



Doing Business In Oman: A Country Commercial Guide for U.S. Companies

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Chapter 1: Doing Business In Oman

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Market Overview

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Oman's economy is based on oil, although its reserves are modest compared with other states in the region. By some estimates, Oman's proven oil reserves will be substantially depleted by 2020; however, this is generally considered a sliding window in light of the potential for new discoveries or technological advances, which can add to the stock of reserves. By 2020, Oman hopes to have diversified its economy by further developing its natural gas resources, including LNG facilities, energy-based industries, and related businesses. The country also hopes to expand non-oil, non-energy-related industry including light manufacturing, agriculture and fisheries, and tourism. Nonetheless, Oman's economy continues to move in step with oil price fluctuations. Oman's oil revenue by the end of 2004 accounted for 66.9 percent of government revenue and 39.2 percent of overall GDP.

The FY05 Omani State Budget increased overall government spending by 7.6%, reaching \$9.584 billion. As the public sector is the primary engine of economic growth, the government hopes that the increase in government spending will stimulate the economy. Net oil revenue reached \$4.300 billion by the end of 2004. The government sectors that saw the most sizable spending increases were defense and national security, petroleum, education, and health. The budgetary allocation for defense and national security expenditure is 31% of total government spending, while the combined expenditure on health and education represents 17.1% of the FY05 budget, illustrating the Sultanate's commitment to security and the provision of basic services and a social safety net to the public. Oman's budget projections for 2005 included a target oil price of \$23 per barrel and a deficit of \$1.42 billion.

Oman depends on imports for over 80 percent of its food needs. Food and agricultural imports in 2003 amounted to \$850 million (CIF basis), with U.S. exports accounting for \$15 million (FOB basis). The U.S. market share of Omani food and agricultural imports in 2003 was approximately 2 percent. The European Union and Australia are other major food exporters to Oman.

Market Challenges

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A number of constraints affect trade and investment in Oman. The problems posed by the country's relatively small population and small domestic markets are

amplified by the absence of a modern, high-value consumer market beyond the capital area. This situation results in “leakage” to Dubai and other foreign retail centers. Other problems include bureaucratic obstacles to enterprise development and a risk-averse trading mentality. In addition, other countries in the region typically offer higher industrial subsidies than Oman, making their goods more competitive. The new GCC Customs Union, implemented in January 2003, could make Oman an attractive base for certain industries, especially in light of its outside-the-Gulf ports.

Visas are easier to obtain than before, but some types may require advance planning for non-GCC residents. In July 2003, the Omani government introduced two new classes of visa available at all sea, air, and land points of entry for citizens of the U.S., Western Europe, and other selected nations. The one-month visit visa costs R.O. 6 (approximately \$15.60), and the one-year multiple-entry visa costs R.O. 10 (approximately \$26). The visit visa is renewable, but the multiple-entry visa is not. The Omani government charges \$26 per day for overstays of visas. Visas can also be obtained in advance through application to an Omani embassy, consulate, or trade representative abroad. There are also new expedited procedures for citizens of other GCC nations, as well as a new agreement allowing Omani visa-holders to visit Dubai.

Oman has no import quotas and no major non-tariff barriers affecting food trade. Local production is limited to dates, seafood, vegetables, poultry, and some dairy. For most processed food products, the import duty is a flat 5 percent ad valorem. For live animals, fresh fruits and vegetables, seafood, grains, flours, tea, sugar, spices and seeds for planting the import duty is zero. Imports of alcoholic beverages and pork products are restricted in Oman for cultural reasons, and duties are high. The import duty on cigarettes and tobacco product is 100 percent. Arabic or bilingual English/Arabic language labels or stickers are required for all food products. Production and expiry dates are required to be on all “original” food labels.

Market Opportunities

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Oman actively seeks private foreign investors, particularly in the industrial, tourism, and higher education fields. Investors transferring technology and providing employment and training for Omanis are especially welcome. Omani law relating to foreign investment is contained in the Foreign Business Investment Law of 1974, as amended. A Commerce Ministry spin-off, the Omani Center for Investment Promotion and Export Development (OCIPED) opened in 1997 to attract foreign investors and smooth the path for business formation and private sector project development. OCIPED also provides prospective foreign investors with information on government regulations, which are not always transparent, and sometimes contradictory. Nevertheless, despite OCIPED’s efforts to become a “one-stop shop” for government clearances, the approval process for establishing a business can be tedious, particularly with respect to land acquisition and labor requirements.

U.S. fast food and casual dining restaurants are popular in Oman, particularly with the younger generation. Many of the ingredients are imported from the U.S. Good prospects for U.S. food exports, in decreasing order, include: frozen beef; frozen chicken parts; processed fruits and vegetables; snack foods; cheeses; almonds; preserved meat products; breakfast cereals; fruit and vegetable juices; fresh carrots and lettuce; fresh

apples and pears; seafood, particularly crabmeat; and miscellaneous food products, particularly hot sauces, salad dressings, catsup, mayonnaise, vinegar, iodized salt, ice cream, frozen dough mixes, Tex-Mex foods and coffee whiteners.

Despite the existence of bureaucratic barriers to trade and investment, a number of important factors favor Omani trade and investment development, including:

- Oman's stated commitment to concluding a Free Trade Agreement (FTA) with the United States. Bilateral FTA negotiations are slated to begin in March 2005.
- Oman's long-term development strategy, which promises greater efficiency and global competitiveness;
- Oman's emphasis on privatization, which offers attractive opportunities for U.S. firms in the electric power, telecommunications, wastewater, and post sectors;
- Oman's accession to the World Trade Organization (WTO) on November 9, 2000, which facilitated Oman's integration into the global marketplace. WTO-consistent protection of intellectual property, market access, and customs valuation are making Oman a more dependable trading partner and a more attractive destination for majority foreign-owned investment;
- Oman's per capita income of roughly \$13,000 (purchasing power parity) in 2004. There is no personal income tax in the Sultanate;
- The promising potential of Port Salalah as an international air-sea transport hub, and prospects for the Salalah free trade zone as a magnet for value-added export industries;
- New industrial ports and gas-based industries under construction at Sohar, which will help exploit Sohar's geographic location outside the Strait of Hormuz. Over \$10 billion of investment, including substantial portions from the U.S., is projected to transform Sohar into a major industrial hub over the next 3-5 years.

Market Entry Strategy

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- ④ A company needs to visit to appreciate Oman's distinctive culture.
- ④ Personal relationships are key to finding and keeping a partner.
- ④ Agents are commonly used, but not always required.
- ④ Agreements generally require significant lead time and follow-up before finalization.
- ④ Importers must be registered with the Ministry of Commerce and be members of the Oman Chamber of Commerce and Industry.
- ④ Importer/distributors are most commonly used in the retail food business.
- ④ Food processors and the hotel/restaurant industry may import directly or purchase goods locally from distributors.

For assistance in locating an agent, the U.S. Embassy's Commercial Section offers an International Partner Search service. The Section be reached at: TEL (968) 24 698-989, FAX (968) 24 604-316. Email: muscatcommercial@state.gov.

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Chapter 2: Political and Economic 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.

<http://www.state.gov/r/pa/ei/bgn/35834.htm>

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Using an Agent or Distributor

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Foreign companies wishing to distribute their products in Oman face a local agent requirement but are no longer legally required to enter into exclusive agency agreements. In special cases, as when the government has directly approached a foreign firm, the agency requirement may be waived altogether. Further, in August 2000, a ministerial decision was issued eliminating the restriction that only majority Omani-owned companies could obtain import licenses. Agents are also useful, though not legally required, for sales to the Omani Government. 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, personal contact is the key to success in trade relationships.

If a foreign manufacturer or supplier does enter into an exclusive agency agreement, it is not permitted to sell or distribute the specified product, good, or service itself or through another agent or broker, except for the exemption on bringing goods in through ports or airports. An importer bringing in goods covered by an agency agreement must pay that agent a five percent commission if the goods are brought into Oman overland, but this requirement is waived if the goods are brought in via ports or airports.

Separate agency agreements for the Northern Region (Muscat Area) and the Southern Region (Salalah) are permitted. The manufacturer or supplier may not unilaterally terminate the agency agreement except where there is an unjustifiable breach of agreement by the agent. Agency agreements must be approved by the Oman Chamber of Commerce and Industry (OCCI) and registered with the Registrar of Agents and Commercial Agencies of the Ministry of Commerce and Industry (MOCI). The

practical effects of this regulation on a foreign supplier are substantial: the MOCI may prohibit the importation of goods and merchandise of suppliers who do not have an independent commercial agent registered in Oman.

Regional food shows provide good opportunities to meet importers and distributors. Many importers visit international food shows such as SIAL (Salon International de L'Alimentation, in France) and ANUGA (major set of food trade shows in Germany), as well as U.S. food shows such as the FMI (Food Marketing Institute.) Exhibiting in such shows has proven to be a sound strategy for many U.S. companies.

In terms of locating an agent, the Embassy's Commercial Section can provide details and background on major Omani companies. In addition to consulting the Embassy, personal visits to potential agents are recommended. Due to the complexity of Omani regulations, it is useful 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 advised 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. The Consular Section can be reached at: TEL (968) 24 698-989, FAX (968) 24 699-189. Commercial office space is readily available in Oman.

Establishing an Office

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The main steps in establishing a local office in Oman after locating a local agent is to register at the Ministry of Commerce and Industry (<http://www.mocioman.gov.om/>). Depending on the size of the business, the company may be required to register at the Oman Chamber of Commerce and Industry (<http://www.chamberoman.com/>.) In terms of registering a franchise, in addition to the steps above, it is required to register at the local municipality (for example, Muscat Municipality, on-line at <http://www.mctmnet.gov.om/>.)

Franchising

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A number of U.S. franchises are well established in Oman, particularly in the fast-food restaurant sector.

U.S. fast food and casual dining restaurants are popular in Oman, particularly with the younger generation. Most major U.S. fast food franchises are established in Oman (McDonalds, KFC, Pizza Hut, Hardees, Subway, Chili's, and Starbucks), with new ones opening regularly. Relatively high per capita income, a young population, a high rate of unaccompanied expatriate population and the lack of alternate entertainment venues encourage out-of-home dining. U.S. car rental franchises (Hertz, Budget, Avis, Thrifty, and Pay-Less) are also popular. Omani businessmen continue to express interest in U.S. franchise opportunities.

The legal requirement for franchising in Oman consists of a formal contract between the principal and the local agent. Agency agreements must be approved by the Oman Chamber of Commerce and Industry (OCCI) and registered with the Registrar of

Agents and Commercial Agencies of the Ministry of Commerce and Industry (MOCI) and the local municipality.

Direct Marketing

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Advertising is most commonly done through newspapers. There are three daily English language newspapers in which companies can advertise: the Oman Daily Observer, Oman Tribune and the Times of Oman, each of which publishes business supplements and is read predominantly by expatriates. The three major Arabic dailies: Oman, Al-Watan and Al-Shabiba reach a broader Omani audience and are also published seven days a week. Two independent business monthly magazines, Business Today and Oman Economic Review, began publication in 1998, and the English language weekly The Week began publication in 2003. Advertising is also possible on Omani television and radio and on limited highway signs. There are no private radio or television stations, although a royal decree in 2004 provided a framework for the future development of private media outlets in the Sultanate. It is possible to advertise on the Internet and cell phones via Omantel's cellular network (Oman Mobile). Many groceries and restaurants also distribute flyers in residential neighborhoods.

Direct marketing is possible to the food-processing sector, particularly in vegetable oils (including corn oil, soybean and sunflower-seed oils), beverage bases, dried pulses and a variety of food ingredients for the snack food and bakery industries. The growing hotel and restaurant industry provides additional opportunities for direct marketing.

Joint Ventures/Licensing

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The Omani government welcomes foreign capital and provides incentives to investors. It looks to the private sector to invest in tourism projects, higher education, agriculture, services, and light industry. It also seeks foreign investment for the technical expertise it brings and the training it provides to Omanis. In accordance with Oman's accession to the WTO, certain changes were made to the foreign investment regime, including the relaxation of restrictions on majority foreign-owned investments and the elimination of tax discrimination against majority foreign-owned companies in Oman.

The United States 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 percent 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 United States Government undertakes initiatives that support U.S. investors, such as Overseas Private Investment Corporation (OPIC) programs, Bilateral Investment Treaty (BIT) negotiations and other business facilitation programs. The Omani government is considering a proposed update to the bilateral Investment Incentive Agreement with OPIC, and Free Trade Agreement negotiations set to begin in 2005 will include an investment chapter. Oman is also a designated beneficiary for the

Generalized System of Preferences (GSP) program, which assists Oman in exporting selected products to the U.S. with preferential tariff treatment.

Several Omani firms have entered into licensing agreements with American technology providers, including Johnson Industries, FMC, Gorman Rupp, and Midrex Technologies. In addition, Dow Chemical has entered into a large-scale joint venture with Oman Oil Company and the Omani Government to develop a petrochemical complex in Sohar.

Certain classes of goods require a special license (e.g., alcohol, firearms, pharmaceuticals, and explosives), while certain key consumer goods and other items are exempted from customs duty. Examples of the latter include currency, seeds, fertilizers, live plants, agricultural implements and insecticides, books, refined petroleum products, and basic food commodities, such as rice and meat.

All media imports are subject to 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.

Selling to the Government

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All major civilian projects and acquisitions for the government are channeled through an independent Tender Board comprised of senior government officials and staffed by professional technocrats. Petroleum Development Oman (PDO) runs its own tender board, as do the Royal Oman Police, the Diwan of Royal Court, Oman Telecommunications, and the Ministry of Defense. While the central Tender Board earns generally high marks for transparency and fairness, the other specialized tender boards do not enjoy similar reputations for openness in every case. Although not a party to the WTO Agreement on Government Procurement, Oman is negotiating its accession to the Agreement.

Public tendering is required for all purchases above 10,000 Omani Rials (\$26,000) by ministries, government agencies, and public corporations. Ministries can award contracts through their internal tender boards for projects up to 250,000 Omani Rials (\$650,000). 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.

In order to submit a bid, firms should have an Omani sponsor or partner and must be registered with the Ministry of Commerce and Industry and with the Tender Board. However, the Tender Board will accept a bid from a firm without an Omani sponsor if the company is new to the Omani market and does not have time to secure a sponsor prior to submitting the bid. A sponsor is advisable given the need for local follow-up and knowledge of the market. A temporary deposit in the form of a bank guarantee for two percent of the value of the tender is required.

In special cases as when the government directly approaches a foreign firm, the agency requirement may be waived altogether. Further, in August 2000, a ministerial decision was issued eliminating the restriction that only majority Omani-owned companies could obtain import licenses. 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.

Contracts are generally, but not necessarily, awarded to the lowest bidder. The Tender Board takes into account factors other than price, such as past performance, experience, financial responsibility, compliance with registration procedures, proposed local content, and percentage of Omanization (i.e., employment of Omani nationals) of the firm. Broadly speaking, price appears to be the primary factor in decision-making, and Omani-registered firms are granted a ten percent price preference. If Omani products are unavailable or do not conform to technical specifications, products of GCC origin are preferred to foreign products, with a five percent preference margin. After notification of an award, final negotiations concerning clarifications and adjustments take place before the contract is executed. Sixty days usually pass from selection through award notification to signing of the contract.

Although there are frequent delays in evaluation of bids and awarding of tenders for major projects, Tender Board proceedings are generally regarded as fair, with measures in place to eliminate malfeasance or bias toward a particular bidder. The Tender Board has improved its efforts to publicize bids to international companies, particularly through the development of a website (www.tenderboard.gov.om). In addition, tender announcements are published in the widely circulated Middle East Economic Digest, in the Official Gazette, and in local newspapers. The Oman Chamber of Commerce and Industry website (www.chamberoman.com) lists tender opportunities as well as offering a tender updates service free of charge. Tender opportunities are published in English and in Arabic. Procedures for appeal are specified in the Tender Law and regulations.

The members of the Tender Board include the following: the Minister of Transport and Communications (chairman); the Minister of Regional Municipalities, Environment, and Water Resources (Deputy Chairman); the Ministers of Civil Service, Manpower, and Social Development; and the Under Secretaries of Finance, Transport and Communications, and Commerce and Industry. In addition, the Tender Board professional staff includes a Secretary General, a Director General, and various contract experts and technocrats responsible for administering the tender process.

Distribution and Sales Channels

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Most goods enter Oman through Port Sultan Qaboos in Muscat. A well-developed road infrastructure links almost all points in the country. Many goods enter Oman overland after arriving at ports in the UAE. Numerous logistics, transport, and retail companies serve the domestic market.

The Port of Salalah, located some 1,000 kilometers down the coast from 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 on a limited basis. Maersk is the principal customer of the port. Port Salalah is the only port between Europe and Singapore that can accommodate S-class container vessels – the world's largest. Government plans to establish a free trade zone at Salalah adjacent to the port have the potential to make Salalah a major air-sea cargo hub and a center for industrial development. The government is also building a new port at Sohar to facilitate several major industrial projects planned there.

Private supermarkets account for 65 percent of retail food sales, and this sector is expanding. Wholesale markets account for an estimated 20 percent of food products marketed in Oman, while institutional users account for the remaining 15 percent. The distribution channel is as follows: the importer/agent first sells to private supermarkets, the wholesale market, and institutional users. The wholesale market then sells directly to consumers, to contractors, and to small supermarkets and restaurants. Generic and brand supermarket promotions are very common in Oman and are commonly employed by both exporting countries and companies. Newspaper advertisements and inserts are most commonly used for food and other products. TV advertising, while very effective, is expensive. Food product margins typically run 15-20 percent for distributors, 7-10 percent for wholesalers and 10-15 percent for retailers. Oman does not apply a value-added tax (VAT).

Oman has no general provisions for the temporary entry of goods. In the case of auto re-exports, a company can import vehicles into the country for the purpose of re-export and have the duties refunded if it re-exports the vehicles within six months. The government has established a free-trade zone along an interior border crossing point with Yemen (al-Mazyounah), but the project is small scale with little prospect for attracting overseas investors. However, plans for a large scale free trade zone in the port of Salalah may permit a number of incentives, including the foreign ownership of firms; 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. As originally designed, the project's first phase will develop over 500,000 square meters of rentable space, while the overall multi-phase master plan covers the development of 6,000 hectares, offering space for distribution, industrial, and light manufacturing units.

Selling Factors/Techniques

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The first phase of the GCC Customs Union was put into effect on January 1, 2003. However, the new union still has teething problems, which GCC officials hope to overcome in the final two phases of implementation. Common GCC labeling standards of imported goods is one of the key issues. Presently, labels must be printed in Arabic and English, although some items are sold in the market without proper 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 acceptable. Many U.S. firms consider Omani shelf-life limits more restrictive than scientifically necessary. Major slaughterhouses in the U.S. are able to offer Halal supervision.

Electronic Commerce

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Oman Tradanet specializes in Business-to-Business services: Oman Tradanet LLC (<http://www.otn.com.om>). Other sites specializing in e-commerce applications are Petroleum Development Oman (<http://www.pdo.co.om>), Oman LNG (<http://www.omanlng.com/>), and Knowledge Oasis Muscat (<http://www.kom.om/>).

Trade Promotion and Advertising

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Oman International Trade and Exhibition (<http://www.oite.com/>) and Omanexpo (<http://www.omanexpo.com/>) are Oman's leading local and international trade and exhibition organizing companies in Oman.

In terms of advertising trade shows, most promotion occurs in the local newspapers. Oman has three national Arabic dailies and three English papers published daily. Radio Sultanate of Oman's FM English service broadcasts 15 hours daily in Muscat, Salalah, and Thumrait. Except for government offices, most commercial building signs and road signs are in Arabic and English.

Pricing

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Pricing formula for a product in Oman involves the cost of production, which includes the raw material and labor, distribution, promotion and advertising, taxes and customs. Taxes usually are on the company's profit, which does not include value added tax (VAT). Other taxes cover municipality, tourism, and labor related tax upon issuance of a work visa. Many companies pass such burdens on to their customers in the form of increased prices. Most restaurants in Oman charge municipality and tourism taxes in their invoices.

Sales Service/Customer Support

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After-sales service and customer support for foreign products are performed by local sales and service agents.

Protecting Your Intellectual Property

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(For a more detailed treatment of Intellectual Property Rights protection, please refer to Chapter 6 – Investment Climate Statement).

In 1996 Oman enacted a copyright protection law. However, the law was not enforced until April 1998 through a ministerial decree, which extended protection to foreign copyrighted literary and technical materials, works of graphic and plastic arts and sound and video recordings. A foreign copyrighted work must be registered with the Omani government by presenting a copy of the work to the government and paying a fee in order to receive protection. In terms of audio and videocassettes, the government has enforced a copyright protection for these items since January 1999 and destroyed stocks of pirated cassette seized from vendors. In addition, the government declared that retailers must terminate the importation and sale of non-licensed software.

In mid-2000, the government introduced new, WTO-consistent intellectual property laws on copyrights, trademarks, industrial secrets, and integrated circuits. Further, in October 2000 Oman issued new, WTO-consistent legislation to protect patents and other intellectual property rights.

Oman has joined the World Intellectual Property Organization (WIPO), and asked WIPO to register Oman as a signatory to the Paris and Berne conventions on intellectual property protection. Although not yet a party to the WIPO Copyright Treaty and the WIPO Performances and Phonograms Treaty (the WIPO "Internet Treaties"), the government of Oman has indicated it plans to accede to them in the near future.

Due Diligence

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The Commercial Section at the U.S Embassy offers business counseling, export promotion services, and a wealth of information on opportunities and companies in the Omani market. For Omani firms, we offer a wide range of resource information on U.S. export products, new technologies and trade-related programs and events. We offer the following services: International Partner Search, International Company Profile, Customized Market Analysis, and Gold Key Service. For additional information about our services, please visit our website: <http://www.buyusa.gov/oman/en/19.html>.

Local Professional Services

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<http://www.buyusa.gov/oman/en/marketing.html>

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Commercial Section (U.S Embassy, Muscat)

<http://www.buyusa.gov/oman>

Oman Chamber of Commerce and Industry

<http://www.chamberoman.com>

The Omani Center for Investment Promotion and Export Development

<http://www.ociped.com>

Ministry of National Economy

<http://www.moneoman.gov.om>

Ministry of Commerce and Industry

<http://www.mocioman.gov.om/>

Ministry of Information

<http://www.omanet.om>

Oman International Trade and Exhibition

<http://www.oite.com>

OMANEXPO LLC

<http://www.omanexpo.com>

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Oil and Gas

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The Omani government and private sector are embarking on multibillion-dollar plans for investment in upstream and downstream oil and gas projects over the next few years. The project list includes: pipelines, enhanced oil recovery systems, steam processing units, gas processing units, refineries, petrochemical plants, and others. Since it represents 40 percent of the country's GDP, more than 80 percent of the country's exports and more than 70 percent of the government's revenues, these projects will continue to represent strong export potential for American firms in the foreseeable future.

Best Products/Services

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Drills and drilling services, oil-extracting equipment, sand removal devices for crude oil, burners in mobile tanks, pipeline heating for heavy crude, water treatment systems, steam injection and other enhanced oil recovery (EOR) technologies.

Opportunities

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National oil company Petroleum Development Oman (PDO) will invest \$2 billion in EOR projects during the next five years and hopes to boost production by nearly a quarter of a million barrels per day (bpd) by the end of the decade. Currently, two large oil fields, Harweel and Mukhaizna, are being developed under EOR projects with the aim of restoring Oman's oil production to its 1990s level of 800,000 bpd.

In addition, the local demand for gas is expected to double once all gas-based projects come on-line in 2010. Hence, the demand for pipelines and associated pressure-limiting and valve stations of the Gas Transportation System (GTS) is expected to continue for several more years. PDO is constructing a third gas-processing plant with a capacity of 20 million cubic meters per day at Saih Nihayda, expected to go online in 2005. PDO currently supplies Oman LNG, as well as several power stations, with natural gas.

Several multi-billion dollar projects are in the works in Oman, and the petroleum sector continues to provide some of the best prospects for U.S. goods and services. A significant portion of the country's oil infrastructure is aging. Pipelines, wellheads, pumps, and related equipment need regular replacing. Additionally, Oman has a number of older fields and fields with complex geology. As a result, Oman needs advanced technology for secondary and tertiary recovery, as well 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.

Resources

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Ministry of Oil and Gas

<http://www.mog.gov.om/>

Ministry of Commerce and Industry

<http://www.mocioman.gov.om/>

Petroleum Development of Oman

<http://www.pdo.co.om/>

Oman LNG

<http://www.omanlng.com>

Occidental of Oman

<http://www.oxy.com>

Transportation

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A sizeable market exists in Oman for airport and port equipment. Currently the Omani government is developing plans to expand airport terminals at Seeb International Airport in Muscat and Salalah Airport. The construction of an industrial port in Sohar is proceeding and the Port of Salalah is in the process of expanding and establishing a free trade zone. Road construction is another major focus of regional development, with multi-million dollar projects underway in various parts of Oman.

Best Prospects/Services

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Buses, aircraft, X-ray security screening equipment, ships, air traffic control equipment, port equipment (cranes, rubber tire gantries), port control and logistics software.

Opportunities

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The Omani government reassumed management of the Sultanate's airports in November 2004 from a private consortium that had operated the airports since 2002. An ambitious new development plan for the airports in Muscat and Salalah should be completed by 2008, at which time the management of the airports may be re-privatized. Plans are already underway to build a new terminal that has the capacity of handling eight to twelve million passengers per year at Seeb International Airport. In May 2002, the government announced its intention to develop a new small commercial airport in the Ras al-Hadd area in eastern Oman. In addition, the government together with the Port of Rotterdam are establishing an industrial port in the city of Sohar, which is quickly becoming an industrial hub in northern Oman.

Transport equipment (vehicles, aircraft, and vessels) are another leading import. Oman's national airline, Oman Air, placed an order for a new Boeing 737 aircraft in 2004 after securing a finance deal worth \$34 million through Ex-Im Bank.

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Ministry of Transport and Communications

<http://www.comm.gov.om>

Port of Salalah

<http://www.salalahport.com>

Sohar Industrial Port Company

<http://www.portofsohar.com>

Directorate General of Civil Aviation and Meteorology (DGCAM)

<http://www.dgcam.gov.om/>

Port Services Corporation

<http://www.pscoman.com/>

Water and Environmental Technology

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Development and rapid population growth have impacted Oman's water resources significantly, and there is substantial demand for water conservation technology. The salinity of groundwater is a growing problem in coastal agricultural areas, with water tables falling throughout the country.

Best Prospects/Services

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Water recycling and wastewater equipment, tsunami early warning systems, desalination equipment, weather monitors, advanced irrigation equipment, water quality monitoring systems.

Opportunities

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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 sewage and wastewater treatment may also find opportunities, particularly with the announcement in early 2004 of a \$1 billion, 10-year project to develop a wastewater treatment system for the Muscat area. In addition, the recent tsunami tragedy in South Asia prompted Sultan Qaboos to emphasize the installation of an early warning system along Oman's coasts.

Resources

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Ministry of Transport and Communications
<http://www.comm.gov.om/>

Ministry of Housing, Electricity and Water
<http://www.mhew.gov.om/>

Ministry of Regional Municipalities, Environment, and Water Resources
<http://www.mrmewr.gov.om/intro.asp>

Medical Equipment

Overview

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The Omani population is growing at around two percent annually, and the existing health system is overburdened and in need of expansion. The Government's determination to provide its citizens with basic health care means that the demand for health care products and health-related expenditures will continue to grow. In 2002, the government shifted expatriate care to private hospitals and clinics, and the Omani upper class market is also attracted to the modern private services. The Ministry of Health has expressed interest in U.S. health care management information technologies as part of its efforts to standardize operations and establish interconnectivity among Oman's 150 hospitals and regional clinics.

Best Prospects/Services

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Pharmaceuticals, medical equipment and supplies, X- ray and MRI apparatus, ultrasound devices, surgical equipment, management information systems, distance medicine.

Opportunities

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The Omani market offers solid prospects for U.S. health care products. Having completed major regional hospital construction in the last five-year plan, Oman is currently focusing on upgrading facilities, including diagnostic abilities and operating rooms. Health authorities are seeking to ration services provided at principal hospitals while extending the rural clinic network. The current five-year plan contains 39 large health projects and 151 new rural clinics. Nearly 3% of the Omani government's budgeted expenditure is in the health sector. Oman's 2005 budget allotted \$14 million to the Ministry of Health for capital expenditures – the establishment of small, specialized hospitals and clinics in rural areas. The entire FY05 budget includes \$432 million for government expenditure in this sector.

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Ministry of Health

<http://www.moh.gov.om/>

Al Shatti Hospital

<http://www.alshattihospital.com.om/>

Oman Medical College

<http://www.omc.edu.om/myweb/en.htm>

Muscat Private Hospital

<http://www.muscatprivatehospital.com/text/map.htm>

Electrical and Mechanical Equipment

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Electrical machinery and mechanical equipment continues to be a leading sector for U.S. exports to Oman. Given the large number of industrial and infrastructure projects underway, the demand for such equipment and modern instrumentation is projected to increase in coming years.

Best Products/Services

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Appliances, elevators, cranes and bulldozers, building and construction equipment, shipment handling and transportation, electrical switchgear, dredging equipment.

Opportunities

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With a number of new electrical and mechanical projects underway, e.g., the Sohar independent power project, a new oil refinery, several fertilizer and methanol plants, a polypropylene plant, an aluminum smelter, an iron and steel factory, and a petrochemical complex, this sector is expected to continue its robust growth in the composition of Omani imports.

Resources

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Ministry of Housing, Electricity and Water
<http://www.mhew.gov.om/>

Omani Tender Board
<http://www.tenderboard.gov.om/Eng/default.asp>

Oman Oil Company
<http://www.oman-oil.com/default.asp>

Power

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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—the 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. Among the other BOO power projects recently awarded is the \$260 million 200 MW power project in Salalah won by a consortium led by the New Jersey-based energy company PSEG. The tender for a 400 MW power and 3800 cubic meter desalination plant at Barka was awarded in November 2000 to Virginia-based AES Corporation, and officially opened for business in June 2003. The contract for a 200 MW power plant in the Sharqiya region was awarded in September 2000 to consortium led by U.K.-based National Power Company. Oman and the UAE are planning on unifying their power and desalination assets beginning at the border area. This project will require substantial investments from both countries.

Best Products/Services

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

Opportunities

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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. A consortium led by Tractebel recently won a 500MW power and desalination project for the new industrial area in Sohar. An additional tender for an Independent Water and Power Project is expected by the end of 2005. Furthermore, the Omani government is planning on selling its existing power generation units to the private sector. Many of Oman's existing assets in the power and desalination sector are aging and new investors will be required to undertake upgrades. Rural electrification is another area for growth, particularly in the sparsely populated interior regions of Oman.

Resources

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Ministry of Housing, Electricity and Water
<http://www.mhew.gov.om/>

Dhofar Power Company (PSE&G Global)
<http://www.pseg.com/companies/global/plants/salalah.jsp>

AES Barka (AES Corporation)
<http://www.aes.com/aes/index?page=home>

Franchises

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A number of U.S. franchises are well established in Oman, particularly in the fast-food restaurant sector (McDonalds, KFC, Pizza Hut, Hardees, Subway, Chili's and Starbucks). U.S. car rental franchises (Hertz, Budget, Avis, Thrifty and Pay-Less) are also popular. Omani businesspersons continue to express interest in U.S. franchise opportunities.

Best Products/Services

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Toys and games, food and restaurants, car products and services.

Opportunities

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A young and growing population with significant amounts of disposable income has created a powerful consumer market in Muscat and other urban areas of Oman.

Resources

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Ministry of Commerce and Industry

<http://www.moci.gov.om/>

Muscat Municipality

<http://www.mctmnet.gov.om/>

Oman Chamber of Commerce and Industry

<http://www.chamberoman.com/>

Telecommunications

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Overall telecommunications infrastructure and service in Oman remains less developed than in its Gulf neighbors. Fixed line, mobile, and Internet penetration rates are low, yet the young and growing population is generating increased demand for modern telecommunications and broadcasting systems. In 2004, the Sultanate announced that Nawras Telecom (a consortium of Qatar's Q-Tel, Denmark's TDC, and local investors) had won the second GSM license to provide cellular service in Oman. Nawras is introducing its service and building out its network in 2005. This marked the first crack in the state telecoms monopoly.

The government has announced plans to float 30 percent of its shares in state telecoms giant Omantel (formerly known as the General Telecommunications Organization, or GTO) and selected Merrill Lynch as financial advisor on the planned privatization. In mid-2003, the government established the Telecommunications Regulatory Authority to oversee all aspects of privatization and regulation. According to its WTO commitments, Oman must liberalize its telecom sector by the end of 2005.

Best Products/Services

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Fixed telephone and cellular (GSM) equipment, network solutions and software, fiber optic cabling, and wireless networking.

Opportunities

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Oman plans to make telephone service available in all but the smallest villages, although the capital expenditure is prohibitively expensive in a large, topographically challenging country like Oman. American companies have had limited success in these areas. Omantel has contracted with Ericsson, Siemens and Motorola to expand GSM service in Muscat, Salalah, and the Batinah coast, respectively. GSM service continues to expand in outlying areas.

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Ministry of Transport and Communications
<http://www.comm.gov.om/>

Omantel
<http://www.omantel.net.om/>

Nawras Telecom
<http://www.nawras.com.om/>

Telecommunications Regulatory Authority
<http://www.tra.gov.om/>

Agricultural Sectors

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This section was developed by the U.S. Agricultural Trade Office in Dubai, UAE (ATO Dubai).

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Corn Oil

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	2004	2005	2006 (estimated)
Total Market Size	24	26	28
Total Local Production	0	0	0
Total Exports	2	4	4
Total Imports	24	26	28
Imports from the U.S.	4	6	8

(All figures in thousand metric tons; Source: ATO Dubai estimates)

Corn oil is the preferred cooking oil in Oman and other Gulf countries. The Areej Vegetable Oils & Derivatives, a local firm, imports U.S. corn and sunflower seed oils in bulk and repackages them for retail. Consumption of corn (and sunflower seed) oils, and consequently imports from the U.S., is increasing steadily as locally packed oil is competitively priced with other oils. Singapore, Saudi Arabia and the UAE, frequently using repackaged U.S. edible oil, are other principal suppliers of corn oil to the Omani market.

Poultry Meat

Overview

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	2004	2005	2006 (estimated)
Total Market Size	93	95	96
Total Local Production	30	31	32
Total Exports	3	3	4
Total Imports	66	67	68
Imports from the U.S.	2	3	4

(All figures in thousand metric tons; Source: ATO Dubai estimates)

U.S. poultry meat, particularly chicken parts and to a lesser degree whole chicken and turkey, are well known for their high quality. This past year witnessed a large influx of branded chicken parts at very competitive prices. Brazil, Saudi Arabia, France and Denmark dominate the market for frozen whole chickens. Brazil and the U.S. dominate the market for chicken parts. Whole chickens represent 90 percent of total chicken meat

imports. The preferred size for whole chicken ranges from 900-1,200 grams per bird. Chicken parts are imported in two-pound trays.

Beef

Overview

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	2004	2005	2006 (estimated)
Total Market Size	16	17	20
Total Local Production	2	3	4
Total Exports	1	2	2
Total Imports	15	16	18
Imports from the U.S.	0	1	1

(All figures in thousand metric tons; Source: ATO Dubai estimates)

U.S. beef, particularly frozen beef and to a lesser degree chilled beef, is well known for its high quality and is sought after by higher-end hotels and restaurants. Rapid expansion of the American fast food/quick service restaurants in Oman prompted a marked increase in the import of U.S. beef. India and Australia are the principal suppliers of frozen beef in the market. Imports from Europe, specifically from Ireland, France and the Netherlands, were curtailed due to the BSE problem. Imports from the U.S. were banned throughout 2004 after BSE was detected in one American dairy cow.

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Chapter 5: Trade Regulations and Standards

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- [Trade Barriers](#)
- [Import Requirements and Documentation](#)
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- [Labeling and Marking Requirements](#)
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Import Tariffs

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On January 1, 2003, Oman implemented the GCC Unified Customs Law (UCL). The UCL imposes a five percent ad valorem duty on practically all products imported from non-GCC countries, including automobiles. Live animals, fresh fruits and vegetables, seafood, grains, flours, tea, sugar, spices and seeds for planting are exempt from customs duty. Tobacco, pork, and alcohol products are assessed 100 percent customs duty.

Trade Barriers

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Some classes of goods require a special license (e.g., alcohol, firearms, and pharmaceuticals), while others are exempted from customs duty. Examples of the latter include currency, agricultural implements and material, books, and basic food commodities, such as rice and meat.

All 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 content is deemed morally suspect or politically sensitive.

In addition to agency requirements, the licensing of business activities can be time-consuming and complicated and can significantly add to the time it takes to get goods to or out of market.

Although local tax treatment was extended to local agents, higher tax rates are still imposed on local branches of foreign companies. This can sometimes hamper the competitiveness of U.S. exports in the Omani market.

Another potential barrier to trade include the 10 percent price preference given for government purchases of locally produced goods, provided they meet quality standards. This is extended to foreign industrial producers in joint ventures with local concerns.

Import Requirements and Documentation

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With the exception of food products, an authentication procedure is not required if the importing company has an existing agency agreement with a U.S. exporter. In 1996, Oman began the process of simplifying customs clearance documentation to expedite the flow of goods and promote its ports and airports. For example, Arab League boycott-certification is no longer required. However, only Omani nationals are permitted to submit documents to clear shipments through customs, drive vehicles shipping commodities and products from wholesale centers, or own and operate food retail establishments. All imported meats (i.e., beef and poultry products) require a health certificate issued by the country of export and a “Halal” slaughter certificate issued by an approved Islamic center in that country.

U.S. Export Controls

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The U.S. Government has established export controls to limit proliferation of items, services or technologies of defense or dual usage nature. There are several regulatory bodies responsible for the regulation and compliance issues in various fields. The following list includes most of these bodies, a number of which maintain websites with further information.

- [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 Arms Controls and Nonproliferation, Export Control Division
- Department of Energy, Office of Fuels Programs
- [Defense Threat Reduction Agency - Technology Security](#)
- Department of the Interior, Division of Management Authority
- [Drug Enforcement Administration, International Drug Unit](#)
- [Drug Enforcement Administration, International Chemical Control Unit](#)
- [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](#)

Temporary Entry

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Oman has no general provisions for the temporary entry of goods. 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. The government has established a free-trade zone along an interior border crossing point with Yemen (al-Mazyounah), but the project is small scale with little prospect for attracting overseas investors.

Labeling and Marking Requirements

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Labeling: Common GCC labeling standards of imported goods is a key issue facing U.S. exporters. Food labels must include product and brand names, production and expiry 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 used as ingredients must be specifically identified on the label. Labels must be in Arabic only or Arabic/English. Arabic stickers are accepted.

Shelf-life Standards: Omani Ministerial Decree # 74/2000 states that imported food products will follow the Codex Alimentarius recommendations for food labeling, particularly for shelf-life statements. Omani government authorities still prefer to see imported foods labeled with dates of production and expiry, reportedly because consumers request such information. 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.

Prohibited and Restricted Imports

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Certain classes of goods require a special license (e.g., alcohol, firearms, pharmaceuticals, and explosives). All media imports are censored. 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. Imports of pork products and alcoholic beverages are restricted.

Customs Contact Information

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For more information, contact the Omani Directorate General of Customs, Royal Oman Police at:

Telephone: + (968) 24 521-109/24 521-108

Fax: + (968) 24 510-488

Or visit the Royal Oman Police website: www.rop.gov.om

Standards

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- [Product Certification](#)
- [Accreditation](#)
- [Publication of Technical Regulations](#)
- [Labeling and Marking](#)

Overview

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As part of the GCC Customs Union, member countries are working toward unifying their standards and conformity assessment systems, and have progressed considerably toward the goal of a unified food standard, originally targeted for adoption by 2006. However, each country currently applies either its own standard or a GCC standard, causing confusion for businesses.

In its accession to the WTO, Oman committed to eliminate mandatory shelf-life standards for shelf-stable foods from the date of accession and revise its shelf-life requirements program to meet the substantive requirements of relevant WTO Agreements. Oman also agreed to establish regulations and procedures in line with international norms for highly perishable refrigerated food products and gradually replace remaining shelf-life requirements with a science-based regulatory framework.

Standards Organizations

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

Directorate General for Specifications & Measurements, MOCI
P.O.Box. 550 Muscat
Sultanate of Oman
Phone: (+ 968) 24 813-418
Fax : (+ 968) 24 815-992
E-mail : dgsm123@omantel.net.om

Conformity Assessment

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A manufacturer declaration is required to assure conformity to Omani/GCC standards. In cases of nonconformity to current standards or 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 & Industry with authenticated results of laboratory testing.

Product Certification

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A product certificate is required to assure the product's conformity to international or Omani/GCC standards.

Accreditation

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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

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

Labeling and Marking

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See section on Labeling and Marking Requirements above.

Trade Agreements

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Oman and the United States signed a bilateral Trade and Investment Framework Agreement (TIFA) on July 7, 2004. This agreement established a U.S.-Oman Trade and Investment Council, which met for the first time in Washington in September 2004. Investment issues are under active discussion in follow-up meetings, especially in preparation for negotiating a Free Trade Agreement (FTA) with Oman. These FTA negotiations, which will commence in Spring 2005, will supplant previous discussions regarding a Bilateral Investment Treaty, as an FTA will include an investment chapter.

Web Resources

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- <http://www.rop.gov.om>
- <http://www.moneoman.gov.om>
- <http://www.mocioman.gov.om>

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Chapter 6: Investment Climate

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- [Conversion and Transfer Policies](#)
- [Expropriation and Compensation](#)
- [Dispute Settlement](#)
- [Performance Requirements and Incentives](#)
- [Right to Private Ownership and Establishment](#)
- [Protection of Property Rights](#)
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- [Political Violence](#)
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Openness to Foreign Investment

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Oman actively seeks private foreign investors, especially in the industrial, information technology, tourism, and higher education fields. Investors transferring technology and providing employment and training for Omanis are particularly welcome. Omani law relating to foreign investment is contained in the Foreign Business Investment Law of 1974, as amended. A Commerce Ministry spin-off, the Omani Center for Investment Promotion and Export Development (OCIPED) opened in 1997 to attract foreign investors and smooth the path for business formation and private sector project development. OCIPED also provides prospective foreign investors with information on government regulations, which are not always transparent – and sometimes contradictory. Nevertheless, despite OCIPED’s efforts to become a “one-stop shop” for government clearances, the approval process for establishing a business can be tedious, particularly with respect to land acquisition and labor requirements.

With Oman’s accession to the World Trade Organization in October 2000, automatic approval of majority foreign ownership (up to 70 percent) is available. Registration of these joint ventures is treated in the same manner as that common to all registrants. The foreign firm must supply documentary evidence of its registration in its home country, its headquarters’ location, its capital holdings, and its principal activities. If a subsidiary, it must demonstrate its authority to enter the joint venture. Except in the petroleum sector, where concession agreements with the Ministry of Oil and Gas determine the terms of investment, new entities with greater than 70 percent foreign ownership are subject to the approval of the Minister of Commerce and Industry. As part of its WTO accession package, Oman is also expected to allow 100 percent foreign

ownership in certain services sector, such as banking, law, accountancy, and information technology.

In early 1999, the government amended its corporate tax policy and lifted the requirement that foreign-owned joint ventures include a publicly traded joint stock company listed on the Muscat Securities Market (MSM) in order to enjoy national tax treatment. In 2003, Oman extended national tax treatment to all registered companies regardless of percentage of foreign ownership, i.e. a maximum rate of 12% tax on net profit. Omani branches of foreign companies are treated as foreign companies and therefore taxed at a maximum of 30%. Since Omani labor and tax laws are complex, investors should consider engaging local counsel.

New majority foreign-owned entrants are barred from most professional service areas, including engineering, architecture, law, or accountancy. In 1996, existing foreign-owned professional service firms were given timeframes within which to obtain Omani partners (e.g., five years for accounting firms). An exception exists for professional service firms with subspecialties of critical importance to Oman. Wholly U.S.-owned service firms present in Oman include Ernst & Young, KPMG, and the law firm Curtiss, Mallett, Colt, Mosle, and Prevost. Under Omani commercial law, wholly foreign-owned branches of foreign banks are allowed to enter the market.

The permitted level of foreign ownership in privatization projects increased to 100 percent in July 2004, based on a Royal Decree providing an updated privatization framework. By privatization, Oman refers not only to the conversion of a state-owned or mixed enterprise into a private sector firm, but also to the establishment of any new firm providing a commercial service that had previously been provided by the state (e.g., electricity). One approach to partial conversion will be applied to the state-run telephone company, Omantel: the government is planning to float 30 percent of its stake in the company, while retaining the remaining 70 percent.

Industrial establishments with total capital of \$52,000 or more must be licensed by the Ministry of Commerce and Industry. In addition, a foreign firm interested in establishing a company in Oman must obtain approval from other ministries, such as the Ministry of Regional Municipalities, Environment, and Water Resources. Foreign workers must obtain work permits and residency permits from the Ministry of Manpower and the Royal Oman Police's Immigration Office.

Oman's investment incentives focus on industrial development and include the following:

- Five year tax holiday, renewable once;
- Low-interest loans from the Oman Development Bank (now available on a very limited basis, and only for small firms);
- Low-interest loans from the Ministry of Commerce and Industry;
- Subsidized plant facilities and utilities at industrial estates;
- Feasibility studies supplied by the Ministry of Commerce and Industry; and
- Exemption from customs duties on equipment and raw materials during the first ten (10) years of a project.

Oman has no restrictions or reporting requirements on private capital movements into or out of the country, and there have been no reports of difficulty in obtaining foreign exchange. The Omani Rial is pegged to the dollar at a rate of 0.3849 Omani Rials to the U.S. dollar. The Rial was devalued slightly in 1986 due to a collapse in oil prices, although the government did not find the devaluation productive. Late in 2001, Oman began implementing a new law for the prevention of money laundering, with updated regulations on financial crimes being issued in July 2004.

Expropriation and Compensation

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Oman's belief in a free market economy and desire for increased foreign investment and technology transfer make expropriation or nationalization extremely unlikely. In any event, were a property to be nationalized, Article 11 of the Basic Law of the State stipulates that the Government of Oman will provide prompt and fair compensation.

Dispute Settlement

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Oman is a party to the International Center for the Settlement of Investment Disputes (ICSID). However, the ultimate adjudicator of business disputes within Oman is the Commercial Court, which was reorganized in mid-1997 from the former Authority for Settlement of Commercial Disputes (ASCD). The Commercial Court has jurisdiction over most tax and labor cases, and can issue orders of enforcement of decisions (the ASCD was limited to issuing orders of recognition of decisions). The Commercial Court can also accept cases against governmental bodies, which the ASCD was unable to do. In such cases, however, the Commercial Court can issue – but not enforce – rulings against the government. Many practical details remain to be clarified.

Decisions of the Commercial Court are final if the value of the case does not exceed U.S. \$26,000. A Court of Appeals exists for cases where the sum disputed is greater than U.S. \$26,000, and a Supreme Court was established in mid-2001. Decisions of the Supreme Court are final. However, a case may be re-opened after a judgment has been issued if new documents are discovered or irregularities (e.g., forgery, perjury) are found. There is no provision for the publication of decisions.

Oman also maintains other judicial bodies to adjudicate various disputes. The Labor Welfare Board under the Ministry of Manpower hears disputes regarding severance pay, wages, benefits, etc. The Real Estate Committee hears tenant-landlord disputes, the Police Committee deals with traffic matters, and the Magistrate Court handles misdemeanors and criminal matters. Lastly, the Shari'a Court deals with family law, such as wills, divorces, personal and some criminal matters. All litigation and hearings must be conducted in Arabic.

The Oman Chamber of Commerce and Industry has an arbitration committee to which parties to a dispute may refer their case when the amounts in question are small. Local authorities, including "walis" (district governors appointed by the central government),

also handle minor disputes. While Oman is a member of the GCC Arbitration Center, located in Bahrain, that center has yet to establish a track record.

Performance Requirements and Incentives

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Since Oman's accession to the WTO in November 2000, it has been subject to TRIMs obligations.

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. Firms involved in agriculture and fishing may also be included. Companies must have at least 35 percent Omani ownership to qualify for these incentives. This law is expected to change soon to reflect recent developments in foreign investment regulations.

In addition, companies selling locally produced goods are given priority for government purchases, provided that the local products meet standard quality specifications and their prices do not exceed those of similar imported goods by more than 10 percent. This incentive is available to Omani-owned commercial enterprises, as well as foreign industrial producers in joint ventures with local concerns. 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.

Right to Private Ownership and Establishment

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Under Oman's Foreign Capital Investment Law, non-Omanis are not allowed to conduct commercial, industrial, or tourism businesses or participate in any Omani company without a license issued by the Ministry of Commerce and Industry.

According to Oman's Commercial Companies Law, all actions by private entities to establish, acquire, and dispose of interests in business enterprises must be announced in the commercial register, and may be subject to the approval of the Ministry of Commerce and Industry. Subject to the licensing and taxation previously noted, foreign and domestic entities can engage in all legal forms of remunerative activity.

Protection of Property Rights

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Real property rights are recognized and enforced in Oman, and records are well kept. There is no contemporary history of arbitrary seizures of land. Subject to government approval, GCC nationals may own property anywhere in Oman. The government actively seeks to promote tourism, and a key component of the drive to attract investment is the ability to sell villas and estates in mixed tourist/residential developments slated for construction. A new law by the Ministry of Housing, Electricity and Water allowing foreign nationals to own real estate within government-recognized tourism complexes in Oman was issued in November 2004. This law permits freehold ownership of residential property, including full rights of inheritance according to the laws of the owner's country of origin, as well as residency status for landowners and their immediate family members. The government is finalizing the implementing regulations and preparing to designate the zones within which the law will apply. The law does not apply to commercial real estate, which cannot be owned by non-GCC nationals.

Oman has a trademark law. 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. In May 2000, Oman revised the trademark law to be in compliance with TRIPS.

Oman enacted a copyright protection law in 1996, but did not announce enforcement mechanisms until a ministerial decree in April 1998, which extended 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. Since January 1999, the government has enforced copyright protection for audio and videocassettes, and destroyed stocks of pirated cassettes seized from vendors. The government did not extend protection to foreign-copyrighted software until late 1998, when it declared that retailers must halt the importation and sale of non-licensed software by July 1, 1999. Thereafter, the government stepped up efforts to curtail software piracy in Oman, including raids on businesses to ensure that Omani firms use no pirated software. The Business Software Alliance continues to work with Omani officials on improving enforcement of anti-piracy provisions.

Enforcement of the copyright protection decree by the Ministry of Heritage and Culture, the Ministry of Commerce and Industry, and the Royal Oman Police has been effective, as once plentiful pirated video and audiotapes and computer software have largely disappeared from local vendors' shelves. Nonetheless, under-the-counter sales of unauthorized software and DVDs persist in various locations, and authorities continue to grapple with effective enforcement measures against such sales. In late October 2003, 16 Omani companies signed the Business Software Alliance (BSA) Code of Ethics. The Code of Ethics declares that the signatories would neither commit nor tolerate the manufacture or use or distribution of unlicensed software and would only supply licensed software to customers. In late December 2004, a government raid of four unauthorized software resellers in coordination with BSA resulted in confiscation of pirated software. According to local satellite TV representatives, the Ministry of Commerce is staging sporadic raids on unlicensed distributors of pirated satellite signals in response to industry complaints.

In mid-2000, the government introduced new, WTO-consistent intellectual property laws on copyrights, trademarks, industrial secrets, and integrated circuits. Further, in October 2000 Oman issued new, WTO-consistent intellectual property rights legislation to protect patents and other intellectual property rights.

Oman has joined the World Intellectual Property Organization (WIPO), and asked WIPO to register Oman as a signatory to the Paris and Berne conventions on intellectual property protection. Although not yet a party to the WIPO Internet Treaties (i.e., the WIPO Copyright Treaty and the WIPO Performances and Phonograms Treaty), the government claims it will soon accede.

Transparency of Regulatory System

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In 2003, the Telecommunications Regulatory Authority (TRA) began functioning as a legal and regulatory body in Oman. The TRA oversees the process of liberalization and privatization of the telecommunications sector, and is composed of four senior officials (one from the Ministry of National Economy, one from Omantel, one from the Royal Oman Police, and the Minister of Transport and Communications, who serves as the chairman). In addition, the new privatization framework law passed in July 2004 provides for a new regulator for public utilities that are being privatized in the power and water sectors.

The government recognizes that its regulatory environment can hamper investment and commercial activity. In addition to the ownership and agency requirements already mentioned, the licensing of business activities can be time-consuming and complicated. The absence of a particular clearance will stall the entire process. For example, processing shipments in and out of the Mina Qaboos Port can add significantly to the amount of time it takes to get goods to market or inputs to a project.

Oman's tax laws can also impede foreign investment. Although Oman amended its tax laws to allow national tax treatment for joint ventures regardless of percentage of foreign participation, branches of foreign companies are taxed at 30 percent of income. Oman's labor laws, which require minimum quotas of Omani employees depending on the type of work, form another potential impediment to foreign investment. The government's Omanization effort has been the subject of criticism in the Omani private sector, which often complains that it can harm productivity and restrict hiring and firing policies.

Government red tape and long delays in official decision-making are other frequent complaints among the local private sector. Because decisions often require the approval of multiple ministries, the government decision-making process can be tedious and non-transparent.

The government has issued a series of regulations aimed at increasing transparency and disclosure in the financial market. The Capital Market Authority (CMA) has ordered all public companies to comply with a set of standards for disclosure. Under the requirements, holding companies must publish the accounts of their subsidiaries with the parent companies' accounts. Companies must also fully disclose their investment portfolios, including details of the purchase cost and current market prices for investment holdings. The new initiatives also require publication of these financial statements in the

local press. At the same time, the Central Bank has also introduced new rules to limit the level of "related party transactions" (financial transactions involving families or subsidiary companies belonging to major shareholders or board members) in Oman's commercial banks. The new rules will help increase transparency in financial transactions in local banks and the MSM, and will help clarify the activities of publicly traded companies.

Efficient Capital Markets and Portfolio Investment

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There are no restrictions in Oman on the flow of capital and the repatriation of profits. Access to Oman's limited commercial credit resources is open to Omani firms with some foreign participation. Joint stock companies with capital in excess of \$5.2 million must be listed on the MSM. According to the recently amended Commercial Companies Law, companies must have been in existence for at least two years before being floated for public trading.

The Sultanate has two loan programs to promote investment. The Ministry of Commerce & Industry (MOCI) administers a program designed to promote industrial investment. Formerly interest free, the program now charges 4 percent 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. The Oman Development Bank also administers a loan program to support development of smaller loans to industry, agriculture, fisheries, petroleum, mining, and services.

Foreigners may invest in the MSM, as long as this is done through a local broker. Since the 1998 market downturn, MSM statistics show that the percentage of foreign investment in the MSM has remained stable at around 18 percent.

The legacy of the economic slowdown continues to impact the banking sector, although most banks showed a significant increase in profitability during 2004. Corporate profitability declined significantly in 1999, but has experienced a robust recovery in subsequent years. The banking law issued in November 2000 allowed more efficient control over the financial sector by the authorities. Furthermore, early in 2003 the Central Bank of Oman promulgated new rules and regulations to ensure proper and efficient management of the banks. The effect of this circular was enhanced by the implementation of a Code of Corporate Governance, as well as amendments to the Capital Market Law and the Commercial Companies Law which stipulated that the boards of directors of all jointly listed companies should appoint an internal audit committee, an internal auditor, and a legal advisor.

Banking consolidation continued in 2004 with the announced merger of Bank Muscat and the National Bank of Oman, a move that would create a \$6.5 billion institution. Subject to final audits and approval by the shareholders of the respective companies, this merger is expected to become final in 2005.

Political Violence

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Politically motivated violence is virtually unknown in Oman. Since October 2000, there have been some demonstrations, but these were generally orderly.

Corruption

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Article 53 of the Basic Law of the State, issued in November 1996, compelled ministers to resign their offices in public shareholding enterprises. As of 1999, Under Secretaries (deputy ministers) were also required to resign from the boards of any public companies. Most major contracts are awarded through a slow, rigorous, but generally clean tender process. Contracts awarded through a ministry's internal tender process are subject to fewer controls. Although Oman is not a signatory to the OECD convention on combating bribery, Sultan Qaboos has dismissed several ministers and senior government officials for corruption during his reign. Oman has not yet signed the UN Convention Against Corruption.

Bilateral Investment Agreements

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Oman and the United States signed a bilateral Trade and Investment Framework Agreement (TIFA) on July 7, 2004. This agreement established a U.S.-Oman Trade and Investment Council, which met for the first time in Washington in September 2004. Investment issues are under active discussion in follow-up meetings, especially in preparation for negotiating a Free Trade Agreement (FTA) with Oman beginning in Spring 2005. These negotiations will supplant previous discussions regarding a Bilateral Investment Treaty, as an FTA will include an investment chapter.

OPIC and Other Investment Insurance Programs

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Oman is eligible for Export-Import Bank of the United States (EXIM) financing and insurance coverage. In late 2003, the Overseas Private Investment Corporation (OPIC) proposed an update to its existing 1976 bilateral agreement with Oman to reflect current investment realities. As of February 2005, the Omani government is still reviewing the updated agreement.

Labor

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A new Labor Law was promulgated by Royal Decree in 2003, providing additional protections for workers and raising the minimum working age from 13 to 15. Implementing regulations adopted in early 2004 clarified the role and scope of workers'

representation committees as outlined in this law. In addition, the government is expanding its Omanization drive to areas outside the capital of Muscat, particularly in the retail, transport, and light manufacturing sectors.

Oman relies heavily on expatriate labor, primarily from India, Bangladesh, Pakistan and Sri Lanka, to perform menial and physically taxing work as well as to fill managerial positions. Omani labor law stipulates basic practices to safeguard workers; employers set wages for Omanis within guidelines delineated by the Ministry of Manpower. The minimum wage for Omanis working in the private sector, including salary and benefits, is 120 R.O. (about \$312) per month. Work rules must be approved by the Ministry and posted conspicuously in the work place. The workweek is five days in the public sector and generally five and one-half days in the private sector. The labor law and subsequent regulations also detail requirements for occupational safety and access to medical treatment.

“Omanization” – the replacement of expatriate labor by Omanis – is a high priority for the government. Foreign nationals may not be employed as technical assistants, guards, light vehicle drivers, Arabic typists, agricultural workers, forklift or mixer operators, or public relations officers, unless the employer can show that there are no Omanis available for the position. Only Omanis are permitted to work as taxi drivers, customs expeditors, and fishermen. In 1999 and 2000, the government “Omanized” (i.e., banned expatriates from working in) a number of low-wage jobs, including vegetable and grocery shopkeepers, water tank truck drivers, gas cylinder truck drivers, plow operators, and real estate agents. Through concerted training efforts, the government has also sought to increase the number of Omanis employed as gasoline station attendants, waiters, barbers, and hairdressers, while allowing expatriates to remain employed in such positions. The government recently announced its intention to Omanize 24 more occupation classifications over the next four years. The first phase of the plan will include 16 occupation classifications, mainly different varieties of shopkeepers and repairmen.

In 1994, Oman became a member of the International Labor Organization (ILO).

Foreign-Trade Zones/Free Ports

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Oman has no general provisions for the temporary entry of goods. In the case of auto re-exports, a company can import vehicles into the country for the purpose of re-export and have duties refunded if it re-exports the vehicle within six months. In 1999, the government opened a new free trade zone at an interior border crossing point with Yemen (al-Mazyounah). Oman is currently planning to develop a free trade zone in Salalah, adjacent to the international container transshipment port that opened in November 1998. The government has also expressed its intention to establish a free zone at Sohar port, in conjunction with plans to expand the existing port and industrial zone.

Foreign Direct Investment Statistics

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Systematic information on foreign direct investment is limited. As per Capital Market Authority statistics, total investment in listed Omani companies with foreign participation was \$2.4 billion in September 2004, of which 8.94% was foreign investment. Foreign capital constituted 7.49% of capital invested in finance, 3.03% in manufacturing, and 8.94% in insurance and services.

The largest foreign investor is Royal Dutch Shell Oil, which holds 34 percent of Petroleum Development Oman, the state oil company, and 30 percent of Oman Liquid Natural Gas. Other companies, such as Occidental Petroleum, BP Amoco, Novus Petroleum, Hunt, and Nimr have also invested in the petroleum sector. Two U.S. firms, Gorman Rupp (water pumps) and FMC (wellhead equipment), have entered into industrial joint ventures with Omani firms. Both joint ventures involve modest manufacturing operations. Since 1999, Oman has witnessed increased foreign direct investment through the privatization process. Major foreign investors that have entered the Omani market recently include PSEG Global (U.S.), AES (U.S.), and National Power (U.K.). Dow Chemical of the U.S. announced a joint venture with Oman Oil Company and the Government of Oman in July 2004 to develop a large petrochemical plant in Sohar.

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Ministry of Commerce and Industry
<http://www.mocioman.gov.om/>

Ministry of National Economy
<http://www.moneoman.gov.om/>

Omani Center for Investment Promotion and Export Development (OCIPED)
<http://www.ociped.com/>

Ministry of Information
<http://www.omanet.om/english/home.asp>

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- [How Does the Banking System Operate](#)
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How Do I Get Paid (Methods of Payment)

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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 in Oman.

How Does the Banking System Operate

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Oman's banking sector consists of 14 local and foreign commercial banks and three specialized banks. Some local banks have significant foreign shareholders, with expatriates in senior positions. The banks are subject to close supervision by the Central Bank of Oman (CBO), which regulates and licenses private banks, monitors interest rates, and issues development bonds and notes. The CBO recently raised its minimum capital requirements, forcing several bank mergers. A current merger between Bank Muscat and the National Bank of Oman (NBO) is scheduled for final approval sometime in 2005. Foreign banks find onerous CBO requirements to maintain a 12 percent level of capital adequacy and restrict consumer lending to 42.5% percent of the loan portfolio.

Foreign-Exchange Controls

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

U.S. Banks and Local Correspondent Banks

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All five local banks in Oman maintain U.S correspondents: [Bank Muscat](#) (J.P Morgan Chase), [Oman International Bank](#) (Citibank), [National Bank of Oman](#) (Wachovia), [Oman Arab Bank](#) (Arab Bank PLC), [Bank Dhofar](#) (Union Bank of California, Wachovia 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

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In terms of project financing, the Sultanate has two loan programs to promote investment. The Ministry of Commerce & Industry (MOCI) administers a program designed to promote industrial investment. Formerly interest free, the program now charges 4 percent 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. The Oman Development Bank also administers a loan program to support development of smaller loans to industry, agriculture, fisheries, petroleum, mining, and services.

The International Bank for Reconstruction and Development (IBRD), a member of the World Bank group, offers long-term loans to developing nations at market interest rates. The International Development Agency (IDA), the soft loan arm of the World Bank, lends to the poorest developing countries. Both the IBRD and IDA work to promote broad-based economic growth and frequently focus on structural adjustment, sectoral reform, and individual project lending; they operate under the same set of procurement guidelines. The World Bank does not typically finance the entire cost of a project.

CONTACTS:

U.S. Department of Commerce
Liaison to the U.S. Executive Directors Office
International Bank for Reconstruction and Development
1818 H. St., NW
Washington, D.C. 20433
Tel: (202) 458-0118
Fax: (202) 477-2967

Office of Multilateral Development Banks
U.S. Foreign Commercial Service
U.S. Department of Commerce
Room H 1107
Washington, D.C. 20230
Tel: (202) 482-3399
Fax: (202) 273-0927

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Ministry of Commerce and Industry
<http://www.mocioman.gov.om>

Central Bank of Oman
<http://www.cbo-oman.org/>

Bank Muscat
<http://www.bankmuscat.com>

Oman International Bank

<http://www.oiboman.com>

National Bank of Oman
<http://www.nbo.co.om>

Oman Arab Bank
<http://www.omanab.com>

Bank Dhofar
<http://www.bankdhofar.com/>

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

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

OPIC: <http://www.opic.gov>

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

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

USDA Commodity Credit Corporation: <http://www.fsa.usda.gov/ccr/default.htm>

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

Islamic Development Bank: <http://www.isdb.org/>

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Business Customs

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While most leading businesspersons are accustomed to Western business practices, some still operate along more traditional Arab 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. Coffee, tea, or soft drinks will probably be offered (except during the Muslim holy month of Ramadan), and should be accepted. 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 and at sunset, 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.

Travel Advisory

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As of the date of publication, there are no travel advisories in effect for Oman. However, regional advisories remain in effect: see: <http://www.travel.state.gov/>.

Visa Requirements

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Business representatives who plan to visit Oman should be aware that entry into the country is strictly controlled. Visitors can obtain a visa in advance from an Omani embassy or consulate abroad, or apply for a visa upon arrival at the airport. Oman grants U.S. citizens one-month visit visas, or one-year multiple-entry visas: \$15.60 for visit visas, \$26 for multiple-entry visas. The U.S. Embassy in Muscat does not arrange

visas for visiting businesspersons. A multiple entry visa is strongly recommended; however, not all Omani diplomatic missions inform U.S. citizens of that option. The State Department's Consular Information Sheet for Oman, which includes travel advisory information, can be found at:

http://travel.state.gov/travel/cis_pa_tw/cis/cis_991.html

U.S. Companies that require travel of foreign businesspersons to the United States should be advised that security options are handled via an interagency process. Visa applicants should go to the following links.

State Department Visa Website: <http://travel.state.gov/visa/index.html>

United States Visas.gov: <http://www.unitedstatesvisas.gov/>

Consular Section, U.S. Embassy in Muscat: <http://www.usa.gov.om/>

Telecommunications

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Oman has a well-developed telecommunications infrastructure. Omantel operates a relatively modern and efficient telephone system. Virtually all businesses have fax machines. Cellular (GSM) phones are widely used; roaming arrangements already cover the GCC, the U.S., the UK, and European countries. In addition, a second mobile phone operator (Nawras Telecom) will come on-line in 2005 and compete with Oman Mobile for subscribers. As of February 2005, Omantel is the only Internet service provider in Oman, offering dialup service and recently introduced ADSL service. International telephone access cards cannot be used in Oman, nor can collect calls be made or received. International rates are very high—\$1.30 per minute to Europe and the Western Hemisphere during peak hours. CompuServe access remains available via a British Telephone/MCI connection.

Transportation

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Public transportation in Oman is not widely used, as in other countries in the region. Taxis are often not air-conditioned. Western visitors are unlikely to patronize the local, non-air conditioned bus or collective taxi system in Muscat. Outside of the capital area, public transport is rarely found off main highways.

Language

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

Health

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Sanitary standards for food and water are generally quite good, particularly at the major hotels. The Omani government inspects restaurants to maintain hygienic standards.

The use of bottled water is recommended, particularly 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. Virtually all physicians are English-speakers, with Indian nationals predominating.

Local Time, Business Hours, and Holidays

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Local holidays for 2005 include: January 22-25 (Eid al Adha), February 9 (Islamic New Year), April 9 (Birth of the Prophet), August 31 (Ascension Day), November 3-6 (Eid al Fitr), November 19-20 (Oman National Day*). These dates are approximate. Muslim religious holidays are determined by locally observed phases of the moon. *Note: The actual date and duration of the National Day holiday is announced shortly before the holiday is to take place, and is usually about a week after the actual National Day; the holiday can last for two or three working days.

Temporary Entry of Materials and Personal Belongings

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The Sultanate prohibits pornography and firearms from entering Oman. Local law limits each arriving traveler to two bottles of alcohol. Items subject to confiscation at the airport include compact discs, and video and audiocassettes. In addition, the Ministry of Information regulates the entry of magazines and newspaper editions if it takes exception to a story on Oman.

Web Resources

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U.S Embassy, Muscat

<http://www.usa.gov.om/>

Travel Advisory Website

<http://www.travel.state.gov/>

Superintendent of Documents, U.S. Government Printing Office, Washington, D.C.

<http://www.access.gpo.gov>

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Chapter 9: Contacts, Market Research, and Trade Events

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Contacts

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Muscat American Business Council (MABC)
President: Christopher Harris
Point of Contact: Daniel Shilton
TEL: (968) 24 783-700 FAX: (968) 24 789-922
E-mail: charris@barraljissah.com

Embassy of the Sultanate of Oman
2535 Belmont Road, NW
Washington DC 20008
Website for the Government of Oman: www.omanet.com

Oman Center for Investment Promotion and Export Development (OCIPED)
Salim bin Nasser Al-Ismaili, Executive President
P.O. Box 25 - Wadi al-Kabir
Postal Code: 117
Sultanate of Oman
TEL: (968) 24 812-344; FAX: (968) 24 810-890
E-mail: info@ociped.com
Website: www.ociped.com

Oman Chamber of Commerce and Industry
Salim bin Said al-Ghattami, President
P.O. Box 1400 Ruwi
Postal Code 112
Sultanate of Oman
TEL: (968) 24 707-674/84/94, FAX: (968) 24 708-497
E-mail: info@omanchamber.org
Website: www.chamberoman.com

Ministry of Commerce and Industry (MOCI)
P.O. Box 550 Muscat
Postal Code 113
Sultanate of Oman
TEL: (968) 24 774-240, FAX: (968) 24 794-239/771-7239
Website: www.mocioman.gov.om

Directorate General for Specifications and Measurements (MOCI)
Ms. Aida al-Riyami, Director General

P.O. Box 550
Muscat, P.C. 113
Sultanate of Oman
TEL: (968) 24 774-800, FAX: (968) 24 815-992
Website: www.mocioman.gov.om
Handles all standards, including food standards

Ministry of Agriculture & Fisheries
P.O. Box 467
Muscat, P.C. 113
Tel: +968 24 696-539
Fax: +968 24 694-465
E-mail: mafvet@omantel.net.om
Contact: Dr. Rashid Al Suleimany, Director
Dept. of Animal Health
Inspection of meat, poultry, eggs, live plants and animals

Ministry of Housing, Electricity and Water
P.O. Box 173 - Muscat
Postal Code 113
Sultanate of Oman
TEL: (968) 24 693-333, FAX: (968) 24 695-723

Ministry of Finance
P.O. Box 506 - Muscat
Postal Code 113
Sultanate of Oman
TEL: (968) 24 738-201 thru 210/ 24 739-764 thru -772, FAX: (968) 24 737-068

Ministry of National Economy
P. O. Box 881, P. C. 113
Sultanate of Oman
TEL: (968) 24 604-285, FAX: (968) 24 698-467
e-mail: mone@omantel.net.om
Website: www.moneoman.gov.om

Ministry of Health
P.O. Box 393 - Muscat
Postal Code 113
Sultanate of Oman
TEL: (968) 24 602-177, FAX: (968) 24 602-162/601-430

Ministry of Oil and Gas
P.O. Box 551 - Muscat
Postal Code 113
Sultanate of Oman
TEL: (968) 24 603-333/341/563, FAX: (968) 24 696-972

Ministry of Regional Municipalities, Environment, and Water Resources
P.O. Box 461 - Muscat
Postal Code 113

Sultanate of Oman
TEL: (968) 24 692-550/696-444, FAX: (968) 24 693-995/693-858

Ministry of Transport and Telecommunications
P.O. Box 338 Ruwi
Postal Code: 112
Sultanate of Oman
TEL: (968) 24 697-888/698-931, FAX: (968) 24 696-817/ 24 696-670
(Note: The Telecommunications Regulatory Authority and Omantel report to this ministry.)

Central Bank of Oman
P.O. Box 1161 - Ruwi
Postal Code 112
Sultanate of Oman
TEL: (968) 24 702-222, FAX: (968) 24 707-913, 24 702-253

Commercial Section
American Embassy, Muscat
P.O. Box 202
Postal Code 115
Sultanate of Oman
TEL: (968) 24 698-989
FAX: (968) 24 604-316
E-mail: muscatcommercial@state.gov
Website: <http://www.buyusa.gov/oman>

Agricultural Trade Office
Michael T. Henney, Regional Director
U.S. Agricultural Trade Office
P.O. Box 9343
Dubai, UAE
TEL: (9714) 311-6183
FAX: (9714) 311-6189
E-mail: atodubai@emirates.net.ae
Website: <http://www.usembabu.gov.ae/atodubai.htm>
(Covers: Oman, Bahrain, Kuwait, Qatar, and UAE)

USDA/Washington Contact Information
Trade Assistance and Promotion Office (TAPO)
Foreign Agricultural Service (FAS)
U.S. Department of Agriculture
Ag Box 1052
Washington, DC 20250-1052
TEL: (202) 720-7420
FAX: (202) 690-4374
Website: <http://www.fas.usda.gov>

To view market research reports produced by the U.S. Commercial Service please go to the following website: <http://www.export.gov/marketresearch.html> and click on Country and Industry Market Reports.

Please note that these reports are only available to U.S. citizens and U.S. companies. Registration to the site is required, but free of charge.

Trade Events

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Please click on the link below for information on upcoming trade events.

<http://www.export.gov/tradeevents.html>

Please click on the link below for information on all major U.S. food and agricultural exhibitions:

<http://www.fas.usda.gov/agexport/tradeshows/DomesticShows.html>

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Chapter 10: Guide to Our Services

The U.S. Commercial Service offers customized solutions to help your business enter and succeed in markets worldwide. Our global network of trade specialists will work one-on-one with you through every step of the exporting process, helping you to:

- Target the best markets with our world-class research
- Promote your products and services to qualified buyers
- Meet the best distributors and agents for your products and services
- Overcome potential challenges or trade barriers

For more information on the services the U.S. Commercial Service offers U.S. businesses, please click on the link below.

<http://www.buyusa.gov/oman>

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U.S. exporters seeking general export information/assistance or country-specific commercial information should consult with their nearest **Export Assistance Center** or the **U.S. Department of Commerce's Trade Information Center** at **(800) USA-TRADE**, or go to the following website: <http://www.export.gov>

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