit and control mechanisms, amending the electricity and water tariffs, visa and labor card fees, fees for real estate transactions, municipality fees for lease registrations, fees for car registrations and driver licenses, and other fees for official transactions.

Under the "national treatment" provisions of the U.S.-Oman Free Trade Agreement, American companies may register as an Omani firm, with 100% American ownership, and no requirement for local ownership or partners. Other nationalities (outside the GCC) are bound by the Foreign Investment Law which limits foreign shareholding to 65% of any company (a revised Foreign Investment Law may allow many of the same benefits to other countries, though there is no firm date for that law to go into force).

In summary, advantages of investing in Oman include:

- Stable macroeconomic situation
- Business friendly environment
- Stable, secure nation in a volatile yet strategic region
- Considerable investment in first world infrastructure
- Educated and largely bilingual workforce
- Strategic geographic location outside the Strait of Hormuz and at the crossroads of the Middle East, Africa, and Asia

Market Entry Strategy

- An American company may wish to consider registering as a fully U.S.-owned company under the FTA to avoid profit-sharing and potential disputes with a local partner. The simplest form is an LLC, though there is a two shareholder minimum (a 99/1% breakdown is accepted, and a family member may serve as the partner).
- An on-the-ground presence in Oman is an advantage.
- Personal relationships are key to finding and retaining a good local partner.
- Agents are commonly used, but not required.
- Agreements generally require significant lead time and follow-up before finalization.
- Omanis appreciate flexibility in contract negotiations; any concessions they make should be met with a concession on the American company's side, regardless of that company's size.
- Government contracts often take many months –in some cases years – before they are awarded.
- Importers must be registered with the Ministry of Commerce and Industry, which can be done online through the Invest Easy system, and be members of the Oman Chamber of Commerce and Industry.
- Importers/distributors are most commonly used in the retail food business.
- The U.S. Embassy Commercial Section can provide counseling, referrals, matchmaking, due diligence and advocacy services.

U.S. companies seeking general export information, assistance, or country-specific commercial information should contact their nearest U.S. Export Assistance Center, the U.S. Department of Commerce's Trade Information Center at 1-800-USA-TRADE (1-800-827-8723), or visit: www.export.gov or www.buyusa.com.

Agricultural reports are available via the Reports Office, USDA/FAS, Ag Box 1052, Washington, D.C. 20250-1052 and via the FAS Home Page on the Internet at the following URL: http://www.fas.usda.gov/scriptsw/attacherep/default.asp.

Political Environment

Political Environment

For background information on the political and economic environment of the country, please click on the link below to the U.S. Department of State Background Notes.

U.S. Department of State Fact Sheet
http://www.state.gov/r/pa/ei/bgn/35834.htm

CIA World Fact Book
https://www.cia.gov/library/publications/the-world-factbook/geos/mu.html

Selling US Products & Services

Using an Agent to Sell US Products and Services

Foreign companies wishing to distribute their products in Oman often prefer using a local agent, although, since implementation of the FTA, American companies are no longer required to do so. Agents are particularly useful for sales to the Omani government due to their contacts, language ability, and cultural knowledge. Constrained budgets encourage government procurement officials to buy direct; however, in practical terms, it is still difficult for foreign firms to sell to the government without an Omani agent scouting for and bidding on tender opportunities. As in other Gulf countries, regular, personal contact is the key to success in trade relationships.

The manufacturer or supplier may not unilaterally terminate the agency agreement except where there is an unjustifiable breach of agreement by the agent. The Commercial Agencies Law governing agency agreements generally awards 2-3 years of profit as compensation for "unjustified" failure to renew even fixed-term agencies, so consultation with a lawyer in drafting an agreement is highly recommended. Agents are encouraged to register agreements at the Oman Chamber of Commerce and Industry (OCCI). Agents must register in writing (Arabic) with the Registrar of Agents and Commercial Agencies at the Ministry of Commerce and Industry (MOCI), renewable every three years. Agencies may be non-exclusive and more than one agent may be engaged to promote the same product or services. The agent is entitled to commission even if the principal has resorted to direct selling in contravention of the Commercial Agencies Law, which is widely considered to favor the agent.

The Embassy's Commercial Section can provide due diligence on most Omani companies and/or potential agents for a small fee via our "International Company Profile" service. In addition to consulting the Embassy, personal visits to potential agents are recommended. Due to the complexity of Omani regulations, it is advisable to obtain legal counsel before drawing up an agency agreement. While the Embassy's Commercial Section offers general information on Oman's commercial regulations, formal legal counsel is recommended for specific questions on labor, investment, and tax laws, licensing procedures, and for the resolution of commercial disputes.

The Embassy's Consular Section maintains a list of local attorneys, including those specializing in commercial law, available at: http://oman.usembassy.gov/attorney_information.html.

Establishing an Office

Under the FTA, Omani authorities may not require a U.S. company to incorporate or make any form of local investment when supplying their services on a cross-border basis. In other words, a U.S. company wishing to provide its service in Oman is not required to have any formal presence in the country. This is a benefit to all U.S. service providers, especially SMEs, who may not have the resources to maintain a presence outside of the United States nor conduct enough business to need that kind of presence. However, many U.S. businesspeople prefer to have a local presence to facilitate transactions.

Steps to Start a Simple LLC in Oman:

1. ***Company Name Check*** either at the Ministry of Commerce and Industry (MOCI) One Stop Shop (OSS) in Ruwi (CBD) or at any Sanad Office at your respective Municipality or online via OSS E-Services at www.investeasy.gov.om/

2. ***Commercial Registration*** at the MOCI One Stop Shop--- (renewable online via *OSS E-services)*
3. ***Activity Selection*** *at the* Oman Chamber of Commerce & Industry (OCCI) opposite MOCI in Ruwi (CBD).
4. InvestEasy Instructional videos

Basic Fees:
You can check http://www.doingbusiness.org/data/exploreeconomies/oman/starting-a-business/
*Note: Additional fees may be applicable depending on company grade and specialty.

Franchising

A number of U.S. franchises are well-established in Oman, particularly in the fast-food restaurant sector. Most major brands are well-established (McDonalds, Burger King, KFC, Pizza Hut, Domino's, Subway, Papa John's, Chili's, Starbucks, Dunkin Donuts, Baskin Robbins, and Dairy Queen), with new ones opening regularly. Relatively high per capita income, a young population, a high rate of unaccompanied expatriates, and the lack of alternate entertainment venues encourage out-of-home dining and entertainment options. U.S. car rental franchises (Hertz, Budget, Avis, Thrifty, and Pay-Less) are also popular. Omani businesses continue to express interest in U.S. franchise opportunities, especially family-oriented, recreational and educational outlets. More information on franchising opportunities can be found in Chapter 4 (Best Prospect Sectors).

To franchise in Oman, the principal and the local agent must sign a formal contract, which must be approved by OCCI and registered with the Registrar of Agents and Commercial Agencies at the MOCI and the local municipality.

Under Omani law, franchise relationships fall under the authority of the Commercial Agencies Law (the "CAL") promulgated by Royal Decree No. 26 of 1977 (as amended). This is because the CAL states that "every agreement to which a manufacturer or supplier outside the Sultanate entrusts to one merchant or more, a commercial company or more in the Sultanate, the sale or promotion, or distribution of goods and products, or provision of services whether as an agent, or representative, or broker of the principle producer or supplier, who has no legal existence in the Sultanate," is bound by the CAL. Franchise agreements can also be made subject to a non-Omani law, if coupled with an arbitration clause.

The CAL provides that agency contracts (which include franchise relationships) must be registered in the Register of Commercial Agencies at the Ministry of Commerce and Industry. Registration is extremely important for a franchisee because if there is a failure to register a franchise, in the event of any dispute concerning the franchise relationship, the franchise shall not be recognized by the Oman Courts and any legal case in relation to it will not be heard by the court. Similarly, despite the fact Oman is a party to the New York Convention of 1958 on the Enforcement of Foreign Arbitral Awards (the "New York Convention"), if the agency is not registered, a foreign arbitral award in relation to the agreement may not be enforced in Oman.

Local legal analysts typically recommend provisions permitting the franchisor to terminate the agreement if the franchisee performs inadequately as well as provisions limiting the agreement to a fixed term in order to protect the franchisor. However, the CAL stipulates that where a principal refuses to renew the term of the agency contract, unless the principal can justify his refusal to renew the contract, compensation is payable to the agent. Accordingly, in the absence of being able to prove fault by the agent that justifies termination or non-renewal, there is an obligation on the principal to renew the term or to pay the agent appropriate compensation. In this regard, a franchise agreement which places significant responsibilities on the agent is beneficial to the franchisor in that there may be more likelihood of being able to prove material breach and thus terminate the franchise without paying compensation.

Direct Marketing

There are four daily English language newspapers in which companies can advertise - the Oman Daily Observer, Oman Tribune, Muscat Daily, and the Times of Oman - each of which has a business section that is predominantly read by expatriates. The Arabic dailies Oman Daily (government mouthpiece), Al-Watan (heavy regional focus), Al-Shabiba (local focus), Azzaman (controversial political reporting), and Al-Roya (heavy economic focus) reach a broader Omani audience and are also published seven days a week. Most dailies have a website on which companies can advertise. Arabic weeklies include Al Isbou'a, Al Youm A'Saba, and Futoon. Two independent business monthly magazines, Business Today and Oman Economic Review, began publication in 1998, and there are three free youth-oriented English language weeklies: The Week, Hi, and Y. Advertising is also possible on Omani television and radio and on highway signs. Many businesses also distribute flyers in residential neighborhoods, but permission from Muscat Municipality must be granted before mass distribution.

Oman regularly hosts trade shows (expos) which provide good opportunities to meet importers and distributors. Small and medium-sized businesses looking to enter the Omani market are particularly encouraged to attend sector-focused expos as an effective means of showcasing new offerings and networking directly with stakeholders, potential clients, and policymakers. Highlighted popular expos include:, Oman Health Exhibition & Conference, , Oman Power & Water Summit, Food and Hospitality Oman, Oman Waste & Environmental Services Exhibition And Conference, Franchise Show, Oil and Gas West Asia, InfraOman, , COMEX (IT show), and GHEDEX (higher education). U.S. exporters should also look to international shows as an opportunity to meet Omani importers. For example, although the Sultanate is making great strides in developing its own food production industry, food imports continue to rise to meet the demands of an ever-growing population. Many importers visit international food shows such as SIAL (Salon International de L'Alimentation, in France), ANUGA (major set of food trade shows in Germany), as well as U.S. food shows such as the Fancy Food Show and FMI (Food Marketing Institute). Exhibiting at such shows has proven to be a sound strategy for many U.S. companies to market to Oman. In addition, Omani buyers are starting to grow more interested in attending Arab Health, SEMA Middle East, Automechanika, WETEX, and Beauty World Middle East in Dubai, as well as the Offshore Technology Conference in Houston. Opening in August 2016, the new Oman Convention & Exhibition Centre (OCEC) will aim at establishing the Sultanate as a major regional venue for regional and international events. The OCEC precinct is planned to include four hotels, a business park, retail shopping areas and residential districts, surrounded by a nature reserve.

The main regulation that governs advertising within Muscat is the Local Ordinance 25 of 1993 ("Ordinance") promulgated by Muscat Municipality. The Municipality controls and inspects all the advertisements in Oman. They are also responsible for reviewing the locations and forms of the existing advertisement in case the company fails to comply with the provisions under the Ordinance.

In general, it is important to note that in Oman freedom of the press and freedom of expression, including advertising content, is subject to limitations. Any form of advertising that the Omani Government authorities would deem detrimental to state security or public order, or offensive to societal values or customs, is prohibited.

The Ordinance covers a broad range of advertising formats (e.g., shop display ads, billboards, banners, print ads, packaging) and regulates many aspects related to such advertising, including sites and installation, permits and licensing, and restrictions and prohibitions on content.

The Ordinance essentially prescribes a two-step process for carrying out such advertising:

1. Obtain a permit/license from the Municipality for the site where the advertising infrastructure (e.g., the billboard frame) will be installed; and

2. Obtain permission/approval from the Municipality for the advertising content (e.g., the poster advertisement) that will be displayed.

Article 8 of the Ordinance sets out certain restrictions on advertising content which includes the following:

- The main language of the advertisement shall be literary Arabic;
- The English language may be used provided that it is next to the Arabic language;
- The translation from Arabic to English shall be correct linguistically;
- The content of the advertisement shall not be against the public order or morals or security and shall not be against customs and religious beliefs;
- The size of the advertisement shall be suitable enough to write the name and kind of activity and be completely suitable with the façade of the shop and the general view;
- The advertisement shall not be an obstacle to pedestrians or traffic and the advertisement shall not cause the destruction of any connection or services or plantations or impede the rescue services or ventilation or cause damage to others;
- It shall not contrast with the organizational aspect of the town or area, or spoil the public view; and
- An advertisement requires a license (a written approval) from the landowner.

Article 7 of the Ordinance further prohibits advertising in certain types of locations e.g., in and around mosques, Omani government properties, and public parks.

The period of the permit for advertisement fixed boards is two years renewable for one or more equal periods. The renewal should be sought at least one month before the expiry date of the permit.
Violations of the Ordinance are subject to a fine up to 50 Omani Rials (RO) for the first and second offense, and a fine of up to 100 RO for subsequent offences. Further, the Municipality has the right to remove any advertisement which is not in compliance with the Ordinance.

Joint Ventures/Licensing

The Omani government welcomes foreign capital and expertise and provides incentives to investors, particularly in the tourism, health care, higher education, fisheries, infrastructure, and downstream manufacturing sectors. Oman seeks foreign investment for the technical expertise it brings and the training it provides to Omanis. Under the U.S.-Oman Free Trade Agreement, U.S. investors qualify for national treatment in Oman and enjoy enhanced legal protections. Joint ventures with GCC citizens would also qualify for national treatment.

The U.S. government acknowledges the contribution that outward foreign direct investment makes to the U.S. economy. U.S. foreign direct investment is increasingly viewed as a complement or even a necessary component of trade. For example, roughly 60% of U.S. exports are sold by American firms with operations abroad. Recognizing the benefits that U.S. outward investment brings to the American economy, the U.S. government undertakes initiatives that support U.S. investors, such as Overseas Private Investment Corporation (OPIC) programs and other business facilitation programs.

Selling to the Government

Government procurement contracts are subject to the requirements of the FTA, namely, non-discrimination and national treatment for U.S. competitors. The FTA, however, does not govern military procurement and other procurements deemed to be a matter of national security. Although the FTA removed the requirement that a U.S. company obtain an Omani sponsor or partner, given the need for local follow-up and knowledge of the market, companies choosing not to open a local office are especially encouraged to consider obtaining a local partner. Branches of foreign consultancies fulfilling a GoO tender can be 100% foreign-owned but are typically dismantled upon completion of the contract as there has historically not been a provision in Omani law for permanent registration of a foreign branch. These temporary consultancies (present less than 90 days) are responsible for 10% withholding tax on royalties and management fees, typically paid by the local client.

All major civilian projects and acquisitions for the government are channeled through an independent Tender Board comprised of senior government officials and staffed by a limited number (around 40) of professional technocrats. The Tender Board usually relies upon the recommendation of a consultant and the procuring ministry in awarding contracts. Petroleum Development Oman (PDO) runs its own tender board, as do the Royal Oman Police, the Diwan of the Royal Court, Oman Telecommunications Company, and the Ministry of Defense.

The Tender Board website (http://www.tenderboard.gov.om/eng/) is the largest, though not exhaustive, compilation of open government tenders and is updated on a regular basis. However, once bids are submitted, the bid consideration process is often opaque and some companies complain of protracted timelines. Tender announcements are widely published in local newspapers and the official government gazette. Tender opportunities are published in English and in Arabic. Procedures for appeal are specified in the Tender Law and regulations, as well as the FTA.

Public tendering is required for all purchases above 10,000 RO ($26,000) by ministries, government agencies, and public corporations. Ministries can award contracts through their internal tender boards for projects up to 1,000,000 RO ($2,600,000). Projects exceeding this amount must be referred to the Tender Board, which determines the terms of bidding, invitations for bids, and selection of firms for awards. Depending on their activities, companies may register with Tender Board under any of the following four categories:

1. Contractors (registered with MOCI and OCCI)
2. Consultancy Offices or Firms.
3. Supplies or Supply Companies
4. Training Institutes

A temporary deposit in the form of a bank guarantee for one to three % of the value of the tender is required to bid. The registration application forms indicate the regulations for capital, employees, infrastructure etc. required for classification of companies into different grades. Each project is assigned a tender grade depending on the sector. For example, a large construction contract may require increased capital requirements and higher grades for bidding companies. Local SMEs may receive a bidding preference in government tenders within a 10% price differential. Contracts awarded through the Tender Board comply with Omani Standard Forms and Conditions, based on the International Federation of Consulting Engineers (FIDIC) standard. Contracts are often, but not necessarily, awarded to the lowest bidder. After notification of an award, final negotiations concerning clarifications and adjustments take place before the contract is executed.

Bidders must generally reside in Oman or have a local agent named in the bid. U.S. companies can register 100% U.S. owned company without local partner. Other foreign companies can participate in the tenders:

1. If the tender board announces an International Tender (typical for large infrastructure projects), international companies and institutions not registered in the Sultanate may participate in international tenders provided that they register in accordance with the regulations prevailing in the Sultanate within a maximum period of thirty workdays from the date the international company is notified of being awarded the contract. U.S. companies can register 100% U.S. owned company without local partner.

2. With a government contract, foreign companies can register a temporary branch for the duration of the work.

3. Many International Companies choose to establish an agency agreement with local companies. This agency agreement is registered with the Ministry of Commerce and Industry and the agent participates in tendering on behalf of the foreign company.

Bidders are allowed to be present at the opening of bids, or may view the process broadcast live on the Tender Board's website. Contract award notices are published online. Successful bidders are required to provide a performance bond (5% of the value of the contract) as a guarantee.

Successful international bidders are generally required to enroll with the Commercial Registration Department of the MOCI and become members of the Oman Chamber of Commerce and Industry (OCCI) within 30 days of award of the contract.

The Tender Board currently includes ranking members from the Ministries of Civil Service, Manpower, and Housing; as well as the Secretary General of the Supreme Committee for Planning and the Undersecretary of the Ministry of Commerce.

Tender Bid Bonds:

As part of the tendering process in Oman, bidding contractors will often arrange for a third party guarantor (usually a bank or insurance company) to issue a bid bond on their behalf to the project owner, as a guarantee that the winning bidder will perform its contract in accordance with the terms of its bid. The bid bond is subject to full or partial forfeiture if the winning bidder fails to either execute the contract or replace the bid bond with the requisite performance bond. Bid bonds typically range in value from one to three percent of the tender contract price. Under Omani law, a bid bond must be for at least one percent of the contract price or project value, and the bid bond must have a minimum duration of ninety days (which is extendable). A bidder seeking to withdraw its bid after the bid opening will lose the bid security. Unsuccessful bidders are reimbursed for the bid bond upon losing the tender. Pursuant to the Tender Law issued by Royal Decree 36/08, non-submission of the requisite bid bond with the bid can be grounds for disqualification of the bid. The winning bidder must replace the bid bond with a performance bond for five percent of the contract price within ten days (for foreign bidders, twenty days) of being notified of the acceptance of the tender. Failure to provide the performance bond within the stipulated number of days can result in the full amount of the bond becoming payable to the owner of the project as compensation for the default and, additionally, could lead to cancellation of the award.

Distribution & Sales Channels

Most goods destined for the Omani market enter through the Port of Sohar, Oman’s import/export hub, two hours from Muscat. Muscat’s Sultan Qaboos Port used to handle most of Oman’s market goods, but is transitioning to a port for cruise ship vessels and tourism. A well-developed road infrastructure links almost all points in the country. In addition, goods may enter Oman overland after arriving at ports in the UAE. American goods entering Oman are exempt from the 5% GCC customs duty under the terms of the FTA, although the GCC duty has been charged on American goods entering Oman overland from the UAE at the Wajaja border post, in contradiction to the FTA. Numerous transport, logistics and retail companies serve the domestic market.

The Port of Salalah, located some 1,000 kilometers southwest of Muscat in southern Oman, has established itself as a leading container transshipment center on the Indian Ocean Rim since its November 1998 opening; it also handles import/export shipments. Maersk is the principal customer of the port and a majority shareholder in the Port of Salalah Company. The Port of Salalah is the only port between Europe and Singapore that can accommodate S-class container vessels. Salalah boasts 14 day turnaround times to the United States. The Port of Salalah is expected to add a new general cargo terminal and a liquid jetty which will increase the capacity of the port to 40 million tons of dry-bulk commodities and 5 million tons of liquid products each year. The adjacent free trade zone, and the new international airport have the potential to make Salalah a major multi-modal cargo hub and a center for industrial development. The government has offered a number of incentives, including: reduced or deferred corporate taxes; extended period for re-exports; availability of hard currency and financing; favorable rental charges; reduced local content requirements; and lower customs duties and Omanization requirements, in order to attract business to the zone.

The Port of Sohar is Oman's third largest port. Sohar is located just outside the Strait of Hormuz and is proximate to the busy shipping lanes of the Gulf. By entering the Gulf through Sohar, companies avoid the high insurance premiums normally levied on vessels that ply the Upper Arabian Gulf. The Port of Sohar has deepwater draughts; modern container, cargo, and liquid terminals; and is linked to other locations, both in Oman and in the UAE, through world-class road infrastructure and an airport. The Port of Sohar is undergoing expansion work, including a major deepwater jetty and a dry bulk terminal. The deepwater jetty is primarily constructed to support the bulk shipping needs of the Brazilian mining conglomerate Vale Oman, which has a hub in the Sohar industrial area next to the port. The dry bulk terminal will be dedicated to handling of aggregates, minerals, and related dry bulk commodities. The Sohar Freezone is located adjacent to the Port and features investment incentives which include: a 10 year corporate tax holiday; no minimum capital requirements; a relaxation on the quotas of Omanis a company must employ; and a one stop shop for business registration and permits.

The government is in the process of constructing a large commercial port at Duqm boasting a dry dock, deep water draughts, hotels, and a special economic zone. The Duqm Special Economic Zone Authority (SEZAD) will offer its own One Stop Shop for investors, facilitating business registration, work visas, reduced Omanization requirements, and permits directly.

Express Delivery

Major global organizations such as DHL, FedEx, UPS, ARAMEX and others operate in Oman and offer express delivery services. Transit times vary but for packages shipped from the United States to Oman, the average time is 3-10 days, not including the customs clearance process. All items offensive to the Muslim culture or sensitive to the Middle East security situation are prohibited. These include pork products, religious publications/figures, imitation firearms/paraphernalia, and military uniforms.

Selling Factors & Techniques

The GCC common market was launched on January 1, 2008. The common market grants mutual national treatment to all GCC firms, goods, and citizens. GCC labeling standards require that labels be printed in

Arabic and English, although some items are sold in the market without Arabic labels. For packaged food products, the dates of manufacture and expiration must be printed on the label or elsewhere on the container. Production and expiration dates affixed with stick-on tape are not accepted. Many U.S. firms consider Omani/GCC shelf-life limits more restrictive than scientifically necessary. Imported meat should be Halal, as the majority of consumers are Muslim. Major slaughterhouses in the U.S. are able to offer Halal supervision.

Potential exporters should be aware that all media imports are subject to review and possible censorship; for example, the Ministry of Heritage and Culture may reject or expunge morally or politically sensitive material from imported videos. The Ministry of Information delays or bars the entry of magazines and newspaper editions if it takes exception to a story on Oman or deems the content morally suspect. In practice, the effect of this censorship on non-pornographic materials is usually mild.

eCommerce

The government is actively promoting a “digital society” and “e-government” services through the Information Technology Authority (ITA). Some of the most frequently requested government services, such as business registration and customs clearance of imported goods, will be conducted on-line. In 2008 the GoO enacted legislation governing e-Commerce, and ITA officials have recently identified opportunities for U.S. investors in: e-payments (secure credentialing), Arabic language e-mobile content and e-government applications. The ITA hosts an annual cybersecurity conference in Muscat, which may be of interest to firms interested in entering the market.

Oman Tradanet specializes in Business-to-Business services. Other sites specializing in e-commerce applications are Business Gateways International, e-Oman (Information Technology Authority) and Knowledge Oasis Muscat.

Trade Promotion & Advertising

Oman International Trade and Exhibition, Al Nimr, GEC Expo and Omanexpo (with a new conference center s) are Oman’s leading organizers of local and international trade shows and exhibitions, and often seek out U.S. presenters and exhibitors.

The “Direct Marketing” section of Chapter 3 provides a more comprehensive discussion of the advertising outlets in Oman.

Pricing

The pricing formula for a product in Oman involves the cost of production, which includes raw materials and labor, distribution, promotion and advertising, taxes and customs. Taxes usually are assessed on corporate profits, and Oman is contemplating introducing value added taxes (VAT) in 2017/2018. Most international restaurants in Oman charge municipality and tourism taxes in their invoices and landlords pay a lease tax to the municipality. The corporate tax rate is capped at 12% and the first $78,000 of profit is exempt from taxation, although new reforms are underway. Companies also are assessed labor-related taxes upon issuance of a work visa. Tax exemptions are available to entities in the manufacturing, mining, agriculture, fisheries, tourism, education and health care sectors. Exemptions are granted for an initial five year period from the date of commencement of business. A five year extension is available.

In 2012 and 2013 the Public Authority for Consumer Protection (PACP) as well as the Public Authority for Stores and Food Reserves (PASFR) enforced price caps on basic food items and consumer goods, citing food security and inflation control.

Sales Service/Customer Support

After-sales service and customer support for foreign products are performed by local sales and service agents. Service response time varies depending on the type of good. Many Omanis express frustration at having to seek service from regional support offices in the UAE, and U.S. companies offering local support would be appreciated by consumers.

Due Diligence

The International Company Profile is one of Embassy Muscat's Commercial Services fee-based services providing a comprehensive background check on Omani companies, reporting on its owners, sales, business activities, and its suitability as a business partner for U.S. companies. Trade and bank references (when available) are used in forming an opinion and making recommendations. Turn-around time to deliver this report is usually thirty work days from the date of accepting the Participation Agreement.

Cost: Small Medium Enterprise (SME) company: US$600.00; large company: US$900.00; SME new-to-export companies using service for the first time: US$350.00

Local Professional Services

For more information on vetted local professional service providers, please refer to the following website: http://export.gov/oman/businessserviceproviders/

Principle Business Associations

Oman American Business Center: OABC provides a variety of activities and forums to promote the exchange of information, advice, and ideas for the U.S. business community in Oman

Limitations on Selling US Products and Services

Exceptions to Oman's general openness to foreign investment exist in telecommunications, broadcasting, the domestic news media, financial services, legal, and other professional services, property ownership and products/services in violation of Islamic principles.

Selling U.S. Products and Services Web Resources

Ministry of Commerce and Industry– Department of IPR Enforcement
Director of Intellectual Property
Ahmed Al Saidi
Tel: +968-9942-1551
Fax: +968-2481-2030
E-mail: saidy3916@yahoo.com
Web: http://www.mocioman.gov.om/

Oman Tender Board
Director of Coordination and Follow-upP.O. Box 787, Postal Code 133
Muscat, Oman
Tel: +968 24 402 100 or 24 402 149;
Fax +968 24 602 063;
Website http://www.tenderboard.gov.om

Ministry of Commerce and Industry
Directorate General of Industry

Secretary of Industrial Registry
Nasser Khalfan al Alawi
P.O. Box 550
Muscat, PC 100
Sultanate of Oman
Tel: +968-2481-5461
Fax: +968-2481-1816
E-mail: nasr_al@hotmail.com / nalhamdi@hotmail.com

Oman Chamber of Commerce and Industry
Director of Registration and Legalization
PO Box 1400
Ruwi, PC 112
Sultanate of Oman
Tel: +968-24763782
Fax: +968- 2476-3784
E-mail: umaya@chamberoman.com

Commercial Section (U.S Embassy, Muscat)
http://oman.usembassy.gov/business.html

Public Authority for Consumer Protection Hotline
Tel: +968-80079009 / 80077997
Fax: +968-2481-2030 / 2411-9444
E-mail: info@pacp.gov.om

Ministry of Commerce and Industry – Directorate of Commerce
Director General of Commerce
Khamis al-Farsi
Tel: +968- 2482-8081 /115
Fax: +968-2481-2030
E-mail: dgc@mocioman.gov.om ; khaalfarsi@gmail.com
Web: http://www.mocioman.gov.om/
Oman Chamber of Commerce & Industry
Director General
Abdul Adheem al Bahrani
Tel: +968-2479-9146
Fax: +96-2479-1713
E-mail: adheem@chamberoman.com
Web: www.chamberoman.com

Ministry of Information
http://www.omaninfo.om

Oman International Exhibition Centre
http://www.omanexhibitions.com/

Oman Association for Consumer Protection
http://www.omanconsumer.org/
P.O. Box 1691, PC 112 Ruwi

Muscat,
Sultanate of Oman
Chairman
Said bin Nasser Al-Khusaibi
Tel: +968-24 567981, Fax: 24 567981
Fax: +968-2456-3305
E-mail: oafcp@omantel.net.om

US Patent & Trademark Office
Regional IP Attaché
Aisha Y. Salem
Detailee to the Office of Policy & External Affairs
Trademark Examining Attorney | Law Office 113
Phone: 571-272-8242
Fax: 571-273-9113
E-mail: Aisha.salem@trade.gov

Office of the United States Trade Representative
http://www.ustr.gov
IPR Director for Middle East
Elizabeth Kendall
Tel: +1 (202) 395-9564
E-mail: Elizabeth_L_Kendall@ustr.eop.gov

U.S. Department of Commerce – International Trade Administration
www.trade.gov/cs/
IPR Lawyer
Kevin Reichelt
Tel: +1-202-482-0879
E-Mail: Kevin.reichelt@trade.gov

Ernst & Young
http://www.ey.com/EM/en/About-us/Oman

PriceWaterHouseCoopers
http://www.pwc.com/m1/en/countries/oman.jhtml

KPMG
http://www.kpmg.com/om/en/pages/default.aspx

Deloitte & Touche
http://www.deloitte.com

Crowe Howarth
http://www.crowehorwath.net/om

Saba & Co. IP – Oman
http://www.sabaip.com
Muscat International Centre, 1st floor, suite 404, Beit Al Falaj Street
P.O. Box 2027 Ruwi, Postal Code 112, Oman

Tel : +968 248 111 26, Fax :+968 248 111 28
snussair@sabaip.com

Arabian Anti-Piracy Alliance
http://www.aaa.co.ae/
Office 401, City Tower 2,
Sheikh Zayed Road,
P.O. Box 52194, Dubai
United Arab Emirates
Chief Executive Officer
Scott Butler
Tel: +9714 33 22 114
scott@aaa.co.ae

Trade Regulations, Customs, & Standards

Import Tariff

Foreign, non-American/GCC goods are imported according to Oman's tariff schedule, which imposes modest duties generally not exceeding 10%. With the entry into force of the U.S.-Oman Free Trade Agreement in January 2009, bilateral trade in industrial and consumer products, with the exception of certain textile and apparel products, is now duty free. Oman provided duty free access on virtually all products in its tariff schedule and will phase out tariffs on the remaining handful of products within a few years. More information on the FTA can be accessed at http://oman.usembassy.gov/us-oman-fta.html.

Despite the entry into force of the FTA, difficulties remain for duty-free access of selected goods. The Royal Oman Police–Customs still occasionally collects customs duties on some bonded items that are transshipped to Oman by road via the United Arab Emirates. Businesspeople report being asked to provide Certificate of Origin stamps from various American chambers of commerce, a regional practice, but not required under the FTA. There have also been reports that goods not individually engraved as "Made in the USA" do not receive the preferential treatment they are accorded in the FTA. In addition, some importers have reported Omani customs officials denying duty-free entry to imports meeting the 35% American origin requirement for duty free access due to the presence of a few non-American parts in the same container. This practice is also in violation of the FTA. According to the FTA, legalization or "consularization" of trading documents is not required, shipments are not required to originate in U.S. ports or airports, and transshipment by land is allowed.

Trade Barriers

Companies looking to import goods to Oman must register with the Ministry of Commerce and Industry. A special license must be obtained for the importation of certain classes of goods, such as alcohol, livestock, poultry, firearms, narcotics, and explosives. The licensing of business activities can be complicated and can significantly add to the time it takes to get goods to or out of market.

Media imports are subject to censorship by the Ministry of Heritage and Culture for morally or politically sensitive material. The Ministry of Information delays or bars publications if their content is deemed morally suspect or politically sensitive.

Import Requirements & Documentation

According to the Royal Oman Police Customs Directorate (ROP Customs) website, the following are required for clearance of imported goods:

- An accredited copy of commercial registration and an activity form or permission for importing if such a form doesn't exist.
- A valid copy of the affiliation certificate to Oman Chamber of Industry and Commerce (OCIC).
- A valid certificate from the manufacturer.
- A valid quotation list.
- Packing lists.
- Bill of lading at sea and air custom offices only.
- A manifest of the shipment (a document which contains a detailed description of the cargo).
- A permission of deliverance from the shipping agent.
- A comprehensive valid written authorization from the person in charge for custom clearance.
- Filling in the import statement and the form of clearing and classifying the goods according to the operating system along with other required documents which should be submitted To Whom It May Concern.
- In case there is an absence of a valid purchase invoice or a valid certificate from the manufacturer, the clearance will cost R.O 20 paid in cash. This money could be reimbursed if the required documents are submitted within 90 days from the date of payment.
- Providing an approval from the authority in charge for the restricted goods only.
- Paying the required taxes and custom fees for the total value of the shipment including cargo and insurance (CIF).

All imports into Oman above RO 1,000 must be accompanied by: an accredited copy of commercial registration; a copy of the affiliation certificate to the Oman Chamber of Commerce and Industry (OCCI); a commercial invoice, a bill of lading or airway bill; the relevant certificate or permit for restricted imports (section 3.2.6); and a certificate of origin for preferential imports.

As per the FTA, Oman does not require U.S. companies to present authenticated, or "consularized" legal and shipping documents or certificates of origin on eligible (35% value-added) U.S. goods qualifying for duty free entry. Although, in practice, the Embassy has heard reports of some government officials asking for such documentation, a current point of contention between the United States and Oman on this aspect of the FTA.

In order to accelerate the flow of goods and promote its ports and airports, Oman has been simplifying customs clearance documentation. Oman has implemented the Customs Valuation Agreement and is working to further enhance its customs valuation systems. On June 1, 2015, ROP Customs rolled out at the Port of Sohar an electronic "Bayan," or "Single Window" customs system to streamline processing, and implementation is ongoing. Oman's Ministry of Commerce joined the WTO's Trade Facilitation Agreement to coordinate customs procedures among agencies. Domestic implementation is currently underway.

Certain classes of goods require a special license (e.g., alcohol, firearms, pharmaceuticals, and explosives). All media imports are subject to censorship. The Ministry of Heritage and Culture may reject or expunge morally or politically sensitive material from imported videos. The Ministry of Information delays or bars the entry of magazines and newspaper editions if it takes exception to a story on Oman or deems the content morally inappropriate. In practice, the effect of this censorship on non-pornographic materials is usually mild. Imports of pork products and alcoholic beverages are restricted. Oman generally does not comply with the Arab League boycott of Israel-origin imports, although in 2011 and 2012 there were reports of tenders featuring outdated language enforcing the boycott.

To settle customs valuation and classification disputes, an operator may appeal to the Directorate General of Customs under the Royal Oman Police (ROP); then to the Inspector General of Police and Customs, also under the ROP; to the Minister of Finance; and lastly to the Omani Court of Arbitration. According to the GoO, between January 2008 and June 2013, there were 269 disputes, mostly related to valuation. According to the authorities, between 80% and 90% of the disputes were decided in favor of the importer.

Since 2004, Oman has been applying the GCC Laws on Veterinary Quarantine and Plant Quarantine. Imports, exports, and domestic production of plants and animals are subject to inspection by the quarantine section of the Ministry of Agriculture and Fisheries Wealth, which also examines and issues Sanitary-Phytosanitary (SPS) certificates for all agricultural products prior to their export. Phytosanitary certificates and prior permission from the Directorate General of Agricultural Development (DGAD) are required for imports of agricultural seeds, plants, plant parts, and plant products. A health certificate and prior permission from the Directorate General of Animal Wealth (DGAW) are required to import live animals from all countries, including GCC countries. Health certificates are required for all birds; cats and dogs may be imported from all countries, but must be accompanied by a health certificate from the competent authority stating that the animal is free from rabies. Imports of foodstuffs of animal origin, including milk and milk products, are inspected by the DGAW to ensure that they are free from contaminants, and must be accompanied by a certificate declaring them free of radiation and dioxin. Municipal officials are responsible for the inspection of domestic products. All consignments that are imported for the first time are analyzed before release. Results are assessed against GCC and Codex Alimentarius standards to ensure that imported food items are safe for human consumption. Unfit foodstuffs are rejected at the port of entry and can be either destroyed or returned to the country of origin per the preference of the importer.

Labeling/Marking Requirements

GCC labeling standards of imported goods is a key issue facing U.S. exporters. Food labels must include product and brand names, production and expiration dates, country of origin, name and address of the manufacturer, net weight in metric units, and a list of ingredients in descending order of importance. All fats and oils (including gelatins) used as ingredients must be specifically identified on the label. Labels must be in Arabic only or Arabic/English, although some English-only labels may be approved for exceptional marketing purposes. Arabic stickers are accepted and are commonly used by U.S. exporters to Oman.

Oman enforces GCC Shelf Standards GS 150/1993, Part I, which affects 44 food products. The manufacturer-established shelf life is accepted for other food products. The manufacturer must print production and expiry dates on the original label or container; dates cannot be added to the package via a sticker. Many U.S. firms consider Omani shelf-life limits more restrictive than scientifically necessary. The U.S. supplier should work closely with the importer to ensure compliance with local shelf-life requirements.

Omani Customs agents sometimes require that for U.S. made goods to qualify for duty-free treatment under the FTA, each good and packaging must be individually engraved “Made in USA,” a practice in contravention of the FTA.

For meat and poultry products, Oman requires slaughtering according to Islamic halal procedures. Packaged fresh or frozen meat and poultry must also carry the following information in Arabic: country of origin; production (slaughtering or freezing) and expiry dates; shelf life of the product; metric net weight; and product identification. Pre-packaged processed meat and poultry must be accompanied by production and expiry dates as well as the net weight of the product.

The Telecommunications Regulatory Authority (TRA) issued labelling guidelines for telecommunication equipment in June 2010. Dealers of such equipment must register with the TRA. The label must contain the approval number and the dealer number. Imported goods may be labelled after customs clearance, but before entering the Omani market.

All precious metals, jewelry, and gemstones, whether imported or locally produced, must be hallmarked under Royal Decree 109/2000. The gold hallmarking scheme is operated by the Directorate General for Specifications and Measurements (DGSM's) precious metal assaying laboratory.

Oman prohibits exports of antiques, ancient manuscripts, and Maria Theresa Thalers (historic Omani currency tender). Export restrictions apply to date seedlings, and to three species of fish (lobster, abalone, and shark) during the breeding and reproduction seasons when fishing of these sea creatures is prohibited. In addition, export permits are needed for locally mined or quarried products. Oman has repeatedly banned or restricted the export of various species of fresh or frozen fish. From 1 June to 30 September 2012, from 1 July to 30 September 2013, from 15 December 2013 to 15 February 2014, in May 2014, and again in August 2015, exportation of various species of fish, including tuna and king fish, was prohibited. The Ministry of Agriculture and Fisheries Wealth cites the need to control price inflation due to strong demand in neighboring countries, as well as to protect certain species' breeding seasons. Furthermore, during these periods the export of other fish species, including mullet and emperor fish, was limited to 50% of the quantity available; export licenses were required. The authorities indicate that the limits on fishery exports were imposed due to a decrease in the volume of catch and to help maintain stocks and affordable pricing for the local market.

U.S. Export Controls

The U.S. Government has established export controls to limit proliferation of certain items, services or technologies of defense or dual-use nature. The Arms Export Control Act (AECA) establishes the statutory authority for the control of arms exports. Executive Order 11958 assigns responsibility for designation of defense articles and defense services, as well as control of Direct Commercial Sales (DCS), to the Secretary of State. The International Traffic in Arms Regulation (ITAR) implements the AECA. The ITAR contains the United States Munitions List (USML) in Part 121, which identifies those defense articles, including technical data, and defense services subject to U.S. Department of State jurisdiction.

The Directorate of Defense Trade Controls (DDTC) in the Bureau of Political-Military Affairs at the Department of State is responsible for implementing the ITAR and its controls. DDTC's mission is to "advance US national security and foreign policy through licensing of direct commercial sales in defense articles and the development and enforcement of defense trade export control laws, regulations, and policies." When reviewing a license application, DDTC considers the applicant's eligibility, parties/countries involved in the transaction, the commodity and quantity to be exported, the end-use and end-users, the value of the export, the shipping/routing details, and congressional reporting thresholds/interests. The U.S. Department of Commerce, Bureau of Industry and Security (BIS) has primary responsibility, in coordination with several other agencies, for implementing U.S. export control policy on dual-use commodities, software, and technology. Items categorized as "dual-use" have both commercial and military or proliferation applications. Such items, subject to U.S. Department of Commerce regulatory jurisdiction, have chiefly commercial uses, but nonetheless could have an application in conventional arms or weapons of mass destruction, or can be used in terrorist activities or human rights abuses. To ensure adequate control of dual use items, BIS administers, and amends as necessary, the Export Administration Regulations (EAR), which set forth license requirements and policy for these items.

The Department of the Treasury's Office of Foreign Assets Control (OFAC) has licensing jurisdiction over the export of goods, technology, and software in some sanctions programs, including sanctions programs against Iran and Sudan. OFAC also prohibits the unauthorized export of services from the United States or by U.S. persons to Iran, Sudan, Syria, and Cuba. OFAC also freezes the assets of, and prohibits dealings with, persons whose property and interests in property are blocked pursuant to over twenty OFAC-administered sanctions programs. OFAC's authority to administer and enforce sanctions programs comes from, inter-alia, executive orders issued pursuant to the International Emergency Economic Powers Act.

The U.S. export control system is in the process of being revised and streamlined to result in a single control list, a single licensing agency, a single primary enforcement coordinating agency, and a single IT system. The Obama Administration has determined that fundamental reform of the current system is necessary to enhance U.S. national security by:

- Focusing resources on the threats that matter most
- Increasing interoperability with our Allies
- Strengthening the U.S. defense industrial base by reducing incentives for foreign manufacturers to “design out” and avoid using U.S. parts and components.
- To follow developments on the reform initiative, visit http://www.export.gov/ecr.

The following list includes most of the regulatory bodies responsible for ensuring compliance with U.S. export controls:

- Department of Commerce, Bureau of Industry and Security
- Department of State, Directorate of Defense Trade Controls (DTC)
- Department of the Treasury, Office of Foreign Assets Control (OFAC)
- Nuclear Regulatory Commission, Office of International Programs
- Department of Energy, Office of Fuels Programs
- Defense Threat Reduction Agency - Technology Security
- Drug Enforcement Administration, International Drug & Chemical Control
- Food and Drug Administration, Office of Compliance
- Food and Drug Administration, Import/Export
- Patent and Trademark Office, Licensing and Review
- Environmental Protection Agency, Office of Solid Waste, International and Special Projects Branch

A list that consolidates eleven export screening lists of the Departments of Commerce, State and the Treasury into a single search as an aid to industry in conducting electronic screens of potential parties to regulated transactions is available here: [Consolidated Screening API | Trade.gov Developer Portal].

Temporary Entry

The United States-Oman FTA provides for temporary admission of goods under Chapter 3, “Market Access.” Duty-free treatment shall be granted for temporary admission of the following list of goods:

- professional equipment, including equipment for the press or television, software, and broadcasting and cinematographic equipment, necessary for carrying out the business activity, trade, or profession of a person who qualifies for temporary entry pursuant to the laws of the importing Party;
- goods intended for display or demonstration;
- commercial samples and advertising films and recordings; or

- goods imported for sports purposes.

In the case of auto re-exports, a company or individual may have the duties refunded if the vehicles are re-exported within six months.

Prohibited & Restricted Imports

According to the United States-Oman Free Trade Agreement, the Tariff Schedule of Oman indicates that category "I" products, including live swine and illicit drugs, currently subject to prohibition, will become free of duty as of January 1, 2019, but will remain subject to prohibition.

Customs Regulations

Bayan system is an online single window/one-stop service offering from Royal Oman Police (ROP) - Directorate General of Customs that facilitates seamless, convenient and fast clearance of goods for trading communities & various stakeholders. The Bayan system aims to provide a coordinated view of the government to the trade community- customers and ease their administrative and logistical processes. For more details, visit https://www.customs.gov.om/portal/en/esw/customsproc

Trade Standards

Overview

As part of the GCC Customs Union, Oman is working toward unifying its standards and conformity assessment systems with those of the GCC, through the Gulf Standards Organization (GSO). Most Omani standards are either GSO standards or those derived from another international standards organization. Oman is party to the Technical Barriers to Trade Agreement and is a member of the WTO. Further, the U.S.-Oman FTA contains a chapter addressing standards as barriers to trade and facilitates bilateral engagement on standards issues.

In general Oman enforces the GSO standards above its other obligations and that not all GCC standards are consistent with the obligations of the World Trade Organization's (WTO) Agreement on the Application of Sanitary and Phytosanitary Measures (SPS Agreement). In addition, as WTO Members, all six GCC Member States are required to notify proposed Sanitary/Phyto-sanitary (SPS) and technical barriers to trade (TBT) measures to the WTO SPS and TBT Committees and allow other WTO Members an opportunity to provide comments. GCC Member States do not consistently meet this requirement.

As of November 2013, Oman had 10,012 standards in place, of which 10,000 based on GCC standards as formulated by GSO; 1,838 were mandatory standards. Twelve standards are purely national standards, covering products such as bread, traditional daggers, unbottled water, or LPG cylinders. All mandatory standards in Oman apply equally to locally produced and imported products. Mandatory standards apply mainly on food products, construction material, toys, cosmetics, and motor vehicles. Compliance of imported goods is verified by the customs authorities.

American businesspeople at times complain that European standards are often used in tender specifications, though Omani decision-makers are typically open to education on U.S. products.

Standards

The Omani body concerned with establishment and overview of standards is the Directorate General of Specifications and Measurements of the Ministry of Commerce and Industry, which can be reached at the following address:

Directorate General for Specifications and Measurements (MOCI)
Mr. Sami Salim Al Sahib
Acting Directorate General for Specifications and Metrology
Tel no: 24 813 238, Fax no: 24 815 992
E-mail: sami.alsahib@moci.gov.om
Website: http://www. moci.gov.om
The National Enquiry Point and Information Centre (NEPIC), under the Directorate General for Standards and Metrology (DGSM) of the MOCI, is Oman's national enquiry point. The DGSM is responsible for standardization, metrology, testing, quality control and quality assurance, conformity assessment and certification, and accreditation activities.

Oman is harmonizing its technical regulations and standards at the GCC level. According to the authorities, Oman develops technical regulations and standards at the national level only if there is a pressing need.

The regional customs union standards body may be reached at the following address:
GCC Gulf Standardization Organization
P.O. Box 85245
Riyadh 11961
Phone: (+ 966) 1 - 2746655
Fax: (+96611) 2105391
E-mail: csc@gso.org.sa / gso@gso.org.sa

NIST Notify U.S. Service

Member countries of the World Trade Organization (WTO) are required under the Agreement on Technical Barriers to Trade (TBT Agreement) to report to the WTO all proposed technical regulations that could affect trade with other Member countries. **Notify U.S.** is a free, web-based e-mail subscription service that offers an opportunity to review and comment on proposed foreign technical regulations that can affect your access to international markets. Register online at Internet URL: http://www.nist.gov/notifyus/

Conformity Assessment

A manufacturer declaration is required to assure conformity to Omani/GCC standards. In cases of nonconformity to current standards or the need for consideration of other internationally recognized standards, a letter should be addressed to the Directorate General of Specifications and Measurements at the Ministry of Commerce and Industry with authenticated results of laboratory testing.

The GSO is currently developing a conformity assessment scheme that could be adopted by each of the six GCC Member States. (Committee representatives have informed U.S. officials that the GCC intends for the scheme to be implemented in successive stages, beginning with toys in 2010.) The United States is working to establish a dialogue between U.S. and GCC technical experts to discuss the proposed GCC-wide conformity assessment scheme, with the goal of helping to ensure that it is developed, adopted, and applied in accordance with WTO rules and that it is fully transparent.

Product Certification

A product certificate is required to assure the product's conformity to international or Omani/GCC standards. Non-food products are allowed automatic entry to Oman on the basis of a Manufacturer's

Declaration of Conformity Assessment Certificate, supported by a test report verified by the DGSM; in parallel, some samples are collected unless a mutual recognition agreement is in place. Imported products that are not covered by certificates are released temporarily and their samples tested. Oman has concluded mutual recognition agreements with Bahrain, Egypt, Iran, Iraq, Jordan, Qatar, Syria, Tunisia, Turkey, the United Arab Emirates, and Yemen.

Accreditation

Any laboratory testing certificates relating to conformity to Omani or international standards should be submitted to the Directorate General of Specifications and Measurements, which is responsible for accrediting laboratories and classifying and assessing the results obtained.

Publication of technical regulations

The Directorate General of Specifications and Measurements supplies upon request a CD-ROM containing a listing of all standards and specifications adopted by the GSO, along with related information.

Contact Information

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Trade Agreements

Upon entry into force of the FTA, Oman provided immediate duty-free access on virtually all industrial and consumer products in its tariff schedule, and will phase out tariffs on the remaining handful of products within the next few years. On agricultural products, Oman provided immediate duty-free access for U.S. agricultural products in 87% of agricultural tariff lines. The United States provided immediate duty-free access for 100% of Oman's current exports of agricultural products to the United States. Oman is also a member of the Gulf Cooperation Council, which allows for duty-free trade between its members and with other countries with which it has a free trade agreement. The GCC has Free Trade Agreements with the United States (2009) and Singapore (2014) and the EFTA (Iceland, Liechtenstein, Norway, and Switzerland) countries (2010).

Licensing Requirements for Professional Services

Foreign consultancy companies seeking to form an engineering consultancy in Oman are required to have at least ten years of experience in engineering consulting projects. This condition can pose difficulties for newer engineering consultancy companies, particularly those in cutting-edge sub-fields of engineering where length or experience is unavailable and expertise is in any case more crucial.

Capital Market Authority is the government entity which is supervising the operations of Capital market and insurance sector in Oman. In April 2016, the market regulator announced that audit firms are now allowed to carry out only three non-audit services: audit related services, taxation advisory services and investigation of matters arriving from auditor findings or observations, to their audit clients.

Trade Regulation Web Resources

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Investment Climate Statement

Executive Summary

Overall, Oman's investment climate is conducive to U.S. investment. Omani officials and businesspeople generally value U.S. technology, skills and expertise in a wide range of fields, count on U.S. firms' reputation for reliable, transparent business practices, and are keen to leverage U.S. business models, corporate values, and entrepreneurial culture in order to take fuller advantage of the United States-Oman Free Trade Agreement (FTA). U.S. firms enjoy special privileges due to the FTA, namely duty exemptions, national treatment, and non-discrimination in government procurement. However, lack of Omani Customs' compliance with FTA Article 4 regarding duty exemption for eligible U.S. goods transshipped via Dubai exists in some cases, as well as the imposition of a the "In-Country Value" program promoting local sourcing, marred the generally positive outlook for U.S. investors. In addition, Omanization mandates, compelling companies to hire Omani employees, and scarcity of gas for new manufacturing projects posed challenges for U.S. investors.

Advantages of investing in Oman include:

- Oman's business-friendly environment, including the United States-Oman Free Trade Agreement; a modern business law framework; respect for free markets, contract sanctity and property rights; relatively low taxes; and a one-stop-shop at the Ministry of Commerce and Industry for business registration;
- The educated and largely bilingual Omani work force;
- The excellent quality of life: Oman is a modern, friendly, and scenic country, with outstanding international schools, widely-available consumer goods, modern infrastructure, and a convenient and growing transportation network;
- Oman's geographic location, just outside the Persian Gulf and the Strait of Hormuz, along busy shipping lanes carrying a significant share of the world's maritime commercial traffic, with convenient access and connections to the Gulf, Africa, and the subcontinent;
- The steady and ambitious investment by the Government of Oman (GoO) in the country's infrastructure, including manufacturing free zones, seaports, airports, rail, and roads, as well as in its health care and educational systems and facilities.

Foreign investment is increasing in Oman as international firms recognize the growing opportunities related to the Sultanate's massive infrastructure investment program as well as increased efforts to diversify away from oil and gas, particularly with low world oil prices in late 2014 and 2015. Non-oil economic growth stood at 8 percent in 2014, reflecting major infrastructure-related activity and the Sultanate's success in promoting downstream manufacturing in its free zones. According to Oman's National Centre for Statistics and Information, nominal GDP grew by 4.63 percent in 2014, but contracted by 14.2 percent in 2015 (calculated using data through September 2015 on a year-on-year basis). Contraction in 2015 was largely driven by low oil prices, which pulled down growth despite a 4.7 percent nominal growth in the non-oil sector, according to Oman's National Centre for Information and Statistics. The government's diversification ambitions, which focus on the logistics, mining, tourism, manufacturing, and fishing sectors, have generally not yet had an impact on the economy as a whole. Despite this, the Omani government remains committed to continuing spending on existing infrastructure projects and other investments, despite continued depressed world oil prices.

TABLE 1: The following chart summarizes several well-regarded indices and rankings.

Measure	Year	Index or Rank	Website Address
TI Corruption Perceptions index	2015	60 of 175	transparency.org/cpi2014/results
World Bank's Doing Business Report "Ease of Doing Business"	2015	70 of 189	doingbusiness.org/rankings
Global Innovation Index	2015	0.51%	globalinnovationindex.org/content/page/data-analysis
U.S. FDI in partner country ($M USD, stock positions)	2014	USD 55M	BEA/Host government - MOCI
World Bank GNI per capita	2014	USD 16,870	data.worldbank.org/indicator/NY.GNP.PCAP.CD

Millennium Challenge Corporation Country Scorecard

Openness to and Restrictions upon Foreign Investment

Oman actively seeks foreign investment and is in the process of improving the regulatory framework to encourage such investments. The Public Authority for Investment Promotion and Export Development (known as "Ithraa") is tasked with attracting foreign investors and smoothing the path for business formation and private sector development. Ithraa also provides prospective foreign investors with information on government regulations, which are not always transparent and sometimes inconsistent. Although the Ministry of Commerce and Industry (MOCI) has established a "One-Stop Shop" (business.gov.om) for government clearances, the approval process for establishing a business can still be slow, particularly with respect to environmental permitting and expatriate worker visa approvals.

“In-country value” (ICV) is the GoO’s policy effort to incentivize companies, both Omani and foreign, to invest in Oman through their procurement of local goods and services and training of Omanis. The GoO includes bidders’ demonstration of support for ICV as one factor in government tender awards. While ICV was first conceived primarily for oil and gas contracts, the principle is now embedded in government tenders in all sectors, including transportation and tourism. This GoO policy aims to increase economic diversification and local capacity building in the long run, but new-to-market foreign companies, including U.S. firms, may find the bid requirements related to ICV prohibitive.

Conversion and Transfer Policies

Oman does not have restrictions or reporting requirements on private capital movements into or out of the country. The Omani Rial is pegged at a rate of RO 0.3849 to the U.S. dollar, and there is no difficulty in obtaining exchange. All other currencies are first converted to dollars, then to the desired currency; national currency rates fluctuate, therefore, as the dollar fluctuates. The government has consistently publicly stated that it is committed to maintaining the current peg. The GoO has publicly stated it will not join a proposed GCC common currency. There is no delay in remitting investment returns or limitation on the inflow or outflow of funds for remittances of profits, debt service, capital, capital gains returns on intellectual property, or imported inputs.

Remittance Policies

Oman does not restrict the remittance abroad of equity or debt capital, interest, dividends, branch profits, royalties, management and service fees, and personal savings.
While the Majlis al-Shura – the consultative, elected branch of Oman’s legislature – has twice proposed a 2% tax on foreign worker remittances, the Majlis al-Dawla, Council of Ministers, and Ministry of Finance, have all actively opposed the proposals and the tax is unlikely to go forward. Because Oman’s currency is pegged to the dollar, the GoO is unable to engage in currency manipulation tactics.
Investors can remit through legal parallel markets utilizing convertible, negotiable instruments. There are no surrender requirements for profits earned overseas.

The GCC, of which Oman is a member, is a member of FATF and the MENAFATF. The level of compliance with the FATF Recommendations for the anti-money laundering and counter-terrorist financing regime of the Sultanate of Oman, according to its 2011 Mutual Evaluation Report, is comparatively high for the region, and the legal framework is sound. However, the overall effectiveness was noted to be lacking in some areas. Statistics regarding suspicious transaction reports, investigations and convictions are not widely available.

Expropriation and Compensation

Oman's interest in increased foreign investment and technology transfer make expropriation or nationalization unlikely. In the event that a property must be nationalized, e.g., for a public building, Article 11 of the Basic Law of the State stipulates that the Government of Oman must provide prompt and fair compensation. There are no recent examples of expropriations, although on December 8, 2011, the first trade dispute under the United States-Oman FTA was submitted to formal arbitration at the World Bank's International Center for Settlement of Investment Disputes. (Under the United States-Oman FTA, Oman must follow international standards for expropriation and compensation cases, including access to international arbitration.) In practice, Oman compensates for any expropriations it makes, although at times the compensation can be incrementally paid. There are no laws forcing local ownership in any sector, though land ownership is limited to Omani and GCC nationals outside of special Integrated Tourism Complexes set aside for foreign residency. (The FTA does not address land ownership.)

Dispute Settlement

Business disputes within Oman are resolved through the Commercial Court. The Commercial Court has jurisdiction over most tax and labor cases, and can issue orders of enforcement of decisions. The Commercial Court can also accept cases against governmental bodies; however, the Court can only issue, and not enforce, rulings against the government. If the value of the case is less than $26,000, the Commercial Court's decision is final. If the value exceeds $26,000, the case may be taken up by a Court of Appeal. Parties may also appeal their case to the Supreme Court. Cases can only be reopened after judgment if new documents are discovered or irregularities (e.g., forgery, perjury) are found. There is no provision for the publication of decisions, apart from arbitrations carried out under the United States-Oman FTA, and the decisions do not carry precedent. U.S. firms should note that the Commercial Court is relatively new, replacing the Authority for Settlement of Commercial Disputes.

Oman maintains other judicial bodies to adjudicate various disputes. The Labor Welfare Board under the Ministry of Manpower hears disputes regarding severance pay, wages, benefits, etc. The Real Estate Committee hears tenant-landlord disputes, the Police Committee deals with traffic matters, and the Magistrate Court handles misdemeanors and criminal matters. All litigation and hearings are conducted in Arabic. The Oman Chamber of Commerce and Industry has an arbitration committee to which parties to a dispute may refer their case when the amounts in question are small. Local authorities, including 'walis' (district governors appointed by the central government), also handle minor disputes. Oman is a member of the GCC Arbitration Center, located in Bahrain. Separately, the Bahrain Center for Dispute Resolution, a member of the American Arbitration Association (AAA) in New York, is very active in the region.

Bankruptcy

Oman has written and consistently applied commercial and bankruptcy laws. However, insolvency laws currently allow only for complete dissolution rather than restructuring, and many businesses opt to simply shut their doors rather than go through the insolvency process, which can take up to four years. Omani law (Royal Decree 55/1990) also provides for arrest and imprisonment in many bankruptcy cases. According to the World Bank, it takes on average four years to resolve bankruptcy and investors can expect to recover 37.7cents on their dollar. However, the cost of resolving bankruptcy as a percentage of the estate is lower in Oman than the region.

Investment Disputes

Pursuant to the Conciliation and Settlement Law (Royal Decree No. 98 of 2005), parties may refer a dispute to the Committee for Conciliation and Settlement by submitting an application, free of charge, before a reference is made to the courts. The Committee shall attempt to settle the dispute within 60 days from the date of application to the Committee; however, this period may be extended for a further period of not more than 30 days upon the agreement of parties. If settlement is achieved, the Committee will prepare a report to be signed by all parties, which then can be enforced in the same manner as a final judgment of a court. Parties to a dispute are also free to explore mediation themselves, through the appointment of a professional mediator.

International Arbitration

Many corporate entities in Oman are increasingly turning to arbitration to resolve their disputes as it is considered to be a more efficient and reliable mechanism. An arbitral award is usually rendered in Oman within 12 months of the aggrieved party stating in writing that a dispute has arisen. In contrast, court processes can often be much lengthier, particularly where technically complex issues are involved. The fact that cases normally go through three tiers of justice (Primary, Appeal and Supreme) also naturally means a longer process.

The Omani Arbitration Law (Royal Decree 47/97, as amended) defines the term "Arbitration" as a dispute resolution mechanism agreed to by parties of their own volition. Usually, the parties will state in their initial contract that any dispute will be resolved by arbitration pursuant to, for instance, Omani Arbitration Law. The Law mandates that an arbitration agreement should be in writing. Once a dispute has arisen, the parties can agree, in writing, to arbitration. In such cases, however, the agreement has to specify the underlying issues that the parties have agreed to resolve by arbitration.

Binding international arbitration of investment disputes between foreign investors and the Omani government is recognized. Omani courts recognize and enforce foreign arbitral awards, and international arbitration is accepted as a means to settle investment disputes between private parties. Oman's legal framework provides for the enforcement of international arbitration awards and most foreign companies elect for dispute resolution by arbitration. Arbitration is generally cheaper, quicker and easier than settling commercial disputes in the normal court system, where judges often lack expertise on technical commercial issues.

Additionally, there are specific dispute resolution mechanisms through the United States-Oman FTA that can assist Omani and U.S. companies in resolving disputes outside of the Omani legal system.

ICSID Convention and New York Convention

Oman is a party to the International Convention for the Settlement of Investment Disputes between States and Nationals of other States (ICSID) and the UN New York Convention of 1958 on the Recognition and Enforcement of Foreign Arbitral Awards.

Duration of Dispute Resolution – Local Courts

Although the judicial process is slow, business contracts are generally enforced. According to the 2015 World Bank Ease of Doing Business Report, it takes an average of 598 days and 51 separate procedures to enforce a business contract. However, the cost of enforcement is a smaller percentage of the claim, at 13.5 percent, lower than even OECD countries, which average 21 percent.

Performance Requirements and Investment Incentives

WTO/TRIMS

Oman is subject to trade related investment measures (TRIMs) obligations. At this time, there are no allegations that Oman maintains any measures that violate the WTO TRIM text.

In-Country Value (ICV) has become an important part of Omani economic policy, and is another effort to diversify away from oil rents by favoring tender bids that include procurement of local goods and services, and training of Omanis. This may favor local firms, who have established procurement and training relationships. However, ICV policy is not currently codified, and there are no established quotas. Additionally, foreign firms operating in Oman, including U.S. companies, must meet "Omanization" requirements, which require businesses to employ a percentage of Omani citizens, differing by sector, as determined by the Ministry of Manpower. In 2015, high-level Government of Oman officials issued several decisions aimed at stronger implementation of the 2013 provision of the Tender Law requiring at least 10% of any project's value go to local SMEs, either through subcontracts or through capacity-building training.

Foreign investors have access to local and foreign exchange for export finance. Offsets on civilian government procurements are generally limited to procurements by the Ministry of Defense, Royal Oman Police, or Ministry of the Royal Office.

Investment Incentives

Oman offers several incentives to attract foreign investors. These include:

- A five-year renewable tax holiday;
- Subsidized plant facilities and utilities at industrial estates;
- Exemption from customs duties on equipment and raw materials during the first ten years of a project, with packaging materials exempted for five years;
- English as an accepted lingua franca for business contracts and operations;
- A low corporate tax rate, capped at 15 percent; and
- No personal income or capital gains tax.

Firms involved in agriculture and fishing, industry, education and training, healthcare, mining, export manufacturing, tourism, and public utilities are eligible for the renewable 5-year tax holiday and exemption from duties on capital goods and raw materials. Under the Industry Organization and Encouragement Law of 1978, incentives are available to licensed industrial installations on the recommendation of the Industrial Development Committee. "Industrial installations" include not only those for the conversion of raw materials and semi-finished parts into manufactured products, but also mechanized assembly and packaging operations.

Omani and U.S.-owned commercial enterprises, and foreign industrial producers in joint venture with local firms that produce goods locally, need to meet standard quality specifications. The government offers subsidies to offset the cost of feasibility and other studies if the proposed project is considered sufficiently important to the national economy. Only in the most general sense of business plan objectives does proprietary information have to be provided to qualify for incentives.

A full list of incentives is laid out in the Foreign Investment Law as follows:

- Interest-free loans by Government under Royal Decree No. 83/80 concerning the financial support to the private sector in agriculture, fisheries, industry, mining and quarrying and Royal Decree No. 40/87 of the financial support to the private sector in Industry and Tourism.
- Low interest loans to industrial firms from the Oman Development Bank.
- Exemption from customs duties on imports of equipment and raw materials required for production purposes. (Note: This has been legally challenged by U.S. and foreign competitors.)
- Tariff protection through imposition or increase of customs duties on imported goods similar to local products or to prohibit or restrict their importation, taking into consideration the quality and quantity of local production and the interest of the consumer. The list of products currently under protection includes some types of pipes, cement, cement-products, paints, polyurethane products, corrugated cartons, vegetable oil, detergents and chain-link fencing. (Note: Some of this support has been challenged by foreign competitors under WTO rules.)
- Exemption from corporate tax for a period of five years which can be renewed for another period of five years starting from the date of permission of registration of production commencement.
- Planned and serviced industrial plots for setting up factories.
- Recommendation to the Ministry of Electricity and Water for the reduction of utility charges for industrial purposes for those industries fulfilling the conditions for reduction.
- Survey of industrial investment opportunities and preparation of feasibility studies important to national economy.

Research and Development

U.S. and foreign firms are able to participate in government financed/subsidized research programs on a national treatment basis, and are at times solicited for specific expertise.

Performance Requirements

Since 1988, the GoO has had a labor market policy of "Omanization" – employment quotas for Omani nationals. These quota targets vary depending on the sector – they can be as low as 15% in some and 60% in others. Most government ministries have achieved Omanization rates at or near 100%.

Omanization targets are consistent throughout the private sector. In practice, each company in Oman is required to submit an Omanization plan to the Ministry of Manpower (MoM), which has the authority to reduce the requirements for some businesses and to adjust required Omanization percentages accordingly. Private companies report that the MoM enforces Omanization inconsistently.

Employers seeking to hire expatriate workers must seek a visa allotment from the MoM and Royal Oman Police. Specific visas allocations are scrutinized using sometimes opaque criteria. Foreign investors complain of the difficulty in hiring expatriates. Additionally, expatriate workers in Oman are required to leave Oman and remain outside the country for two years between changing employers. Persons may seek exemption of this rule from the Royal Oman Police on a case-by-case basis.

The GoO, in particular the Ministry of Oil and Gas, launched an initiative in 2013 aimed at increasing the amount of in-country value (ICV) in GoO contracts and contracts in the oil-and-gas sector. The tenets of ICV include workforce development, increase of local sourcing of goods and services, as well as enhancement of the business environment to support local businesses.

Data Storage

Currently, Oman does not have any requirements for companies to turn over source code or to provide access to surveillance. However, the Telecommunications Regulatory Authority (TRA) requires service providers to house servers in Oman if they are to provide services in Oman. The TRA is the lead agency on establishing data quotas in Oman.

Right to Private Ownership and Establishment

Securitized interests in property, both moveable and real, are recognized and enforced in Oman. Mortgages and liens exist, and foreign nationals are able to obtain mortgages on land in designated Integrated Tourism Complexes. Individuals record their interest in property with the Land Registry at the Ministry of Housing. The legal system, in general, facilitates the acquisition and disposition of property rights.

There are lands reserved for tribal use and ownership, but there are not clear definitions or regulations. Coastal areas are reserved for specific tribal use, mostly for fishing; lands in Salalah and in the mountains near Dhofar are reserved for tribal interests and access is typically restricted, and tribes in the Empty Quarter and eastern desert areas own tracts of land that they then "permit" oil companies to operate on. These tribes legally own the land – as opposed to the government owning the land – and therefore control access and any commercial activities.

Protection of Property Rights

While IPR legislation and regulations are strong, civil action against violators continues to be time-consuming and expensive, and MOCI acknowledged they currently do not have the human resources necessary to run an effective administrative enforcement regime. Additionally, the Omani system places a burden on the rights-holders to perform their own monitoring and enforcement.

Public Authority for Consumer Protection (PACP) officials have confirmed that they do not accept responsibility for complaints arising from brand-owners; they only take action on consumers' complaints. The Ministry of Legal Affairs also confirmed that the 2008 Copyright Law stipulates that the MOCI shall be responsible for IPR enforcement at the retail level, including inspections and seizures. As such, the U.S. government, along with a private sector working group, in 2014 officially urged the Minister of Commerce to take steps to address the gap and stand up an administrative enforcement team within MOCI.

After revising its intellectual property and copyright laws to comply with its FTA obligations, Oman now offers increased IPR protection for copyrights, trademarks, trade secrets, geographical indications, and patents. FTA-related revisions to IPR protection in Oman build upon the existing intellectual property rights regime, already strengthened by the passage of WTO-consistent intellectual property laws on copyrights, trademarks, industrial secrets, geographical indications and integrated circuits. The FTA's chapter on IPR can be found at: http://oman.usembassy.gov/fta-texts.html.

Oman is not listed in the Special 301 report, nor is it designated as a notorious market.

Oman is a member of the World Intellectual Property Organization (WIPO) and is registered as a signatory to the Madrid, Paris and Berne conventions on trademarks and intellectual property protection. Oman has also signed the WIPO Copyright Treaty and the WIPO Performances and Phonograms Treaty. Oman is also a signatory to the International Convention for the Protection of New Varieties of Plants.

Trademark laws in Oman are Trade Related Aspects of Intellectual Property Rights (TRIPs) compliant. Trademarks must be registered and noted in the Official Gazette through the Ministry of Commerce and Industry. Local law firms can assist companies with the registration of trademarks. Oman's copyright protection law extends protection to foreign copyrighted literary, technical, or scientific works; works of the graphic and plastic arts; and sound and video recordings. In order to receive protection, a foreign-copyrighted work must be registered with the Omani government by depositing a copy of the work with the government and paying a fee. Trademarks are valid for ten years while patents are generally protected for twenty years. As "literary works", software and audiovisual content is protected for fifty years.

For additional information about treaty obligations and points of contact at local IP offices, please see WIPO's country profiles at http://www.wipo.int/directory/en/.

Protecting Your Intellectual Property in Oman

Several general principles are important for effective management of intellectual property ("IP") rights in Oman. First, it is important to have an overall strategy to protect your IP. Second, IP may be protected differently in Oman than in the United States. Third, rights must be registered and enforced in Oman, under local laws. For example, your U.S. trademark and patent registrations will not protect you in Oman. There is no such thing as an "international copyright" that will automatically protect an author's writings throughout the entire world. Protection against unauthorized use in a particular country depends, basically, on the national laws of that country. However, most countries do offer copyright protection to foreign works in accordance with international agreements.

Granting patents registrations are generally is based on a first-to-file [or first-to-invent, depending on the country basis. Similarly, registering trademarks is based on a first-to-file [or first-to-use, depending on the country], so you should consider how to obtain patent and trademark protection before introducing your products or services to the Oman market. It is vital that companies understand that intellectual property is primarily a private right and that the U.S. government cannot enforce rights for private individuals in Oman. It is the responsibility of the rights' holders to register, protect, and enforce their rights where relevant, retaining their own counsel and advisors. Companies may wish to seek advice from local attorneys or IP consultants who are experts in Oman law. The U.S. Commercial Service can provide a list of local lawyers upon request http://oman.usembassy.gov/attorney_information.html

While the U.S. Government stands ready to assist, there is little we can do if the rights holders have not taken these fundamental steps necessary to securing and enforcing their IP in a timely fashion. Moreover, in many countries, rights holders who delay enforcing their rights on a mistaken belief that the United States government can provide a political resolution to a legal problem may find that their rights have been eroded or abrogated due to legal doctrines such as statutes of limitations, laches, estoppel, or unreasonable delay in prosecuting a law suit. In no instance should U.S. Government advice be seen as a substitute for the responsibility of a rights holder to promptly pursue its case.

It is always advisable to conduct due diligence on potential partners. A good partner is an important ally in protecting IP rights. Consider carefully, however, whether to permit your partner to register your IP rights on your behalf. Doing so may create a risk that your partner will list itself as the IP owner and fail to transfer the rights should the partnership end. Keep an eye on your cost structure and reduce the margins (and the incentive) of would-be bad actors. Projects and sales in Oman require constant attention. Work with legal counsel familiar with Oman laws to create a solid contract that includes non-compete clauses, and confidentiality/non-disclosure provisions.

It is also recommended that small and medium-size companies understand the importance of working together with trade associations and organizations to support efforts to protect IP and stop counterfeiting. There are a number of these organizations, both Oman or U.S.-based. These include:

- The U.S. Chamber and local American Chambers of Commerce
- National Association of Manufacturers (NAM)
- International Intellectual Property Alliance (IIPA)
- International Trademark Association (INTA)
- The Coalition Against Counterfeiting and Piracy
- International Anti-Counterfeiting Coalition (IACC)
- Pharmaceutical Research and Manufacturers of America (PhRMA)
- Biotechnology Industry Organization (BIO)

IP Resources

A wealth of information on protecting IP is freely available to U.S. rights holders. Some excellent resources for companies regarding intellectual property include the following:

- For information about patent, trademark, or copyright issues -- including enforcement issues in the US and other countries -- call the STOP! Hotline: **1-866-999-HALT** or visit www.STOPfakes.gov.

- For more information about registering trademarks and patents (both in the U.S. as well as in foreign countries), contact the U.S. Patent and Trademark Office (USPTO) at: **1-800-786-9199**, or visit http://www.uspto.gov/.

- For more information about registering for copyright protection in the United States, contact the U.S. Copyright Office at: **1-202-707-5959**, or visit http://www.copyright.gov/.

- For more information about how to evaluate, protect, and enforce intellectual property rights and how these rights may be important for businesses, please visit the "Resources" section of the STOPfakes website at http://www.stopfakes.gov/resources.

- For information on obtaining and enforcing intellectual property rights and market-specific IP Toolkits visit: www.stopfakes.gov/businesss-tools/country-ipr-toolkits. The toolkits contain detailed information on protecting and enforcing IP in specific markets and also contain contact information for local IPR offices abroad and U.S. government officials available to assist SMEs.

The U.S. Department of Commerce has positioned IP attachés in key markets around the world. You can get contact information below for the IP attaché who covers the following countries:

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Transparency of the Regulatory System

Because commercial registration and licensing decisions often require the approval of multiple ministries, the government decision-making process can be tedious and may be perceived as non-transparent. Obtaining licenses for some business activities, particularly expatriate labor approvals, and mining and environmental permits, can be time consuming and complicated for foreign companies, as the various ministries from which licensure is required do not widely disseminate their policies, quotas, and regulations.

The government occasionally publishes proposed laws and regulations for public comment, particularly laws that may affect the private sector, but there is not a formalized process for doing so, nor a legal requirement to do so. There has been a move in recent years towards greater transparency in telecommunications, securities, and corporate governance of publicly traded companies.

Oman has also improved the transparency of its securities markets and publicly traded companies largely through the work of the Capital Markets Authority (CMA), the regulatory body for such areas. The CMA requires all public companies to comply with a set of standards for disclosure. Under the requirements, holding companies must publish the accounts of their subsidiaries with the parent companies' accounts. Companies must fully disclose their investment portfolios, including details of the purchase cost and current market prices for investment holdings. The new initiatives also require publication of these financial statements in the local press. At the same time, the Central Bank has introduced new rules to limit the level of "related party transactions" (financial transactions involving families or subsidiary companies belonging to major shareholders or board members) in Oman's commercial banks.

Efficient Capital Markets and Portfolio Investment

There are no restrictions in Oman on the flow of capital and the repatriation of profits. Foreigners may invest in the Muscat Securities Market (MSM) so long as they do so through an authorized broker. Access to Oman's limited commercial credit and project financing resources is open to Omani firms with foreign participation. At this time, there is not sufficient liquidity in the market to allow for the entry and exit of sizeable amounts of capital. Joint stock companies with capital in excess of $5.2 million must be listed on the MSM. According to the recently amended Commercial Companies Law, companies must have been in existence for at least two years before being floated for public trading. Publicly traded firms in Oman are still relatively rare phenomenon; the majority of businesses are private family enterprises.

Money and Banking System, Hostile Takeovers

The banking system is sound and well-capitalized with low levels of non-performing loans and generally high profits. Banks' portfolios are dominated by personal loans, perceived as safe as they are typically drawn directly from borrowers' government salaries. Foreign businesspeople must have a residence visa or an Omani commercial registration to open a local bank account.

The Central Bank of Oman is the central bank, and issues regulations and guidance to all banks operating within Oman's borders.

Bank Muscat, the largest domestic bank operating in Oman, has $32.5 billion in assets.

Competition from State-Owned Enterprises

SOEs are active in many sectors in Oman, including oil and gas extraction, oil and gas services, oil refining, liquefied natural gas processing and export, manufacturing, telecommunications, aviation, infrastructure development and finance. The GoO does not have a standard definition of a state-owned enterprise, but tends to limit its working definition to companies wholly owned by the government and more frequently refers to companies with partial government ownership as joint ventures. The GoO also does not have a complete, published list of companies in which it owns a stake.

In general, private enterprises are allowed to compete with public enterprises under the same terms and conditions with access to markets, and other business operations, such as licenses and supplies. SOEs do purchase raw materials, goods, and services from private domestic and foreign enterprises. Public enterprises, however, have comparatively better access to credit. Board membership of SOEs is composed of various government officials, with a senior official, usually cabinet-level, serving as chairperson.

SOEs are given an operating budget, but, like budgets for ministries and other government entities, the budgets are flexible and not subject to hard constraints.

OECD Guidelines on Corporate Governance of SOEs

SOEs in Oman do not adhere to OECD Guidelines on Corporate Governance for SOEs. SOE senior management report to independent boards, and those boards have senior Government of Oman representation. Larger companies have higher-level official representation, while smaller or more niche market companies have working level representation from the Ministry of Finance.

Sovereign Wealth Funds

Oman has two main sovereign wealth funds; the State General Reserve Fund of the Sultanate of Oman, and the Oman Investment Fund. The majority of the Funds' assets are invested abroad, although their dealings and governance are extremely opaque. Omani sovereign wealth funds are not required by law to publish an annual report or submit their books for an independent audit. Many of the smaller wealth funds and pension funds actively invest in local projects.

Corporate Social Responsibility

Responsible business conduct is generally referred to as corporate social responsibility (CSR) in Oman, where the term carries a different connotation than in other parts of the world. In Oman, CSR programs are organized, "extra-curricular" programs hosted and supported by the business entity to engender goodwill in the community and to provide a social benefit. Examples include: competitions in elementary and secondary schools for academic performance and artistic skill; and many sponsor charitable, academic and social events; entrepreneurship incubators; and women's or tribal empowerment.

Regulations promoting corporate social responsibility have not, in the past, been waived to attract foreign investment. The GoO is particularly sensitive to labor issues concerning Omani employees, and has actively intervened in labor disputes to enforce Omani labor regulations.

Labor and employment disputes and consumer rights violations (mostly the sale of expired food or counterfeit medicine or car parts) are widely covered in the press. There is a general culture of accountability, and a sense that companies who violate these tenants of corporate social responsibility will suffer in business and market share.

There are no independent NGOs promoting corporate social responsibilities, however many business associations including the Oman-American Business Council actively pursue CSR initiatives as a part of their annual activities.

While the GoO does not have specific guidance for companies, it does have an expectation that companies will generally follow OECD-comparable guidelines. Additionally, each ministry has a department dedicated to facilitating CSR compliance and initiatives.

Political Violence

Politically-motivated violence is rare in Oman. Incidents of violence were associated with Arab Spring-related demonstrations in 2011, including several demonstrations that resulted in blocked pedestrian and vehicle access to the Port of Sohar. Although most protests were peaceful, one demonstration which turned violent resulted in several injuries and one fatality. The government allows some peaceful demonstrations to occur.

Corruption

Corruption, including bribery, raises the costs and risks of doing business. Corruption has a corrosive impact on both market opportunities overseas for U.S. companies and the broader business climate. It also deters international investment, stifles economic growth and development, distorts prices, and undermines the rule of law.

It is important for U.S. companies, irrespective of their size, to assess the business climate in the relevant market in which they will be operating or investing, and to have an effective compliance program or measures to prevent and detect corruption, including foreign bribery. U.S. individuals and firms operating or investing in foreign markets should take the time to become familiar with the relevant anticorruption laws of both the foreign country and the United States in order to properly comply with them, and where appropriate, they should seek the advice of legal counsel.

The U.S. Government seeks to level the global playing field for U.S. businesses by encouraging other countries to take steps to criminalize their own companies' acts of corruption, including bribery of foreign public officials, by requiring them to uphold their obligations under relevant international conventions. A U. S. firm that believes a competitor is seeking to use bribery of a foreign public official in international business, for example to secure a contract, should bring this to the attention of appropriate U.S. agencies, as noted below.

U.S. Foreign Corrupt Practices Act: In 1977, the United States enacted the Foreign Corrupt Practices Act (FCPA), which generally makes it unlawful for U.S. persons and businesses (domestic concerns), and U.S. and foreign public companies listed on stock exchanges in the United States or which must file periodic reports with the Securities and Exchange Commission (issuers), to offer, promise or make a corrupt payment or anything of value to foreign officials to obtain or retain business. The FCPA also applies to foreign firms and persons who take any act in furtherance of such a corrupt payment while in the United States. In addition to the anti-bribery provisions, the FCPA contains accounting provisions applicable to public companies. The accounting provisions require issuers to make and keep accurate books and records and to devise and maintain an adequate system of internal accounting controls. The accounting provisions also prohibit individuals and businesses from knowingly falsifying books or records or knowingly circumventing or failing to implement a system of internal controls. In order to provide more information and guidance on the statute, the Department of Justice and the Securities and Exchange Commission published *A Resource Guide to the U.S. Foreign Corrupt Practices Act*, available in PDF at: http://www.justice.gov/criminal/fraud/fcpa/guidance/. For more detailed information on the FCPA generally, see the Department of Justice FCPA website at: http://www.justice.gov/criminal/fraud/fcpa/.

Other Instruments: It is U.S. Government policy to promote good governance, including host countries' implementation and enforcement of anti-corruption laws and policies pursuant to their obligations under international agreements. Since enactment of the FCPA, the United States has been instrumental to the expansion of the international framework to fight corruption. Several significant components of this framework are the Convention on Combating Bribery of Foreign Public Officials in International Business Transactions negotiated under the auspices of the OECD (Antibribery Convention), the United Nations Convention against Corruption (UN Convention), the Inter-American Convention against Corruption (OAS Convention), the Council of Europe Criminal and Civil Law Conventions, and a growing list of U.S. free trade agreements. This country is party to [add instrument to which this country is party].

OECD Antibribery Convention: The Antibribery Convention entered into force in February 1999. As of January 2016, there are 41 parties to the Convention, including the United States (see http://www.oecd.org/corruption/oecdantibriberyconvention.htm). Major exporters China and India are not parties, although the U.S. Government strongly endorses their eventual accession to the Antibribery Convention. The Antibribery Convention obligates the Parties to criminalize bribery of foreign public officials in international business transactions, which the United States has done under U.S. FCPA. [Insert information as to whether your country is a party to the Antibribery Convention and has a foreign bribery law.]

UN Convention: The UN Convention entered into force on December 14, 2005, and there are 178 parties to it as of January 2016 (see http://www.unodc.org/unodc/en/treaties/CAC/signatories.html). The UN Convention requires countries to establish criminal and other offences to cover a wide range of acts of corruption, from basic forms of corruption such as bribery and solicitation, embezzlement, and trading in influence to the concealment and laundering of the proceeds of corruption. The Convention contains transnational business bribery provisions that are functionally similar to those in the OECD Antibribery Convention and contains provisions on private sector auditing and books and records requirements. Other provisions address matters such as prevention, international cooperation, and asset recovery. [Insert information as to whether your country is a party to the UN Convention.]

OAS Convention: In 1996, the Member States of the Organization of American States (OAS) adopted the first international anticorruption legal instrument, the Inter-American Convention against Corruption (OAS Convention), which entered into force in March 1997. The OAS Convention, among other things, establishes a set of preventive measures against corruption, provides for the criminalization of certain acts of corruption, including transnational bribery and illicit enrichment, and contains a series of provisions to strengthen the cooperation between its States Parties in areas such as mutual legal assistance and technical cooperation. As of January 2016, the OAS Convention has 34 parties (see http://www.oas.org/juridico/english/Sigs/b-58.html) and the follow-up mechanism created in 2001 (MESICIC) has 31 members (see http://www.oas.org/juridico/english/mesicic_intro_en.htm). [Insert information as to whether your country is a party to the OAS Convention.]

Council of Europe Criminal Law and Civil Law Conventions on Corruption: Many European countries are parties to either the Council of Europe (CoE) Criminal Law Convention on Corruption, the Civil Law Convention on Corruption, or both. The Criminal Law Convention requires criminalization of a wide range of national and transnational conduct, including bribery, money-laundering, and accounting offenses. It also incorporates provisions on liability of legal persons and witness protection. The Civil Law Convention includes provisions on whistleblower protection, compensation for damage relating to corrupt acts, and nullification of a contract providing for or influenced by corruption, inter alia. The Group of States against Corruption (GRECO) was established in 1999 by the CoE to monitor compliance with these and related anti-corruption standards. Currently, GRECO comprises 49 member States (48 European countries and the United States). See http://www.coe.int/t/dghl/monitoring/greco/general/about_en.asp. As of January 2016, the Criminal Law Convention has 44 parties and the Civil Law Convention has 35 (see http://conventions.coe.int/Treaty/Commun/QueVoulezVous.asp?CL=ENG&NT=173; http://conventions.coe.int/Treaty/Commun/QueVoulezVous.asp?CL=ENG&NT=174). [Insert information as to whether your country is a party to the Council of Europe Conventions.]

Free Trade Agreements: While it is U.S. Government policy to include anticorruption provisions in free trade agreements (FTAs) that it negotiates with its trading partners, the anticorruption provisions have evolved over time. The most recent FTAs negotiated now require trading partners to criminalize "active bribery" of public officials (offering bribes to any public official must be made a criminal offense, both domestically and trans-nationally) as well as domestic "passive bribery" (solicitation of a bribe by a domestic official). All U.S. FTAs may be found at the U.S. Trade Representative Website: http://www.ustr.gov/trade-agreements/free-trade-agreements. [Insert information as to whether your country has an FTA with the United States: Country [X] has a free trade agreement (FTA) in place with the United States. The [name of FTA] came into force in [date].]

Local Laws: U.S. firms should familiarize themselves with local anticorruption laws, and, where appropriate, seek legal counsel. While the U.S. Department of Commerce cannot provide legal advice on local laws, the Department's U.S. and Foreign Commercial Service can provide assistance with navigating the host country's legal system and obtaining a list of local legal counsel.

Assistance for U.S. Businesses: The U.S. Department of Commerce offers several services to aid U.S. businesses seeking to address business-related corruption issues. For example, the U.S. and Foreign Commercial Service can provide services that may assist U.S. companies in conducting their due diligence as part of the company's overarching compliance program when choosing business partners or agents overseas. The U.S. and Foreign Commercial Service can be reached directly through its offices in every major U.S. and foreign city, or through its website at www.trade.gov/cs.

The United States provides commercial advocacy on behalf of exporters of U.S. goods and services bidding on public sector contracts with foreign governments and government agencies. An applicant for advocacy must complete a questionnaire concerning its background, the relevant contract, and the requested U.S. Government assistance. The applicant must also certify that it is in compliance with applicable U.S. law, that it and its affiliates have not and will not engage in bribery of foreign public officials in connection with the foreign project, and that it and its affiliates maintain and enforce a policy that prohibits bribery of foreign public officials. Problems, including alleged corruption by foreign governments or competitors, encountered by U.S. companies in seeking such foreign business opportunities can be brought to the attention of appropriate U.S. government officials, including local embassy personnel, and reported through the Department of Commerce Trade Compliance Center "Report a Trade Barrier" Website at tcc.export.gov/Report_a_Barrier/index.asp. Potential violations of the FCPA can be reported to the Department of Justice via email to FCPA.Fraud@usdoj.gov.

Guidance on the U.S. FCPA: The Department of Justice's (DOJ) FCPA Opinion Procedure enables U.S. firms and individuals and issuers to request a statement of the Justice Department's present enforcement intentions under the anti-bribery provisions of the FCPA regarding actual, prospective business conduct. The details of the opinion procedure are available on DOJ's Fraud Section Website at www.justice.gov/criminal/fraud/fcpa and general information is contained in Chapter 9 of the publication *A Resource Guide to the U.S. Foreign Corrupt Practices Act*, at http://www.justice.gov/criminal/fraud/fcpa/guidance/. Although the Department of Commerce has no enforcement role with respect to the FCPA, it supplies general information to U.S. exporters who have questions about the FCPA and about international developments concerning the FCPA. For further information, see the Office of the General Counsel, U.S. Department of Commerce, website, at http://www.commerce.gov/os/ogc/transparency-and-anti-bribery-initiatives. More general information on the FCPA is available at the websites listed below.

Exporters and investors should be aware that generally all countries prohibit the bribery of their public officials, and prohibit their officials from soliciting bribes under domestic laws. Most countries are required to criminalize such bribery and other acts of corruption by virtue of being parties to various international conventions discussed above.

Anti-Corruption Resources

Some useful resources for individuals and companies regarding combating corruption in global markets include the following:

- Information about the U.S. Foreign Corrupt Practices Act (FCPA), including *A Resource Guide to the U.S. Foreign Corrupt Practices Act*, translations of the statute into numerous languages, documents from FCPA related prosecutions and resolutions, and press releases are available at the U.S. Department of Justice's Website at: http://www.justice.gov/criminal/fraud/fcpa and http://www.justice.gov/criminal/fraud/fcpa/guidance/

- The U.S. Securities and Exchange Commission FCPA Unit also maintains an FCPA website, at: https://www.sec.gov/spotlight/fcpa.shtml. The website, which is updated regularly, provides general information about the FCPA, links to all SEC enforcement actions involving the FCPA, and contains other useful information.

- General information about anticorruption and transparency initiatives, relevant conventions and the FCPA, is available at the Department of Commerce Office of the General Counsel website:http://www.commerce.gov/os/ogc/transparency-and-anti-bribery-initiatives

- The Trade Compliance Center hosts a website with anti-bribery resources, at http://tcc.export.gov/Bribery. This website contains an online form through which U.S. companies can report allegations of foreign bribery by foreign competitors in international business transactions

- Additional country information related to corruption can be found in the U.S. State Department's annual *Human Rights Report* available at http://www.state.gov/g/drl/rls/hrrpt/.

- Information about the OECD Antibribery Convention including links to national implementing legislation and country monitoring reports is available at: http://www.oecd.org/corruption/oecdantibriberyconvention.htm See also Antibribery Recommendation http://www.oecd.org/daf/anti-bribery/oecdantibriberyrecommendation2009.htm and Good Practice Guidance Annex for companies: http://www.oecd.org/daf/anti-bribery/44884389.pdf.

- GRECO monitoring reports can be found at: http://www.coe.int/t/dghl/monitoring/greco/evaluations/index_en.asp

- MESICIC monitoring reports can be found at: http://www.oas.org/juridico/english/mesicic_intro_en.htm

- The Asia Pacific Economic Cooperation (APEC) Leaders have also recognized the problem of corruption and APEC Member Economies have developed anticorruption and ethics resources in several working groups, including the Small and Medium Enterprises Working Group, at http://businessethics.apec.org/, and the APEC Anti-Corruption and Transparency Working Group, at http://www.apec.org/Groups/SOM-Steering-Committee-on-Economic-and-Technical-Cooperation/Working-Groups/Anti-Corruption-and-Transparency.aspx. For more information on APEC generally, http://www.apec.org/.

There are many other publicly available anticorruption resources which may be useful, some of which are listed below without prejudice to other sources of information that have not been included. (The listing of resources below does not necessarily constitute U.S. Government endorsement of their findings.)

- Transparency International (TI) publishes an annual Corruption Perceptions Index (CPI). The CPI measures the perceived level of public-sector corruption in approximately 180 countries and territories around the world. The CPI is available at: http://www.transparency.org/research/cpi/overview. TI also publishes an annual Global Corruption Report which provides a systematic evaluation of the state of corruption around the world. It includes an in-depth analysis of a focal theme, a series of country reports that document major corruption related events and developments from all continents, and an overview of the latest research findings on anti-corruption diagnostics and tools. See http://www.transparency.org/research/gcr.

- The World Bank Institute's Worldwide Governance Indicators (WGI) project reports aggregate and individual governance indicators for 215 economies over the period 1996-2014, for six dimensions of governance (Voice and Accountability, Political Stability and Absence of Violence, Government Effectiveness, Regulatory Quality, Rule of Law, and Control of Corruption). See http://info.worldbank.org/governance/wgi/index.aspx#home. The World Bank Business Environment and Enterprise Performance Surveys may also be of interest and are available at: http://data.worldbank.org/data-catalog/BEEPS. See also the World Bank Group *Doing Business* reports, a series of annual reports measuring regulations affecting business activity, available at: http://www.doingbusiness.org/

- The World Economic Forum publishes every two years the *Global Enabling Trade Report*, which assesses the quality of institutions, policies and services facilitating the free flow of goods over borders and to their destinations. At the core of the report, the Enabling Trade Index benchmarks the performance of 138 economies in four areas: market access; border administration; transport and communications infrastructure; and regulatory and business environment. See http://www.weforum.org/reports/global-enabling-trade-report-2014.

- Global Integrity, a nonprofit organization, publishes its annual *Global Integrity Report*, which typically assesses anti-corruption and good governance mechanisms in diverse countries. For more information on the report, see https://www.globalintegrity.org/global-report/what-is-gi-report/.

Bilateral Investment Agreements

Oman is a member of the Gulf Cooperation Council, which has decided to negotiate trade agreements as a group rather than as individual nations. In September 2013, the FTA between the GCC and Singapore entered into force, and the GCC is in the process of finalizing Free Trade Agreements with the European Union and Malaysia.

Oman has bilateral investment treaties with: Algeria, Austria, Belarus, China, Croatia, Egypt, Finland, France, Germany, India, Iran, Italy, Republic of Korea, Lebanon, Morocco, Netherlands, Pakistan, Singapore, Sudan, Sweden, Switzerland, Tunisia, Turkey, United Kingdom, Uzbekistan, and Yemen.

Oman does not have a bilateral investment treaty with the United States. Oman does have an FTA with the United States which was signed in 2006 and came into force in 2009.

Oman does not have a bilateral taxation treaty with the United States. Omani tax authorities may allow relief for foreign taxes paid. Oman has signed double taxation treaties with many countries including: Algeria, Belarus, Belgium, Brunei, Canada, China, Croatia, Egypt, France, India, Iran, Italy, Mauritius, Morocco, Moldova, Netherlands, Pakistan, Russia, Seychelles, Singapore, South Africa, South Korea, Sudan, Syria, Tanzania, Thailand, Turkey, Tunisia, the United Kingdom, Uzbekistan, Vietnam, and Yemen.

OPIC and Other Investment Insurance Programs

Oman is eligible for Export-Import Bank of the United States (EXIM) financing, and Overseas Private Investment Corporation (OPIC) insurance coverage. Unusual for a Gulf country, Oman provides export credit insurance against commercial and political risk, through the Oman Development Bank. In addition, the independent Export Credit Guarantee Agency of Oman, a closed stock company, extends credit insurance, guarantees and financial support to Omani exporters, though its limit is $1 million per transaction. The U.S. Embassy in Muscat purchases local currency at the fixed rate of 1 Omani Rial to USD 2.6.

Foreign Trade Zones/Free Ports/Trade Facilitation

The government has established free-trade zones to complement its port development projects investing heavily in the Duqm, Salalah, and Sohar Free Zones. These areas include strategically located ports and are well connected with modern infrastructure and facilities. An incentive package for investors includes a tax holiday, duty-free treatment of all imports and exports, and tax-free repatriation of profits. Additional benefits include streamlined business registration, processing of labor and immigration permits, assistance with utility connections, and lower Omanization requirements. Foreign-owned firms have the same investment opportunities as Omani entities.

Foreign Direct Investment and Foreign Portfolio Investment Statistics

According to the National Center for Statistics and Information (NCSI), the total volume of foreign direct investment (FDI) into Oman stood at RO6.48bn (USD 16.83bn) as of 2012, registering a growth of 9.6 per cent compared with RO5.9bn at the end of 2011. FDI flows into Oman surged 41 per cent in 2012 to RO570mn (USD1480.33bn) from RO404mn in 2011. Total FDI volume as a percentage of GDP in 2012 - at RO30bn (or USD 77.91bn) - was 21.6 per cent. The oil and gas exploration sector received FDI of RO3.07bn (USD7.97bn) as of 2012 and remained the largest beneficiary of investment flows into the country, accounting for 46.4 per cent of the total. With a share of 18.3 per cent, manufacturing was next in terms of attracting FDI, receiving RO1.34bn as of 2012. With total FDI of RO914mn, the financial intermediation sector stood third, accounting for 15.5 per cent of the total FDI. The UK was the largest contributor, injecting total FDI worth RO2.29bn (USD5.95bn) as of 2011, and accounting for a 38.7 per cent share. The UAE was the second biggest contributor, followed by the US and India. The UK and the U.S. dominated in terms of FDI flows into oil and gas exploration, while the manufacturing and construction sectors were dominated by UAE and India. GCC countries dominated FDI in the real estate and renting businesses.

Total foreign investment, including FDI, foreign portfolio investments (FPI), financial derivatives and other foreign investments, in the sultanate stood at RO12.71bn (USD33.01bn) at the end of 2011 against RO11.52bn (USD 29.92 bn) in 2010. FDI accounted for 46.5 per cent of total foreign investment as of 2011, while other foreign investments and foreign project investment accounted for 49.7 per cent and 3.2 per cent, respectively.

Major foreign investors that have entered the Omani market within the last five years include BP (UK), Sembcorp (Singapore), Daewoo (Korea), LG (Korea), Veolia (France), Huawei (China), SinoHydro (China), and Vale (Brazil).

Table 2: Key Macroeconomic Data, U.S. FDI in Host Country/Economy

	Host Country Statistical source*		**USG or international statistical source**		**USG or International Source of Data: BEA; IMF; Eurostat; UNCTAD, Other**
Economic Data	**Year**	**Amount**	**Year**	**Amount**	
Host Country Gross Domestic Product (GDP) ($M USD)	2013	$79.7	2014	$81.8b	www.worldbank.org/en/country
Foreign Direct Investment	**Host Country Statistical source***		**USG or international statistical source**		**USG or international Source of data: BEA; IMF; Eurostat; UNCTAD, Other**
U.S. FDI in partner country ($M USD, stock positions)	2014	$143.4	NA	NA	BEA data available at http://bea.gov/international/direct_investment_multinational_companies_comprehensive_data.htm
Host country's FDI in the United States ($M USD, stock positions)	NA	NA	NA	NA	BEA data available at http://bea.gov/international/direct_investment_multinational_companies_comprehensive_data.htm
Total inbound stock of FDI as % host GDP	NA	NA	NA	NA	.

Table 3: Sources and Destination of FDI

Direct Investment from/in Counterpart Economy Data					
From Top Five Sources/To Top Five Destinations ***(US Dollars, Millions)***					
Inward Direct Investment			**Outward Direct Investment**		
Total Inward	1,180	100%	Total Outward	1,164	100%
United Kingdom	5.95	38.7%	Country #1	Amount	NA
UAE	Amount	NA	Country #2	Amount	NA
United States	Amount	NA	Country #3	Amount	NA
India	Amount	NA	Country #4	Amount	NA
"0" reflects amounts rounded to +/- USD 500,000.					

Contact for More Information on the Investment Climate Statement

Economic & Commercial Officer
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muscatcommercial@state.gov

Trade & Project Financing

Methods of Payment

The most common method of payment in Oman is by providing a letter of credit from a bank. Oman has four debt collection agencies: Debt Recovery Service, Fort Travel and Tours, United Finance Company, and United International Recovery. There are no credit rating agencies or bureaus currently established in Oman.

Banking Systems

Oman's banking sector consists of 17 licensed local and foreign commercial banks and two specialized banks. Two Islamic commercial banks began operations in 2013: Al Izz Bank International and Bank Nizwa. The banks are subject to supervision by the Central Bank of Oman (CBO), which regulates and licenses private banks, monitors interest rates, and issues development bonds and notes. Oman's banks are generally well capitalized with low non-performing loan rates and the Central Bank introduced a Financial Stability Unit in 2013.

Foreign Exchange Controls

The Omani Rial is fully convertible and is pegged to the U.S dollar (1 RO = $2.60). There is no restriction on the repatriation of capital from Oman.

US Banks & Local Correspondent Banks

Local banks in Oman maintain U.S correspondents: Bank Muscat (J.P. Morgan Chase), National Bank of Oman (Wells Fargo), Oman Arab Bank (Arab Bank PLC), Bank Dhofar (Wells Fargo and J.P. Morgan Chase). There are no U.S. banks operating in Oman, although Citibank remains active in the Omani market working out of its Dubai office.

Project Financing

While personal loans still constitute the largest percentage of bank lending—approximately 40% of all outstanding loans in 2015—Omani banks are slowly beginning to heed calls for more financing of large industrial projects. In February 2015, Bank Nizwa signed its first major project finance deal, a USD 40 million loan for the construction of an antimony plant. However, interest rates average 5.6% and can reach 15% for riskier projects. SME financing, historically only 2% of total lending before the Central Bank increased the target to 5% in 2013, has been limited as banks are unwilling to take risks on start-ups, though the government is now promoting greater lending to start ups.

The Sultanate has two loan programs to promote investment. The Ministry of Commerce and Industry (MOCI) administers a program designed to promote industrial investment. Formerly interest free, the program now charges 4% annual interest, with generous repayment terms. MOCI loans will match equity contributions in the Muscat capital area, or 1.25 times equity for other locations. Projects with a high percentage of local content or employing large numbers of Omanis are given priority, as are tourism projects outside the capital area. Some large utility projects require 40% listing on the Muscat Securities Market (MSM) exchange within five years. The Oman Development Bank (ODB) also administers loans with a RO 1m ($2.6m) ceiling to support development of smaller industries in the agriculture, fisheries, petroleum, mining, and services sectors. ODB also offers an SME loan guarantee program in partnership with commercial banks, interest subsidies, and attractive export financing rates. Foreigners can participate in IPOs on the MSM via local brokers. Public joint stock companies (SAOG) may issue shares to the public with a minimum of RO 2 million, or $5.2 million. Investors may also seek financing from the Gulf Investment Corporation located in Kuwait. In 2013, the government launched the RO70 million Al Rafd fund to finance start-ups and entrepreneurial ventures.

Financing Web Resources

Trade Finance Guide: A Quick Reference for U.S. Exporters, published by the International Trade Administration's Industry & Analysis team: http://www.export.gov/tradefinanceguide/index.asp

Export-Import Bank of the United States: http://www.exim.gov

Country Limitation Schedule: http://www.exim.gov/tools/country/country_limits.html

OPIC: http://www.opic.gov

Trade and Development Agency: http://www.tda.gov/

SBA's Office of International Trade: http://www.sba.gov/oit/

USDA Commodity Credit Corporation: http://www.fsa.usda.gov/ccc/default.htm

U.S. Agency for International Development: http://www.usaid.gov

Business Travel

Business Customs

While most Omani businesspersons are accustomed to western business practices, some still operate along more traditional lines. A visit to Oman may involve the following: appointments will sometimes not be made until after the foreign businessperson arrives in Oman; upon arriving for an appointment, s/he may discover that others have appointments at the same time, or have arrived without one. However, a visitor should be on time, particularly for government appointments. Once the meeting begins, it may be interrupted by telephone calls. Politeness is highly valued; blunt statements should be recast into constructive, balanced terms. Devout Muslims pray five times every day; visitors should be sensitive to hosts who break off a discussion for prayer at noon, which falls during business hours. In dealing with one of the many Omani executives educated in the U.K. or the United States, there is little other than the "dishdasha" national dress worn by the Omanis that a visiting businessperson might find different from home. English is very widely spoken, particularly in the capital area.

Coffee, tea, or soft drinks will probably be offered (except during the Muslim holy month of Ramadan when it would be impolite to expose Omani counterparts to open food), and should be accepted. It is customary for a guest to have one cup of Arabic coffee and a teaspoon-sized portion of halwa, a gelatinous sweet. If spoons are provided, the guest uses the spoon to scoop a small portion from the bowl or platter to eat. If a guest wants a second scoop, it is acceptable to use the same spoon to take another portion. If spoons are not provided, the guest will use the thumb and two forefingers of the right hand to scoop a piece of halwa from the bowl or platter. A server may then bring water and a towel hand washing. This may also be followed by an offer of rosewater which is poured onto the open palm for the guest to rub into their hands. Arabic coffee is poured into a small cup and offered to the guest for immediate consumption. The server will stand by to pour a second cup. If the guest does not wish for his cup to be refilled, he should shake the empty cup to indicate he is finished.

On formal occasions, frankincense may also be brought into the room and held in front of the guest for a few seconds to allow him to wave some of the smoky vapors onto himself. After each guest has had the opportunity to wave the vapors on to themselves, the frankincense will be taken out of the room.
Ramadan Protocols:

The holy month of Ramadan is the ninth month of the Islamic calendar, during which all Muslims must observe a fast by abstaining from eating and drinking between dawn and dusk. The Sultanate of Oman has formulated regulations to be followed during the holy month of Ramadan.

Ramadan working hours:

- RD No. 113 of 2011, amended Article 68 of the Labour Law (promulgated by RD No. 35 of 2003), thus reducing the maximum working hours during Ramadan to not more than six hours a day or 30 hours a week for all Muslim workers.
- The Minister of the Diwan of Royal Court and Chairman of the Civil Service Council issued a decision declaring that official working hours at ministries, public authorities and other departments of the state's administrative apparatus during the Holy Month of Ramadan for the year of 2013 would be reduced to 5 hours per day, i.e. from 9am to 2pm.
- The working hours in the private sector during the Holy Month of Ramadan for the year of 2013 were reduced to six hours per day and (30) hours per week, according to a ministerial decision issued by the Ministry of Manpower.
- The Central Bank of Oman issued a circular on 3 July 2013, declaring that the official working hours for all licensed Banks in the Sultanate of Oman during the holy month of Ramadan would be from 9 am to 1 pm.

Guidelines for Non-Muslims during the holy month of Ramadan:

- Drinking and eating in public during the holy month of Ramadan is considered discourteous in Oman. All restaurants and cafes are closed during the day and they re-open only after sunset. Non-Muslims should refrain from smoking, eating or drinking water and other beverages in public places during the hours between dusk and dawn.
- It is advisable for Non-Muslim employees to eat food/drink water or other beverages discreetly, at their desks, out of sight of Muslim employees or in a canteen or in a separate designated room or at their homes. No food or drink should be provided during meetings. Muslim employees should not be required to attend business lunches during Ramadan.
- Employers should ensure that business meetings and training sessions for Muslim employees are shortened or postponed until after Ramadan.
- During the holy month of Ramadan, the Non-Muslims should adhere to modest dress code and their behavior should be empathetic and courteous towards the Muslims in general.
- Companies operating during non-conventional working hours, such as shift working, should make provision for suitable breaks for Muslim employees to enable them to take their meal at the time of Suhoor and Iftar.

Travel Advisory

As of the date of publication, there are no travel advisories in effect for Oman. However, in 2014 the U.S Embassy issued advisories on travel to Dhofar region and the Oman-Yemen border area, and regional and global advisories remain in effect. See http://www.travel.state.gov/ for up-to-date travel advisories/warnings.

Visa Requirements

A valid passport and visa are required for entry into Oman. Omani embassies and consulates issue multiple-entry tourist and/or business visas valid for up to two years. Omani immigration officials at the port of entry determine the length of stay in Oman, which varies according to the purpose of travel. Alternatively, U.S. citizens may obtain a 10-day or a 30-day visa by presenting their U.S. passports on arrival at all Oman land, sea, and air entry points. Note: The remaining validity period of the applicant's passport should not be less than six months. Adequate funds and proof of an onward/return ticket, though not required, are strongly recommended. The fee is OMR 5.00 for the 10-day visa (approximately USD 13.00) or OMR 20.00 for the 30-day visa (approximately USD 52.00). Both visas can be extended once for similar period and fees; a completed extension application form and the fee of OMR 20.00 should be submitted to the Offices of the Directorate General of Passports and Residence, its branches at regional Royal Omani Police offices or immigration counters at Muscat International Airport.

Other categories of short-term visit/business/work contract visas are available, but these must be arranged in advance through an Omani sponsor. Evidence of yellow fever immunization is required if the traveler enters from an infected area. Contact the Embassy of Oman in Washington D.C. at (202) 387-1980 for the most current visa information. The loss or theft of a passport can result in considerable delay to the traveler because Omani law requires the traveler to report the loss or theft to the Royal Oman Police (ROP) and to try to recover the passport by placing an advertisement in local newspapers.

Self-sponsorship through an Investors Visa is available for a minimum RO 250,000 (US$650,000) capital investment, and provides for two years of residency.

U.S. nationals registering a business in Oman under the FTA can "self-sponsor" for a work permit by establishing a normal LLC, and assigning themselves as the General Manager or Director, therefore following the normal process of a labor clearance. The visa is called an investor visa for general manager in Arabic "*mudeer a'aam mustathmar*" and is issued from the ROP office in Seeb once the Ministry of Manpower has provided clearance.

Doing any kind of business -- even visiting a field site -- on a tourist visitor's visa is not recommended as this can result in heavy fines.

The U.S. Embassy in Muscat does not arrange visas for visiting businesspersons. A multiple entry visa is strongly recommended; however, not all Omani diplomatic missions inform U.S. citizens of that option.

The State Department's Consular Information Sheet for Oman, which includes travel advisory information, can be found at: http://travel.state.gov/travel/cis_pa_tw/cis/cis_991.html
Omani visa inquiries can be directed to:
Mr. Seif Al-Rawahi
Consular Officer, Embassy of Sultanate of Oman
2535 Belmont Road N.W.
Washington D.C. 20008
Tel: +1 202 387 1980 Ext. 112 (9:30 am - 12:30 pm EST)
Fax: +1 202 745 4933
Email: snmohd@msn.com
Web: http://www.omanet.com; http://omanembassy.net/

U.S. companies that require travel of foreign businesspersons to the United States should refer to the following links for U.S. visa application procedures:

State Department Visa Website: http://travel.state.gov/visa/index.html
Consular Section, U.S. Embassy in Muscat: http://oman.usembassy.gov/
U.S. Companies that require travel of foreign businesspersons to the United States should be advised that security evaluations are handled via an interagency process. Visa applicants should go to the following links.
State Department Visa Website: http://travel.state.gov/visa/

Currency

The Omani Rial is fully convertible and is pegged to the U.S dollar (1 RO = $2.60).

Telecommunications/Electric

Omantel and NARWAS operate a relatively modern and efficient telephone system. (See Chapter 4 for more detail.) Virtually all businesses use fax machines, and official e-mail correspondence is becoming more common. Mobile (GSM) phones are widely used; roaming arrangements cover the GCC, the U.S., the UK, and European countries. The networks for GSMs are operated by the telecommunications providers in Oman, NAWRAS and Omantel, although other competitors, Friendi, Renna, Mazoon Mobile, Samatel and Injaz Mobile have recently entered the market. Omantel and Nawras also provide broadband Internet services.

Transportation

Western visitors rarely patronize the local, non-air conditioned bus or collective taxi system in Muscat and this is not recommended for unaccompanied women. Outside of the capital area, public transport is rarely found off main highways. Taxis are ubiquitous throughout urban areas. Customers are advised to negotiate the fare before entering the taxi and ask a trusted local regarding pricing for the distance travelled. There are currently no metered taxis, though in 2012 plans to introduce metering in airport taxis were announced and surveys have continued since then. The Oman National Transport Company (ONTC) rebranded as 'Mwasalat', introduced its new fleet of buses, which have become popular in the Muscat city area. There are many international rental car companies active in Oman, counters can be found upon arrival at the international airport.

Language

The official language of Oman is Arabic. English is widely spoken as the language of business and higher education; Swahili, Farsi, Urdu, Baluchi, Hindi, and various languages of South Asia are common.

Health

Sanitary standards for food and water are generally quite good, particularly at major hotels. The Omani government inspects restaurants to maintain hygienic standards. The use of bottled water is recommended in the summer months. Health care in Oman is adequate and there are a number of Western or Western-educated health care providers in the Muscat area. A list can be found at: http://oman.usembassy.gov/medical_resources.html

Local Time, Business Hours and Holidays

Local Time: Oman is four hours ahead of Greenwich Meantime and eight hours ahead of Eastern Daylight Time (EDT); as Oman does not observe daylight savings time, during winter months it is nine hours ahead of Eastern Standard Time (EST).

Business Hours: Weekdays are Sunday through Thursday. Many companies open at 7:30, close for the afternoon at 13:00 and reopen at 16:00, closing for the day at 18:00. Larger businesses operate from 8:00 to 16:30. Government offices are open from 7:30 to 14:30. During the month of Ramadan government offices and most businesses have shortened hours.

Public Holidays for 2016:

- Prophet's Ascension Day* May 5
- Renaissance Day July 23
- Eid al Fitr* July 6-7
- Eid al Adha* September 11-13
- Islamic New Year* October 2
- Oman National Day November 18
- Birth of the Prophet* December 12

For religious holidays the actual date will be announced upon sighting of the moon.

Temporary Entry of Materials or Personal Belongings

The United States-Oman FTA provides for temporary admission of goods under Chapter 3, Market Access. Duty-free treatment shall be granted for temporary admission of the following list of goods:

- professional equipment, including equipment for the press or television, software, and broadcasting and cinematographic equipment, necessary for carrying out the business activity, trade, or profession of a person who qualifies for temporary entry pursuant to the laws of the importing Party;
- goods intended for display or demonstration;
- commercial samples and advertising films and recordings; or
- goods imported for sports purposes.

In the case of auto re-exports, a company or individual may have the duties refunded if the vehicles are re-exported within six months.

Travel Related Web Resources

U.S Embassy, Muscat
http://oman.usembassy.gov/

Travel Advisory Website
http://www.travel.state.gov/

Comprehensive Visitor Guide
http://seemuscat.com/

Leading Sectors for US Exports & Investments

Best Prospect Overview

Oil and Gas

Overview

Oil has been the driving force of the Omani economy since Oman began commercial production in 1967. The oil industry supports Oman's modern and expansive infrastructure, including electrical utilities, roads, public education, and medical services. In addition to modest oil reserves, Oman has substantial natural gas reserves, which are expected to play a leading role in fueling the Sultanate's industrial growth in coming years. However, easily accessible gas is virtually exhausted, and about 44% of Oman's existing LNG is tied up in long term export contracts (supplemented by imports from Qatar), with about 22% powering oil extraction, and 34% consumed locally for utilities and industry, which is experiencing growing high unmet demand. Most remaining gas is deep, tight, and costly to extract, and the GoO is looking for ways to access it in an economic fashion. Oman has invested heavily in enhanced oil recovery (EOR) techniques to maximize its reserves and aims to achieve a daily output of one million barrels in the coming years. In 2015, Petroleum Development Oman (PDO), the largest producer of oil and gas in Oman, and GlassPoint Solar, the leader in solar enhanced oil recovery (EOR), announced plans to build one of the world's largest solar plants, a 1,021 megawatt solar thermal facility in South Oman, harnessing the sun's rays to produce steam. The steam will be used in thermal EOR to extract heavy and viscous oil at the Amal oilfield.

Sub-Sector Best Prospects

Drills and drilling services, hydraulic fracturing technology and services, oil-extracting equipment, sand removal devices for crude oil, boilers, drilling rods, separators, burners in mobile tanks, pipeline heating for heavy crude, water treatment systems, quality inspection, steam injection and other enhanced oil recovery technologies. Gas plants, pipelines, flow lines, well pads, wells, compressors, rigs and frack spreads, operations support and infrastructure.

Opportunities

Several multi-billion dollar projects are in the pipeline in Oman, a major new gas find was recently announced and the petroleum sector continues to provide some of the best prospects for U.S. goods and services. A significant portion of the country's oil infrastructure is aging, which provides a market for pipelines, wellheads, pumps, and related equipment. Additionally, Oman has a number of older fields and fields with complex geology, and the first serious offshore exploration has just begun. As a result, Oman needs advanced technology such as 3-D seismic analysis to facilitate exploration efforts. Finally, there is interest in computer systems that can monitor remote wells and cut labor costs. The Omani environmental protection authorities are seeking advanced equipment to monitor and control on-shore leaks and PDO has initiated the use of unmanned aerial vehicles as a low-impact means of monitoring its fields. All of these opportunities will be attractive to U.S. firms.

Downstream, new refinery and petrochemical developments at Duqm, Sohar will see Oman capitalize on its geographic location. Three of these projects are being undertaken by ORPIC, the largest one being LIwa Plastics Industrial Complex. Although falling world oil prices have created a stormier forecast for the future growth of hydrocarbon export revenues, rising domestic demand within the Sultanate, couple with value chain enhancement and targeted economic diversification polices, may help the Sultanate avoid the worst of global market shocks over the long term, but with probable delays in projects over the short to medium term.

Oman has over 18 trillion cubic meters of proven natural gas reserves, and the government is heavily investing in liquefied natural gas. A significant increase in the demand for gas has also led to an increase in the demand for pipelines and associated pressure-limiting and valve stations for Gas Transportation System (GTS).
In late 2009 the Ministry of Oil and Gas announced significant finds of tight sour gas in the northeastern part of the country at Khazzan field. In order to address the shortage of gas to power industrial

diversification, the GoO awarded BP a 15 year, $15billion+ billion concession to develop the Khazzan gas field, which will start be able to produce up to 1 billion cubic feet per day after it comes online in 2017. The project will require more than 300 horizontal wells and 600 km of flow lines.

Web Resources

Ministry of Oil and Gas
http://www.mog.gov.om/

Ministry of Commerce and Industry
https://www.moci.gov.om/

Petroleum Development Oman
http://www.pdo.co.om/

Oman LNG
http://www.omanlng.com

Qalhat LNG
http://www.qalhatlng.com/

Occidental of Oman
http://www.oxy.com

BP Khazzan Field Supplier Registration
http://www.omankhazzan.com

Oman Oil Refineries and Petroleum Industries Company (ORPIC)
http://www.orpic.om/

Mining and Minerals

Overview

Oman's vast mineral resources are still relatively untapped, with large deposits of metals and industrial minerals waiting to be unearthed. Oman's mountains host intact and exposed ophiolites, which are likely to contain metal deposits such as chromite, cobalt, copper, gold, lead, magnesium, manganese, nickel, palladium, platinum, silver, vanadium, and zinc. Over the past decade, Oman's mining industry has attracted increasing interest from both foreign and local operators. Oman is the second largest country after Saudi Arabia in the GCC region with an excellent geology of minerals and is the first GCC producer and exporter of ferrochrome.

According to Oxford Business Group, Oman's mining sector has seen substantial growth over the past decade, with its contribution to GDP at current prices rising from OR14.2m ($36.8m) in 2003 to OR124.5m ($322.2m) in 2014, representing compound annual growth rate (CAGR) of 21.8%. Growth in the mining sector has been helped in recent years by a change in the regulatory environment, with government royalties falling in 2010 from 10% of sale value to 5%. In September 2014 a new government body, the Public Authority for Mining, was established to regulate the sector.

Substantial activity in the sector includes the copper mining operations of Oman Mining Company and Mawarid Resources in the Sohar and Shinas areas, which have reached around 35m ton of ore exploited. New investment in copper mining is also under way at Yanqul, in a joint venture between Oman Mining Company, Mawarid and Oman Oil Company (OOC) consisting of five separate deposits. Australian mining company Savannah also announced in 2015 that it had found indications of substantial gold deposits in the North Batinah governorate, with feasibility studies currently being undertaken in collaboration with the Public Authority for Mining. In addition, media reports indicate that four new companies have been granted exploration licenses for developing copper mining projects on the Al Batinah coast, while there are currently more than 15 companies involved in mining marble in the northern mountains. According to data gathered by Charles Russell Speechlys, a legal firm, as of 2013 there were over 150 quarrying and mining operations under way in the sultanate.

Sub-Sector Best Prospects

Main Metallic Minerals: Copper, Chromite, Laterite, Manganese
Industrials Minerals & rocks: Limestone & Marble, Dolomite, Gypsum, Silica sands and Quartzite, Clays and Shale, Salt, Coal, Olivine, Kaoline, Salt, Aggregates

Opportunities

The new mining law is believed to ease procedures and attract more investments in the sector, along with the discovery of sizeable reserves of minerals such as gold, copper and rare earth. Key projects within the sector include mineral processing and refining facilities in the Port of Duqm's industrial zone. The port of Duqm has already set up facilities of its break bulk terminal and exported minerals for the first time in February 2016, 50,000 tons of dolomite as the first shipment. The government has announced the setting up of Mining Development Oman (MDO) with a capital of RO 100 m to be owned initially by Oman Oil Company and Oman National Investments Development Company (Tanmia) with a public offering of 40% later in the year. MDO will carry out both upstream and downstream activities related to mining as well as collaborate with the private sector.

Web Resources

Public Authority for Mining
Dr. Ali Al Rajhi
Assistant Director
alialrajhi69@yahoo.com/ +968 24225040

Oman Minerals & Mining Exhibition & Conference
http://www.omanminingexpo.com/

Oxford Business Group
http://www.oxfordbusinessgroup.com/overview/moving-value-chain-although-manufacturing-growth-has-been-flat-non-petroleum-industrial-activities

Logistics

Overview

A sizeable market exists in Oman for meeting the Sultanate's transportation needs. In addition to passenger vehicles, Oman is importing construction, airport, and port equipment. Highlighting its infrastructure investment initiatives are the government's plans to build a national railway connecting

Oman to the GCC. The construction of an industrial and transshipment port in Duqm is proceeding, and the Ports of Salalah and Sohar are expanding. Road construction is another major focus of domestic and regional development. However, many projects are currently believed to be either 'on hold' or delayed due to the current economic pressures.

Sub-Sector Best Prospects

Construction equipment, buses, aircraft, X-ray security screening equipment, port equipment (cranes, rubber tire gantries), port access control and security solutions, logistics software as well as engineering, project management, and consultancy services.

Opportunities

Though plans have been significantly pared back, due to Oman's current economic climate, from the 2244km standard gauge national railway network, Oman Rail will still seek some suppliers and investors for activities from civil works (tunneling, bridges, earthworks); ballast; sleeper and track production and laying; electro-mechanical, switching, and signaling solutions; rolling stock construction and maintenance; haulage logistics and operations; station, workshop and yard construction and maintenance. American suppliers are well positioned to step forward as long-term partners for technology, skill, and knowledge-sharing.

Oman's estimated $7 billion per year in infrastructure spending over the last decade has been focused on the three main ports of Sohar, Duqm, and Salalah; achieving the government's goals of economic diversification and job creation, and at the same time equipping the Sultanate to serve as a global shipping and logistics hub.

Duqm is a new city established in the interior of Oman featuring a new port; naval base; drydock; fisheries hub; industrial free zone; hotels; power and desalination plants; a $6 billion, 230,000 barrels per day refinery; a $500M, 250km pipeline network from interior oil fields; liquid jetty; and a groundbreaking new 15 million barrel per month (up to 200 million barrel total capacity) oil tank storage terminal. In addition, the new city requires sewage treatment, drainage, water desalination, power plants, buildings, telecom services and landscaping. The Government of Oman has put a heavy emphasis on building the Port of Duqm and all its surrounding activities.

Sohar's free zone has been at the forefront of Oman's downstream manufacturing boom. Oman's largest oil refinery also resides there, and is in the process of a $1.5billion expansion to add another 60,000 barrels to its current 116,400bpd capacity. In the fall of 2014 the Port of Sohar received most of the container traffic redirected from Muscat's Port Sultan Qaboos. After some initial logistics challenges, Sohar has had increasing success with the expansion and is an attractive alternative for some businesses to Port Jebel Ali, to the north in Dubai.

Salalah is in a prime location at the crossroads of East-West shipping and fast growth. When Oman's new $15 billion railway is complete (in a long term, 20 year project), connecting to the GCC network, shippers will be able to avoid the Strait of Hormuz, dropping regional cargo at Salalah for onward multi-modal transit via rail, air, and local shipping. Salalah is linked through direct lines to 54 ports around the world, in addition to ships engaged in short trips to markets in East Africa, India and the GCC countries, making it an ideal transshipment hub less than two weeks from any destination. The Port of Salalah boasts the fastest transit times to Europe and Asia– 32% lower than competing ports. Since its inception 15 years ago, the Port of Salalah has handled 35 million containers, experiencing general cargo growth of 600%, container growth of 665%, and has set a world record of 250 moves per hour, according to port officials.

Three new projects for the development of the Port of Salalah have been underway since early 2014. The first consists of building an additional berth for general cargo and a liquid terminal. The second project involves upgrades to the old cargo terminal. The third project includes the new Northern breakwater, an extension of the existing breakwater, an additional wharfs and ferry docks.

The Ministry of Transport and Communication is currently constructing several road projects as well as repairing, dualizing, and raising the capacity of the existing roads. One such project is the strategic 256km Al Batinah Expressway. The government authorized RO 1 billion ($2.6 billion) in the 2012 budget to complete this project. The 750km Adam-Thumrait dualization project is another strategic project as it eases traffic in the northern governorates.

Web Resources

Ministry of Transport and Communications
http://www.motc.gov.om/en/
Undersecretary for Ports & Marine Affairs
H.E. Said Hamdoon al-Harthy
Tel: +968- 2468 5997/8
Fax: +968-2468-5991 / 2468-5992 / 2469 4077
E-mail: dgpma@omantel.net.om; Saiham@hotmail.com; saiharty76@yahoo.com

Oman Oil
http://www.oman-oil.com/

ORPIC
http://orpic.om/

Port of Salalah
http://www.salalahport.com
Jesse Damsky
Chief Commercial Tel: +968- 2322 0590
Fax: +968- 2321 9522
E-mail: Jesse.Damsky@salalahport.com

Port of Duqm
http://ports.com/oman/port-of-duqm/
Reggy Vermeulen
CEO
Tel: +968-2458-7587
Fax: +968-2458-7343
E-mail: reggy.vermeulen@portduqm.com

Sohar Port and Freezone
http://www.portofsohar.com
Jamal Aziz
Deputy CEO
Tel: +968-2469-7830 ext 14
Fax: +968-2469-7831
E-mail: jamal.aziz@portofsohar.com

Directorate General of Civil Aviation and Meteorology (DGCAM)
http://www.met.gov.om

Port Services Corporation
http://www.pscoman.com/

Oman National Railway Company (Ministry of Transportation)
Abdulrahman al-Hatmi
CEO
Tel: +968 24 68 5445
http://www.omanrail.om/
E-mail: railway@motc.gov.om; abdulrahmanh@motc.gov.om

Manufacturing

Overview

According to Oxford Business Group, Oman's manufacturing sector has experienced relatively stagnant growth in recent years, with the sector growing by only 0.4% in 2014 to reach OR3.2bn ($8.3bn). Recent efforts to boost the sector have included the creation of an in-country value (ICV) scheme, specifically addressed towards the oil and gas industry, which aims to develop local content in servicing the energy sector.

For over two decades Oman's industrial sector has been a key plank in the government's economic diversification strategy. As of the end of the first half of 2014 there were 1468 projects in the Public Establishment for Industrial Estates (PEIE), up from 1409 in 2013, representing average growth of 4.2%, while total investment had reached OR4.94bn ($12.8bn). The Sultanate's first industrial estate at Rusayl, close to the capital Muscat, is operating at 100% occupancy and is currently undergoing significant expansion, while Sohar has already managed to attract OR1.75bn ($4.5bn) investment for its industrial estate and OR240m ($621.4m) for its free zone.

Under the new five-year economic plan currently under development and preliminary work under way on Vision 2040 – the overall development strategy for the sultanate's economy – the coming years will see a renewed focus on industrial policy from the government. Among the top priorities will be helping local industry move up the value chain and the creation of highly skilled and sustainable jobs for Omanis.

Sub-Sector Best Prospects

Supply of manufacturing technology and materials in chemicals, plastics, composites, food, material handling, metal-working and machine tools sectors, training opportunities

Opportunities

The state-owned Oman Investment Fund (OIF) has acquired a 40 per cent stake in prominent Italian auto parts maker Sigit SpA in what is believed to be a precursor to the potential establishment of an auto manufacturing industry in the Sultanate. The Fund is already a 30 per cent equity partner in Karwa Auto Motors, a landmark Omani-Qatari venture which is establishing the Gulf's first ever bus assembly plant in Mudhaibi in Oman's North Al Sharqiyah Governorate, with an investment of around $200 million. Mowasalat, Qatari national transport company, is a 70 per cent shareholder in the project. The plant will be designed to assemble around 2,000 buses annually for distribution across the Gulf, Middle East and North African regions.

The Oman Sugar Refinery Company has planned to set up the first sugar refinery in Oman in the Port of Sohar. The refinery will have a planned initial annual capacity of 700,000 tonnes which will be subsequently increased to one million tons within three years. It is planned to be constructed in two phases, by China Light Industrial Corporation for Foreign Economic and Technical Cooperation, following an EPC contract worth $250m signed with the Oman Sugar Refinery Company (OSRC) in June 2015, and expected to be completed in 18 months on the commencement of the project.

Liwa Plastics Industries Complex (LPIC) is a steam cracker project which will process light ends produced in Orpic's Sohar Refinery and its Aromatics plant as well as optimize Natural Gas Liquids (NGLs) extracted from currently available natural gas supplies. After LPIC, plastics production will have increased by 1 million tonnes, giving Orpic a total of 1.4 million tonnes of polyethylene and polypropylene production by 2019. The company's revenue will grow further following LPP, and its profits will double.

Production of steel and aluminum has increased significantly over the past five years as new facilities have come on-line in the sultanate's industrial estates. Among the most substantial facilities are Brazilian mining company Vale's $1.36bn iron ore pellet plant, which opened in 2011 at the Sohar port complex. There are also plans to expand steel production in the sultanate.

Web Resources

Public Establishment for Industrial Estates (PEIE)
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Power and Energy

Overview

In 1996, Oman became the first Arab country to turn exclusively to the private sector to build, own and operate (BOO) a major power project with a 90 MW plant in Manah. The Manah project has been a successful and profitable operation, and the plant was expanded to 270 MW in early 2000. The success of the Manah project led to several other Build, Own, Operate (BOO) power projects. The 2004 Electricity Law (Royal Decree No. 78/2004) established the Authority for Electricity Regulation to regulate the electricity sector. Under the Law, electricity generation is open to competition, while transmission and distribution are under the monopoly of the state-owned Electricity Holding Company (EHC). The Law also requires that all new electricity projects be carried out by independent power providers (IPP).

The Oman Power and Water Procurement Company (OPWP) is the single buyer of power for all IPP projects. The OPWP undertakes long-term generation-planning and publishes a detailed seven-year statement. This statement includes the identification of new IPP projects to be competitively tendered and developed by private-sector companies in order to meet future power generation and water desalination requirements. As of December 2014, there were 12 major IPPs, with a further four IPPs to be completed by 2018.

According to OPWP's **7 year statement**, the peak demand is expected to grow at about 9% per year, from 5122 MW in 2014 to 9530 MW in 2021. Energy consumption is expected to grow from about 25 TWh in 2014 to 47 TWh in 2021, also an average annual increase of 9% (corresponding to growth in average demand from 2852 MW to 5373 MW). Increasing personal income, housing starts, and continuing government investment in infrastructure projects are major contributors to continued high growth in electricity demand. In July 2015, Oman's first commercial solar power project started generating electricity. Rural Areas Electricity Company (Raeco) will purchase electricity for twenty years from the 307 kilowatt-capacity project operated by Bahwan Astonfield Solar Energy Company, which was built with a capital expenditure of $1 million in an area of 8,000 square metres.

Tariffs are as follows:

Industrial – 24 baiza ($.62)/kw in the summer, 15 baiza ($.40) in the winter
Residential – 20 baiza in the summer (up to 3000kwh), 10 baiza in winter
Commercial – 20 baiza flat rate

Recent developments include tendering for several new Independent Water and Power Projects (IWPPs) to nearly double Oman's power generation capacity, which is currently around 4500 MW. Privately financed projects planned for Barka/Sohar, Sur, Ghubrah, Salalah, Duqm, Qurayyat, Sharqiyah and Dhofar are set to be operational by 2018. With increasing private participation (private investors and public shareholders make up the majority of new and upcoming power projects) and strong annual growth rates for both power and water, there are many opportunities related to the construction of Integrated Power and Water Plants. Private IWPPs must list a percentage of the company on Muscat Securities Market for public ownership.

The Oman Electricity Transmission Company (OETC) has planned significant capital expenditures over the next few years in order to keep up with strong power demand growth. According to OPWP's 7 Years Statement for 2014-2020, average demand for power is set to grow by around 10% a year over the next ten years, implying between 7,190MW-9,133MW will be needed by 2019. (Electricity supply was up 9% overall in 2012.) Overall national production rose 13% and customer accounts rose 7% from 667,668 in 2010 to 727,621 in 2011. OETC recently announced $8billion in new projects from 2012-2016. The Public Authority for Electricity and Water announced RO 390 million ($ 1billion) for expansion in provision of electricity and water services in the 2012 budget.

Sub-Sector Best Prospects

Power transformation and networking, power generation equipment, gas-fired turbines, dispatch and transmission equipment, related software and control systems.

Opportunities

Companies specializing in power plant construction, power generation equipment, and power plant operations and processes should find opportunities in Oman. With its growing population and need for expanded power generation, Oman has made privatization of future power projects a priority. The government forecasts significant demand increases for power and water in coming years. The Oman Power and Water Procurement Co (OPWP) estimates gas consumption in the electricity and water desalination sector will rise from the current annual volume of 6.7 billion meters cubed to 10 billion meters cubed by 2020, almost a 50%increase.

Advisors were appointed in 2009 to explore the feasibility of a large scale solar project in Oman. This Independent Power Project would be on a BOO basis to produce power in the range of 200 MW to be located in the areas of Manah and Adam near Nizwa. As part of the scope the project, which will displace future carbon fuels, the project will also aim to establish a solar hub in Oman creating a centre of excellence in both development and manufacture of solar power technologies. The project is planned to incorporate available technologies of PV and CSP as a mix, depending on maturity of the technology solution. OPWP is looking at leading edge technology consistent with the need to develop a grid capable of sustaining a high proportion of solar power. http://www.omanpwp.com/What.aspx#61opwp

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Public Authority for Electricity and Water Regulation
http://www.paew.gov.om

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Dhofar Power Company
http://www.dpcoman.com/

Majan Electricity Company
http://www.majanco.co.om/

Mazoon Electricity Company
http://www.mzec.co.om/

Muscat Electricity Distribution Company
http://www.ehcoman.com/businesses.aspx

Oman Electricity Transmission Company
http://www.omangrid.com

Oman Electricity Holding Company
http://www.ehcoman.com/

Fisheries and Aquaculture

Overview

Oman is uniquely positioned as an attractive site for commercial fisheries due to its 3,165 km coastline (offering 380 fishery landing sites), 400,000 square kilometer exclusive economic zone, ideal temperature conditions allowing for two shrimp cycles per year, and rich biodiversity, with more than 1,000 species of fish and marine invertebrates, including sardines, bluefish, mackerel, tuna, lobster, oysters, and abalone. The ocean shelf along the coast features a steep drop-off, which, combined with annual monsoons, results in seasonal “upswellings” of fertile nutrients from the sea depths to the shallower coastal waters. Oman’s low population density, strict regulation of trawling in its Exclusive Economic Zone, and minimal pollution have preserved these pristine conditions. Many local species, including abalone, mollusks, spiny lobsters, shrimp, kingfish, grouper, sea bream, and tuna, are of high economic value and could help fill the 40 million ton gap between global fish supply and demand expected by 2030. The Ministry of Agriculture and Fisheries Wealth (MOAFW) estimates that aquaculture could represent a 220,000 ton/$500-900 million industry by the year 2030. However, the aquaculture sector is still emerging, with only one active fish farming company and significant room for investment. For example, only about 127 tons of shrimp is farmed currently.

In 2014, Oman landed 211,315 tonnes of fish, up from 206,517 in 2013 according to NCSI. The number of new licenses issues peaked in 2009 where 4952 licenses were issued. The number of new licenses has declined with 1621 issued in 2014, while 6540 renewed. The sultanate exports 35-45% of its fish. In 2014, it exported 77,645 tons of fish worth USD 136 million.

The focus is mainly to boost fisheries production from currently around 200,000 tons per year to around 480,000 tons by 2020 and to create additional 20,000 jobs, as per Under-Secretary for Fisheries Wealth. It is expected that by 2020, the direct return from fishing and fish processing activities will be around RO 739.2mn. Key projects within the sector include the Duqm Fishery Harbor with estimated investments of RO 100mn in addition to the adjoining industrial fisheries cluster.

The United Arab Emirates, the Kingdom of Saudi Arabia, the Republic of Korea, and the EU are the main foreign fish markets, with virtually none exported to the United States despite Muscat boasting state-of-the-art, FDA compliant fish processing facilities. The partly state-owned Oman Fisheries Company is Oman's largest processor and exporter of fish and seafood products, and the privately-held Al Marsa Fisheries Company also offers FDA-compliant facilities within Rusayl Industrial Estate.

Omani consumers are experiencing not only a shortage of fish in the Sultanate’s markets but also rising prices. Domestic consumption was at 88,971 tons in 2011. Fish prices rose by 20% the same year due to a growing population and demand from neighboring countries and tourist facilities. As one way of addressing this demand, the GoO is now encouraging the private sector to invest in fisheries and fish production with more innovative sustainable techniques, namely fish farming or aquaculture. The government has disallowed foreign trawling as of May 2011 in order to allow the Omani fishing sector to develop. In May 2013, MOAFW announced an increase in fishery production of 21%, with a 16% increase in farm gate value, between 2011 and 2012.

The Ministry of Agriculture and Fisheries Wealth (MOAFW) is a strong partner with the U.S. government, admirer of U.S. fish farming, and supports regular Omani attendance at the Boston Seafood Show. Officials including the Fisheries Minister have expressed enthusiasm about working with the U.S. Embassy in Muscat to 1) increase Omani fish yields through aquaculture and possibly export to the U.S. under our Free Trade Agreement (FTA); 2) to welcome potential U.S. investors to tour local marine research and fishery facilities; and 3) to facilitate exchanges between U.S. and Omani researchers.

Officials are moving forward with a UN Food and Agriculture Organization national strategic plan for the development of the aquaculture sector. Investment guidelines are in place, a state of the art aquaculture research and support center complete, suitable sites mapped, and national strategy and regulations issued. MOAFW’s latest feasibility study reveals production from fish farming could reach 10,000 tons per year in the first three years of development, and reach 36,000 tons per year in the following decade. The American market has a $9 billion seafood deficit, and is the top importer of high-value fish, such as the shrimp, cobia and abalone common to Oman. Oman is uniquely positioned to serve as a regional aquaculture hub with its ideal cold ocean drafts, well-equipped research center and quality control labs, and traditional fishing culture (although now in decline due to illegal overfishing and in need of greater productivity through sustainable fisheries). Oman is slated to join the World Aquaculture Society and currently hosts the Indian Ocean Rim Fish Support Unit, providing training on food safety, stock assessment, fish farming, and biology for Indian Ocean Rim member states. MOAFW officials and visiting experts have suggested that Oman could potentially serve as a regional "center of excellence" on aquaculture, and that a fishery "cluster" should be set up to serve the fledgling industry with shared services, expertise, and infrastructure.

Sub-Sector Best Prospects

- Aquaculture & Mariculture (crustaceans such as shrimps, abalone, and mollusks such as mussels, and finfish such as salmon and kobia)
- Biotechnology, including R&D activities using fish oil
- Consultancy services on feasibility and design of aquaculture farms
- Manufacture of fish feed
- Fishing and other commercial & leisure /ship & boat building and maintenance
- Fish processing, including tuna, and canning
- Harbor and port development
- Pearl cultivation
- Tuna fattening

Opportunities

The MOAFW has specifically singled out a desire for American technology and expertise as the sector develops, which is a significant advantage for American companies. Investments providing employment for Omani fishermen, who have experienced yield declines due to illegal overfishing in Oman's Exclusive Economic Zone in recent years, will be viewed most favorably by the GoO. The MOAFW has identified fisheries, support services (e.g., cold storage, pharma, and processing), and technology, e.g., fishery oxygen maintenance and data monitoring as potentially attractive areas of investment for U.S. companies. The Ministry has also determined that the most suitable production methods are: marine recirculation aquaculture system for European sea bream and sea bass and shrimp farming. The Ministry is targeting 500,000 tons of edible fish and another 400,000 tons of inedible fish production in Oman in the next 10 -12 years.

In April 2013, the MOAFW announced an approximately $150 million tender for Phase I of a comprehensive fishery harbor and processing center at Duqm. The addition of fish processing facilities, cold stores, research and quality testing labs, and training institutes in the next phase will take the project over the $250 million mark. In the summer of 2014 MOAFW and the Oman Investment Fund launched a specialized Agriculture and Fisheries Development Fund, and are seeking quality aquaculture projects.

Currently MOAFW offers the following financial incentives:

- Fish culturing systems: 80% of the fair value purchase price, up to RO 3,000.
- Small fish: 80% of the fair value purchase price, up to RO 1,000.
- Fish feed: 80% of the fair value purchase price, up to RO 2,000.
- Equipment and devices: 80% of the fair value purchase price, up to RO 1,000.

The United States Department of Agriculture (USDA) and the Regional Agricultural Trade Office in Dubai report on agricultural issues and statistics for member countries of the Gulf Cooperation Council except

for the Kingdom of Saudi Arabia. Agricultural research reports and statistics can be found on the U.S. Department of Agriculture (FAS) web sites as follows:
(statistics) http://www.fas.usda.gov/scriptsw/bico/bico_frm.asp and
(market research) http://www.fas.usda.gov/scriptsw/attacherep/attache_lout.asp.

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Ministry of Agriculture & Fisheries Wealth
http://www.moa-oman.faorne.net or http://www.mofw.gov.om/aquaoman/

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International Boston Seafood Show
http://www.bostonseafood.com

Public Authority for Investment Promotion and Export Development
http://www.ociped.com

U.S. Foreign Agricultural Service –Dubai
http://www.usembabu.gov.ae/atodubai.htm

Tourism

Overview

Oman has one of the most diverse environments in the Gulf region with various tourist attractions and is particularly well known for cultural tourism. The capital of Oman was named the Second Best City to visit in the world in 2012 by the travel guide publisher Lonely Planet. Muscat also was chosen as the Capital of Arab Tourism of 2012.

2015 proved a record year for Oman's tourist industry, with the number of incoming visitors topping those of previous years, at more than 5.21 million passengers, and wide media coverage promoting the country's status as a niche tourism destination. The preservation of the country's natural surroundings and cultural traditions has allowed it to keep much of the spirit of "Old Arabia", and indeed tourism has been deliberately kept at the high end, with marketing aimed at visitors who are interested in engaging with local culture, nature and history. Meanwhile, various developments look set to bolster the sector moving forward, with the ongoing expansion of Muscat International Airport a prime example. A new terminal is currently under construction which will boast an expected capacity of 12m passengers per annum, with further capacity to accommodate four times that number in the future.

As per the Ministry of Tourism, tourism sector direct contribution to the GDP is expected to increase from around 2% to 5% by 2020. The added value of the sector reached RO 724mn by the end of 2014, the same sources stated. It is expected that more than 100,000 jobs will be created within the sector by 2024. There are around 39 projects in various stages of design, construction or tendering including, Oman Exhibition and Convention Centre, Wadi Bani Habib and the Al Hoota Cave redevelopment, the Duqm frontier town and Ras Al Hadd development. The country emphasis on archaeology, conservation, and natural beauty is a key distinguishing factors from its neighbors. Opening in August 2016, the new Oman Convention & Exhibition Center (OCEC) will aim at establishing the Sultanate as a major regional venue for regional and international events. OCEC precinct will include four hotels, a business park, retail shopping areas and residential districts, surrounded by a nature reserve.

Sub-Sector Best Prospects

There are still many tourism subsectors in Oman that have yet to be explored, including niche services and destinations. For example, the hotel and accommodation industry in Oman have yet to adopt green technology. Others would include Adventure destinations and parks, entertainment centers, and sporting goods and clothing.

Opportunities

Key projects within the sector include: Madinat Al Irfan: a mixed used development project targeted to contribute around USD 1.2 million annually to the GDP upon completion and is expected to be developed through Public Private Partnerships. The planned waterfront development around Port Sultan Qaboos with need investments around USD1.3million and is expected to provide 12,000 direct jobs and 7,000 indirect jobs.

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Water and wastewater management

Overview

Development and rapid population growth have impacted Oman's water resources with around 9.5% annual growth in consumption, and there is substantial demand for water conservation technology and desalination projects. The salinity of groundwater is a growing problem in coastal agricultural areas, with water tables falling throughout the country. Oman's economy is still heavily dependent on petroleum, and the Enhanced Oil Recovery techniques used to extract its heavy oil require substantial water treatment. For example, Oxy continuously treats and circulates 500,000 bpd of water to produce steam necessary to heat and extract only 120,000 bpd of the heavy, viscous oil found at its Mukhaizna concession site. Overall, Oman uses 8-9 barrels of water for every barrel of heavy oil extracted.

Sub-Sector Best Prospects

Water recycling and wastewater equipment, desalination equipment, waste management, weather monitors, advanced irrigation equipment, water quality monitoring systems, oil drilling wastewater recycling systems, chlorination units, online water quality analyzers, water quality equipment, groundwater recharge, aquifer management, automated meter readers.

Opportunities

Companies that can provide equipment for small-scale irrigation should find a ready market among the large number of small farms in the country. Firms with expertise in desalination, sewage, and wastewater treatment may also find opportunities, particularly with ongoing work on a $1 billion wastewater treatment system for the Muscat area, led by parastatal Haya Water. Haya Water is responsible for connecting Muscat municipality's six districts (population of about 1.15 million) to state-of-the-art water treatment facilities by 2020 (2100 km of pipelines) and will spend an estimated $4.3 billion on networks and treatment plants. Haya expects more than 80% of homes to be connected to its treatment system by 2018. Haya officials have appealed for assistance and expertise for the process of registering its sewage treatment networks for UN carbon credits, increasing local awareness and acceptance of recycled water, and finding other uses for the treated water. (Only 60-70% of the recycled water is currently used, mostly for irrigation, gardening, and golf courses. The rest is discarded into the sea or used to supply a nature lagoon which is being developed as a bird breeding sanctuary.) Haya would also like to look at ways to recover methane as a source of energy and further develop its effluent fertilizer product. Finally Haya is urgently seeking solutions for odor management around its treatment plants.

According to a top official at Haya, Haya Water will remain a lucrative source of business for contractors and vendors for several years to come. Achieving Haya's targets will require the company to annually invest between RO 170 million — RO 200 million in the rollout of new networks. Coverage now encompasses roughly 30% of the city's population, while a plethora of ongoing contracts will see this figure progressively increase over the coming years. The ultimate goal of Haya Water is to cover 100% of the governorate extending from the Manuma — Seeb area in the west to Muttrah in the east, and Al Amerat — Qurayat in the southeast. Significantly, network infrastructure accounts for roughly 75% of the estimated RO 2.415 billion value of the project, underscoring the enormous cost involved in laying sewerage lines at depths of up to 12 meters, often in heavily built-up areas of the city. Other than networks inherited from Muscat Municipality, many of which require upgrading or a complete overhaul, new infrastructure is being built from scratch across the rest of the city, with enough capacity to keep pace with population growth.

The next most significant outlay is the construction of sewage treatment plants (STPs), accounting for around 21% of the total cost of the project, with Haya Water-related contracts currently underway in all six wilayats (districts) of the Muscat governorate. A number of contracts are currently in various stages of design, tendering and evaluation. Key among these are contracts for the construction of outfall systems designed to dispose of surplus treated effluent into the sea. Two outfall systems are planned at Darsait and Al Athaiba at an estimated cost of RO 20 – 30 million (about $50-80 million) apiece. Subsea pipes will discharge any uncommitted treated effluent volumes some three kilometers into the sea. Further, with a view to tackling the long queues of sewage-laden trucks that are seen lining up outside Haya Water's Al Ansab STP, the company plans to construct a dedicated STP designed to receive sewage from such trucks.

Oman's Environmental Services Holding Company (OESHC), a GoO agency branded as "Be'ah", is restructuring and privatizing the solid waste sector, plans to close nearly 350 dump yards, and seeks expertise on waste management, dump site rehabilitation, waste-to-energy options, and recycling. (Currently there is very limited local recycling; paper, glass, and cans must be sent to Dubai to be recycled, which is uneconomical.) U.S. expertise on "green" waste management and public awareness-raising would be welcomed in this nascent industry, and could lead to attractive opportunities for U.S. investors, with many upcoming projects for landfills (16), transfer stations (65), and treatment plants (4). In 2012, OESCH completed feasibility studies on a National Healthcare Waste Plan, Electronic Waste Management Plan and Used Tires Recycling Project. The company estimates about 1.5kg of municipal solid waste is generated per person per day in Oman. With the population of around 3m, total waste of 4,383 tons is generated per day, totaling about 1.6million tons per year. One dumpsite in Raysut alone has about 4 million used tires.

Be'ah has developed a national strategy for industrial waste management and is in the process of establishing national integrated waste management facilities. These facilities will consist of a thermal treatment plant, a physical and chemical treatment plant, a solidification plant and disposal facilities, which shall be developed in phases. Currently, Be'ah wants to establish a solidification plant in Sohar and is seeking qualified companies for the construction with the tender to be floated soon.

The Oman government is planning to substantially raise the country's water desalination capacity, to meet the projected demand from households across the country within the next six years. The state-owned Oman Power and Water Procurement Company (OPWP), which is the exclusive buyer of power and desalinated water from independent producers, has taken major steps to increase the desalination capacity of independent water projects (IWPs) by 123.6 million imperial gallons of water per day (MIGD) in the next six years. The increase will take the capacity to almost 310 million gallons – which is enough to fill more than 560 Olympic sized swimming pools per day – from the current 186 million gallons per day, a 66% increase (includes 42 MIGD capacity of Al Ghubra project expected to commence operation this year). The independent water projects are set up by private investors, mainly multinational giants through a competitive bidding process, who sell the water to OPWP to receive a return on their investment. The six proposed independent water projects being set up by private investors with an expected investment of several hundred million Omani rials, are in different stages of planning, tendering and implementation, and are to be constructed in different areas of the country.

Upcoming integrated water desalination plant projects include:

- Al Ghubrah IWP, capacity expansion to 191,000 M3/d, currently under development.
- Wadi Dhiqa Treatment Plant, capacity of 67,000 m3/d, currently under developement.
- Al Suwayq IWP, capacity of 225,000 M3/d , COD by 2016.
- Quraiyat IWP, capacity of 180,000 m3/d, COD 2018.
- Expansion in Sur, capacity of 40,000 m3/d, COD 2016.

- New IWP in Salalah, capacity of up to 27,000m3/d by 2018

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Ministry of Environment and Climate Affairs
http://www.meca.gov.om

Oman Wastewater Services Company S.A.O.G
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Health Care

Overview

Over the last 40 years, Oman has invested heavily in the health sector and succeeded in creating a relatively modern health care system. Health indicators attest to its comprehensive and well-developed standards. Life expectancy at birth is a remarkable 75.5 years, placing Oman on a par with many advanced western nations. The United Nations 2010 Human Development Report listed Oman at the top of the world's 10 leading countries that have made the greatest progress in recent decades in public health. The government's determination to provide all its citizens with free, basic health care, along with treating persistent diabetes and cardiovascular disease, means that health-related expenditures are growing. The country's healthcare infrastructure now boasts around 67 modern hospitals with almost 6,000 beds, a ratio of 2.1 beds for every 1,000 citizens in addition to more than 242 health centers and close to 1,000 private clinics throughout the Sultanate. In 2012, the two leading private hospitals (Starcare and Muscat Private) both received Joint Commission International certification. According to Ministry of Health data, there were 46.8% Omanis among a total of 45,654 patients admitted and treated in private hospitals in 2014, despite the fact that Omanis can be treated without charge in government hospitals. (The government typically reimburses private hospitals for citizens' care.) There were 13 private hospitals and health centers in 2015, with a total of 448 beds in contrast to 49 Ministry-run government hospitals with 4,659 beds. There are three Royal Armed Forces hospitals with 323 beds, 74 beds in the Royal Oman Police hospital, and 675 beds in the Sultan Qaboos University Hospital.

The healthcare market in Oman was expected to be worth USD 2 billion by the end of 2015 as a result of population growth, rising levels of lifestyle-related diseases, and increased health insurance, according to a report by the corporate advisory company Alpen Capital. Stating that the market in the Sultanate is "in the developing stage," the report adds that the market was expected to grow at a compound annual growth rate of 9.3% between 2010 and 2015 from the 2009 market value of USD 1.2 billion. In addition, the number of hospital beds required to meet this demand was anticipated to rise from an estimated 5,722 to 6,300 by the end of 2015. Oman's 2016 budget has allocated USD 1.6 billion (OMR 627.6 million) to health expenditure, which accounts for 13.6% percent of the total state budget and is consistent with the commitment to continue investment in the country's healthcare system.. The 2000 bed government-financed Medical City to be developed at Barka outside of Muscat is expected to absorb a portion of this demand. At $150, Oman had the lowest sales per capita of medicines in the GCC in 2012, according to Alpen Capital. The size of the Omani pharmaceutical market was valued at US$476million in 2012 as compared to US$431million in 2011. (QNB Capital reported $152million in spending on drugs in Oman in 2012.) The largest private health care group, the Omani-based Badr Al Samaa Group, operates eight hospitals and polyclinics in key regions such as Sohar, Salalah, Al Khoud, Barka, Sur, Nizwa and Muscat. The Saudi-based Shifa Al Jazeera Group, a recent entrant to the market, intends to invest OR100m ($260m) in Oman over the next five years to establish 13 medical centres.

The Ministry of Health has been reducing the prices of the most commonly used medicines in Oman, in phases over the past years. In June 2015, MoH revised the prices of 1,180 drugs including those of respiratory system diseases, psychiatric, ENT, eye, cancers, blood diseases and vaccines. This program is in line with the resolution passed at the 72nd meeting of the GCC Health Ministers, held in Muscat on January 4, 2012, to standardize the import prices of medicines.

Normally, medicines, equipment, and drugs require approval of Ministry of Health before being released. In January 2013, GCC health ministers signed an agreement to lower drug prices, though the move has not yet been implemented. The announcement was welcomed by local drug manufacturers while established pharmacy chains feared the impact on profit margins.

Sub-Sector Best Prospects

Pharmaceuticals, medical equipment and supplies, X-ray and MRI's, ultrasound devices, surgical equipment, management information systems, tele-medicine, fellowships, residencies, specialized short courses, and healthcare administrator training.

Opportunities

The Omani market offers solid prospects for U.S. health care products. Oman is focused on upgrading its facilities and diagnostic capabilities. The Ministry of Health has expressed interest in U.S. healthcare information management technologies as part of its efforts to standardize operations and establish interconnectivity among Oman's hospitals and regional clinics.

Oman's 2016 budget has allocated USD 1.6 billion (OMR 627.6 million) to health expenditure, which accounts for 13.6% percent of the total state budget and is consistent with the commitment to continue investment in the country's healthcare system. After the Ministry of Health (MoH) brought together stakeholders, investors, and international experts at a Vision 2050 Planning Conference in early May 2012, the Omani cabinet approved R.O. 1 billion ($2.6 billion) to upgrade Oman's healthcare infrastructure over the next three years. MoH has announced plans to build 30 hospitals and health centers around the country in projects worth $1billion including new hospitals in Salalah, Khassab/Mussandam, Duqm, and Ghala. However, a new medical city, to be located in Muscat, approved by the cabinet to begin construction in 2013 with a budget of R.O. 700 million ($1.8billion) has been delayed. The $1billion International Medical City (IMC) in Salalah, being developed by a private Saudi investor (Apex) along with with U.S. companies Methodist International and General Electric has been on hold. The MoH will require support from specialized companies and international expertise as its Planning Division has only 11 employees and lacks the capacity to design and manage large-scale projects.

Projects that should be implemented during the new five-year plan include a new referral hospital in Muscat, at the cost of $358 million; a hospital in Salalah, at the cost of $122 million; and new hospitals worth $142 million in Suwaiq, Mahout, Sinaw, Dhalkut, and Al Muzyunah. The Health Ministry had planned to set up and renovate seven hospitals as part of the 36 projects planned for its 8th Five-Year

Health Plan 2011-2015. Highlights included: 19 health centers, a tumor ward at the Royal Hospital, a National Center for Cardiology, a National Center for Diabetes, a Cardiology Centre and an MRI unit in Salalah, a Diabetes Centre in Sur, rehabilitation of Sultan Qaboos Hospital in Salalah (for outpatients), rehabilitation of Khoula Hospital (for accidents and emergencies), power transmission stations for the Royal Hospital, Al Maziouna Hospital, Dalkout Hospital, health centers at Sarfit and Al Hashman, and upgrading Khasab hospital to a referral hospital for the Governorate of Musandam. Finally, the Royal Oman Police will construct a new 4-600 bed hospital over the next three years, requiring equipment, management services, and drug imports.

The MoH has outlined other requirements including a full-fledged EMS / ambulance system, innovative health insurance solutions for the 1.9 million expat population (and eventually for citizens, currently covered by the government), customized patient catering plans, and help with recruitment to address Oman's severe shortage of doctors.. MoH needs to send at least 50 high school graduates to an English-speaking country every year to study medicine in order to keep up with patient growth. Ministry officials are anxious to partner with U.S. universities to train and certify Omani healthcare practitioners. MOH has also expressed specific interest in U.S. healthcare information management technologies as part of its efforts to standardize operations and establish interconnectivity among Oman's hospitals and clinics.

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The MOH has also repeatedly stressed the need to develop innovative health care financing and insurance solutions, as the government cannot continue to sustainably finance the majority of health care in the Sultanate. Under the FTA, U.S. insurers in Oman can establish a commercial presence through subsidiaries, branches, or joint ventures, and provide a full range of insurance products. U.S. providers are also assured a swift approval of new products (30 days for non-life insurance and 60 days for life insurance). The insurance market in Oman is small, but will likely grow, particularly the health insurance market, and the FTA positions U.S. providers to be more competitive.

Web Resources

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Franchising

Overview

A number of U.S. franchises are well established in Oman, particularly in the fast-food restaurant sector (McDonalds, KFC, Pizza Hut, Subway, Papa John's, Chili's, Starbucks, Dunkin Donuts, Baskin Robbins, Dairy Queen, Pizza Inn, Caribou Coffee, and Cold Stone Creamery). U.S. car rental franchises (Hertz, Budget, Avis, Thrifty, Pay-Less) are also popular. Omani businesses continue to express interest in U.S. franchise opportunities. There are currently limited entertainment options for families and young people, so educational and amusement-themed investments would likely do well.

Sub-Sector Best Prospects

Toys and games, food and restaurants, amusement and recreation, vocational repair and maintenance services, personal care and cosmetics, and children's edutainment services.

Opportunities

With a young and growing population base of over 4 million, Oman has a growing middle-income population with an increasing appetite for retail concepts. Developers have invested heavily in developing malls and other retail space to support this market. The planned Mall of Oman, the largest retail and leisure destination of its kind in the country will cover around 157,000 sq.m. and will feature 350 stores. There has been a shift in spending patterns as the population becomes wealthier; an increasing number of high-net-worth individuals have led to a growth of luxury and fashion brands.

AT Kearney ranked Oman 26 out of 30 countries in its 2015 Global Retail Development Index, the firm's annual survey of the retail industry in developing nations, with retail sales of $11.9 billion and a CAGR of 7.6%.

AT Kearney said the Sultanate was showing progress as an attractive destination for global retailers, particularly specialty and luxury players. Markets such as Oman exhibit strong fundamentals that appeal to retailers targeting a concentration of wealth and seeking to be first movers in fast-growing markets, the report said. Increased state spending on infrastructure and higher incomes has boosted purchasing power, while rising numbers of expatriate workers and foreign tourists were also driving retail growth, the study concluded.

In the study, AT Kearney notes that while the outlook for Oman is fairly positive and the market still shows plenty of retail potential, retail development remains quite capital-centric. Oman has a small population and a relatively low GDP per capita among Gulf nations, but it is fairly untapped in terms of international retail presence.

Relatively high per capita income, a young population, a high rate of unaccompanied expatriates, and the lack of alternate entertainment venues encourage out-of-home dining and entertainment options. The first ever Oman Franchise Expo and Conference will be held in October 2016. http://www.omanfranchise.com

With the increasing economic focus on coastal cities such as Duqm, Sohar and Salalah, higher-end retailers and supermarket chains are expected to follow the money out of Muscat and into the developing regions in the years to come.

Web Resources

Oman Franchise Expo & Conference
www.omanfranchise.com/

Ministry of Commerce and Industry
https://www.moci.gov.om/

Muscat Municipality
http://www.mm.gov.om

Oman Chamber of Commerce and Industry
http://www.chamberoman.com/