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Oman

U.S. Department of Commerce | International Trade Administration

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Doing Business in Oman

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 4.586 million (including about 2.1 million expatriates), ruled by Sultan Qaboos bin Said Al Said since 1970. During his nearly fifty years as Oman's leader, Sultan Qaboos has transformed with the assistance of foreign investors 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 70.3% of the government's revenue as of November 2016. 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 nominal GDP by an estimated 5.1% in 2016. The financial system remains stable and has a low non-performing loan ratio. Liquidity conditions tightened in 2016, but initial indications suggest that liquidity has begun increasing in 2017.

Oman faces continuing pressure on its state budget due to the depressed oil prices. On May 12, 2017 Standard & Poor's (S&P) lowered Oman's rating to BB+ from BBB-, with a negative outlook, saying the country's external buffers have weakened and are insufficient to mitigate the risk from volatile oil-driven export revenues. As of May 18, 2017, the other two major ratings agencies had higher assessments of Oman than S&P. Moody's Investors Service rates the country Baa1 with a stable outlook, three notches above S&P, while Fitch Ratings has a BBB rating with a stable outlook, two notches above.

The Omani government's 2017 budget projects a deficit of OMR 3 billion ($7.8 billion), which represents over 25% of total projected expenditures. To cover its deficits, Oman has turned to borrowing on both the local and international markets. Oman borrowed approximately $10 billion in 2016, and has borrowed $5 billion so far in 2017. The government has announced plans to borrow at least $5.6 billion

more in 2017, though it will likely face increasing costs of financing due to Standard and Poor's downgrade of Omani sovereign debt to junk status.

To reduce the size of the deficit, the Ministry of Finance has implemented an increase in the corporate tax rate from 12% to 15%, and eliminated several tax exemptions. The Ministry of Finance also announced its intention to introduce a value-added tax (VAT) and new excise taxes, in concert with the Gulf Cooperation Council (GCC). The timeframe for implementation of these taxes has not been announced, but is widely expected in 2018. The government is also planning to divest stakes in as many as 11 state-owned firms via initial public offerings (IPOs)

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 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. 'Tanfeedh,' a national initiative for economic diversification, is in the process of unveiling projects that the government deems vital for its plans.

To diversify its economy, Oman is revamping its ports infrastructure from Muscat to Duqm, Sohar and Salalah, to adapt them for tourism, but more importantly, to increase industrial production and exports and to exploit the country's strategic location to create a hub for international shipping. Oman has allocated $10 billion to the Duqm Economic Free Zone and is seeking another $10bn in foreign investment by 2022. The Chinese state-run company Oman Wanfang has already pledged $370 million for roads, utilities and other infrastructure, and Chinese investors would also develop an automobile assembly plant and a 1-gigawatt solar power generation facility. A joint venture agreement has been reached between Oman Oil Company, the government's investment arm in the oil and gas sector and energy related projects, and Kuwait Petroleum International (KPI) to build the Duqm Refinery and Petrochemical Industries Company (DRPIC).

Oman maintains ties with Iran and is hoping to leverage those ties to establish itself as a hub for trade and investment into Iran, once full sanctions are lifted. Plans with Tehran include a 124-mile-long undersea gas pipeline, leading from Iran to Oman, and an Iranian auto manufacturing plant in Duqm.

The banking industry is tightly regulated and regarded as stable, although the economic downturn could see a slowdown in lending over the coming years. The financial system in Oman had faced a stress on bank liquidity last year, following withdrawal of deposits by state-owned enterprises and debt issues in the domestic market, although analysts estimate that the liquidity is set to improve, on the back of recovering oil prices and international issuances.

In 2013, the Central Bank of Oman (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.)

According to the National Centre of Statistics and Information, foreign direct investment (FDI) in the Sultanate at the end of third quarter of 2016 exceeded OMR 7.02 billion (USD 18 billion). Sector wise, the oil and gas exploration attracted foreign investment of more than OMR 3.02 billion, while financial intermediation secured FDI of OMR 1.39 billion. The United Kingdom tops the list of investors in Oman, with a foreign direct investment of OMR 2.797 billion, followed by the UAE at OMR 924.8 million and Kuwait at OMR 396.1 million in foreign investment. 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.

In 2016, total exports to Oman decreased 24.4 percent, to $1.78 billion. U.S. imports of Omani goods increased 22.22 percent to $1.11 billion in 2016. Both Oman and the United States seek an expanded trade relationship and are working to leverage the FTA to that effect. The U.S.-Oman FTA removed most customs duties; the remainder will be phased out over the next few years.

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
- 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.

Expansions of Oman's tax regime (as described above) will add to the cost of doing business in Oman.

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.

The National Programme for Enhancing Economic Diversification (Tanfeedh) is a working mechanism unveiled by the GoO to achieve the goals of the 9th five-year plan, and is working on presenting the necessary amendments to the laws and regulations, identifying priorities, providing tools to secure the necessary project financing, outlining responsibilities and timelines, aiming to increase the GDP, private sector investments by 80 percent and provide job opportunities for Omanis in three targeted sectors: Tourism, Logistics and Manufacturing. As many as 112 development projects in different sectors have been identified, which have been showcased in a handbook. The U.S. Embassy hosted a 'Direct Line' webinar on Tanfeedh in January 2017; the presentation with details on the projects identified can be viewed online.

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: Export.gov or Buy USA.

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.

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

CIA World Fact Book

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.

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.
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 Doing 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

Many governments finance public works projects through borrowing from the Multilateral Development Banks. Please refer to "Project *Financing"* Section in *"Trade and Project Financing"* for more information.

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 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

Overview

Currently there is limited e-commerce activity by the private sector in the country. 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, payment of utility bills, payment of traffic fines, etc. are being 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.

According to a study by Frost & Sullivan, internet spending in the Middle East is booming with GCC countries expecting a 40 percent growth in eCommerce by 2020 and is expected to reach $41.5 billion. Oman is expected to have a total market share of 12 percent across the GCC countries. Internet users constitute 74.2% of the population (2015).

Current Market Trends

In early 2006, Oman's government began to implement the e-Government initiative in conjunction with the provision of electronic payments (e-Payment) and in particular Internet payments. This was identified as a critical shared service in the Omani e-Government architecture and serve as a main enabler to the online delivery of Government Services and goods. The Information Technology Authority (ITA) of the Sultanate of Oman has taken up the strategic initiative to drive the development of e-Payments in Oman.

On May 18, 2008, Oman legalized electronic transactions by adopting the Electronic Transactions Law, the first law for legalizing electronic transactions in Oman. The e-transactions law consists of 9 sections and combined as 54 articles and legalizes the use of digital signatures in electronic commerce and communications through letters, emails, etc. in order to assure adequate protection to both businesses and common public, this law provides for penalties in the case of electronic crimes involving e-transactions. Protection for adequate privacy in matters related to personal data held in computer systems and processes for enabling electronic transactions is assured by the new e-transactions law of Oman.

In 2016, the Central Bank of Oman launched a national debit card payment gateway infrastructure for e-commerce transactions, OmanNet Debit Card E-Payment Gateway infrastructure, which will provide safe and secure e-commerce transactions, A new law for the protection of e-payment is expected to be passed in the middle of 2017, details of which are unknown at the moment.

Domestic eCommerce (B2C)

More than half of online shoppers in Oman use the internet to buy airline tickets, shop for clothes and beauty products, and more. Consumers in the Sultanate of Oman are now gradually exploring online shopping options, according to the 2014 Online Shopping Behavior Study conducted by MasterCard.

According to the study, nearly one fifth of the respondents made at least one online purchase last year, a slight increase than 2012. 15 percent of the respondents identified Oman Air as the most commonly visited website for online shopping.

Cross-Border eCommerce

According to the 2014 Online Shopping Behavior Study conducted by MasterCard, Google and Amazon have emerged as the next three most popular websites for online shopping in Oman.

Omani residents also use websites such as eBay, Aliexpress to order products, and there are instances of using vehicle-related websites in the United States to order vehicle spare parts and supplies. China remains a favorite country of origin for ordering furnishing, machinery, construction materials, etc. Omani e-shopping consumers shop mostly for clothing, airline tickets, beauty care products, and hotel reservations online.

B2B eCommerce

Omani companies and even individuals do order products directly from foreign companies and payment is usually made through bank transfers or money exchanges. Courier companies like Fedex, DHL are used to ship the goods.

eCommerce Services

Banks, logistics companies, Ports. Oman Post is working on serving the e-commerce market and to make use of Oman Post's branches and vehicles for deliveries.

eCommerce Intellectual Property Rights

Oman does not have a data protection law that provides a detailed guideline of the obligations of organizations that collect personal data from the public. The "Protecting Your Intellectual Property in Oman" section provides a more comprehensive discussion.

Popular eCommerce Sites

Amazon, eBay, Aliexpress, Namshi, Royal Oman Police, InvestEasy, Bayan Customs,

Online Payment

Payment gateways using bank cards, Money Exchanges, Bank transfers

Thirty-nine percent of Oman respondents still feel offline shopping is "more secure", with only 24 percent considering online shopping "equally safe," a

survey conducted by YouGov has found. Across the Gulf Cooperation Council (GCC), the lack of confidence in online payment security has deterred 34 percent from shopping online, says the report. The study interviewed 2,700 participants from across the GCC, including Oman, UAE, Saudi Arabia, Bahrain, Kuwait and Qatar.

Mobile eCommerce

Thawani, a start-up, unveiled its new platform that will offer new mode of e-payment, which the company said will be an alternative payment method to cash, credit and debit cards. Compatible with Android and Apple iOS mobile platforms, a user needs only to download the app from the respective app store and create an account, entering all relevant payment information linked to the app. This is a fairly new area and a potential opportunity for U.S. companies

Digital Marketing

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

Major Buying Holidays

Online sales of airline tickets and holidays surge around the Eid holidays and school summer holidays.

Social Media

There is an increasing trend among businesses especially among Omani owned SMEs and entrepreneurs to promote and sell their merchandise through social media avenues such as Instagram, Facebook, etc. With more than 2.9 million mobile Internet subscribers, the social media landscape in the Sultanate is going through a radical change. As the country is giving thrust to its tourism sector, Oman Air, the national airline, is witnessing an impressive rise in its number of social media fans. Equally surprising is the fact that YouTube is the most preferred social media channel at 63% -– ahead of Instagram (51%) and Facebook (45%), per ZLOG. Companies are increasingly using "social media influencers" for store and product promotions.

Trade Promotion & Advertising

Oman International Trade and Exhibition, Al Nimr, GEC Expo and Omanexpo (with a new conference center) 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. Royal Decree 9/2017 issued on February 19, 2017 and published in the Official Gazette on February 27, 2017 introduced a number of changes to the Oman Tax Law with increases in corporate tax from 12% to 15% while withdrawing many exemptions. 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.

Protecting Intellectual Property

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.

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 U.S. 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 STOPfakes.
- 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**.

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

- 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.

- For information on obtaining and enforcing intellectual property rights and market-specific IP Toolkits visit: STOPfakes/business-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:

CHINA

Beijing, China

Joel Blank

joel.blank@trade.gov

Guangzhou, China

Timothy Browning

timothy.browning@trade.gov

Shanghai, China

Michael Mangelson

michael.mangelson@trade.gov

Southeast Asia

Vacant – contact Dominic Keating

Dominic.Keating@USPTO.GOV

South America

Vacant – contact Dominic Keating

Dominic.Keating@USPTO.GOV

Geneva, Switzerland

Deborah Lashley-Johnson

deborah_e_lashley-johnson@ustr.eop.gov

Mexico, Central America and the Caribbean

Todd.Reves@trade,gov

India & South Asia

Vacant

– contact Dominic Keating

Dominic.Keating@USPTO.GOV

Middle East & North Africa

Mr. Raed Al-Hout, Intellectual Property Specialist for the Middle East & North Africa

U.S. Embassy Kuwait

+965 2259 1247

Raed.Al-Hout@trade.gov

Lima, Peru

Ann Chaitovitz

Ann.chaitovitz@trade.gov

Russia, the C.I.S. and Georgia

Donald Townsend

donald.townsend@trade.gov

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 Export.gov.

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.

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

Oman Tender Board

Director of Coordination and Follow-up

P.O. Box 787, Postal Code 133

Muscat, Oman

Tel: +968 24 402 100 or 24 402 149;

Fax +968 24 602 063;

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)

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

Oman Chamber of Commerce & Industry

Director General

Abdul Adheem al Bahrani

Tel: +968-2479-9146

Fax: +96-2479-1713

E-mail: adheem@chamberoman.com

Ministry of Information

Oman International Exhibition Centre

Oman Association for Consumer Protection

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

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

IPR Lawyer

Kevin Reichelt

Tel: +1-202-482-0879

E-Mail: Kevin.reichelt@trade.gov

Ernst & Young

PriceWaterHouseCoopers

KPMG

Deloitte & Touche

Crowe Howarth

Saba & Co. IP – Oman

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

Leading Sectors for US Exports & Investments

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. However, low oil prices are pushing firms to improve efficiencies, forcing many market players to reduce their cost base, including their workforce. In addition to modest oil reserves, Oman has natural gas reserves, which may 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. Oman has begun hydraulic fracturing in one of its largest gas fields, and the project is expected to begin producing gas in late 2017.

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. As the Sultanate continues to rely on hydrocarbons for much of its wealth and power generation, the case for a strategy to encourage renewable energy investment is becoming increasingly relevant.

Opportunities

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. Investment is expected to shift towards maximizing output from cost effective reservoirs using innovative technologies to cut costs and eliminate waste. There has been increasing interest in liquid bulk storage and hydrocarbon logistics projects in Oman. 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. The 230,000 barrel-per-day refinery project is expected to come up in the new downstream hub under development at Duqm in Al-Wusta governorate on the east-central coast. 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 2018. The project will require more than 300 horizontal wells and 600 km of flow lines.

Web Resources

- Ministry of Oil and Gas
- Ministry of Commerce and Industry
- Petroleum Development Oman
- Oman LNG
- Qalhat LNG
- Occidental of Oman
- BP Khazzan Field Supplier Registration
- Oman Oil Refineries and Petroleum Industries Company (ORPIC)

Mining and Minerals

Overview

Oman's vast mineral resources are still relatively untapped, with likely large deposits of metals and industrial minerals waiting to be unearthed. Oman's mountains host intact and exposed ophiolites, which could contain metal deposits such as chromite, cobalt, copper, gold, lead, magnesium, manganese, nickel, palladium, platinum, silver, vanadium, and zinc. 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. An internal rail network for the use of the mining industry is the new focus of the Oman Global Logistics Group. 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

Oxford Business Group

Logistics

Overview

A sizeable market exists in Oman for meeting the Sultanate's transportation needs and the GoO is focusing on the logistics sector to bolster economic diversification. In addition to passenger vehicles, Oman is importing construction, airport, and port equipment. Highlighting its infrastructure investment initiatives are the government's aspiration to build a national railway connecting Oman to the GCC (though this has been largely shelved since early 2016). 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. The new Muscat International Airport is expected to open late 2017 and Salam Air, Oman's first budget airline, has already been launched. There is also a drive to improve the public transport infrastructure in Oman through the addition of a limited bus system, a government-run taxi service, and discussions of a light rail/metro system. 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

In March 2017, Oman Rail announced that it would award the tender for multifunctional consultancy services within a month. In October 2016, the state-owned company invited proposals for tendering Multifunctional Consultancy Services covering operation and maintenance, infrastructure, rolling stocks,

management, railway facilities, mass transit system and auxiliary services for ports and mines.

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. The Sohar industrial zone is also seeking to attract additional manufacturing companies to establish facilities or distribution centers.

Salalah is in a prime location at the crossroads of East-West shipping and fast growth. If Oman's $15 billion railway is complete in the future, 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.

Khazaen logistics city, the Sultanate's flagship integrated facility in South Batinah Governorate, is scheduled to be operational in the first quarter of 2018. The logistics hub, to be spread over a total area of 95 square kilometers will let shippers and consignees from Muscat and other areas drop and collect their freight from the facility rather than go all the way to the ports. Oman Logistics Company SAOC is seeking a strategic partner to master plan, finance, build and operate certain assets for this initiative.

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.

'Tanfeedh,' a national initiative for economic diversification, is in the process of unveiling projects that the government deems vital for their plans. The Supreme Council for Planning, the GoO's strategy agency and parent office of Tanfeedh, has focused on several sectors to invigorate diversification: Manufacturing, Logistics and Tourism. You can refer to the Tanfeedh handbook. Note: The handbook is in Arabic language, with a translation to be released within the year. The U.S. Embassy Muscat hosted a Direct Line on Tanfeedh in January 2017 and the presentation with details on the projects identified can be viewed.

Web Resources

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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. The Tanfeedh (see Logistics) program has also targeted the manufacturing sector as a vehicle to stimulate economic diversification.

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 percent 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 percent 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 percent 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. Many projects have been announced in Duqm, to include pipe and automobile assembly plants by Chinese and Iranian investors, a Sebacic acid project termed as the world's largest, among others.

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 tons 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 tons, giving Orpic a total of 1.4 million tons 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

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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.

Electricity subsidies available for large consumers, mainly government, commercial and industrial users, have been cut and a higher revised tariff structure have been effective from January 1, 2017. The new tariff is applicable to those consumers who use more than 150 megawatt hours (MWh) per hour will be in the range of 26-30 baisas per kilowatt hour (kWh) in the case of low voltage customers and 18-22 baisas for high voltage customers. This is against the existing tariff of 20 baisas per kWh for commercial, 12-24 baisas for industries and 10-30 baisas for government sector.

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, solar power projects related work

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 center 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.

Oman hopes to develop a large-scale solar-based power project as an independent power venture in its efforts to enhance renewable energy sources in power generation. In October 2016, State-owned Oman Power and Water Procurement Company (OPWP) floated a request for proposal (RfP) inviting bids from consultants for conducting a technical and economic study for the proposed project. The Authority for Electricity Regulation Oman (AER) announced that it was taking steps to pave the way for homeowners to install solar panels on their rooftops and to channel any surplus electricity back into the national grid, but the legislation is pending.

Web Resources

Public Authority for Electricity and Water Regulation

Oman Power and Water Procurement Company

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Dhofar Power Company

Majan Electricity Company

Mazoon Electricity Company

Muscat Electricity Distribution Company

Oman Electricity Transmission Company

Oman Electricity Holding Company

Authority for Electricity Regulation

Fisheries and Aquaculture

Overview

The Omani government has been working on improving food security and production which is driven by investments in agriculture, horticulture, aquaculture and sea fishing as the country looks for sustainable solutions to support a growing population and boost exports. In fisheries alone, the government aims to raise production from 257,172 tons a year in 2015 to 480,000 tons by 2020, creating 20,000 new jobs in the process. The five-year plan envisages a return of OR739m ($1.9bn) from fishing and fish processing facilities by 2020. Key projects within the sector include the Duqm Fishery Harbor with estimated investments of RO 100mn in addition to the adjoining industrial fisheries cluster.

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.

The total weight of fish landed grew every year from 2006 to 2015, when it reached 257,172 tons. Of this, 254,767 tons was brought ashore by fishing crews in traditional artisanal boats working closely to the coast and 2024 tons was caught closer to shore. The impact of commercial fishing vessels operating further offshore has dwindled from a peak catch of 25,702 tons in 2009 to just 210 tons in 2015. Similarly, aquaculture made a modest contribution of 170 tons in 2015, down from a peak of 353 tons in 2013. In 2015 the Ministry of Agriculture and Fisheries (MAF)

granted licenses to 46,837 fishermen and 22,921 boats in the traditional fleet. In 2015 the country exported 121,332 tons of fish and imported 27,800 tons.

The United Arab Emirates, the Kingdom of Saudi Arabia, the Republic of Korea, and the EU are the main foreign fish markets. According to the National Oceanic and Atmospheric Administration (NOAA), in 2016 Oman exported over 51,000 kg of seafood species covered under the Seafood Import Monitoring Program, valued at over $600,000. 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. Oman is a large consumer of fish at around 28 kg per person per year). Fish prices have been rising 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.

From August 7 to September 8, 2016, the MAF invited tenders for commercial aquaculture projects at a number of sites, ranging in size from 4.5 ha to 452.2 ha. These included land-based fish farms at three sites near Duqm, three more in the governorate of South A'Sharqiyah and another at Al Jiri in Muscat governorate. One of the sea-based farms is to be built at Dhabab, in Muscat. According to a briefing document prepared by the MAF in 2011, the government anticipated fish farm production of 33,700 tons by 2025, split between 19,000 tons from shrimp ponds, 4300 tons of bream and cobia from sea cages, and a further 10,000 tons of fish to be produced in marine and freshwater recirculating aquaculture systems (RAS).

In June 2016, an agreement was signed to build a hatchery in Oman that will allow fish farms to restock with locally grown fingerlings (young fish) rather than going to the expense of importing stocks. The state-owned Oman Aquaculture Development Company and the MAF agreed to establish, operate and manage the Aquaculture Farming Centre at Al Bustan with the aim of producing 15m fingerlings annually. KAT-Aqua has been allotted 50,000 sq. metres in Sur to develop a fish farm using RAS technology that aims to produce 600 tons of orange spotted grouper annually.

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 January 2016 the Special Economic Zone Authority for Duqm, commonly known as SEZAD, floated tenders for a six-metre-deep, 600-ha fishery harbour that includes a 3.4-km quay with provisions for associated processing and canning facilities. The idea is eventually to have as many as 60 fish manufacturing facilities, including cooling and freezing stores, and fish farming facilities, as well as centers dedicated to training and research to serve and promote the fishing industry. 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
- Market Research

Web Resources

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International Boston Seafood Show

Public Authority for Investment Promotion and Export Development

U.S. Foreign Agricultural Service –Dubai

Oxford Business Group

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.

2016 proved a record year for Oman's tourist industry, tourists numbers reached 2.5 million during January – October 2016 to 2.2 million during the same period last year., 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.

In 2016, the Ministry of Tourism unveiled its 2040 strategy which will see investments of around RO20bn and creation of more than half a million jobs. The Ministry is looking to invest around OR 20 billion for its strategy through 2040. A great majority of that investment (86-89 percent) will be through the private sector. The Ministry wants to provide around 80,000 rooms for accommodation: 33,373 hotel rooms, 29,287 vacation home rooms and 17,262 integrated tourism complex (ITC) rooms. The Ministry expects at least 11.7mn international and domestic tourists in 2040, a large increase from 1.4mn in 2013. MoT has identified five types of natural sites for tourism: wildlife, mountains, wadis, deserts and coasts. It has also identified five elements of culture and heritage: cities and villages, world heritage sites, cultural heritage, symbols, and norms and traditions. Fourteen clusters of tourist infrastructure will be built around the country as per regional attributes. These include coastal areas, bronze and iron age ruins, castles, mountains, villages and wadis, bedouin region and Rub al Khali.

The country emphasis on archaeology, conservation, and natural beauty is a key distinguishing factors from its neighbors. The new Oman Convention & Exhibition Center (OCEC) aims at establishing the Sultanate as a major regional venue for regional and international events and 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. Eleven mega tourism projects are either on-going or have received approvals for construction, according to the Ministry of Tourism.

Web Resources

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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.

Project agreements have been signed for the establishment of a number of desalination stations, which are currently at different stages of development and expected to come on-line beginning in 2019. The largest of these plants is the Barka Desalination Plant Phase IV (Barka IV). Another major independent desalination plant is scheduled to come on-line in 2018 at Sohar Port. In April 2016 the OPWP signed an OR100m ($259.7m) agreement with a consortium of companies, including Valoriza Agua-Spain (51%), Oman Brunei Investment Company (25%) and Sogex Oman Company (24%), to establish Myah Gulf Oman Desalination Company as a

vehicle to develop the desalination plant. Other near-term procurement strategies aimed at meeting demand growth include plans to build IWPs in Salalah, Sharqiyah and Duqm, with a combined water generation capacity of nearly 200,000 scmd, and another in Khasab with a 11,4000-scmd capacity. Other strategies aimed at enhancing water supply contingencies include the procurement of seawater desalination facilities for temporary deployment along the coast.

Upcoming integrated water desalination plant projects can be found at the OPWP site.

Web Resources

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Healthcare

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.

However, the cost of public health care in Oman is increasing steadily, and future public investment will need to continue rising in order to meet this demand. This could prove challenging in the years to come, and may see the private sector take on an increasingly prominent role in supplying medical treatment and care. There are talks of a national insurance scheme or the introduction of nominal fees for doctor visits at government hospitals. At present, more than 80 percent of Oman's total

health expenditure comes from the MoH, which had a budgetary allocation of OR 1.3bn ($3.4bn) in 2016, down from OR 1.6bn ($4.2bn) in 2015. This sum represented roughly 11% of the entire budget of Oman, which was OR 11.9bn ($30.9bn) in 2016. However, Oman's health care expenditure is expected to rise by 12.9% a year until 2020, according to Alpen Capital, which forecasts that total health care outlays will hit $4.3bn by 2020, up from $2.3bn in 2015. Health care spending was estimated to be $2.6bn in 2016, with outpatient care accounting for $1.6bn and inpatient care $1bn. The Alpen Capital report cautioned that with low global oil prices, government budgets in GCC countries could come under increasing pressure. This proved true as low oil prices have led the government to cut health care spending in 2017 to just OR 613m ($1.6bn).

Oman has been pushing for the implementation of modern technological solutions to boost efficiency in the health care sector and ultimately keep costs down and cut waiting times. This has been notable in the digitisation of the country's medical records, with 86% of all government hospital and health care facilities having been linked electronically to a central database by the beginning of 2015. In early January 2017 the Ministry of Health began implementing a cashless transaction system at public health care centres, with both primary clinics and government hospitals now accepting card payments.

Oman has 69 hospitals, with a total of over 6400 beds, which works out to roughly 15.5 beds per 10,000 people. According to a 2016 health care industry report issued by Alpen Capital, hospital bed requirements in Oman are forecast to grow at an annual rate of 3.1% over the next five years, reaching a demand of more than 7600 beds by 2020.

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. In April 2017, A 45 percent profit cap on medicines was introduced by the Ministry of Health.

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 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.

The $1billion International Medical City (IMC) in Salalah, being developed by a private Saudi investor (Apex) along with U.S. companies Methodist International and General Electric, remains on hold.

In November 2016 the GoO announced plans to establish an investment fund to support the construction of an advanced tertiary health care and medical education center at Barka, near Sultan Qaboos Medical College, building on the same public-private partnership (PPP) model SQMC was developed with. One tertiary care facility already under development in the sultanate is a 225-bed center that is part of the OR72m ($187m) integrated health care complex in Al Hail.

The GoO currently spends an estimated OR 120m ($311.7m) a year on medicines, with more than 93% of medical supplies, including laboratory, surgical equipment and pharmaceuticals, needing to be imported from abroad. There is, however, an ongoing push to establish more pharmaceuticals operations in Oman. The development of the domestic pharmaceuticals industry, while challenging, could also offer a host of new opportunities.

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.

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Oman Medical College

Oxford Business Group on healthcare in Oman

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. 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.

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

Ministry of Commerce and Industry

Muscat Municipality

Oman Chamber of Commerce and Industry

Customs, Regulations & 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.

Despite the entry into force of the FTA, some 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. 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. The Royal Oman Police Customs has also introduced new charges for customs services, which have been suspended temporarily due to public outcry, but is being reanalyzed and expected to be issued within the year.

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.

Oman is expected to implement additional taxes on tobacco, soft drinks and energy drinks this year following the approval of a draft law by the Federal National Council setting a legal framework for taxation.

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 Export Reform Control.

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 the website of the Royal Oman Police.

Standards for Trade

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.

Testing, inspection and certification

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.

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.

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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Head of International Cooperation

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Directorate General for Specifications and Measurements (MOCI)

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E-MAIL: CEE-Petroleum@cbp.dhs.gov

POC: Supervisory Import Specialist Laura L. Webb

Trade Agreements

Upon entry into force of the FTA on January 1, 2009, 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 at the Agreement's 10 year anniversary. 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.

Web Resources

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Investment Climate Statement

0-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. Some legacy issues still exist, however, such as lack of compliance on the part of Omani Customs to FTA Article 4 regarding duty exemption for eligible U.S. goods transshipped via Dubai. Additionally, Oman continues to

impose an "In-Country Value" program to promote local sourcing. To work through these issues, the Ministry of Commerce and Industry and Royal Oman Police-Customs have worked with the U.S. Embassy to address and resolve individual cases. 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:

- 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 to 2016. Non-oil-based economic growth stood at 1.3 percent in 2015, reflecting the low oil prices which affected the GoO's capital expenditures and investments. According to Oman's National Centre for Statistics and Information, nominal GDP contracted by 14.6 percent in 2015 and by 11.1 percent in 2016 (calculated using data through September 2016 on a year-on-year basis), largely driven by low oil prices The government's diversification ambitions, which focus on the manufacturing, logistics, tourism, finance, fisheries, and mining sectors, have generally not yet had a significant impact on the economy as a whole. Despite the continued effects of low oil prices on fiscal revenues, the Omani

government remains committed to continuing spending on existing infrastructure projects.

Table 1

Measure	Year	Index/Rank	Website Address
TI Corruption Perceptions Index	2016	64 of 176	Transparency International
World Bank's Doing Business Report "Ease of Doing Business"	2016	66 of 190	Doing Business
Global Innovation Index	2016	73 of 128	Global Innovation Index
U.S. FDI in partner country ($M USD, stock positions)	2015	USD 33	BEA
World Bank GNI per capita	2015	USD 16,910	World Bank

1-Openness To, and Restrictions Upon, Foreign Investment

Policies Towards Foreign Direct Investment

Oman actively seeks foreign investment and is in the process of improving the regulatory framework to encourage such investments. The GoO has tasked the Public Authority for Investment Promotion and Export Development (Ithraa), 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

"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.

Limits on Foreign Control and Right to Private Ownership and Establishment

With the implementation of the United States-Oman FTA on January 1, 2009, U.S. firms may establish and fully own a business in Oman without a local partner. In contrast, non-American service providers must be at least 30 percent (and in most cases at least 51 percent) owned by an Omani who is currently practicing in the specialized field with a relevant degree before MOCI will approve a license, though this requirement will be changed with the adoption of the new foreign capital investment law. Although U.S. investors are provided national treatment in most sectors, Oman has an exception in the FTA for legal services, limiting U.S.-ownership in a legal services firm to no more than 70 percent.

Other Investment Policy Reviews

Oman conducted a WTO Trade Policy Review in April 2014, before the drop in global oil prices. It concluded that Oman's economic performance since its last report in 2008 had been positive, with robust real GDP growth, low inflation, a solid fiscal position, and strong external accounts. However, since then, the situation has changed; Oman's balance of payments was negative in 2015, despite a surplus in trade. Foreign investment is concentrated in the oil and gas sector. (2014 report)

Business Facilitation

Ministry of Commerce and Industry (MOCI) has established a 'One-Stop Shop' for government clearances, the approval process for establishing a business can be slow, particularly with respect to environmental permitting and expatriate worker visa approvals. Starting a business in Oman can be a cumbersome and time consuming process.

Ithraa works closely with government organizations and businesses based in Oman and internationally to provide a comprehensive range of business support. Also Ithraa offers a comprehensive range of business investor advice geared exclusively to support international companies looking to invest in Oman, and this service is based on company-specific needs.

The MOCI has revised the definition of small and medium enterprises (SMEs) in the Sultanate, in an effort to improve the flow of credit and provide more efficient training and guidance to SMEs. Establishments with fewer than five workers and annual sales of less than $260,000 are considered Micro Entities; small-entities are establishments with five to twenty five workers and annual sales of $260,000 to $1,300,000 while medium-sized entities are companies employing 26-99 workers and with annual sales of $1,300,000 to $7,800,000.

Outward Investment

The Government of Oman neither promotes nor restricts citizens from investing abroad.

2-Bilateral Investment Agreements and Taxation Treaties

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 includes a chapter on investment (chapter 10 of the agreement). The FTA 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.

3-Legal Regime

Transparency of the Regulatory System

The legal, regulatory, and accounting systems in Oman remain less than fully transparent and new policies are at most times ambiguous and hence subject to individual interpretation of the government official, leading to reporting of cases of 'bias' by foreign investors. There is not an independent central government entity to oversee and regulate the workings of the different government ministries and bodies.

Omani NGOs or private sector associations do not play a role in the regulatory environment. Commercial registration and licensing decisions often require the approval of multiple ministries; the government decision-making process can be tedious and is perceived as non-transparent. However in recent years there is a move towards greater transparency in telecommunications, securities, and corporate governance of publicly traded companies.

There is no formal process for oversight or enforcement mechanisms in place. Though a new law granted the Oman Council new powers that expand its policy review function to include approving, rejecting, and amending legislation and convoking ministers of agencies that provide direct citizen services, its powers remain limited.

Oman regulation is developed by The Ministry of Legal Affairs which is the governmental body in the Sultanate of Oman that is responsible for drafting legislation and providing other government bodies with legal advice. The Ministry of Legal Affairs prepares and revises draft laws, drafts Royal Decrees, international agreements and contracts in which the Omani government is one of the involved parties. It also gives legal opinions and advice on matters put before it by other ministries and government departments. The Ministry of Legal Affairs' website contains copies of Sultani Decrees (the primary, first-ranking legislation in Oman), together with copies of some Ministerial Decisions. Most of the legislation is provided in Arabic only, but there are some English translations.

Recently, the latest Royal Decree 09/2017 (the Amendment) introduced sweeping amendments to the Income Tax Law of 2009 and was formally published on 26 February 2017. The Amendment increases the standard corporation tax from 12 percent to 15 percent. On May 22, 2016, the Omani legislature issued a new, and more comprehensive, Engineering Consultancy Law, under Royal Decree 27/2016he new Engineering Consultancy Law – Royal Decree 27/2016, showcasing a new and comprehensive framework to regulate the engineering consultancy profession. Royal Decree 41 of 2016 ("RD 41/16"), was issued on August 18, 2016 in relation to approving the Sultanate of Oman joining and becoming a party to the Convention on Combating Bribery of Foreign Public Officials in International Business Transactions (the "Convention"). Sultani Decree 30 2016 (the "New Law") has recently been promulgated, setting up Oman's new anti- money laundering and terrorism financing regime.

There are no formal prescribed time limits for the completion of the process of promulgation of new legislation. In theory, the promulgation of a new law can be completed quickly, if one of the councils has expressed the matter concerning the legislation to be urgent, or due to the fact that the requirement for the legislation has been brought about by an international treaty or Gulf Corporation Council (GCC) agreement. In practice, however, it would be very difficult to predict as to how long each applicable government unit will take to review and approve the new law as the timeframe is at the discretion of each applicable government unit.

While many of the reforms are said to be introduced in an effort to diversify governmental revenues and improve transparency, the private sector is feeling

victimized in a difficult economic environment. Oman retooled its legal, regulatory and enforcement mechanisms and empowered several agencies such as State Audit office, Public Authority of Consumer Protection, Royal Oman Police, with greater investigatory power.

International Regulatory Considerations

The Sultanate of Oman is a member in Gulf Cooperation Council (GCC), and the GCC is a member of the Financial Action Task Force (FATF). A Common Market was launched on January 1, 2008 among GCC countries with plans to realize a fully integrated single market. The creation of a GCC customs union began in 2003 and was completed and fully operational on January 1, 2015.

As Oman is a member of the WTO, it is committed to update the WTO Committee on any Technical Barriers to Trade (TBT)

Legal System and Judicial Independence

Oman's legal system is based on English common law and Islamic law. The regulation of business activity and investment in Oman is done through several laws. The main law was issued in a Royal Decree No. 55/90, knows as the Commercial Code of Oman. Other laws include the Commercial Registration Law, the Commercial Companies Law, and the Oman Commercial Law.

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. U.S. firms should note that the Commercial Court is relatively new, replacing the Authority for Settlement of Commercial Disputes.

Laws and Regulations on Foreign Direct Investment

The Foreign Capital Investment Law (Royal Decree No. 102/94) provides the legal framework for non-U.S. and non-GCC foreign investors. Oman amended this law in 2000 as part of its WTO accession and in 2009 to implement the United States-Oman FTA. For most investments (apart from those covered by the FTA) the law requires that there be at least 30 percent Omani ownership, and more frequently requires a majority stake. There are exceptions; notably wholly foreign-owned branches of foreign banks are allowed to enter the market. Non-U.S. investors may also obtain approval by the Council of Ministers to allow a 100 percent foreign-owned business entity if the investment is in the national interest.

The MOCI is in the final stage of drafting a new foreign capital investment law with assistance from the World Bank. The law, in its third and final draft, would (among other things) remove the 30 percent Omani ownership requirement for all investors.

(U.S. investors are not currently subject to that restriction, due to the FTA.) The proposed law is still in draft form and has not yet been ratified or passed. It will only become effective after all due legal and governmental processes are completed.

The current process for registering a business in Oman is laid out in the Foreign Investment Law (promulgated by Royal Decree No. 102/94), and can mostly take place online. This website, run by the Ministry of Commerce, outlines necessary steps to start a business, manage a business, invest in existing businesses, and other commercial actions for both foreign and domestic investors.

Competition and Anti-Trust Laws

Currently, investments are not screened for competition considerations, and Oman does not have an active competition commission. The Competition and Anti-Monopoly Law, promulgated by Royal Decree 67/2014 in December 2014, aims to combat monopolistic practices by prohibiting anti-competitive agreements and price manipulation, and includes a reporting requirement for any activity, such as mergers and acquisitions, which results in a dominant market position for one firm

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.

Dispute Settlement

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.

Investor-State Dispute Settlement

Oman has a modern Arbitration Law (Law of Arbitration in Civil and Commercial Disputes, Royal Decree 47/97, as amended by Sultani Decree 03/07) which is largely based on the model law developed by the United Nations Commission on International Trade Law (UNCITRAL). Pursuant to its arbitration law, an arbitration agreement must be in writing, and it can be in one or more instruments. The parties are free to choose any law relating to the arbitration agreement and, in the absence of an explicit law, the courts are given the power to determine it.

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.

International Commercial Arbitration and Foreign Courts

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. It is also permissible for parties to agree in writing, once a dispute has arisen, that it will be resolved by 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.

Bankruptcy Regulations

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. According to June 2016 World Bank resolving insolvency, Oman is ranked 6th out of the twenty countries of the MENA region.

4-Industrial Policies

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.

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.

Performance and Data Localization 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 percent in some and 60 percent in others. Most government ministries have achieved Omanization rates at or near 100 percent.

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.

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.

5-Protection of Property Rights

Real Property

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.

Intellectual 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 online.

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.

Resources for Rights Holders

Ministry of Commerce and Industry– Department of IPR Enforcement
Director of Intellectual Property
Ahmed al-Saidi
+968- 9942-1551
saidy3916@yahoo.com

Ministry of Commerce and Industry – Directorate of Commerce
Director General of Commerce
Khamis al-Farsi
+968-2482-8100/115
dgc@mocioman.gov.om ; khaalfarsi@gmail.com

Oman Chamber of Commerce & Industry
Director General
Abdul Adheem al Bahrani
+968-2476-3723
adheem@chamberoman.com

Arabian Anti-Piracy Alliance
Office 401, City Tower 2,
Sheikh Zayed Road,
P.O. Box 52194, Dubai
United Arab Emirates
Chief Executive Officer

Scott Butler
+9714 33 22 114
scott@aaa.co.ae

U.S. Patent & Trademark Office
Regional IP Attaché
Aisha Y. Salem
Intellectual Property Attaché for the Middle East & North Africa
U.S. Embassy Kuwait City, Kuwait
U.S. Department of Commerce Foreign Commercial Service, U.S. Patent & Trademark Office +965 2259 1455
Aisha.salem@trade.gov

United States Trade Representative
IPR Director for Middle East
Elizabeth Kendall
Tel: +1 (202) 395-9564
Elizabeth_L_Kendall@ustr.eop.gov

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

6-Financial Sector

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 USD 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

The banking system is sound and well-capitalized with low levels of non-performing loans and generally high profits. Oman's banking sector includes seven local banks, nine foreign banks, two Islamic banks, and two specialized banks. Bank Muscat, the largest domestic bank operating in Oman, has USD 27 billion in assets. The Central Bank of Oman (CBO) is responsible for maintaining the internal and external value of the national currency. It is also the single integrated regulator of Oman's financial services industry. CBO issues regulations and guidance to all banks operating within Oman's borders. Foreign businesspeople must have a residence visa or an Omani commercial registration to open a local bank account, and there are no restrictions for foreign banks to establish operations in the country as long as they comply with the CBO regulations.

Foreign Exchange and Remittances

Foreign Exchange

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.

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.

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.

7-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.

Privatization Program

The GoO has indicated that it hopes to reduce its budget deficits by privatizing or partially privatizing some government-owned companies. The plan for privatization is not publically available; however the GoO has already begun to reorganize its holdings in the electricity and logistics sector in anticipation of a public offering. In past privatizations – the divestment of a portion of government ownership in Omantel, for example – stock was offered on the Muscat Securities Market, but only to Omani investors. Foreign investors are allowed to participate fully in some privatization programs, even in drafting public-private partnership frameworks.

8-Responsible Business Conduct

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 Center 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 Organization for Economic Cooperation and Development

(OECD)-comparable guidelines. Additionally, each ministry has a department dedicated to facilitating CSR compliance and initiatives.

9-Corruption

The Law for the Protection of Public Funds and Avoidance of Conflicts of Interest (the "Anti-Corruption Law") (promulgated by Royal Decree 112/2011), and the Omani Penal Code (promulgated by Royal Decree 7/1974) are meant to address corruption in Oman.

The Anti-Corruption Law predominantly concerns employees working within the public sector. It is also applicable to private sector companies if the government holds at least 40 percent shares in the company or in situations where the private sector company has punishable dealings with government bodies and officials. The Omani Penal Code is the other key legislation which defines corruption as "Any person who accepts a bribe for himself or for another person, be it in cash or a

present or a promise or any other benefit for performing a lawful act of his duties, or for forbearing to do it or delaying its execution." The Penal Code targets corruption in the private sector.

A lack of domestic whistleblowers legislation in Oman resulted in the private sector taking the lead in enacting internal anti-bribery and whistleblowing programs. Omani and foreign companies doing business in Oman that plan on implementing anti-corruption measures will likely find it difficult to do so without also putting in place an effective whistleblowing program and a culture of zero tolerance.

Ministers are not allowed to hold offices in public shareholding companies or serve as chairperson of a closely held company. However, many influential figures in government maintain private business interests and some are also involved in private-public projects. These activities either create or have the potential to create conflicts of interest. In 2011, the Tender Law was updated to preclude Tender Board officials from adjudicating projects involving interested relatives to "the second degree of kinship".

His Majesty Sultan Qaboos dismissed several ministers and senior government officials for corruption during his reign. The "State Financial and Administrative Audit Institution" (SFAAI) was granted expanded powers under Royal Decree 27/2011, largely in response to public protests against the perception of corruption and nepotism at the highest levels of government.

In an extra attempt to prevent and eradicate corruption in the Sultanate of Oman, Sultan Qaboos issued Royal Decree 64/2013 ratifying the Sultanate in joining the United Nations Convention Against Corruption (the "UNCAC"). The Royal Decree was published in the Official Gazette and is effective from 20th of November 2013. The UNCAC is known as the first global legally binding international anti-corruption instrument and it comprises 71 Articles divided into eight Chapters. The UNCAC requires member countries such as Oman to implement several anti-corruption measures in the public, private and judiciary spheres.

U.S. businesses do not identify corruption as one of the top concerns of operating in Oman.

Oman is not a party to the OECD Convention on Combating Bribery.

Resources to Report Corruption
State Audit Institution
+968 8000 0008

9.1-Political and Security Environment

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.

9.2-Labor Policies and Practices

The minimum wage for Omani citizens working in the private sector, including salary and benefits, is RO 200 (USD 520) per month. Omani employees must also receive a monthly RO10 (USD 26) accommodation allowance and a RO10 transportation allowance. There is no minimum wage for non-Omanis. Since 2012, employers are required to award a three percent salary increase to all employees with satisfactory performance.

Foreign workers play a substantive role in the Omani economy, particularly in the private sector. In 2016, 87 percent of public sector employees compared to just 17 percent of private sector employees were Omani citizens. Most Omanis in the private sector work in administrative or managerial roles carved out by a national "Omanization" strategy (explained below), with varying degrees of enforcement. Foreign workers represent the vast majority of laborers in the country, and also about half of highly-skilled/specialized workers. According to the World Bank, unemployment in Oman stood at about 17.5 percent in 2016, and the most severely impacted demographic is young men. There are no available statistics about the informal economy, but it is mostly limited to rural areas in agriculture and fishing.

Generally speaking, there is a surplus of workers in "desirable" fields, such as information technology and engineering. Most of these skilled unemployed graduates are women. There is a shortage in labor-intensive sectors, particularly in construction, due to Omanization laws curbing the number of foreign workers who can be brought in to fulfill these roles. Omanization policy requires hiring of Omani citizens varying by sector. Most administrative or support jobs, such as drivers and secretaries, are required to be Omanis across all sectors. In most cases, Omanization rates are reduced for companies resident in port free zones or special economic zones. Enforcement of Omanization policy varies.

Omani citizens enjoy a high degree of protection, making labor dispute resolution very difficult and lengthy. An Omani citizen who is terminated before the end of a contract has the option to appeal the termination to the Ministry of Manpower, which can resolve the dispute or initiate a court case. The Ministry or the subsequent courts have broad powers to reinstate the employee or mandate a

severance of several months, to, uncommonly, several years. Foreign workers may also appeal termination to the Ministry but have significantly less legal protection. As noted above, employers are required to give three percent raises annually to workers who perform satisfactorily.

While unions are allowed to operate in the private sector, they are not very influential and do not engage in collective bargaining. Most unions only exist to ensure that employers provide government-mandated benefits to employees, such as required annual raises. Appeals for wage increases, by sector or nationally, are usually directed towards the government, which then might pass a law increasing worker benefits, as was the case during the Arab Spring.

The Ministry of Manpower oversees all disputes between employers and employees. If necessary, the Ministry can forward the case to a court for judgement.

There were no significant organized private-sector strikes in the past year. Unions are permitted to organize strikes but they must inform the employer and the Ministry of Manpower at least 90 days in advance. This lead-time usually allows employers to resolve the dispute with employees before the strike takes place. Occasionally, groups such as taxi drivers or foreign workers will engage in sit-ins or other peaceful protest outside government offices to demand more legal protection or benefits.

Oman is a member of the International Labor Organization (ILO). Oman has ratified four of the eight core ILO standards, including those on forced labor, abolition of forced labor, minimum working age, and the worst forms of child labor. Oman has not ratified conventions related to freedom of association, collective bargaining, equal remuneration, or the conventions related to the elimination of discrimination with respect to employment and occupation. Oman has been criticized by the international community for not have a strong enough program to detect, deter, and prosecute labor violations, including Trafficking in Persons.

No new labor-related laws were enacted in 2016. A new comprehensive labor law, to replace the framework set but the Basic Labor Law of 2003, has been drafted and is currently circulating through the Omani interagency clearance process. There is no clear indication of when this law will be published or come into force.

9.3-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 USD one million per transaction. The U.S. Embassy in Muscat purchases local currency at the fixed rate of one Omani Rial to USD 2.6.

9.4-Foreign Direct Investment and Foreign Portfolio Investment Statistics

According to the UN Conference on Trade and Development, the total volume of foreign direct investment (FDI) into Oman stood at RO 42.3 million (USD 1.18 billion) as of 2014, down from USD 1.63 billion in 2013. FDI flows into Oman surged 41 percent in 2012 to RO 570 million (USD 1480.33 billion) from RO 404 million in 2011. Total FDI volume as a percentage of GDP in 2012 - at RO30 billion (or USD 77.91 billion) - was 21.6 percent.

According to latest available data from the NCSI, the oil and gas sector attracted more investment than any other sector in 2013, at 49 percent, followed by the financial sector with 16.6 percent, and manufacturing with 15.2 percent. No other sector accounted for more than seven percent of FDI inflows. The U.K. was the largest foreign investor in the Sultanate in 2013, accounting for 46 percent of the total. Ninety percent of British FDI went to the hydrocarbons sector, where BP is active, among other firms. Next in line were the UAE with 17.6 percent and India with 4.2 percent. The U.K. and the United States 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 RO 12.71 billion (USD 33.01 billion) at the end of 2011 against RO 11.52 billion (USD 29.92 billion) in 2010.

FDI accounted for 46.5 percent of total foreign investment as of 2011, while other foreign investments and foreign project investment accounted for 49.7 percent and 3.2 percent, respectively.

Major foreign investors that have entered the Omani market within the last five years include BP (U.K.), 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	$81.8b	World Bank
Foreign Direct Investment	**Host Country Statistical Source**		**USG or International Statistical Source**		**USG or International Source of data: BEA; IMF; Eurostat; UNCTAD, Other**
U.S. FDI in partner country ($M USD, stock positions)	2014	$143.4	N/A	N/A	BEA
Host country's FDI in the United States ($M USD, stock positions)	N/A	N/A	N/A	N/A	BEA
Total inbound stock of FDI as % host GDP	N/A	N/A	N/A	N/A	N/A

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	$18.88b	100%	Total Outward	Amount	100%
UK	$7.25b	N/A	N/A	N/A	N/A
United Arab Emirates	$2.4b	N/A	N/A	N/A	N/A

Direct Investment from/in Counterpart Economy Data					
Kuwait	$1b	N/A	N/A	N/A	N/A
Qatar	$817.6m	N/A	N/A	N/A	N/A
Bahrain	$758.9m	N/A	N/A	N/A	N/A
"0" reflects amounts rounded to +/- USD 500,000.					

Table 4: Sources of Portfolio Investment

Country data not available.

9.5-Contact for More Information

Economic & Commercial Officer
U.S. Embassy, P.O. Box 202, Postal Code 115, MSQ, Muscat, Sultanate of Oman
+968-2464-3623
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.

Export-Import Bank of the United States

Country Limitation Schedule

OPIC

Trade and Development Agency

SBA's Office of International Trade

USDA Commodity Credit Corporation

U.S. Agency for International Development

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 the State Department's website 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 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 20.00 for the 30-day visa (approximately USD 52.00), which 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 online.

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

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

Consular Section, U.S. Embassy in Muscat

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

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.

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 2017:

- Prophet's Ascension Day* April 24
- Renaissance Day July 23
- Eid al Fitr* June 26-27
- Eid al Adha* August 31 – September 4
- Islamic New Year* September 21
- Oman National Day November 18
- Birth of the Prophet* November 30

*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
- Travel Advisory Website
- Comprehensive Visitor Guide