

Doing Business in Oman



Morison Muscat

AN INDEPENDENT MEMBER FIRM OF MORISON INTERNATIONAL



BUILDING BETTER BUSINESSES - GLOBALLY





His Majesty Sultan Qaboos Bin Said

“Today, the private sector is required to exert more efforts through its representatives in the State Consultative Council, the Oman Chamber of Commerce and Industry and all other establishments and companies to double its national role in order to meet the targets of the policies on which we are constantly placing stress.”

God’s blessings and peace be upon you all.

Foreword



H.E. Khalil Abdullah Mohammed Al Khonji

Chairman - Oman Chamber of Commerce and Industry

Oman has made great headway and has witnessed tremendous economic growth, stability and prosperity under the wise and enlightened leadership of His Majesty Sultan Qaboos Bin Said.

Oman is ranked 57 out of 181 economies in the 'Ease of Doing Business' rankings 2009 by the World Bank.

The country has modern infrastructure, growing industrial base and a stable government. The market-oriented policies and private sector development initiatives of the government adds to the country's competitive advantage. Improved investment climate and domestic demand together with sound economic policies has ensured consistent growth in Oman's Gross Domestic Product (GDP).

The government's strategy of diversifying and liberalizing the economy is reliant on attracting foreign direct investments into the country; the government therefore offers several attractive incentives and advantages to foreign investors to make the investment climate conducive and investor-friendly.

Oman Chamber of Commerce and Industry pays high attention towards commercial and economical works and makes strong efforts to bridge the gap between the public and private sectors.

The private sector contributes much in supporting the current and future directions and inclinations of the government. Thus, a remarkable increase was seen in the contributions of the sector in the fields of investment, recruiting and training national workforce, supporting the utilization of modern technology and other fields of priorities in the developmental plans and programs of the country.

In this context, the book by Morison Muscat "Doing Business in Oman" is timely and significant and is expected to be beneficial and a valuable source of information to companies and individuals looking to invest in the Sultanate of Oman.

I wish Morison Muscat and the Book all the best and success.

Preface



Antony Isaac

Managing Partner



Nasser Al Khamisi

National Partner

Morison International is committed to ***building better businesses Globally.***

Morison Muscat is committed to building better businesses in Oman.

As a first step in demonstrating our commitment to Oman, we have brought out a book "DOING BUSINESS IN OMAN" that outlines in clear terms the nuances of registering and running a business in compliance with the laws of Oman. This book would be a useful guide for those who are interested in:

- Starting a business
- Understanding the business environment in Oman
- Getting a feel of Oman's business practices

Morison Muscat goes a step further in hand holding international business players to break all communication barriers in complying with the regulatory requirements.

This book took one year to complete with a team of 4 dedicated staff. Detailed research was carried out to ensure that all relevant matters were compiled. Further, no efforts were spared to present the data in an easy to read and understandable manner. Our sincere thanks to the research team- Ms Nalini Narayan, Ms Dineli Gowribalan, Mr. Mohammed Al Saadi and Mr. Khodr Saadeddeen Nassab.

With pride Morison Muscat dedicates this book to Oman and His Majesty Sultan Qaboos Bin Said under whose visionary leadership the business environment of Oman has opened up to the WORLD.

We wish the nation progress in its journey to becoming a destination for international businesses. We believe that Morison Muscat's book on DOING BUSINESS IN OMAN is an important milestone in that journey.

This book is a natural extension of our global commitment.

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Morison Muscat Chartered Accountants LLC has prepared this book as a general guide to the business practices in Oman; and made every effort to ensure the accuracy of the information contained herein at the time of publication. However, in light of the constant dynamism in the economy we advise that professional counsel is sought to suit specific circumstances to facilitate efficient and effective decision making.

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The Sultanate of Oman – At a Glance



Total area	309, 500 Sq Km
Capital city	Muscat
Currency	Rial Omani (RO) [1 RO=1000 Baiza (Bz)]
Time	GMT +4
Climate	June- 31-38C (hottest month) January- 20-25 C (coolest month)
Government	Monarchy
Legal system	Islamic (Shariah) law, Business law governed by civil law principles
Head of State & Prime Minister	His Majesty Sultan Qaboos Bin Said Al Said
International airports	Muscat International Airport, Salalah Airport
Sea ports	Mina Sultan Qaboos Muscat, Salalah, Sohar
Population	2.87 Mn
Population growth rate	3.30%
Expatriate labour force	900,248

Demographical structure	0-14 years- 42.7%
	15-64 years- 54.5%
	65 years & over- 2.8%
Language	Arabic (official); though English, Urdu, Baluchi & Swahili are widely used
Business hours	Private sector- 8 a.m.-7.00 p.m.
	Public sector- 7.30 a.m.-2.30 p.m.
Work week	Private sector - Generally Saturday to mid-day Thursday
	Banks- Sunday to Thursday
	Public sector-Saturday to Wednesday
Measures	Metric system
Administrative regions	04 Governorates & 05 regions further sub- divided into 61 wilayats
Gross domestic product (GDP)	RO 23,049 Mn
GDP growth	44% (at current market prices)
Inflation	12.4% (Sultanate Consumer Price Index)
FDI inflow	RO 3485.5 Mn
Key trade partners	South Korea, UAE, India, Saudi Arabia, Iran, Qatar, Somalia, China, Germany and the United States
Key exports:	Petroleum & related products, base metals, rubber & plastic based articles, chemicals, minerals
Key imports:	Machinery, manufactured goods, food & livestock
Membership of international bodies:	Gulf Council for Co-operation (GCC)
	World Trade Organisation (WTO)
	Pan Arab Free Trade Area
	Indian Ocean Rim Association for Regional Co-operation (IORARC)
	World Intellectual Property Organisation (WIPO)
Public holidays:	Islamic holidays, which vary each year according to the lunar calendar: Eid-al-Fitr, Eid-al-Adha, Islamic New Year, the Prophets Birthday (09 March), 18 November (National Day)

Source: Central Bank of Oman (Annual Report 2008), Ministry of National Economy (Facts and Figures 2008)

Why Oman ?

Oman is ranked 57 out of 181 economies in the 'Ease of Doing Business' rankings 2009 by the World Bank.

(World Bank)

Despite declining oil production, steady progress in implementing structural reforms has contributed to strong non-oil output growth. Oman's medium-term prospects look favorable, supported by a continued positive outlook for energy prices, a strong investment momentum, and an improved domestic business climate.

(International Monetary Fund, 2008)



Why Oman?

Oman is ranked 25th out of 140 countries on the Global Peace Index 2008- which is an indicator of peace, economic progress and prosperity.

(Global Peace Index, 2008)

Oman is ranked 3rd out of 17 countries in the Middle East/ North Africa region and 43rd globally, with a score of 67, in the Index of Economic Freedom 2009. Oman's overall scores are above the world and regional averages, in a study covering 157 countries.

(The Heritage Foundation & Wall Street Journal, 2009)

Oman has received an 'A' long term and 'A-1' short term sovereign credit rating with a 'stable' outlook in Standard and Poor's sovereign ratings for the year 2009.

(Standard & Poor's, 2009)

Moody's has given Oman an A2 stable ranking in its sovereign rankings.

(Moody's, 2007)

1. COUNTRY OVERVIEW

Oman is a tranquil state strategically located in the south eastern corner of the Arabian Peninsula, overlooking the Arabian Sea, the Gulf of Oman and the Hormuz Strait. A stable government and open economic system has been in place since the 1970's.

Oil exports are the major source of foreign earnings and the key source of government revenue, which has brought significant development and wealth to the state.

Oman is a liberal state and the government is keen to attract foreign investors to further sustain and enhance economic growth and realise its strategy of economic diversification. Foreign ownership of businesses is permitted depending on the level of investment.

There are no restrictions on capital repatriation, currency exchange, and transfer of dividends.

Oman has a liberal tax regime, as corporate tax is low and there is no personal income tax.

Labour regulations are relatively flexible and promote productivity growth, whilst the non-salary cost of employing a worker is also low.

The people of Oman are regarded as some of the most friendly and hospitable in the Middle East.

1.1 Economy

Historically Oman's economy was based on fisheries and agriculture. The discovery of oil and subsequent export, resulted in a shift to

a petroleum based economy. The oil revenue has helped build the Omani economy and infrastructure.

However, Oman's oil resources are limited compared to its other gulf counterparts and production has been declining since 2001. Therefore the government is pursuing a strategy of diversification to broaden the economy.



The government is currently focusing on developing natural gas resources; the tourism and real estate sectors; whilst pursuing phased privatisation of the utilities and telecommunication sectors.

Oman has been recording real economic growth at an average rate of 6% over the past few years. Annual Inflation rose to 12.4% (as per the movement in the average Consumer Price Index - CPI) in 2008, in contrast to an average of 3% during the previous four years.

Private consumption has been rising since 2001 as a result of rising oil prices; whilst government expenditure has remained stable at about 25-30% of GDP.

The Omani Rial is pegged to the US Dollar and local interest rates track US interest rates.

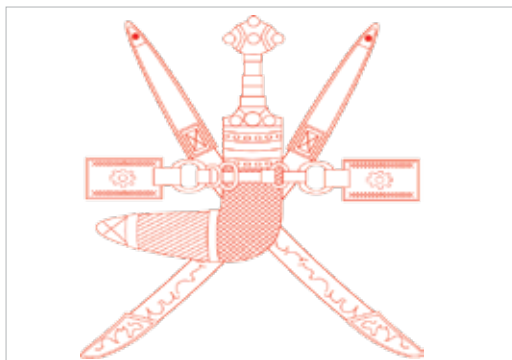
Oman does not have foreign exchange controls.

It is expected that the government would be able to maintain a fiscal surplus despite decreasing oil prices into 2009. Though Oman is also feeling the impact of the 2008 global recession, continued diversification of the economic base (Oman's non-oil exports exceeded RO 1 billion in 2008, growing by 59%, spurred by growth in the manufacturing and service sectors), surplus reserves, high domestic demand and continuous investment in infrastructure and development projects, should see the Sultanate better equipped than others to handle the global economic crisis in 2009.

Refer Appendix 1 for Economic Indicators

1.2 Government

His Majesty Sultan Qaboos Bin Said Al Said has been the ruler of Oman since 1970. He is the Head of State, Prime Minister, and Commander in Chief of the armed forces; he also holds the portfolios for Finance, Defence and Foreign Affairs. The Sultan is assisted by a Council of Ministers (cabinet).

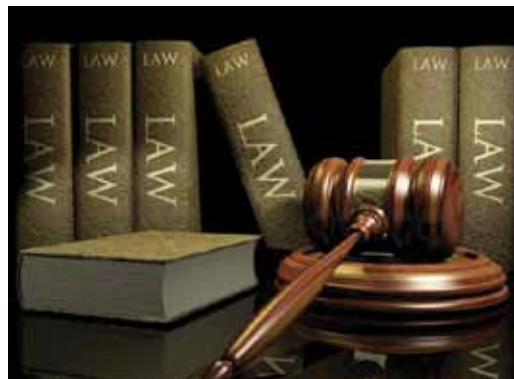


The Council of Oman held its first meeting in 1997 under the aegis of the Sultan. The Council comprises two chambers - the Council of State (Majlis Al Dawla) and the Consultative Council (Majlis Al Shura) - elected by Omani citizens. The Council is mandated to debate policy issues only.

There are no political parties in Oman.

1.3 Legal system

The Sultan promulgates legislation by way of royal decree.



The Court system is in 3 tiers - Courts of First Instance, Appellate Courts, and the Supreme Court. These courts have jurisdiction over civil, commercial, labour, tax, and rent matters; whilst arbitration applications may also be heard by these courts.

The Omani Courts take the following into consideration when making a determination in relation to commercial contracts (also applicable to arbitration proceedings under Omani law), the terms of the contract, legislative provisions, rules of custom and practice and Shariah law provisions.

1.4 Incentives for foreign investors

The government's strategy of diversifying the economy is reliant on attracting foreign direct investments into the country; therefore the government offers several attractive incentives for foreign investors.

Table 1- Incentives for investment by industry segment

Industry Sector	Incentives		
	Income Tax	Customs Duty	General
Industry and mining Export of locally manufactured / processed products Tourism promotion-operation of hotels and tourist villages (excluding management contracts) Production & processing of farm products- poultry farming, processing/ manufacturing animal products and agro industries Fishing, fish processing & fish farming Public utility projects (excluding management contracts & project execution contracts) Universities, higher education institutes, schools, kindergartens and training colleges Hospitals and medical education institutes	<ul style="list-style-type: none"> 5 year tax holiday (renewable) Tax losses incurred during tax holiday may be claimed against future profits (no time bar) No personal income tax 	<ul style="list-style-type: none"> Exemptions on import of plant, machinery & raw material for 5 years from commencement of production (renewable once) 	<ul style="list-style-type: none"> Repatriation of capital & profits of the project permissible The businesses may not be confiscated/expropriated unless in the public interest with equitable compensation No import registration (upon approval of relevant authority) - import of production accessories, material, machinery, spare parts and appropriate means of transport
Expansion (increase in capital-increased fixed assets for: increased production capacity, new products, new services/ activities) of the above businesses are also entitled to the above concessions			
Industrial installations (See 2.1.4)	<ul style="list-style-type: none"> 5 year tax holiday (renewable) No personal income tax 	Exemptions on import of: <ul style="list-style-type: none"> Machinery & spare parts for commencement, expansion, modernisation or replacement; Raw material & partially processed goods (for 5 years, extendable) 	Ministry of Commerce & Industry may provide: <ul style="list-style-type: none"> Financial incentives Subsidised utilities Preferential land allocation Trade promotion

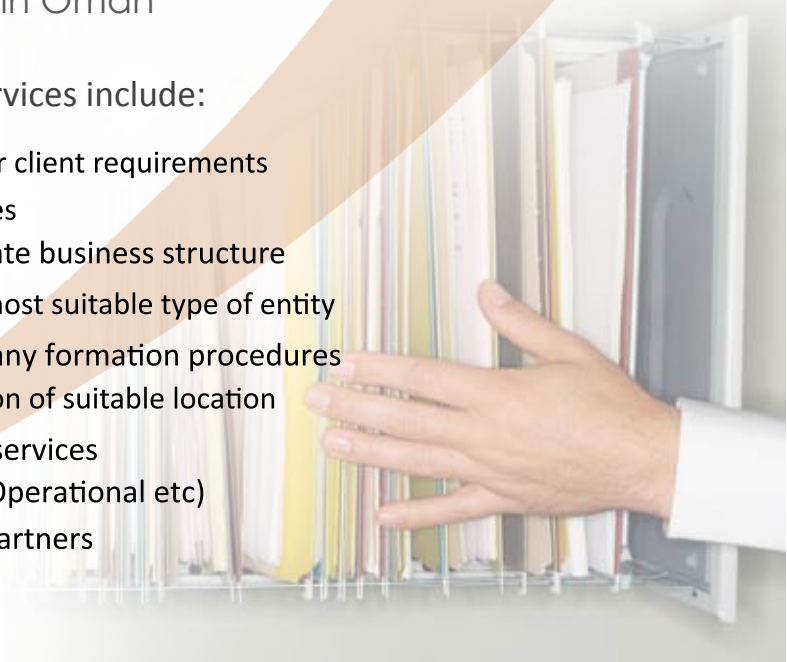


Incorporation Services

Thinking of doing business in the Sultanate of Oman?

Our Incorporation Services Team is at your service ...
We are equipped to guide both locals and foreigners
to set up business in Oman

Our personalised services include:

- One-stop solution for client requirements
 - Incorporation services
 - Advice on appropriate business structure
 - Advice in selecting most suitable type of entity
 - Assistance in company formation procedures
 - Assistance in selection of suitable location
 - Post-incorporation services
(Immigration, H.R, Operational etc)
 - Sourcing business partners
- 

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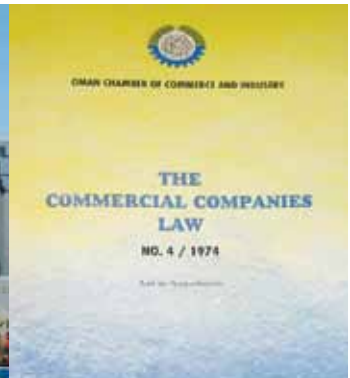
2. DOING BUSINESS IN OMAN – BACKGROUND

A business enterprise is required to obtain commercial registration from the Ministry of Commerce & Industry, registration with the Chamber of Commerce, and license from the Muscat Municipality or other regional municipality, prior to commencing business in Oman. Other additional clearances may also be required from relevant authorities depending on the specific nature of the business.

more companies join another/ two or more companies combine to form a new company) are also provided for in the Commercial Companies Law.

2.1.2 The Commercial Law (Royal Decree No 55/90)

Provides for the regulation of merchants and other commercial activities, including



2.1 Legal framework

2.1.1 The Commercial Companies Law (Royal Decree No. 4/1974) governs:

General partnerships, Limited Partnerships, Joint Ventures, Joint-stock Companies, Limited Liability Companies (LLC) and Holding Companies in Oman. See Table 2- 'Business Structures' for a brief explanation of the vehicles through which business may be conducted in Oman.

Conversions (conversion of the form of an existing company) and mergers (one or

commercial obligations and contracts, commercial instruments and bankruptcy related matters.

2.1.3 Commercial registration (Commercial Registration Law (Royal Decree No. 3/74))

All businesses are required to be registered in the Commercial Register at the Ministry of Commerce & Industry. Business entities are required to quote their Commercial Registration Number (CR) on all official documentation. The Commercial Register may be accessed by the public.

Table 2- Business structures- Commercial Companies Law

Type of Company	Minimum capital requirement (RO)	No of natural/legal persons required	Objects	Liability	Commercial registration	Information of interest
Joint-stock company		<ul style="list-style-type: none"> Minimum (Min.) 3 (unless established by the government) No maximum (Max.) Limit 	<p>Objects:</p> <ul style="list-style-type: none"> Insurance business Solicitation of public capital & savings Third party investment management Banking services Commercial air transport 	Limited to Nominal value of shares	Yes	<ul style="list-style-type: none"> Joint stock co's require to be registered with the MSM Managed by Board of Directors (comprising 5-12 individuals) Annual shareholder meeting within 4 months of financial year end Annually withhold 10% of net profits as legal reserves
(i) General (SAOG) ¹	2,000,000		<ul style="list-style-type: none"> 40% Min.- public holding 60% Max.- Private holding 			
(ii) Closed (SAOC) ²	500,000		<ul style="list-style-type: none"> 100%- private holding 			

¹ Societe Anonyme Omani General- General Omani Joint Stock Company

² Societe Anonyme Omani Closed- Limited Omani Joint Stock Company

Table 2- Business structures- Commercial Companies Law

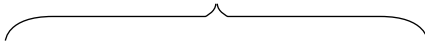
Type of Company	Minimum capital requirement (RO)	No of natural/legal persons required	Objects	Liability	Commercial registration	Information of interest
Limited Liability Company (LLC)		 <p>Min. 2 Max. 40</p>	To practise activity as agreed by shareholders in Articles of Association	Limited to nominal value of shares	Yes	<ul style="list-style-type: none"> Managed by managers (individuals) Annual shareholder meeting within 6 months of financial year end Annually withhold 10% of net profit after tax as legal reserves
(i) 100%-Omani Holding	20,000 (unless exempted by Minister)					
(ii) Foreign holding (Joint holding with Omani; foreign holding max. 70%)	150,000					

Table 2- Business structures- Commercial Companies Law

Type of Company	Minimum capital requirement (RO)	No of natural/ legal persons required	Objects	Liability	Commercial registration	Information of interest
Holding Company (Joint-stock co/ LLC)	2,000,000	2 or more companies	<ul style="list-style-type: none"> To manage/ participate in subsidiaries; 	Same for Joint stock/ LLC, as applicable	Yes	<ul style="list-style-type: none"> 51% holding in subsidiary
			<ul style="list-style-type: none"> Invest in shares, bonds & securities; Provide financing to subsidiaries; Own & Lease: Patents, trademarks, concessions etc 			<ul style="list-style-type: none"> Wields financial & Administrative control of subsidiary Cannot hold shares in: <ol style="list-style-type: none"> General/ limited partnerships Other holding companies

Table 2- Business structures- Commercial Companies Law

Type of Company	Minimum capital requirement (RO)	No of natural/ legal persons required	Objects	Liability	Commercial registration	Information of interest
Partnerships:	3,000	Min. 2	To carry out activity as agreed in Memorandum of Association	Jointly & severally liable for partnership debts to full extent of property (including personal property)	Yes	<ul style="list-style-type: none"> Management by non-partners permitted Dissolution by: <ol style="list-style-type: none"> Death Ineligibility Bankruptcy Withdrawal of one partner unless provided for in Memoranda; Upon unanimous decision of remaining partners
				General partners- Jointly & severally liable for partnership debts to full extent of property (including personal property)		
i. General				Limited partners- liable for partnership debts to extent of capital contributed only		
ii. Limited		Min. 1- General Partner Min. 1-Limited Partner				

Table 2- Business structures- Commercial Companies Law

Type of Company	Minimum capital requirement (RO)	No of natural/legal persons required	Objects	Liability	Commercial registration	Information of interest
Joint Venture (JV)	None specified	Min. 2	As per contract establishing JV	same as General Partnerships	No	<ul style="list-style-type: none"> Unincorporated business entity No legal personality Existence cannot be raised as a defence against 3rd party claims; unless JV enters into agreement No issue of shares/ bonds
Sole proprietorship ³	3,000	1 only	N/a	Liable to full extent of personal property	Yes	<ul style="list-style-type: none"> Restricted to Omani's & citizens of GCC states

³ Not mentioned in Commercial Companies Law, though an accepted legal vehicle/ status for engaging in business activity

The following information is recorded in the commercial register:

- Merchants and commercial companies whose principal place of business is in Oman;
- Branches and agencies established in Oman by a merchant or commercial company whose principal place of business is outside Oman or in another district of Oman than that of the branch or agency;
- Amendments made to the original registration including any change in the constitutive documents of commercial companies;
- Judgments regarding annulment or dissolution of companies or incompetence of merchants;
- Judgments declaring bankruptcy or terminating the state of bankruptcy;
- Sale, assignment or merger of companies.

Individual farmers, fishermen, small traders, craftsmen or minor land or sea transportation operations are exempted from registration. The Minister of Commerce & Industry may also exempt other classes of companies or merchants.

Refer Appendix 2 - Commercial Registration- procedure and documentation

2.1.4 Industrial installations

The Law for the Organisation and Encouragement of Industry of 1978 applies to industrial installations- a project which processes raw materials or partially processed products.

An industrial license (issued by the Directorate General of Industry, Ministry of Commerce & Industry) must be obtained prior to setting up or causing any changes to be made to



an existing industrial installation. Industrial registration with the Directorate General of Industry is also required.

2.1.5 Foreign company operations

Commercial companies with non-Omani partners are required to comply with the provisions of the Foreign Capital Investment Law (Royal Decree No. 102/94- FCIL) in

addition to the Commercial Companies Law.



Non-Omanis are required to obtain a license from the Ministry of Commerce and Industry in order to participate in commercial,

industrial or tourism business or to own shares in an Omani company in terms of the FCIL. Applications for foreign investment licenses are referred to the Commercial Registry at the Ministry of Commerce and Industry.

However, a license would not be required in the following circumstances:

- Companies conducting business by virtue of special contracts or agreements with the government or established by Royal Decree
- Services declared 'necessary for Oman' by the Council of Ministers

Table 3- Types of business structures available for foreign owned operations

Structure	Activity	Conditions	Registration
Joint-stock company (up to 100% foreign shareholding)	Deemed in the 'interest of the national economy' by the Development Council, upon recommendation of Ministry of Commerce & Industry	<ul style="list-style-type: none"> • Min. capital RO 500,000 • FCIL license from Ministry of Commerce & Industry 	<ul style="list-style-type: none"> • Commercial registration • OCCI registration
Limited Liability Company (LLC) (70% max. foreign shareholding)	As approved by Ministry of Commerce & Industry	<ul style="list-style-type: none"> • Omani shareholding min. 30% • Min. capital RO 150,000 • FCIL license from Ministry of Commerce & Industry 	<ul style="list-style-type: none"> • Commercial registration • OCCI registration
Branch Office (Temporary status)	<ul style="list-style-type: none"> • Government Contracts; • Businesses declared 'necessary for Oman' by the Council of Ministers 	<ul style="list-style-type: none"> • Foreign participation limits in FCIL not applicable • Sponsorship by Omani agents in specific circumstances 	<ul style="list-style-type: none"> • Commercial registration • OCCI registration
Representative Office	<ul style="list-style-type: none"> • Trade, industry & service sectors 	<ul style="list-style-type: none"> • May not import, export or sell its products • Promote & market own products only • Subject to Omanisation rules 	<ul style="list-style-type: none"> • Commercial registration • OCCI registration
Agencies	<ul style="list-style-type: none"> • Foreigners in retail/ wholesale trade • Exporters of goods & services to Oman 	<ul style="list-style-type: none"> • Foreigners required to do business through Omani agent as per Commercial Agencies Law <p><i>Note: WTO membership has resulted in relaxing of these requirements</i></p>	<ul style="list-style-type: none"> • Commercial registration • OCCI registration • Register Agency agreement in Register of Agents & Commercial Agencies

2.1.6 Land ownership

Only Omani nationals are permitted to own land freely (other GCC nationals may also own land subject to certain restrictions). Foreign companies and individuals are generally not permitted to own land in Oman in terms of the Land Law (Royal Decree No 05 of 1980), except in certain special circumstances.

However, foreigners are permitted to own real estate in areas designated as Integrated Tourism Complexes (ITC) by the authorities.

2.1.7 Utilities

2.1.7. a) Water resources

Oman is in the world's arid belt. 65% of its water supplies come from groundwater and limited rainfall (of around 100 mm annually), with desalinated sea water comprising the remaining 35%.



A national water resource conservation plan has been drawn up to further rationalize and improve water consumption practices and explore new groundwater reserves. Desalination research also continues in the face of rising demand.

In 2006 the agricultural sector consumed 92% of the water supply, whilst the manufacturing and domestic sectors consumed the remaining 8%.

Refer Appendix 3- Water production, distribution and connections

2.1.7. b) Electricity

The sources of power generation are largely thermal and gas based, whilst solar and wind power is used in limited circumstances. The use of coal is also under consideration.

Oman is pursuing a privatisation strategy in the electricity sector, in the wake of rising demand in urban areas and rising cost of production. The government has set a goal to privatize all state-owned companies in the power sector by 2009, and is courting international investors to finance new independent power projects (IPP) to help raise generation capacity.

Oman is also part of a project whereby the Gulf states aim to link their power stations through a joint electricity grid. The linkage with the UAE grid is already complete.

The Public Authority for Electricity and Water is the primary regulatory authority in the power sector and is responsible for electricity and water distribution throughout the country.

Electricity and water supply grew by 6.3% in 2008 (CBO 2008).

Refer Appendix 3- Electricity production, distribution and connections



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- Developing business ideas and initiatives
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- Industry specific experts

Enterprise Risk Management

- Expert Risk Specialist with multi-industry experience
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- Risk Measurement & Management Systems
- Covering various Risk domains such as Operational, Credit, Treasury, etc.

Strategic Change Management

- Balanced Scorecards
- Strategy Plans & Blueprints
- Activity Based Management
- Performance Management Systems(PMS)

Business Valuations & Investor Relations

- Industry specific Business Valuations
- Sourcing Investment/Project Financing
- Mergers/Acquisitions/Selling businesses
- Developing Financial/Business Models
- Budgetary & Financial planning

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2.1.7. c) Roads

Oman boasts an extensive road network of 23,349 km of asphalted road which is increased annually. Currently the government is focusing on widening and expanding existing roads to cope with increased traffic.



services to investors; whilst also promoting bi-lateral trade and the exchange of technical expertise.

Any business that is commercially registered



2.2 Business promotion agencies

2.2.1 The Ministry of Commerce & Industry

The Ministry has set up a 'one-stop-shop' to assist investors with obtaining mandatory statutory clearance required to commence business in Oman. Such as commercial registration from the Ministry of Commerce & Industry, registration with the Chamber of Commerce, and license from the Muscat Municipality or other regional municipality, required prior to commencement of business.

2.2.2 The Oman Chamber of Commerce & Industry (OCCI)

OCCI is the apex representative body of the private sector. OCCI provides economic, legal, commercial and other consultative support

is required to join the OCCI in Muscat or a branch in other regions. Membership fees vary depending on the type of business activity and the amount of capital invested.

Refer Appendix 4 - OCCI registration and renewal fees

2.2.3 Oman Centre for Investment Promotion & Export Development (OCIPED)

The centre was established to promote private entrepreneurship in the Sultanate. Its objective is to boost both local and international private sector investment in key economic sectors and to work in partnership with businesses located in Oman to enhance export of Omani goods and services to key global markets. OCIPED functions via two divisions- the Directorate General for Investment Promotion and the Directorate General of Export Development.



2.2.5 The Public Establishment for Industrial Estates (PEIE)

PEIE was established by Royal Decree in January 1993 with the objective of developing and administering Industrial Estates established by the Ministry of Commerce and Industry. PEIE works closely with the Ministry of Commerce and Industry, the Oman Chamber of Commerce, OCIPEd, other regulatory authorities, and utility providers to develop partnerships that assure business success.

PEIE has been responsible for developing and managing prime industrial land. All PEIE estates are suitable for manufacturing, warehousing, distribution and office space. Moreover, it assists companies in assembling sites, developing buildings, facilitating, permitting and assessing infrastructure needs, reviewing incentives available for projects as well as helping firms market and promote their products.

2.2.4 Export Credit Guarantee Agency (ECGA)

The ECGA operates as the national export credit guarantee agency. It is an entity, associated with the Oman Development Bank, and fully funded by the Government.

The ECGA provides the following services:

- Export insurance coverage to Omani exporters
- Assisting exporters to obtain financing at concessionary interest rates
- Facilitating the grant of pre-shipment financing to exporters
- Post-shipment financing
- Underwriting services

Land is available for lease for a period of 25 years (renewable up to 99 years) at the Industrial Estates. Applications may be submitted to the Director-PEIE.



Table 4- PEIE industrial estates

	Industrial Estate	Location	Distance from Muscat (Km)	Extent (Hectares)	Advantages/ Benefits
1	Rusayl	Muscat	45	340	<ul style="list-style-type: none"> • Proximity to capital, Muscat International Airport & Mina Sultan Qaboos Port • Modern infrastructure • Customs Department office
2	Sohar	Al Batinah	200	334	<ul style="list-style-type: none"> • Located mid-way between Muscat & Dubai • 6 Km from Sohar new port
3	Raysut	Dhofar	1,200	150	<ul style="list-style-type: none"> • 4 Km from Salalah Port • 6 Km from Salalah International Airport • Subsidised supply of natural gas • 30 Ha of warehouse facilities
4	Sur	Al Sharqiyah	300	4,000	<ul style="list-style-type: none"> • Deep water harbour • Development of natural gas & associated industries
5	Nizwa	Dakhliya	180	200	<ul style="list-style-type: none"> • Central location • Muscat-Nizwa highway access to Muscat International Airport & Mina Sultan Qaboos
6	Buraimi	Al-Dhahira	300	451	<ul style="list-style-type: none"> • Strategically located near the UAE border • Easy access to air & sea ports in Oman & UAE • Opportunity to enter other Gulf & Central Asian markets

Refer Appendix 5- PEIE service rates

2.2.6 Free zones

Several free trade zones, referred to as 'free zones' have been created by Royal Decree; these zones are regulated by the Ministry of Commerce & Industry. The government is also considering setting up a free zone in Sohar, in addition to the existing free zones mentioned in Table 5 (Free Zones).

Table 5- Free zones

	Free Zone	Location	Advantages	Incentives
1	Salalah	Dhofar	<ul style="list-style-type: none"> Near Salalah Port; World class infrastructure & support services; Easy access to the Gulf region, Red Sea, Indian Ocean & East Africa. 	<ul style="list-style-type: none"> 50 year lease (renewable); 100% foreign ownership; Zero Customs duty-imports & exports; No minimum capital investment; 30 year tax holiday; Only 10% Omanisation requirement; Fast track customs handling & processing.
2	Al Mazunah	Dhofar	<ul style="list-style-type: none"> Proximity to Yemen border, trade opportunities with Yemen 260 Km from Salalah Low cost skilled labour 	<ul style="list-style-type: none"> Located outside Oman's tax boundaries Therefore visa/ border procedures not required between Oman & Yemen
3	Knowledge Oasis Muscat (KOM)	Muscat	<ul style="list-style-type: none"> Technology park State of the art infrastructure 	<ul style="list-style-type: none"> Tax & Import duty concessions Duty free access to GCC states





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- ◆ Assistance in finalization
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Customized MIS reports

- ◆ Executive MIS
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- ◆ Exception reports

Backlog Clearing Services

- ◆ Specific data entry
- ◆ Analysis of existing data entry and implementation of amendments

Short term / Long term deputation

- ◆ Specific assignment
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- ◆ General accounting
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2.3 Banking & finance

2.3.1 Central Bank of Oman



The Central Bank of Oman determines monetary policy.

It is also the regulator of Oman's financial sector-commercial banks, specialized banks, finance and leasing companies and money exchange houses.

The currency peg is maintained by the Central Bank and has been endorsed by the International Monetary Fund as appropriate for the economy.

2.3.2 Financial sector

The Central Bank has been pursuing a strategy of strengthening the organisation of the financial sector and also deregulating the sector, in order to liberalise the sector and increase participation in the organised financial sector. Foreign banks have been permitted to register branch offices and foreign shareholdings in local banks are encouraged in order to benefit from synergies. Local banks are also encouraged to expand overseas.

- The financial sector comprises commercial banks, specialised banks, non-bank finance and leasing companies, money exchange houses (some authorised to engage in remittance business too).
- 10 commercial banks are licensed to engage in certain investment banking activities.
- The government owns two specialised banks: the Oman Housing Bank and Oman Development Bank.
- 06 finance and leasing companies (with 31 branches) are engaged in leasing, hire purchase, debt factoring and similar credit related activities.
- The non-banking financial intermediary sector comprises- insurance companies, public and private Pension Funds, capital markets, brokerage companies and the Muscat Securities Market.

Refer Appendix 6 for a list of banks operating in Oman.



2.3.3 Oman Development Bank

Oman Development Bank SAOC was set up to promote and encourage economic development in Oman. It provides financial as well as technical assistance and advisory services to small, medium and large projects in the fields of manufacture, agriculture, animal resources, fisheries, tourism, education, professional services etc.

The bank has several subsidised loan products for education, health, agriculture, animal wealth and fisheries, industrial projects, tourism projects and professional services. The bank finances 50% of the project cost if located in Muscat, and 56% if located outside Muscat, at an interest rate of 3% only.

Zero interest loans for small projects with capital not exceeding R.O. 20,000 are also available.

2.4 Capital markets

2.4.1 Capital Market Authority (CMA)

The CMA was established by the government in 1998 under the Capital Market Law, to separate the regulatory and exchange functions of the stock exchange. The CMA is responsible for regulating the capital market, including licensing intermediaries, approving offer documents and supervising trading operations.



2.4.2 Muscat Securities Market (MSM)

Trading commenced on the MSM in 1989. Today there are 222 companies listed on the MSM.

The MSM facilitates the trading of securities issued by joint stock companies as well as bonds issued by the government, commercial companies, investment fund's units and any other domestic or foreign securities agreed upon.

The principal index is the MSM 30, which comprises 10 companies each from the banking and investment, industry and services, and insurance sectors.

The MSM is an affiliate of the International Organisation of Securities Commissions (IOSCO). It has also agreed to develop two new indices with Dow Jones, namely the DJ MSM Composite Index and the DJ MSM Chip Index.

The MSM is open to foreign investors unlike its regional counterparts.

Refer Appendix 7 for some stock market performance indicators.

2.4.3 Muscat Depository & Securities Registration Company SAOC (MDSRC)

The MDSRC handles the depository and transfer functions of the MSM.

2.5 Other business requirements

2.5.1 Import/Export Procedures

Unless there is a specific exemption, a company wishing to import or export goods for commercial purposes must include the import and export activity among its registered business activities at the commercial register, Ministry of Commerce & Industry.

The Directorate General of Customs and the Royal Oman Police are responsible for customs and security supervision of imports and exports. They are also the collecting authority for Custom duty, and also for combating smuggling and preventing the entry of banned goods.

There are several import/export procedures laid down by the Directorate General of Customs and the Royal Oman Police.

2.5.2 Government contracts- Tender Board

Government contracts are awarded by tender. It is a pre-requisite that persons (contractors, consulting firms, suppliers, training institutes) wishing to bid for government contracts in excess of RO 250,000 are registered with the Tender Board.

The Diwan of Royal Court, the Ministry of Defence, the Royal Oman Police, Petroleum Development Oman (PDO) and Oman Telecommunications Company operate separate Tender boards.

The Tender Boards classify companies according to their issued capital and determine the maximum and minimum size of contracts for which a bid may be made.

2.6 Intellectual property

Oman is a member of the World Intellectual Property Organisation (WIPO) and has taken measures to promulgate legal provisions

to protect intellectual property rights. The Copyright and Related Rights Law (Royal Decree 65/2008)- protecting the rights of authors of literary, artistic and scientific works; and the Industrial Property Rights Law (Royal Decree 67/2008) promulgated in 2008 consolidated the law relating to trademarks, industrial designs, geographical indications, integrated circuits and patents, to bring the law in line with the conventions, agreements and laws of WIPO.



Table 6- Intellectual property rights

	Registration	Period of protection	Renewable	Who may apply for registration?
Trademark	Trademarks Register- Intellectual Property Department, Ministry of Commerce & Industry	10	Yes	Local and Foreign companies (even without a physical/ local presence)
Patent	Intellectual Property Department, Ministry of Commerce & Industry	20 years		Authorised person or company, as the case may be
Copyright	Intellectual Property Department, Ministry of Commerce & Industry	During the lifetime of the author & 50 years thereafter		Authors of original works of art, literature, science (including computer programs) & culture

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2.7 Financial accounting and auditing requirements

The financial accounting and auditing requirements are not codified, however the Accounting and Auditing Profession Law sets out a regulatory framework.

Table 7- Statutory/Regulatory requirements

Financial year	12 months (except in first year, up to 18 months extension possible)
Currency	Rial Omani (RO) unless other currency authorised by Finance Ministry
Methodology	Accruals
Accounting standard	International Financial Reporting Standards (IFRS)
Language	Arabic/ English

Table 8- Financial reporting requirements

Business entity	Timeline for release of financial statements	Audited	Interested party
Joint-stock company	Within 3 months of year end 21 days prior to annual shareholder meeting	Compulsory	Shareholders
Limited Liability Company (LLC)	Within 6 months of year end	Optional	Shareholders, Banks
Banks	Within 01 month of year end	Compulsory	Central Bank of Oman
Insurance companies	Within 5 months of year end	Compulsory	Commissioner of Insurance, Ministry of Commerce & Industry



Annual statutory audits are required in the following circumstances:

Table 9- Pre-conditions for annual statutory audit

Business entity	Pre-conditions
Joint-stock company/ LLC	> 10 shareholders; or Capital > RO 50,000
Other companies	Required by Articles of Association; or Upon request by 20% of shareholders (min.)

Companies with capital exceeding RO 20,000 are also required to file audited financial statements with their annual tax return.

Duly qualified professionals, both Omani and expatriates, are required to be registered with the Ministry of Commerce and Industry, prior to venturing into professional practice, whether individually or as part of a firm.

2.7.1 Professional practice

- Registration and qualification requirements pertaining to the practice of accountants and auditors are set out in the Accounting and Auditing Profession Law.
- A list of authorised auditors, permitted to practice in Oman is published by the Ministry of Commerce and Industry.
- Audit services may be provided by authorised auditors only.
- Auditors are required to maintain professional independence in performing their duties and may not provide technical, administrative and consulting services to audit clients on a regular basis.

2.8 Independent professional services

Qualified professionals may provide professional services by forming a company individually or jointly. Partnership with foreign professional services companies is also permitted.



Table 10- Regulations covering the formation of a professional services company

Type of company	Legal form	Minimum capital requirement (RO)	Conditions
Individual professional services office	N/a No commercial registration required	N/a	Restricted to Omani/ GCC nationals; Omani Partners cannot be in any other employment
Joint professional services company	Partnership; or LLC	20,000	
Joint professional services company with foreign participation	Partnership; or LLC	20,000	Authorised Omani partner Minimum-35% of capital. Foreign office/Resident Manager- Authorised Representative - Min. 10 years relevant work experience, certified by relevant authority; Foreign Capital Investment Law does not apply

Regulations for partners of specific professional companies

Professional category	Omani partner		Expatriate Partner/Resident Manager
	Educational qualification	Relevant work experience requirements (years)	
Audit/ Accountancy	Bachelors	2	Minimum bachelors degree with 10 years relevant professional experience certified by relevant authority
Engineering	Bachelors	5	
	Masters	3	
	Doctorate	Exempt	
Translation services	Degree in translation	Exempt	
	Other specialisation	5	
Other consultancy (Economics, Finance, Marketing, Management, Education etc)	Bachelors	None specified	

Refer Appendix 8 for registration fees for professional services companies.

3. TAXATION

3.1 Direct tax

Income tax is the only form of direct tax in Oman.

3.2 Indirect tax

Customs Duty and some miscellaneous taxes/levies (see 3.4.2) are the only form of indirect tax at the moment.

and collection of Income Tax.

Businesses may register with the SGT by filing a declaration containing specified business particulars.

3.3.2 Tax year

The tax year runs from 1st January to 31st December. Generally companies prepare their financial statements during the same



Proposals to impose Value Added Tax in the near future are under consideration.

3.3 Income tax

The Sultanate follows source principles of taxation; therefore income tax is imposed on income arising in or derived from Oman.

3.3.1 Administration

Income Tax is imposed in terms of the Law of Income Tax on Companies and the Law of Commercial and Industrial Establishments.

The Secretariat General of Taxation (SGT) at the Ministry of Finance is the authority responsible for the administration, assessment

period. However another financial accounting period may be used with the prior approval of the SGT.

A new tax law has recently been introduced, This would come into effect from 1st January 2010 and is relevant for the tax year 2010 onwards.

3.3.3 Rates

A summary of the tax rates are shown in Table 11 (page 40).



Tax Advisory

PROFESSIONAL TAX AND COMPLIANCE SERVICES...

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Table 11- Tax rates

Business entity	Taxable income (RO)	Tax rate
<ul style="list-style-type: none"> Sole proprietorship-Omani/ GCC national 100% Omani company Company with up to 70% foreign ownership CMA Investment Fund General joint-stock company (public shareholding co's) 	<p>Upto 30,000</p> <p>Above 30,000</p>	<p>Nil</p> <p>12%</p>
<ul style="list-style-type: none"> Branch office (100% foreign ownership) 	<p>Up to 5,000</p> <p>5,000 - 18,000</p> <p>18,001 - 35,000</p> <p>35,001 - 55,000</p> <p>55,001 - 75,000</p> <p>75,001 - 100,000</p> <p>Above - 100,000</p>	<p>Nil</p> <p>5%</p> <p>10%</p> <p>15%</p> <p>20%</p> <p>25%</p> <p>30% *</p>

* These rates are not applied progressively.

* These rates apply upto tax year 2009. From tax year 2010 onwards, income in excess of RO 30,00 will be taxed at a uniform rate of 12%.



3.3.4 Sources of income liable to Income Tax

Table 12- Sources of Income liable to income tax

Source	Liable to Income Tax?	Comments/ Conditions
Dividends	No	-
Capital gains -Sale of tangible/intangible assets	Yes	Forms part of business income & taxed at rate applicable
-Sale of listed shares	No	--
Employment/ Personal income	No	--
Payment for services performed in Oman	Yes (regardless where payment is made)	Only if permanent establishment in Oman
Supply & turnkey contracts	No	Provided service terminates prior to reaching Omani port & supplier does not conduct business activities in Oman/ permanent establishment
Foreign source income	No	Except income construed as derived from Oman

3.3.5 Withholding Tax (WHT)

Persons making specified payments are required to withhold tax at source and remit same to the SGT.

Table 13- Liability to WHT

Source of income	Liable to WHT?
Non-resident companies without an Omani permanent establishment receiving <ul style="list-style-type: none"> Royalties Equipment rental Management fees Fees for research & development, transfer of technical expertise 	Yes, @ 10%
Dividends	No
Interest	No

3.3.6 Bi-lateral tax treaties

Oman has signed several treaties for the avoidance of double taxation with the following countries: Algeria, Bangladesh, Belarus, Belgium, Brunei, Dar es Salaam, Canada, China, Egypt, France, India, Iran, Italy, Kazakhstan, Lebanon, Mauritius, Morocco, Moldova, Pakistan, Russia, Seychelles, Singapore, South Africa, South Korea, Sudan, Syria, Thailand, Tunisia, Turkey, United Kingdom, Vietnam and Yemen.

Note: some of these treaties are not yet in force.



3.3.7 Income Tax incentives

Tax holidays of 5 years (renewable on expiry) are granted to specific businesses which the government wishes to promote (refer Table 1 for details).

3.4 Customs Duty

GCC member states have created a Customs Union, whereby goods imported from outside the GCC are subject to Custom Duty at the rate of 5% in all GCC member states.

Table 14 - Customs tariffs

Imported item	Customs duty rate
Industrial, agricultural & livestock produce originating from GCC states	Exempt
Livestock, frozen livestock parts (excluding pork), milk, ghee, seeds & saplings, rice, wheat, flour, corn, tea, sugar, printed material, agricultural pesticides, machinery & tools, fodder & fertilizer	Exempt
General goods imported from outside the GCC	5%
Tobacco & derivative products	100%
Meat and meat products	20%
Alcohol	100%

3.4.1 Restricted/ prohibited imports

Importation of arms, ammunition, specified motor vehicles, dangerous drugs, and alcohol are subject to restriction. Whilst import of Israeli goods, weapons, radio transmitters and wireless devices, fireworks, obscene publications, narcotic substances and other unlawful material are prohibited (this ban applies to export of the same).

3.4.2 Other indirect taxes

Table 15- Other indirect taxes

Other indirect taxes	Rate %
Annual rental of leased premises	3
Electricity bills in excess of RO.50/-	2
General sewage charge on water bills	10
Hotel bills	5
Tourism levy	4





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4. EMPLOYMENT AND INDUSTRIAL RELATIONS

The Omani Labour Law covers employers and employees in the public and private sectors. It applies to both local and expatriate employees.



Table 16- Salient features- Industrial relations

Legal/ Regulatory provision

Working hours ¹	Maximum. per day 08 hours Maximum. per week 48 hours
Wages & perquisites - minimum (applicable to Omani's only)	120-180 RO per month + accommodation+ transport
Overtime compensation	Overtime wages equivalent to normal wages + 25% of the normal wage; or Leave on account of extra hours worked, (provided employee agrees)
Leave	15 days annual leave with basic salary - provided, 01 year in employment completed; 30 days per annum, thereafter Provisions for emergency & special leave categories also exist

¹During the holy month of Ramadan, Muslim workers are required to work only 6 hours per day, and a maximum of 36 hours per week

4.1 Omanisation

Young people below 25 years of age comprise nearly 67% of the Omani population. Therefore the government has been promoting a scheme of Omanisation-whereby Omanis are encouraged to progressively replace functions performed by expatriates, in order to grow the local skills base. Thus the number of Omanis in the workforce has been gradually increasing in recent times, particularly in the public sector.

The Ministry of Manpower stipulates the number of Omanis that require to be employed by each industry sector periodically.

Refer Appendix 9 for Omanisation percentages by industry sector.

4.2 Employment of expatriates

Expatriates may be employed where there is a lack of local expertise, subject to the Omanisation regulations. Employers are required to obtain clearance from the Ministry of Manpower prior to employing expatriates. Expatriates from some countries are required to obtain medical certification from government approved clinics in their home country.

Expatriate employees are required to obtain a labour/residence card upon commencement of employment.

4.3 Contract of employment

The employment contract is required to be written in Arabic. The contract includes the following: personal details of the worker, wages, notice required to terminate the

contract, commitment to comply with the contract and laws of Oman, also to respect the culture and traditions of Oman and not to engage in activities harmful to national security.

4.4 Termination of employment

Employers may terminate employment without notice/ gratitude on the following grounds: fraud, damaging mistake, failure



to comply with safety conditions, leaking trade secrets, criminal sentencing, working under the influence of alcohol, attack on the employer or other employees, or major failure to carry out a contract.

Employees may terminate employment due to the following: fraud on the part of the employer, employer's failure to fulfill major contractual obligations, employer attacks or threats at the workplace.

4.5 Terminal benefits

Employees (not covered by the Social Security Law- section 4.7) are entitled to gratuity upon termination of employment at

the rate of 15 days salary per year during the initial 03 years of service and 01 month's salary for every subsequent year. Gratuity is calculated on the last basic salary drawn.

4.6 Social Security Law

Omani employees permanently employed in the private sector are protected by the Social Security Law.

This law is implemented by the Public Authority for Social Insurance (PASI). Insurance cover against old age, disability and death, employment injuries, occupational disease is provided to Omanis both here and abroad. Insurance benefits include pension schemes (early old age, non-occupational death, and



non-occupational disability), end of service benefits, work injury benefits and additional grants.

Employers are required to register all Omani employees with the PASI and make the following mandatory contributions/ deductions.

Premium contributed by	% of basic salary
Employer	10.5
Employee (deduction from basic salary)	6.5

4.7 Payroll taxes

Employment income is tax exempt in Oman and may be remitted abroad freely.

4.8 Dispute settlement

Employers employing over 50 employees are required to have an internal hearing procedure approved by the relevant authority, for hearing complaints and appeals.

Dismissed employees may complain to the Labour department- empowered to enquire into the issue and order an appropriate settlement.

4.9 Representative committees

Employees in any organization may form a representative committee with the aim of protecting employee rights and as a representative body to pursue employment related issues.

5. IMMIGRATION & VISA FORMALITIES



The Directorate General of Passports and Residence is the authority of the Royal Oman Police responsible for issuing passports, identity cards, visas, residence permits and road permits etc.

The Directorate has representative offices at airports, sea ports and border posts in addition to its main headquarters and regional sections.

The Embassies of Oman located in various countries are also permitted to issue certain visas.

Refer Appendix 10- Visa categories

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6. KEY INDUSTRIES

6.1 Background - economic vision

Since 1976 Oman's economic policy has been determined in terms of five year planning cycles in the short term and 25 year cycles in the long term.

Long term economic policy was initially determined by the First Long Term Development Strategy 1970-1995. It was determined that economic development depended on four pillars - oil resources,

Vision Oman 2020 aims to double the current per capita income by 2020, whilst maintaining economic and fiscal stability. The government aims to invest oil and gas returns to achieve sustainable economic diversification of the production base, and improvement of the health and education sectors. Improvement of local human resources and increased employment of Omanis in the workforce, and increased involvement of the private sector in the economy are also key goals.

The government aims to achieve the above goals by pursuing the following strategies:



high levels of government expenditure and investment, and the employment of a large number of expatriates to provide a sufficient skill base.

However, the high dependence on depleting oil resources reduced the viability of this strategy. Accordingly the government decided to pursue a strategy of diversification, to reduce the reliance on oil resources for achieving economic development in the Second Long Term Development Strategy 1996-2020 (Vision Oman 2020).

- Developing local human resources and upgrading the skills of Omani citizens
- Promoting the optimal use of human and natural resources by the private sector in an efficient and environmentally sustainable manner.
- Enhanced private sector involvement in economic activity
- Creating suitable conditions for optimal exploitation of natural resources and the distinct geographical location of the Sultanate.

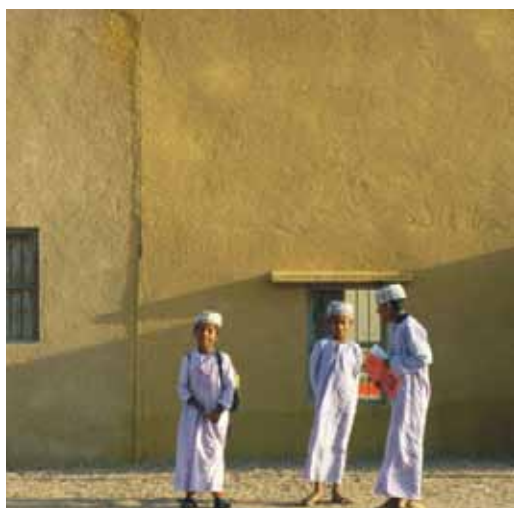


Overall, Vision 2020 targets to increase the contribution to gross domestic product by



2020: from the gas sector to 10% (from 3.6% in 2006) and the non oil sector to 29%, as it is expected that contribution from the oil sector would decline to 9% (from 44.9% in 2006) by the same time.

The current short term planning cycle- the Seventh Five Year Development Plan, spanning 2006-2010; is also a means of achieving Oman’s long term policies and aims to:



- Achieve annual economic growth;
- Diversify the economy by increasing non-oil activities such as natural gas based industries, non-oil exports of Omani origin and tourism;
- Develop human resources through improved health and education services;
- Expand the omanisation programme;
- Develop information technology, research and development covering sectors of the national economy.

The following are some of the key sectors contributing to the Omani economy and also playing a major role in the diversification strategy.

6.2 Oil and gas activities

	Year 2008
Contribution to GDP	51.3%
Total production	277 Mn barrels
Reserves	4.9 Bn barrels
Major players/ market share	Petroleum Development Oman (PDO) ² (86%)

Source: Central Bank of Oman Annual Report 2008

Oil was discovered in Oman in 1962 and exports commenced in 1967.

In 2008, oil and gas activities accounted for 79% of government revenue and 76% of merchandise exports.

However, Oman’s oil fields are generally small

² Owned by following shareholders: Royal Dutch/Shell (UK/Netherlands)-34%, Total (France)-4%, Partex (Portugal)-2%



and widely scattered across the central and northern parts of the country. Productivity is low and cost of production is also high compared to regional counterparts.

PDO has recorded declining levels of production over the past few years, as production has decreased by 25.9% since the year 2000.

Therefore the government is encouraging the use of Enhanced Oil Recovery Techniques (EOR) for extraction of oil to combat declining production. The government has also signed agreements with new oil companies to undertake exploration in unclaimed oil fields, such as Sinopec (China), PTT Exploration and Production (PTTEP; Thailand), Total, Gulfstream Resources Canada, Maersk (Denmark), Nim-r Petroleum (Saudi Arabia), Philips Petroleum, Triton Energy, Arco and Hunt Oil (all of the U.S.).

Opportunities for value addition are also being explored by investment in downstream projects such as new oil refineries (Sohar Refinery).

The Ministry of Oil and Gas coordinates

the government's role in the country's oil and gas sector. However, all energy sector development projects must obtain the Sultan's approval.

Refer Appendix 11- Oman oil production & exports

Natural gas

	Year 2007
Proven reserves (associated & non associated)	19.14 trillion cubic feet (c.f.)
Expected reserves	33.8 trillion c.f.
Total Production	1070.7 billion c.f.
Key players	PDO, Indago Petroleum, Occidental Petroleum & PTTEP

Source: Central Bank of Oman - Annual Report 2007

Discovery of large non-associated gas reserves in the late 1980's and early 1990's spurred the government to develop this sector.

Expanding natural gas production is a key focus of achieving Oman's strategy to diversify its economy away from the oil sector. Rising natural gas production over the last several years has resulted in the expansion of natural gas-based industries, such as petrochemicals, power generation, water desalination and the use of natural gas as feedstock for enhanced oil recovery projects.

State-owned companies dominate Oman's natural gas sector. However, the government has increasingly enlisted foreign companies in new exploration and production projects, especially in the more geologically complex natural gas reservoirs.

The Oman Oil Company (OOC) directs state

investment in downstream projects through its subsidiary the Oman Gas Company (OGC), which operates the country's natural gas transmission and distribution lines. The Omani government has intensified its efforts to locate additional natural gas supplies to help meet rising domestic natural gas requirements as well as the country's LNG export commitments. Also efforts are being made to increase production capacity and efficiency to increase reserves.

Some of the key gas projects are:

- The BG Group's (UK) exploration and production sharing agreement for the Abu Butabul gas field.
- The Ministry of Oil and Gas has entered into an agreement with BP Amoco (Epsilon) for the development of the Khazan and Makaren gas fields, where US 650 Mn is expected to be invested over the next 6 years.
- PTTEP commenced production at Shams oil fields.
- Oman is part of the Dolphin Project, which aims to connect the natural gas networks of Qatar, the United Arab Emirates (UAE), and Oman. The Dolphin Project intends to send supplies from naturally gas-rich Qatar to the UAE, Oman, and the South-Asian subcontinent.
- A Memorandum of Understanding was signed with Iran for importation of gas too.

Gas based industry is also being promoted in Sohar, where gas is supplied by pipelines from Omani fields and an industrial port dedicated to container handling services is situated.

Polyethylene, aluminium, US 320 Mn polypropylene plant, US 400 Mn methanol plant, US 650 Mn fertiliser plant, US 350 Mn steel and iron plant, sugar refinery, US

104 Mn high pressure carbon steel pipe and casing complex, US\$1.1bn aromatics complex at Sohar, to produce 800,000 t/y of paraxylene and 210,000 t/y of benzene are some of the gas based industries currently in operation.

Liquefied natural gas (LNG)

LNG activities are primarily carried out by



the Oman Liquefied Natural Gas Company (OLNGC), a consortium led by the Omani government (51%), Royal Dutch /Shell (30%), Total (5.54%), Korea LNG (5%), Partex (2%), and three Japanese firms, Mitsubishi (2.77%), Mitsui (2.77%), and Itochu (0.92%). OLNGC owns two of Oman's LNG production trains and has a 40% stake in the third LNG facility.

The LNG facility in Sur (two trains) commenced exports in 2000. The facility entered into a long-term sale and purchase agreements (SPAs) with the Korea Gas Corporation and Osaka Gas of Japan.

Qalhat LNG (third train) commenced operations in 2006- this facility is co-owned by the Omani government (55.8%), OLNGC (36.8%) and Union Fenosa of Spain (7.4%). Union Fenosa has a 20-year SPA for 50%

of planned output. Qalhat LNG has signed additional SPAs in 2004 with three Japanese firms, Mitsubishi, Itochu and Osaka Gas also.

Sur is an emerging hotspot for LNG based industry.

In 2005, the Oman India Fertiliser Company (Omifco) completed its new US\$1bn plant in Sur and began production and export. Omifco is a joint venture between OOC (50%) and two Indian companies, Krishak Bharati Co-operative Limited (25%) and Indian Farmers

ORC also established a refinery at Sohar, producing gasoline, propylene, liquefied petroleum gas, naphtha, fuel oil, kerosene and gasoil.

The government has indicated that it would encourage the establishment of a refinery at Salalah also.

6.3 Trade



Fertiliser Co-operative (25%). The Indian government has agreed to purchase the plant's 5,060 t/d urea output, and the Indian Agriculture Fertilisers Company will buy the 3,500 t/d of ammonia.

The Oman Shipping Company (OSC) was also created to enhance income and employment generating opportunities from the LNG industry. OSC and its partners have invested in seven LNG vessels thus far.

Oil refinery

The Oman Refinery Company (ORC) commenced operations in 1982 in Muscat to fulfill local requirements. The refinery produces the following: petrol, kerosene, gasoil and butane.

Oil and gas exports accounted for 84.9% of total exports in 2008 (CBO). Growth in exports was driven by increasing demand for oil and rising oil prices. Natural gas exports have also increased by 22.1% from 2003-2007.

Non-oil exports have also increased in light of economic diversification over the past few years, as a percentage of total exports non oil exports have risen from 6% in 2002 to 14% in 2007. Rapid growth in mineral exports was a key contributory factor.

Oman has significant re-exports also.

Refer Appendix 12 for composition of trade transactions and non-oil exports.

Imports worth RO 6.1 Bn were made in 2007. Machinery and transport equipment and crude and indelible materials accounted for 51.6% and 16.1% respectively of total imports (CBO). Import growth was fuelled by private consumption and investment demand.

Refer Appendix 12 for composition of imports.

Oman is a member of several economic blocs including the Arab Gulf Co-operation Council (AGCC), the Greater Arab Free Trade Zone, the Indian Ocean Rim Association for Regional Cooperation (IORARC) and the World Trade Organization (WTO).

The Oman- US Free Trade Agreement signed in 2006, came in to effect from 1 January 2009, whereby all tariffs on consumer and industrial products are waived.

Omani goods are exported to the markets of over 100 countries around the world. Its main trading partners however, are the United Arab Emirates, India, Saudi Arabia, Iran, Qatar, Libya, China, South Korea, Germany and the United States.



Government authorities and departments give priority to Omani products when making purchases and Omani goods are actively promoted in the local market through seminars and exhibitions.

The “Map of Omani Products” - an internet website which provides information on 72 sectors was launched in 2006.

6.4 Industry (manufacturing sector)

Contribution to GDP	6%
Revenue	RO 1558 Mn

Source: Central Bank of Oman 2008

Small scale industry was the forerunner of Oman’s industrial sector. The discovery of non-associated natural gas, however, resulted in the expansion of large scale gas based industry.

Non oil industrial growth is fuelled primarily by growth in the manufacturing sector.

Manufacturing is largely located on PEIE industrial estates (2.2.5). The government is promoting the setting up of industries at Sohar industrial estate located in the Al Batinah region, due to the infrastructure in place and the large manpower resource in the area.



Heavy industries such as fertiliser, aluminium, natural gas, cement, steel tubes; and light industry such as textiles, biscuits and soft drinks have been established in recent times.

Project Management



- ◆ Project Feasibility Analysis
- ◆ Project Scope Development, Planning and Tracking
- ◆ PM Process and Procedures Development
- ◆ Project Management Office (PMO) Support
- ◆ Recruitment Services
- ◆ PM Training

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The industrial sector is a cornerstone of the Sultanate's long-term (1996-2020) development strategy. Development of the industrial sector is expected to help achieve the governments' diversification strategy and reduce dependency on oil. It is also targeted to help meet Oman's social development needs and generate greater value addition for national resources by processing them into finished products.

The current development plan (2006-2010) creates the conditions for an attractive investment climate. Under its strategy for the industrial sector, the government aims at developing the Information Technology (IT) and telecommunications industries. The Knowledge Oasis Muscat (KOM) IT complex has been set up and expanded for this aim, and Omani companies are developing their technological potential through collaboration with various Japanese and German institutions. An IT authority established in 2006 will promote infrastructure projects for Oman's digital advancement and oversee implementation of IT projects in every department of the state's administrative apparatus.

By 2020, the industrial sector is expected to contribute 15% to the country's GDP.

Construction contributed to 3% of GDP in 2007. Driven by constant expansion of infrastructure, tourism, commercial and residential real estate projects in 2007.

6.5 Minerals and mining

Mining accounts for approximately 1% of the annual GDP and employs around 3% of the workforce.

Oman has vast mineral deposits which hitherto remain unexploited. Some of these

mineral deposits include: silica, sand, dolomite, limestone, gypsum, ornamental stone, clay, rockwool, iron oxides, heavy sands, wollastonite, clestite, asbestos, aggregate, laterite and barite. Mineral



deposits of copper, manganese, lead, iron, zinc, chrome, phosphates, gold, silver and nickel also exist, though many of them are in inaccessible areas. (Refer Appendix 13 - Mining and quarrying production)

The Department of Mines and Quarries issues leases and permits for the exploration and exploitation of minerals.

6.6 Transport and Communications

The Transport and Communications sector has played a vital role in establishing the infrastructure network of Oman, which has contributed toward achieving economic and social prosperity.

Oman has also promoted multi-million dollar investments to develop road, sea and air transport facilities. Oman has a developed network of highways linking almost all parts of the country. The Omani government plans to invest more than US\$3 billion for the development and renovation of its two existing airports and construction of three new airports to cope with increased traffic spurred by the pace of

economic development. A new port complex & expansion projects are being planned at Duqm and Khasab respectively. Omantel was the key fixed line operator

6.7 Agriculture and fisheries

Agriculture and fisheries account for an



until 2008, when the government awarded Nawras a second licence to establish another fixed line network. The Telecommunications Regulatory Authority (TRA) also issued five mobile reseller licences as part of a move intended to further liberalise telecom services in the Sultanate in 2008.

Refer Appendix 14- service sector indicators



average of 35% per annum of Oman's main non-oil exports.

Main agricultural crops include dates, alfalfa, wheat, mangoes, limes and bananas, with

	2008
Contribution to GDP	1%
Revenue	RO 250 Mn

Source: Central Bank of Oman, 2008

market gardening of tomatoes, cabbage, aubergines, okra and cucumbers.

Limited water resources, pasture and the salinity of the soil are constraints on agricultural development. Therefore the government is exploring opportunities to improve irrigation.

A network of collection and distribution centres is run by the Public Authority for Marketing Agricultural Produce (Pamap).



Pamap exports fruit and vegetables, particularly bananas, and operates a banana ripening and packing factory at Salalah and a handling centre at Al Suwaiq.

Fisheries

Fishing is one of the country's oldest occupations and among its most promising sectors. With a coastline of over 1,700 kilometers long, Oman is one of the main fish-producing countries in the region.

The Government has supported the construction of fisheries infrastructure required for the development of the industry. Fish farming is now a growing industry and fish farms have been set up at Musandam and Qalhat.

The government has also encouraged the development of commercial fishing by providing boats and motors, cold-storage facilities, and transportation. Marketing operations have been streamlined across the country, and exports are now better regulated, particularly with regard to certain types of rare, high value fish. Fisheries training centres have been established in Al Khabourah and Salalah. Data and statistics on the fishing industry have been upgraded and new fishing harbours have been built and equipped with modern facilities.

Oman Fisheries Company SAOG is the largest fishing company in the country. It undertakes processing and marketing of fish and fish based products, which are approved for export to European countries. Exports include fresh fish, frozen fish and seafood (prawns, crabs and lobsters). Almost half of fish exports are to GCC states.

6.8 Tourism

No of tourist arrivals	1.4 Mn (2007)
Contribution to GDP	1%

Tourism is a key sector that the government is promoting toward achieving Economic Vision 2020.

The United Nations World Tourism Organisation states that the Middle Eastern tourism sector has been growing and has a positive outlook in the future due to continued investment in supporting infrastructure.

Attracting niche market high spending tourists, promoting adventure, cultural, environment tourism and also meetings, incentives, conferences and exhibitions (MICE) is a part of Oman's tourism strategy. The State is also focusing on improving tourism infrastructure and carrying out promotional campaigns abroad, in the EU, USA and Asia.

Tourism to Oman is growing rapidly, by 2020, tourist numbers are forecast to double current levels. Room capacity in Oman is expected to double by 2012 with many mixed developments, including hotels, marinas, shopping areas, golf courses and exhibition centres being set up.

The Ministry of Tourism was set up in 2004 and the Government is promoting increased

Musandam, Al Batinah, Al Buraimi, the Wilayat of A'Duqm and Wusta regions.



private sector participation to provide quality services to tourists. The Ministry of Tourism promotes Oman as a place for business, trade and living.

A Ministerial decision creating Integrated Tourism Complexes (ITC) enables foreigners to buy freehold property and receive Omani residency visas for themselves & their families.

Some of the major tourism projects currently in progress are:

- Blue City mega tourism project (investment of US\$10bn)
- Yenkit Integrated Tourism Complex (investment of US\$2bn)
- Muriya (70:30 joint-venture between Orascom Hotels & Development and the Omani government) is investing about US\$900mn in four major projects namely Salalah Beach, Jebel Sifah, City Walk and Al Sodah.
- Other new projects at Al Sifa, Kalboo Park, Al Souda Island, A'Seeb, Ras Al Hamra, Al Rowdah and Ras Al Hadd in addition to two other projects near "The Wave" and five other projects in

- About 40 other private projects are in the pipeline across the Sultanate.

6.9 Real estate

Demand for real estate has been growing across different utility groups: residential, commercial and tourism related. Despite recent increases in prices the Oman real estate sector remains competitive as opposed to other GCC markets.

Some of the major real estate projects currently in progress are:

- The Wave - residential and commercial development by Oman's Waterfront Investments, National Investment Funds Company and UAE's Majid Al Futtaim Investments (investment US 800 Mn)
- Blue City- mixed tourist development (investment US \$ 10 Bn)
- Yenkit luxury Integrated Tourist Resort Complex by Yenkit Tourism Development LLC (investment US \$ 2 Bn)
- Yiti- tourism project by the Oman government and Dubai International Real Estates Co
- Muscat Golf and Country Club by the Oman government and Laing O'Rourke.

7. ARAB GULF CO-OPERATION COUNCIL (AGCC)

The Cooperation Council for the Arab States of the Gulf, popularly known as the Gulf Cooperation Council (GCC) was created in 1981; it is a trade bloc comprising 6 Persian Gulf States: Oman, Bahrain, Kuwait, Qatar, Saudi Arabia and the United Arab Emirates. The GCC covers an area of 2,673,000 square kilometres with a population of 36.2 million, approximately.



The GCC common market was launched in January 2008, resulting in all GCC companies and citizens being treated as 'nationals' in any of the GCC countries, breaking down barriers to cross border investment and trade.

size of the added-value element and the percentage of GCC participation in the producing entity;

- Products originating in the GCC benefit from a 10% bidding preference in Government tenders (similar to local products).
- GCC nationals are given equivalent status to Omani nationals for income tax purposes;
- GCC companies have the right to set up entities in Oman.
- GCC nationals working in the private sector in Oman are treated on par with the local nationals with regard to wages and other privileges.
- The ownership of land is another area where GCC nationals enjoy advantages denied to other non-Omanis.



The GCC aims to promote co-ordination and achieve unity between member states by having common economic and social objectives.

As a member of the GCC, Oman extends certain privileged rights to citizens and companies from other member countries. Some of these privileges are:

- General exemption from customs duty on import of goods of GCC origin, subject to certain conditions as to the

The GCC intends to launch a single currency in 2009/2010; Oman, however, has announced that it will not be joining this monetary union.

The GCC recently concluded a Free Trade Agreement (FTA) with Singapore. The GCC is also conducting FTA negotiations with countries such as Australia, New Zealand, China, Japan, India, Pakistan, Turkey, European Free Trade Association (EFTA) and Southern Common Market (MERCOSUR).

APPENDICES

Appendix 1 - Economic indicators

Items	2004	2005	2006	2007	2008
GDP at current market price (RO Mn)	9487.00	11882.90	14151.20	16010.30	23049.00
Annual Growth (%)	14.53	25.25	19.08	13.13	43.96
GDP at constant 2000 prices (RO Mn)	8362.40	8771.70	9297.90	10017.40	N/A
Annual Growth (%)	3.41	4.89	5.99	7.73	N/A
GDP Deflator	113.44	135.46	152.19	159.82	N/A
Annual Growth (%)	10.75	19.41	12.35	5.01	N/A
Contribution to GDP (%)					
1. Petroleum Activities	42.98	49.44	47.62	45.15	51.26
1.1 Crude Petroleum	40.38	45.72	43.51	40.72	46.91
1.2 Natural Gas	2.59	3.71	4.10	4.40	4.34
2. Non-Petroleum Activities	58.25	52.82	54.10	56.38	49.80
2.1 Agriculture and Fishing	1.83	1.54	1.35	1.25	1.01
2.2 Industry	13.48	14.25	16.17	16.64	16.04
2.3 Services Activities	42.92	37.02	36.57	38.47	32.70
Components of GDP (%)					
a. Private Consumption	36.87	31.43	30.97	35.09	N/A
b. Government Consumption	22.50	19.93	18.52	18.19	N/A
c. Capital Formation (investment)	25.57	23.14	24.21	30.50	N/A
d. Exports-Imports (goods and services)	12.65	26.42	23.89	15.72	N/A

Sources: Central Bank of Oman - Annual Report 2008

Appendix 2 - Commercial Registration- procedure and documentation

Entity to be registered	Procedure & documentation
<p>100% Omani entity:</p> <p>a. Sole proprietorship</p> <p>b. Limited Partnership</p> <p>c. General Partnership</p> <p>d. Limited Liability Company (LLC)</p>	<ol style="list-style-type: none"> 1. Approval of proposed commercial name 2. Approval from other authorities (if any) 3. Completion of standard form 4. Submission of identity / passport documents of the partners and authorized signatories 5. Payment of prescribed fees 6. LLC- completion and signing of Articles of Association form as per investor form; or, submission of new articles of association and signing of same as desired by the partners
Joint-Stock company	<ol style="list-style-type: none"> 1. Articles of Association and Memorandum of Incorporation (Approved by D.G. of Commerce and Capital Market Authorities) 2. Administrative decision, Minutes of the founding AGM and the decision of the Board of Directors 3. Confirmation of the identity of the board members and chairperson together with their specimen signatures 4. Specimen signatures of the authorized signatories and the Board's decision for the appointment of the chairperson
Limited Liability Company (LLC) (Under Capital Investment Law)	<ol style="list-style-type: none"> 1. Approval of proposed commercial name 2. Approval by other authorities (if any) 3. Completion of standard form 4. Copies of the identity documents of the partners 5. Completion and signing of the Articles of Association form as per the investor form or submission of new Articles of Association and signing of the same as desired by the partners 6. Submission of the Articles and Memorandum of Association duly attested, if the foreign partner is a juristic person; such as a company registered overseas and the documents confirming its registration overseas (copy of the commercial registration) 7. Submission of minutes of the partners meeting duly attested if the Omani or foreign partner is a juristic person. The minutes should also show the share of the said person and the authorized signatory of the person authorized to sign the Articles of Association of the company to be registered in Oman 8. Submission of a bank certificate showing the deposit of RO 150,000/- showing the share of each partner 9. Submission of the documents along with the identities of the partners and authorized signatories 10. Payment of the prescribed fees

Branch of a foreign entity	<ol style="list-style-type: none"> 1. Completion of required forms 2. Articles of association of the parent company along with the corporate documents duly attested 3. Power of attorney of the head office for the appointment of the branch manager and certificate from the head office assuming the responsibility for the activities of the branch duly attested 4. Copy of Passport of the authorized branch manager 5. Copy of the work contract / agreement made with the Government or a Government company in Oman
Representative office of a foreign entity	<ol style="list-style-type: none"> 1. Completion of required forms 2. Articles of association of the parent company along with corporate documents duly attested 3. Power of attorney of the head office for the appointment of the office manager and certificate from the head office assuming the responsibility for the activities of the branch duly attested 4. Copy of Passport of the authorized office

Commercial registration & renewal fees

Category	Capital	Registration & Renewal Fee (RO)
All Companies	Up to RO 100,000	43
	RO 100,001 to RO1,000,000	103
	Above RO 1,000,000	203
Sole proprietorship	RO 3,000 to RO 100,000	33
	RO 100,001 to RO 1,000,000	63
	Above RO 1,000,000	90
Branches of international companies	Not applicable	1,500
Branches of companies (out of the area of head office)	Not applicable	10
Branches of sole proprietorships	Not applicable	5



Appendix 3 - Water & electricity production, distribution and connections

Water Production , distribution and connections							
(Gallons Mn)	2002	2003	2004	2005	2006	2007	2008
Production	22,724	23,978	26,639	28,959	33,158	33,175	35,168
Distribution	22,855	23,951	26,431	28,802	33,109	32,794	35,548
Connection (000)	134	143	154	162	200	216	-

Source : Ministry of National Economy

Electricity production, distribution and connections							
(GW/H)	2002	2003	2004	2005	2006	2007	2008
Production	10,331	10,714	11,499	12,648	13,585	14,443	16,048
Distribution	9,851	10,303	10,959	12,023	13,127	13,856	15,335
Connection (,000)	474	491	511	588	548	571	-

Source : Ministry of National Economy



Appendix 4 - OCCI registration & renewal fees

Grade	Capital		Registration RO	Renewal RO
	From RO	To RO		
International	--	---	625	625
Consultants (International)	--	--	125	125
Consultants	--	--	33	25
Excellent Grade	250,000 and above		585	279
First Grade	100,000	249,999	225	108
Second Grade	50,000	99,999	128	73
Third Grade	25,000	49,999	78	45
Fourth Grade	Less than	25,000	33	25

Appendix 5 - PEIE rates for services

Service	Unit	Charges (RO)*
Lease of industrial plots	Square metre/per annum	250 Baizas for the first 5 years, thereafter, 500 Baizas.
Electricity	KW/hour with bank capacitor	12 Baizas (August-March) 24 Baizas (April – May)
Water	Gallon	3 Baizas
Gas	cubic metre	20.5 Baizas
Construction permits	Permit	RO 10
Construction drawings	Plan	750 Baizas
Duplicates of lost construction drawing/permit	Plan or Permit	Rate of original document
Duplicates of lost contract documents	Contract	RO 5
Construction insurance deposit	Permit	RO 150 (refundable)

Source: Public Establishment for Industrial Estates (PEIE)

*Note: Rates subject to minor variation at different industrial estates



Appendix 6- Licensed banks in the Sultanate of Oman

Bank name	Date of establishment	Authorized offices	Operating offices
Local banks			
1. National Bank of Oman	1973	62	54
2. Oman Arab Bank	1973	43	40
3. Oman International Bank	1975	87	82
4. Bank Muscat	1981	122	120
5. Bank Dhofar	1990	53	51
6. Bank Sohar	2007	12	11
7. Al Ahli Bank	1997	11	7
Foreign banks			
1. HSBC Bank Middle East	1948	6	6
2. Standard Chartered Bank	1968	1	1
3. Habib Bank Ltd.	1972	8	8
4. Bank Melli Iran	1974	1	1
5. National Bank of Abu Dhabi	1976	7	6
6. Bank Saderat Iran	1976	1	1
7. Bank of Baroda	1976	3	3
8. State Bank of India	2004	1	1
9. Bank of Beirut	2006	2	2
10. Qatar National Bank	2007	1	1
Specialised banks			
1. Oman Housing Bank	1977	9	9
2. Oman Development Bank	1977	14	13
Total		444	417

Source: Central Bank of Oman Annual Report 2008



Appendix 7 - Stock market performance indicators

	2004	2005	2006	2007	2008
MSM 30 Share Price Index	3375.05	4875.11	5581.57	9035.48	5441.12
Number of shares traded (Mn)	345.40	515.40	1113.00	3422.20	4440.80
Total turnover of trading (RO Mn)	759.00	1407.00	1128.00	2663.00	3663.00
Average value of trading per day (RO Mn)	3.06	5.52	5.44	10.74	14.77
Market capitalisation (RO Mn)	3587.00	5878.00	6220.00	10273.00	7912.00

Source: Central Bank of Oman Annual Report 2008



Appendix 8 - Registration fees for professional services companies

Type of company/ profession	Fees (R.O.)			
	Accounting & auditing	Engineering	Translation	Other
Individual professional services office	50.400	50.400	30.400	50.400
Joint professional services company	250.400	250.400	50.400	250.400
Joint professional services company with foreign participation	500.400	500.400	100.400	500.400

Source: Ministry of Commerce & Industry

Appendix 9 - Omanisation percentages

Sector	Job / Occupation or Establishment Classification	2009	2010
INFORMATION TECHNOLOGY	Senior Management	8	9
	Sales and Marketing	100	100
	Technical Support & Infrastructure	14	15
	Applications & Services Development	14	15
TELECOM	Engineers	52	54
	Technicians	65	70
	Skilled Labor	75	80
	Total Percentage	64	68
TRAVEL & TOURISM	Aviation Companies	88	90
	Tourist Restaurant	85	90
	Travel & Tourism	85	95
	Hotels (3, 4, 5 stars)	80	85
	Car Rental	85	90
OIL & GAS	Hotels (1, 2 stars) & Lodges	50	55
	Productive & Operating	90	90
	Direct Services	80	82
	Assisting Services	70	73
CONSULTANCY SERVICES	Local Companies	80	82
	Engineers	25	25
	Draughtsman	70	70
	Material Supervision Jobs	45	45
	Land Survey	80	80
	Accountants	60	60
CONTRACTING	Admin. Posts	90	90
	2 nd Category & Above	30	30
	Continued Projects	80	80



ELECTRICITY & WATER	Power plants in Ghubrah, Rusayl, Wadi Al Gizzi, Musandam & Dhahirah		
	Engineers	78	78
	Assistant Engineers	100	100
	Technicians	76	76
	Skilled Workers	100	100
	Power plants in Manah, Al Kamil, Barkah & Salalah		
	Engineers	43	43
	Assistant Engineers	45	45
	Technicians	51	51
	Skilled Workers	50	50
	Debt Collection Companies		
	Manager / Supervisor / Programmer	39	39
	Accountant / Cashier	87	87
	Meter Clerk	89	89
Worker / Assisting Occupations	100	100	
Total Percentage	90	90	
AUTOMOBILES		55	58
SALES & DISTRIBUTION		60	65
TRANSPORT & NAVIGATION	Sea Ports	78	78
	Navigation Agencies and Clearing Offices	77	77
	Marine Transport	95	95
	Shipping	84	84
ACCOUNTING OCCUPATIONS	Managers	26	29
	Specialists	50	55
	Professionals	60	66
	Clerical Occupations	100	100
PRIVATE EDUCATION	Private Schools		
	Academic	12	15
	Non Academic	56	58
	Private Universities & Colleges		
	Academic	14	16
	Non Academic	71	74
	Private Training Centres & Institutes		
	Management & Finance	80	90
	Technicians & Assistant Trainers	30	35
Trainers	30	35	
INDUSTRY		35	
TAILORING FACTORIES		25	
BANKS		90	

Source: Directorate General of Employment (2008)

Appendix 10 - Visa categories

Visa category	Granted to	Validity period	Other conditions	Fee (R.O.)
Single entry- visit	Nationalities in List 1 ³ upon arrival at land, sea & air entry points. Nationalities in List 2 ⁴ upon entry through air only, subject to certain conditions. Issued to individuals, or as part of a group; or through Omani embassies.	1 month	Extendable	6
Multiple entry	Nationalities in List 1 & 2, upon arrival at land, sea & air entry points. Issued to individuals, or as part of a group; or through Omani embassies.	1 year	Each visit- max. 3 weeks Min. 3 weeks must elapse between each visit Non extendable Re-application possible	10
Express	Issued within 24 hours (on working days) through Directorate General of Passport & Residency (DGPR)	3 weeks	Non extendable	7
Employment	A foreigner (above 21 years of age) who comes to Oman for employment, on request of a local sponsor	2 years	Multiple entry Renewable	-

³ List 1- European countries: Andorra, Austria, Britain, Belgium, Bulgaria, Croatia, Cyprus, Czech Republic, Denmark, Estonia, Finland, France, Germany, Greece, Hungary, Iceland, Ireland, Italy, Latvia, Liechtenstein, Lithuania, Luxembourg, Macedonia, Malta, Moldova, Monaco, Netherlands, Norway, Poland, Portugal, Romania, San Marino, Slovakia, Slovenia, Spain, Switzerland, Sweden, Vatican;

South American Countries: Argentina, Bolivia, Brazil, Chile, Colombia, Ecuador, French Guyana, Paraguay, Peru, Suriname, Uruguay, Venezuela;

Other countries: Australia, Brunei, Canada, Dar-es-salaam, Hong Kong, Indonesia, Japan, Lebanon, Malaysia, New Zealand, South Africa, Seychelles, Singapore, South Korea, Taiwan, Thailand, Tunisia, Turkey, United States.

⁴ List 2- Albania, Belarus, Bosnia-Herzegovina, Egypt, India, Iran, Jordan, Morocco, Russian Federation, Syria, Ukraine

Family joining & residence	Spouse & Children (below 28 years) of a foreigner resident in Oman	2 years	Multiple entry Renewable	7
Relative/ Friend visit	Relatives/friends of Omani nationals on his request & responsibility. Also granted to relatives of a foreigner who is resident in Oman at the request of and on the responsibility of his sponsor.	3 months	Single entry Extendable for 1 month	6
Business visit	Foreign businessman at request of a local sponsor, in order to hold commercial negotiations or carry out a task which may develop commercial relations between trade establishments/importers/exporters	1 month	Single entry Extendable at discretion of DGPR	6
Official visit	Foreigner at the request of a hosting government organization	3 months	Single entry Extendable for 3 months	-
Business Multiple-entry	Foreign businessmen who need to enter the country more than once, on request of a local sponsor. Also granted to diplomats accredited to the Arab Gulf Cooperation Council (AGCC) States.	Between 6 months- 1 year	Each visit- max. 3 weeks	10
Tourist	Foreigners for tourist visit, with or without a sponsor	3 weeks	Single entry Extendable by 1 week	5
Entry for passengers & Crew of passenger ships	Passengers & crew of passenger ships who intend to visit Oman as tourists during stopover at Oman's ports	24 hours or more	-	Less than 24 hours- gratis More than 24 hours- RO 2
Investor's residence	Foreign investors, pursuant to certification from relevant authority	2 years	Multiple-entry Renewable	7
Employment contracting	Foreigners intending to enter into a contract of employment in Oman, on request of a local sponsor	1 month	Single-entry Extendable at the discretion of DGPR	6
Troupe/ Artistes	Foreign entertainers on the request of a local sponsor, provided the sponsor has obtained relevant authorisation	3 months	Single-entry Extendable provided entertainment license renewed	6

Student	Foreign students on request of a local sponsor, provided that the sponsor has a license from the authorities concerned to establish an educational/training institution	1-2 years	Multiple-entry Renewable	7
Seamen's transit	Seamen who want to enter the Sultanate by sea & depart by air & vice versa	Max. 7 days from date of entry	-	5
Short visit	Nationals of certain countries covered by this facility, granted at Muscat International Airport	14 days	-	7
Air transit	Granted by the DGPR at airports at the request of carrier airlines	Max. 72 hours	Enables the holder thereof to enter the country once, provided that he possesses enough money to continue his trip	5
Truck drivers	Foreign truck drivers & their helpers, granted at border points	6 months	Each visit-max. 1 month Renewable	7
Common visa facility with the Emirate of Dubai	Certain nationalities bearing entrance visa stamp to Dubai (not required to obtain separate visa for Oman), valid at land, air, sea entry points	Period issued by Dubai, or 3 weeks max.	Non-extendable	Fee paid in Dubai
Entry visa for foreign residents of GCC States	Foreign residents of any GCC member state, provided that his occupation is not of a low grade. Also granted to accompanying family members & relatives.	4 weeks	Extendable for 1 week	3

Source: Directorate General of Passport and Residence



Appendix 11 - Oman oil production & exports

Oman Oil Production and Exports					
Mn Barrels	2004	2005	2006	2007	2008
Annual production	285	283	269	259	277
Annual exports	264	262	233	222	217

Source: Central Bank of Oman - Annual Report 2008

Oil exports by country

Mn barrels	2004	2005	2006	2007	2008
Japan	40.8	43.1	22.7	29	30.4
China	106.4	84.3	92	99.3	105.9
South Korea	41.9	41.1	34.2	15.6	23.5
Taiwan	12.1	16	11.2	8.1	10.7
Thailand	43.4	44	43.2	29.3	25.2
Malaysia	0	6.9	12	6.3	6.8
Singapore	3.1	7.5	5.3	2.1	3.5
USA	4.8	-	-	6.1	-
Others	11.1	19.2	12.5	16.2	10.7
Total	263.7	262.1	233.1	212	216.7

Source: Central Bank of Oman - Annual Report 2008



Appendix 12- Export & Import statistics

Non-oil Exports (RO mn)	2003	2004	2005	2006	2007	2008
Live animals and animal products	61.6	91.9	90.6	74.5	86.9	174.7
Vegetable products	14.4	15.2	16.1	12.9	15.4	24.5
Animal or vegetable fats and oil	12.4	17.9	28.5	28.8	36.2	77.5
Mineral products	20.5	42.7	50.5	216.1	450.1	623.8
Products of chemicals and allied industries	34.7	28.0	89.2	138.7	176.7	307.2
Foodstuffs, beverages, tobacco, and related products	25.6	26.0	35.5	32.1	38.1	48.5
Plastic, rubber, and articles	18.8	31.0	33.0	31.9	112.9	187.3
Textiles and articles	26.0	23.9	14.2	10.9	7.2	4.6
Base metals and articles	40.0	72.6	95.8	123.7	120.7	164.8
Others	50.1	71.1	101.9	142.7	246.5	350
Total	304.1	420.3	555.3	812.3	1290.7	1962.9

Source: Central Bank of Oman

Composition of Imports (RO mn)	2004	2005	2006	2007	2008
Food and Live animals	369.1	340.3	382.1	509.1	824.2
Beverages and tobacco	43.5	31.2	32.9	42.5	48.6
Crude materials, inedible except fuels	105.0	88.5	123.0	114.5	153.1
Minerals, fuels, lubricants, and related materials	83.8	141.0	139.2	214.4	235.5
Animal and vegetable oil and fats	26.0	25.0	28.2	45.9	82.1
Chemicals	246.1	284.6	280.6	395.6	547.9
Manufactured goods	587.3	569.1	799.4	1283.5	1874
Machinery and transport equipment	1,565.0	1,637.4	2,085.0	3,165.3	4,403.3
Miscellaneous manufactured articles	183.2	198.3	239.4	340.8	599.5
Commodities not classified elsewhere	105.0	78.8	80.2	32.6	46.2
Total	3,314.0	3,394.2	4,190.1	6,144.2	8,814.4

Source- Central Bank of Oman



Appendix 13- Mining and Quarrying Production

Mineral	2007	2008
Silver	1,626	282
Gold	4,017	1,381
Building materials	41,280,912	51,153,786
Chromite	407,822	784,082
Clay	76,747	183,325
Sand	22,029	19,486
Gypsum	327,041	321,746
Iron (Laterite)	295,012	301,117
Quartz	211,879	176,518
Limestone	3,607,648	3,604,452
Marble	311,861	457,146
Salt	10,452	10,444
Copper	40,334	39,819

Appendix 14- Service sector indicators

Service Sector Indicators												
Indicators of Hotel Activities												
Year	Guest	Employees	Revenue (RO 000)	Post Offices (Units)	Communication			Transport			Passenger Departures (000')	
					Fixed Line Subscribers (000')	Mobile subscribers (000')	Internet subscribers (000')	Aircraft Take-off (Units)	Aircraft Landing (Units)	Passenger Arrivals (000')		
2003	886,776	4,739	48,369	94	236	594	52	21,162	21,163	1,334	1,306	
2004	1,201,926	5,168	59,349	94	239	806	49	21,805	21,817	1,572	1,559	
2005	1,407,672	5,366	78,609	94	257	1,333	76	26,384	26,397	1,842	1,839	
2006	1,686,818	N/A	N/A	94	270	1,818	64	24,936	24,965	2,278	2,244	
2007	1,497,301	N/A	N/A	94	261	2,500	70	24,984	24,997	2,088	1,962	

Source: Ministry of National Economy,
Ministry of Tourism



Appendix 15- Useful contact information

The international direct dialling (IDD) code for Oman is (+968)

Organization	Telephone	Web link
Ministry of National Economy	24698900	www.moneoman.gov.om
Ministry of Commerce & Industry	24813500	www.mocioman.gov.om
Ministry of Finance	24738201	www.mof.gov.om
Central Bank Of Oman	24702222	www.cbo-oman.org
Ministry of Manpower	24816692	www.manpower.gov.om
Ministry of Tourism	24588700	www.mot.gov.om
Ministry of Information	24603222	www.omanet.om
Royal Oman Police	24569944	www.rop.gov.om
Muscat Municipality	24704800	www.mctmnet.gov.om
Oman Tender Board	24602612	www.tenderboard.gov.om
Oman Chamber of Commerce and Industry (OCCI)	24707684	www.chamberoman.com
Muscat Securities Market (MSM)	24816353	www.msm.gov.om
Omani Center for Investment Promotion and Export Development (OCIPED)	24812344	www.ociped.com
Public Establishment for Industrial Estates	24449094	www.peie.om
Public Authority for Social Insurance (PASI)	24524700	www.taminat.com
Morison Muscat	24799334	www.morisonmuscat.com

Hotel Accommodation

Hotel Name	Telephone	Web link
Hotels in Muscat		
Al Bustan Palace	24799666	www.al-bustan.intercontinental.com
Intercontinental Muscat	24680000	www.ihg.com
The Chedi	24524400	www.ghmluxuryhotels.com
Al Falaj Hotel (Mercure Al Falaj)	24702311	www.omanhotels.com
Grand Hyatt	24641234	www.muscat.grand.hyatt.com
Crowne Plaza Muscat	24660660	www.ichotelsgroup.com
Holiday Inn Muscat Al Madinah	24487123	www.ichotelsgroup.com
Best Western	24692121	http://bestwestern.worldexecutive.com
Sheraton Oman Hotel	24772772	www.starwoodhotels.com/sheraton

Ruwi Hotel	24564443	www.omanhotels.com
Golden Tulip, Seeb	24510300	www.goldentulipseeb.com
Radisson SAS Hotel, Muscat	24487777	www.muscat.radissonsas.com
Shangri -La Barr Al Jissah Resort & Spa	24776666	www.shangri-la.com
Ramee Guestline Hotel Qurum	24564443	www.ramee-group.com
Ramada Qurum Beach	24603555	www.ramada.com
Hotels outside Muscat		
Hilton Salalah	23211234	www.salalah.hilton.com
Crowne Plaza Salalah	23235333	www.ichotelsgroup.com
Sur Plaza Hotel	25543777	www.omanhotels.com
Crowne Plaza Sohar	26850850	www.ichotelsgroup.com
Sohar Beach Hotel	26843701	www.soharbeach.com

Getting about in Oman..

Car hire		
Company	Telephone number	Website
Avis	24607235	www.avisoman.com
Budget	24683999	www.budget.com
Europcar Oman	24700190	www.europcar.om
Hertz	24566208	www.nttoman.com
Thrifty car rental	24489248	www.thrifty.com

Taxis	
Company	Telephone number
City Taxi	24478387
Hello Taxi	24607011/2
Muscat Cab	99274949/96429096
Swift Cab	80077779

The Oman National Transport Company operates a long distance bus service.

Emergency numbers

Institution	Telephone
Emergency	9999
Royal Oman Police	24560099
Directory services	1318

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