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STOP WASTING FOOD

Issued in public interest by AL GHORFA
The importance of the private sector is clearly manifested at times of economic crises such as the ones that affect the countries which entirely depend on oil as the main source of income and rescuer. In such countries, oil is entrusted with the considerable role of improving contribution to the national income and extricating the country from the crisis with least losses. With this understanding in mind and with a view to enabling the private sector to exercise its role with high efficiency, the Government must not grip or clamp down the sector, but on the contrary it should provide it with all means of support enabling it to further grow and take the initiative in such crises. The government is, thus, required to refrain from enforcing legislations that may lead to migration of capital and businesses.

We agree that the private sector is in need of further organization and regulation, but first of all it needs further trust on the part of the government. The private sector is required to have a heard voice with its views taken into consideration when drafting private sector-related laws. Further, it should be considered a partner of the government in all issues relating to economic legislations. Regrettably, however, the reality is otherwise because until now Oman Chamber of Commerce and Industry (OCCI) is only asked to review ready-made laws giving it very little time to do so. The strange thing is that highly sensitive laws are passed by the government directly to the Shura Council without paying any attention to the need to consult with OCCI in its capacity as the representative of Oman’s private sector. In reality, no one can advise on such laws better than the concerned stakeholders, including business owners and specialists. The views of outsiders will remain mere irrelevant judgment which may either be right or wrong. The question is: who is responsible for ignoring the role OCCI as an advisory body of the government and representative of the Omani private sector? As a matter of fact, these practices would certainly have their negative implications on the national economy.

The challenges which are exhausting the private sector are still too many and the efforts being made to face them have not led to clearly defined results on the ground. Therefore, working towards activating the joint committees involving the government and private sector will bear fruit and bring about solutions to many of the challenges, with particular emphasis on the need for the two sectors to work together towards achieving this goal.
Oman Chamber of Commerce and Industry (OCCI) last year recorded a clear position towards several important issues and had remarkable presence on the media which also adopted these issues in the best interest of the national economy. OCCI’s transparency with regard to what is brought forward through the various media and its constant interaction with such media had significant bearing on communicating the views of the Omani private sector represented by OCCI to the decision-makers and public opinion.

One of the most important issues adopted by the OCCI during the year was the demand of business owners operating in transport sector that OCCI raised to the Ministry of Transport and Communications to stop the truck weighing system applicable on the roads at the present time. A meeting involving all parties concerned was held where the Ministry stated that the application came after lengthy study on the adverse impact of excessive loads on the roads.

OCCI also called upon the government to expedite setting up cooperative societies in all Governorates of the Sultanate and facilitate their obtainment of financial facilities through the specialized financing organizations in the Sultanate. Pursuant to its role as a consultative body for the government and in its capacity as representative of Oman’s private sector of all segments, OCCI proposed that a decision should be taken expeditiously to gradually lift the subsidy on fuels with diesel at first, so that this decision does not have significant effect on citizens.

The OCCI had a clear opinion with regard to the application of Article (11) of the Foreigners Residence Law and demanded its application in order to create a stable working environment for companies, particularly the small and medium enterprises and to curtail irregular turnover of workforce. The application of this article is also important in eliminating the phenomenon of hidden trade. Represented by its Tourism Committee, OCCI also adopted the observations of business owners working in the tourist sector and demanded to enforce clear laws regulating haphazard camping and curtailing its negative impact on the environment.

At the investment in private education seminar, OCCI called for streamlining procedures and regulating this sector.

OCCI is working towards exercising its role in uplifting the standard of awareness of those working in the sector by holding workshops and seminars. In this context, it organized a seminar on information systems and security which aimed at propagating...
awareness of the risks surrounding electronic trade transactions and familiarizing the audience with the necessary measures to be adopted to confront and overcome those risks. In cooperation with the GCC Technical Secretariat Office for Cooperation in the Prevention of Injurious Practices in International Trade, it also organized a workshop on “mechanisms of protecting GCC industries against injurious practices in international trade”.

The Chamber continued its ongoing initiative of dispatching trade delegations to all counties of the world for the purpose of introducing Oman
to the external world as an attractive investment destination for its remarkable diversity with wide spectrum of investment opportunities and unlimited support to local and foreign investors alike. During the past period of the term of office of the Chamber’s current board of directors, radical changes occurred in the structure of such delegations in terms of mechanism, objectives and priorities as well as follow-up methods and agreements concluded which augment the chances of achieving the desirable goals.

**OCCI calls for a law that copes with economic variables**

Believing in the rule of constructive dialogue and partnership in decision-making, OCCI held several meetings with the business community to discuss the OCCI’s draft law and consider proposals on this law which is of prime importance. The meetings reviewed the points stated in the law which were raised for amendment or replacement by the private sector and businessmen. These points involve OCCI’s objectives, organs, internal organization, roles and contributions at the internal and external levels, development of its capacities and capabilities to keep abreast of the latest developments and changes and enable the Chamber to organize and strengthen the private sector’s contribution to the development process. The Law suggests expanding the Chamber’s objectives to enable it to achieve sufficient representation of the private sector in local and international committees and arenas in its capacity as the sole legitimate representative of the private sector. The Law is meant to increase its contribution to holistic and sustainable economic development through effective management, propose principles and foundations for the economic sector, put in place the necessary strategies and plans within the framework of the Sultanate’s general policy, resolve the problems and difficulties diminishing the private sector’s capacity to grow, activate and develop the role of the private sector establishments in general and the small and medium enterprises in particular, defend the interests of the private sector, raise private sector proposals to the concerned authorities and bring about possible solutions to the obstacles and difficulties facing them.

**Setting up Trade Arbitration Center**

The Chamber is working towards setting up a trade arbitration center in the Sultanate. The final revision of the system is now underway by a joint team of the Chamber, Ministry of Commerce and Industry, Ministry of Legal Affairs and Capital Market Authority. It is hoped that the center would provide an asset to the legislature concerning the easy settlement of commercial and investment disputes and to serve as an integral and complementary part of the legislative environment in the Sultanate. The center would further consolidate the terms of reference of the Chamber in so far as the business economy is concerned.

**Omanisation in Private Sector**

The Chamber pays due attention to Omanisation in the private sector and the current procedures now pursued in this respect. This issue has been the focus of discussions with the concerned authorities, particularly with the current economic situation which is affected by reduced oil prices. A recent specialized paper prepared by the Omani Economic Society on this issue has dealt with Omanisation in the private sector in a realistic manner based on the figures and statistics now available and the current situation of Omanisation in the light of present changes, featured in particular by slumping oil prices.

The paper was discussed with a host of businessmen where it was agreed that it was important to bring about a radical remedy to the current situation and communicate the voice of the private sector to the government and adopt a unified perspective including appropriate solutions to all obstacles and challenges facing the private sector companies and establishments in the field of Omanisation. It was agreed to set up a joint working team of the Chamber and Omani Economic Society including experts, economists and representatives of the private sector, the aim being to put in place a joint vision based on a working paper that would be presented by the society to government over the upcoming period.
OCCI’s Corporate Social Responsibility Award

By dedicating corporate social responsibility award, the Chamber aims to propagate the culture of social responsibility, highlight the distinguished role of companies and establishments in this aspect, encourage positive competition towards contributing to the economic, social and environmental aspects and strengthen the endeavor of sustainable development and towards motivating and recognizing the performance of private companies in the field of social responsibility.

A total of eleven companies satisfying the standards and conditions of the award applied for the award in its first edition. Three companies won the award, namely Oman Indian Fertilizers Company, Petroleum Development of Oman (PDO) and W J Towel Group. The standards of the award included three axes: the first axis concerns catering for the environment in terms of pollution and green spaces and including in the company’s annual reports works serving the environment and product recycling; the second is about serving the community in terms of having a specialized department or section concerned with social responsibility within the company, creation of new employment opportunities in the technical positions, general Omaniisation percentage, the company’s contribution to education, training, health, sports and youth programmes and material support of community based organizations. The third axis concerns support to small and medium enterprises in terms of financing, contracting for service and training, technical and consultancy support and purchase of products of small and medium enterprises.

Demand for setting up community based cooperative societies

OCCI has called for expediting the setting up of community-based cooperative societies in all Governorates of the Sultanate calling upon the government, private sector and citizens in general to support the setting up of such societies. The Chamber stressed the importance of such societies in achieving the principle of providing equal opportunities and assured fair competition and enabling local investors and national products within the framework of the economic approach pursued by the Sultanate. His Excellency the OCCI Chairman called for designating appropriate locations in all Governorates of the Sultanate for setting up community-based cooperatives and for facilitating the obtainment of loans and financial facilities through the specialized financing institutions in the Sultanate. He also called upon Omani suppliers and manufacturers to support such societies as being 100% community-based investments. The number of Omani investors in this area is supposed not to be less than 100 Omans. The cooperatives are intended to have direct economic bearing on the economy and citizens in general. It is now an urgent requirement to set up these societies in order to curb the domination of hypermarkets which are now overwhelming commodities and products, particularly national products. The Chamber has received many complaints from large national companies and factories expressing their frustration at the practices and irregularities of those foreign investment hypermarkets. He pointed out that many national factories were suffering considerably in displaying their products in those shopping centers.

The owners of those factories say that they are unable to confront this difficulty and therefore they submit to the conditions and unfair fees imposed by such centers. They hoped that there are some other means for them to have their products displayed and marketed to customers. Since the existing situation does not achieve the desirable goals of foreign investment which has great deal of advantages and facilities, there is also a requirement for positive initiatives in support of national products, human cadres and SMEs to enable them to keep abreast of the wise government’s trends in this respect. It is, therefore, important to rectify the current situation in accordance with a joint vision that achieves the objectives and interests of all parties, i.e. the hypermarkets, distributors, suppliers and small and medium enterprises. One of the best proposed solutions is to amend Article (60) of the Royal Decree No. 55/90 issuing the Law of Commerce which provides that: “A commercial concern may be disposed of entirely or partially by means of leasing according to the provisions of...
this section”. The Chamber called for reconsidering this Article of the Law of Commerce which is apparently representing a screen for many wrongful practices exercised by the big malls (hypermarkets).

**Calls to suspend truck weighing on road network**

A number of businessmen and investors called upon the Ministry of Transport and Communications and Royal Oman Police to stop applying Article (37) of the executive regulations of Traffic Law providing for installing truck weighing stations at key locations along the Sultanate’s arterial road network in an effort to crack down on heavy vehicles that exceed axle load and weight limits. They say that the application of this article causes damages and considerable negative impact on the companies and establishments of the private sector and also on citizens in general and consumers specifically. They confirmed that the concerned authorities, particularly the Ministry of Transport and Communications did not take into consideration the observations and views of the private sector.

The Chamber pointed out that the Ministry of Transport and Communications and other authorities did not refer to the Chamber which is the sole representative of the private sector with regard to this decision in order to avoid any potential negative impacts although the Chamber officially addressed the Ministry on the importance of coordinating with the Chamber in what concerns the rules and laws relating to the transport sector in particular. The Ministry’s response was then positive. The Chamber pointed out that it does realize the government’s keenness on regulating the economic sectors, but it is also important to involve the private sector in materializing regulatory decisions which are undoubtedly having direct impact on the economic activity and on these companies and establishments. On this matter, the Chamber has sponsored a meeting involving all concerned parties represented by Royal Oman Police, Ministry of Transport and Communications and business owners operating in the transport sector.

**Lifting subsidy on fuels beginning with diesel**

With regard to the decline in oil prices and its implications on the country’s economic situations in the light of the endeavors of decision-makers to exit this crisis with minimum damages, the Chamber pointed out that the world is witnessing considerable decline in oil prices with governments around the world resorting to multiple solutions to mitigate the impact of this decline on their economic performances and on the standard of prosperity given to their citizens. Given the present situation, the old issue represented by the lifting of subsidy on fuels surfaces again. Based on its role as a consultative body of the government and representative of the private sector with all its segments, the Chamber is of the opinion that it is necessary to expedite taking decision to lift the subsidy gradually taking into consideration the need not to significantly affect simple citizens. The government should begin with lifting subsidy on diesel as a first step not on the basis of global price but on the basis of average diesel price in the region. It is proposed to lift the subsidy on the diesel as a first step in a series of subsequent steps to lift the provided subsidy
because this does not affect the life of citizens directly. Citizens do not depend entirely on diesel in their daily activities. The government is the biggest consumer of diesel with consumption of nearly 60% of diesel for several uses such as for power generation plants and defence equipment, etc.

**OCCI backs application of Article (11) of the Foreigners Residence Law**

Article (11) of Foreigners Residence Law provides that “A foreigner may not be issued a work entry visa if he has previously worked in the Sultanate until two years have lapsed since his last departure. The Inspector General may waive this period if it is in the public interest.” The Chamber pointed out that the application of this decision was and still remains an essential demand for the private sector. The talk about the impact of decision’s application on the Omani economy is exaggerated and in contrast to the positive aspect of its application that outweighs these negative implications which can be avoided.

Looking at the positive aspect of application of the decision, it can be said that the decision creates a stable working environment for companies, particularly small and medium enterprises, and curtails abnormal turnover of workforce and contributes to limiting the dissemination of the phenomenon of hidden trade which wears away the bones of the Omani economy and should be repelled by all means. The application of the decision is also meant to protect these enterprises against exploitation by workers through their cognizance of working data and confidentialities and by acting against their interests by leaking some professional secrets threatening the very existence of such establishments.

**Concerns and violations in tourist sector**

The Chamber represented by the Tourism Committee has adopted the observations of business owners involved in the tourist sector and called for enforcing clear laws regulating haphazard camping to mitigate the negative impacts on the environment due to lack of liability on the part of those who organize such camping facilities, particularly in so far as cleaning of camping sites is concerned. The Chamber proposed introducing a mechanism to resolve this problem by way of allocating designated specific areas for such camps which should have fences with the provision of basic services such as water and toilets against payment of symbolic charges by those wishing to organize such camping areas. The Chamber’s tourist committee members stated that unfortunately there were no sufficient tourist guides at the forts and citadels which reflects the absence of a clearly defined plan by the Ministry of Tourism with regard to regulating tourist guidance and supporting this aspect with qualified persons at the forts and castles which feature a great historical legacy of the Sultanate and are of prime importance to the tourism sector.

In addition, the Chamber’s agenda for this year included the setting up of events, forums, seminars and workshops aiming at promoting the Omani private sector and increasing awareness of workers of this sector on their rights and duties.

**Following are some of these events:**

**Information systems and security seminar**

The information systems and security seminar was held by the Chamber represented by the Financial, Banking and Insurance Sector Committee gained its importance from its coping with the requirements of today’s world which is turning into a smaller village with passage of time through the numerous communication means and state-of-the-art programmes to speed up work rhythm and improve productivity. Such being the case, the Chamber is required to cope with the latest updates so as not to be lagging behind in this important aspect. Through this seminar, the Chamber sought to disseminate awareness of the risks surrounding electronic commercial transactions and introduce the necessary measures that should be taken to address and overcome these risks.

**Seminar on Investment in private education seminar**

In concluding the investment in private education seminar which was held at the Crowne Plaza Hotel in Sohar by the Chamber’s North Al Batinah Governorate Branch represented by the Education Committee, the speakers called for streamlining procedures of obtaining licenses for private schools by establishing one stop station with appropriate jurisdictions to look into license applications staffed with qualified educational cadres and creating a sustainable partnership between business sector, finance and private education sector in order to develop this process and developing a future vision concerned with allocating appropriate lands and sites near populated areas to embrace the buildings of private schools. There is also a need to stress the importance of creating a recognized assessment system approved by the Ministry of Education to classify the levels of quality in private schools commensurate with the applicable tuition fees and to encourage the private sector establishments to set up non-profitable schools through their social responsibility programmes and develop an innovative and flexible private education that is supervised by an independent body. In addition, there must be regular meetings between owners of private schools and the Chamber’s Education Committee in order to discuss the challenges facing them in this aspect.

**Workshop on mechanisms for protecting GCC industries**

This four-day workshop entitled “Mechanisms of Protecting GCC Industries Against Injurious Practices” aimed to uplift the standard of awareness and knowledge of the industrial community of the injurious practices in international trade (dumping/subsidy/prevention) and highlight the mechanism through which it is possible to protect the gains achieved by the industry under the GCC unified law. Working papers from the Sultanate and other countries were presented at the seminar that dealt with WTO issues, GCC accession to WTO, the GCC Common Law of Anti-dumping, Countervailing Measures and Safeguards and the basic pillars of combating injurious practices in international trade as well as other subjects in the same context.
Ali Al Jaafari:
SMILING SUCCESS

Small enterprises need that the large companies trust them and allow them the opportunity to prove their competency.

Interview by Zamzam Al Hanai
The guest for this issue of Al Ghorfah is an enthusiastic entrepreneur with a constant smile which may perhaps be one of the secrets that enabled him to successfully promote his enterprise. In Islam, a smile indicates one’s heart is free of rancor and it causes affection between people and that is why Islam encourages all of us to always be cheerful and good-hearted. Our guest owns a printing press which he named “Al Rafd Printing Press” and strenuously endeavors to promote his business in the local market through the use of various media. He maintains an active presence in all forums concerned with small and medium enterprises (SMEs). He also takes advantage of social networking functions which he dedicates in the best interest of his enterprise. He also promotes his business through special offers and sales which he provides on regular basis. Moreover, he describes himself as an ambitious entrepreneur and that is what we could feel when we had this interview with him.

In a note through his Twitter account, Ali Al Jaafari said: “Success is not an easy task. For people to be successful, they must work hard and with yet stronger resolve. Those successful people must have exerted considerable physical and mental efforts.” In another note, he said: “Keep learning. Life is a school where you gain experiences through the lessons you learn from it.” Thus, we came to understand that he pursues a specific approach in his living and working life that is based on optimism and assured desire to achieve success by learning and involving in practical experiences.

When we begin our conversation with him, the first thing which strikes the mind of those who see him at the Business Opportunities Forum, including his customers, is about his ever smiling face. What is the secret behind this smile? Is it possible to say that it is one of the secrets of your success in entrepreneurship? He answers saying: “The smile is a feature of a person who lives in conciliation with his surroundings and it is also a gift from God and is the source of permanent happiness and secret behind continuation in life with high spirit and strength to overcome difficulties in various humanitarian and practical aspects.”

Whether his involvement in entrepreneurship was the outcome of a personal decision based on conviction, he says: “What drove me into involving in entrepreneurship is basically my tendency towards free and independent work and self-reliance. In this way, I was able to set up the Rafd Printing Press. Thanks to my strenuous efforts, enthusiasm, excellence and promotion of free work and encouragement by Al Rafd Fund and the Public Authority of Small and Medium Enterprises and Oman Chamber of Commerce and Industry and His Excellency Said Al Kiyumi, I was able to set up my enterprise. I thank them all for their valuable and continuing support to me to further develop my business in the field of printing press,” he added.

Entrepreneurship requires full time involvement

Ali Jaafari believes that entrepreneurs should be involved in the management of their enterprises on full time basis describing this as being a pivotal requirement and top priority for the success of any business. An entrepreneur should have sufficient time to promote his/her enterprise and overcome the difficulties that face him and his business management. In contrast, entrepreneurs who are not fully involved in their business would need too much time to promote their enterprise and achieve success and most likely they would not have time to cope with their business.

Challenges

About the challenges that he faced, he said: “The printing press is an independent project. I had a lot of difficulties, particularly in clearing government formalities, soaring rentals, the problem of not having a dedicated land for the printing press. However, the biggest challenge is the continuing competition and control of prices of products by expatriates who sometimes offer products at lower prices without regard to quality. Also, there are government tenders where we can compete through our bids for high quality products. Another challenge is the monopoly involving large businesses which generate huge gains for known companies. No opportunity is given to the SMEs to offer their products and enter the market through its wide opened doors. There is a need to conduct a comprehensive study on all challenges and difficulties facing entrepreneurs and owners of SMEs. All parties and concerned authorities should collaborate and work together towards bringing about appropriate solutions.”

Ali Al Jaafari had an outstanding presence at the latest edition of the Business Opportunities Forum as he is keen on participating in exhibitions and forums related to the private sector. About his participation, he said: “These gatherings represent a great opportunity to familiarize with the companies of various categories to introduce your products to them and to the visitors. My participation had good impact on the progress of the printing press and its future trends.”

Al Jaafari has great ambition and high eagerness enabling him to effectively manage his enterprise. His aspirations have no limits and he is insistent on further developing and expanding his business.

“I aspire to introduce my enterprise to the largest segment of the public with whom I want to gain trust in the quality and precision of my products and the good treatment that they can have at Al Rafd Printing Press which I dream of making at par with the first class companies in Oman. I also have ambition to expand in production and participate in serving my homeland and contribute in various aspects. I seek to compete seriously in government tenders and expand the fields of my businesses by constantly modernizing techniques and introducing new and unique products which are still under study to know how they would be acceptable to the society.”

In concluding his statement, Al Jaafari conveyed a message of thanks and gratitude to the builder of Oman’s renaissance His Majesty Sultan Qaboos bin Said for his Royal gesture and utmost attention to the private sector establishments and the incentives accorded to them to facilitate their work and enable them to face up to the challenges and promote their businesses and cope with the changes that may occur in the market.

Competition

Speaking about his competition, Al Jaafari said: “It is now two years since the Al Rafd Printing Press was set up and compared to its short life in the market I can say that the outcome is acceptable to some extent due to the considerable competition in the market represented by the expatriate workforce and larger companies some of which are owned by foreigners too.”
Officials and businessmen discuss increased taxes.

We support government's efforts to diversify income sources and look forward to motivational amendments to economic legislations.

Follow-up by: Zamzam Al Hanai
CCI has organized a coordination meeting for business owners in the presence of Mr. Ayman bin Abdallah Al Hasani, OCCI Vice-Chairman for Economic and Branch Affairs; Engineer Redha bin Jumaa Al Saleh, OCCI Vice-Chairman for Administrative and Financial Affairs; H.E. Tawfiq bin Abdul Hussain Al Lawati, member of Economic Committee at Al Shura Council; H.E. Mohammed bin Ibrahim Al Kindy, member of Economic Committee at Al Shura Council; and a host of businessmen, CEOs and heads of relevant organizations involved in the economic affairs.

At the beginning of the meeting, Ayman bin Abdallah Al Hassani, welcomed the gathering and thanked them for meeting the OCCI’s call to participate in this meeting which was intended to discuss important and fundamental subjects such as the Law of Income Tax on Companies and the proposed amendments to this law which are of prime importance, particularly to the companies of the private sector. The meeting also aimed to discuss Foreign Investment Law and Insurance Companies Law.

Redha bin Jumaa Al Saleh, pointed out that OCCI takes keen interest in holding such coordination meetings between OCCI and the private sector on the one hand and between the OCCI and the responsible government officials on the other hand. He remarked that such meetings were aimed to promote developmental activities in the Sultanate and further boost the private sector’s contribution, particularly in this stage which is witnessing significant challenges relating to slumping oil prices and the implications of this on the overall development process.

Tawfiq bin Abdul Hussain Al Lawati stated that the proposed amendments to these laws including the Law of Income Tax on Companies, Foreign Capital Investment Law and Insurance Companies Law were proposed at the initiative of the government and not by the Shura Council. He confirmed that the period available for study of these laws and give appropriate views on them is insufficient, particularly since these laws are associated with several parties and organizations who were to be consulted for their views in order to come out with satisfactory amendments meeting the interests of all and achieving the desirable goals.

Tawfiq Al Lawati further pointed out that the proposed amendment to the Corporate Income Tax Law comprising 190 articles would include raising tax on companies from 12% to 15% and imposing a 3% tax on companies whose capital is less than RO 50,000 and revenue is more than RO 100,000. According to the Shura Council, six members requested to vote again on Article No 112 of the Income Tax Law, which increases royalty to 55% in oil and gas activity and 35% on extracting non-oil natural resources for exports and oil & gas-based petrochemical industries.

After deliberation, the Council approved the addition to this article, which was made by Economic and Financial Committee at stated in its report. It also approved the draft Foreign Capital
Investment Law and Insurance Companies Law, which reduced the period of paying the tax by insurance companies from six months to three months during the fiscal year, retained some articles as received in the draft law and amended some of them. The Council’s economic committee proposed imposing tax on the mining and crushers sector at 35% on the revenues from exports and not on the products manufactured and consumed locally.

With regard to the mining sector, Tawfiq Al Lawati pointed out that the Shura Council was against exportation of any non-manufactured raw materials and as such it was against the exporting of sands and stones. He stated that the quantities of sands and stones exported outside Oman amounted to nearly 60 million tons confirming that the returns to the State’s treasury as a result of this was not feasible compared to the damages to the environment, infrastructure and the society. He explained that the Council proposed a concession law for the mining sector as is the case for the oil and gas sector because the mining sector constituted a national wealth that should be managed in accordance with a law securing sustainability of this sector, good financial returns and tangible benefits to the environment and the society. On the crushers aspect, Tawfiq Al Lawati pointed out that the Shura Council was of the opinion that licenses for setting up crushing plants should be given to community-based companies in various Wilayats to ensure that members of the community benefit from this advantage.

His Excellency Mohammed bin Ibrahim Al Kindy, member of the Shura Council’s Economic Committee said: “We believe that the private sector is a fundamental pillar of development and that any vision to the contrary is a short-sighted vision. Our gathering here today confirms commitment to this principle and the right of the private sector to give its views about the laws under discussion, particularly with regard to what concerns it in the first place.”

Sayyid Mohammed Al Said said that the 35% was enough to keep foreign investors away from doing business inside the Sultanate. He asked whether comparisons were made with the region’s countries with regard to these percentage as we are in the middle of hectic race with them. His Excellency Mohammed bin Sulaiman Al Kindy answered by saying: “In reality and according to several discussions made in this respect, it was found that the problem lies in the unclearness of procedures rather than in imposing taxes because taxes are a procedure that is followed by various countries of the world.”

A meeting during lost time
Jameel Ali Sultan (a business owner) inquired about the feasibility of holding this meeting when the law under discussion was already approved by the Shura Council. He pointed out that it was better to hold such meeting before approval if the purpose was to obtain the private sector’s views. “Regrettably, we have not sensed any sympathy on the part of the Shura Council towards the private sector. On the contrary,
the private sector is faced with offensive and unfair media campaign. I do hope that the Shura Council will adopt a position on that,” he stated.

Sheikh Saad Al Junaidi (business owner) expressed his frustration at ignoring the private sector’s opinion despite it is concerned with this matter in the first place and with the payment of such taxes and royalties. He pointed out that the language of pessimism now prevailing due to reduced oil prices was behind the imposing of subsequent royalties which is not acceptable and does not serve the sector. “Competition is fierce around us and the existing outlook of the situation should change. If we as responsible citizens were afraid and pessimist, it is natural for foreign investors to be reluctant to enter our markets. It is important not to portray the situation in such a dark image. It is also important for the private sector to be forward-looking with confidence in support of the government,” he said.

Mohammed bin Hassan Al Dheeb (business owner) said: “We thank the Shura Council’s Economic Committee which recognized OCCI as representative of the private sector that should have its opinion taken into consideration on laws such as this. However, the question is: why did the government ignore the private sector’s opinion before, i.e. before sending the draft law to the Shura Council?”

Alternatives
Mohammed Al Dheeb added: “Regrettably, we have not benefited from the boom era over the past decades. Increasing the tax now will have negative bearing incomparable to the return it will achieve to the State’s treasury. The investment environment will be affected adversely by this with existing companies expected to close their businesses and other companies will refrain from coming to Oman. We will considerably suffer economically and the trend towards rigid investment which does not serve the country or provide employment opportunities. Why don’t we look for other alternatives instead of this scenario?”

He suggested the following:
- Impose taxes on liquors and alcoholic drinks and cigarettes
- Increase prices of gas sold to companies operating as per international prices.
- Manage and reduce costs of government projects.

He called for tying the tax increase to Omanisation with such tax being imposed on the companies which do not apply the required Omanisation percentage.
More harm, less benefits
Saleh Al Farsi (business owner) confirmed that tax wherever imposed has negative implications on the private sector. He asked whether upon drafting the law these implications were considered in the supply and demand curve. “Why didn’t we apply these taxes during the good times and why are we applying it during crisis period when we have pressing need to streamline foreign investment procedures? Economies in all countries of the world are heading towards innovation, development and encouragement of exports, but unfortunately the situation here is different as exports will decline with the application of these taxes,” he remarked. As for the mining sector, he said: “Quarry and mining sector is promising if given its deserved care and attention. It can, with the tourist sector, provide cover for the diminishing oil revenues. However, this sector still suffers from many difficulties and imposing an additional tax would further aggravate the situation. We are aware of the government’s sufferings but surprise decision such as this will have greater damage in the long term than being beneficial. This law should have taken sufficient discussion time.”

Missing link: with whom we should discuss?
Yousef Salman Baqir Al Saleh (business owner) stated that the normal thing is that integrated package of fees, royalties and taxes is always accompanied with another package of facilities and streamlined procedures and reduced complexity and bureaucracy. We did not find this. We are not against imposing taxes, but in return for what? “Such laws are normally associated with other laws and require to be accompanied with an integrated set of laws and comparisons before they are referred to the private sector for its opinion as a package. It is not possible just to give an opinion on a particular law in isolation of other associated laws. But, if the decision-maker is not available at the session, then with whom we will discuss this matter?

The difference is in the mechanism
Simon Karam (business owner) stated that the application of taxes should include companies of all categories because this would encourage them to get acclimatized with the system without hastily imposing some taxes as there are existing contracts that should be taken into consideration. He pointed out that the difference is in the approach followed to take into account the private sector’s opinion on the laws. According to him, any law should go through four stages as follows:
1. Evaluation of the current situation
2. Conducting comparisons and citing models and examples
3. Determining what we need. At this stage we should take the opinion of the Shura Council and private sector to avoid them being captive to the text proposed by the government.
4. Tailoring the law according to the foregoing.

Mining Sector
Ahmed bin Ali Al Hooqani (business owner) inquired how could mining sector be expected to be an active contributor to the country’s national income amid imposed heavy taxes and royalties that add to the burden of business owners and curtail their productivity and amid the haphazardness and disorganization prevailing in the sector. His Excellency Tawfiq Al Lawati answered him by saying: “We agree that the mining sector is unorganized and unregulated and dominated by
haphazardness and for this the Ministry of Commerce and Industry is to blame as it falls within the scope of its responsibilities. He wished that the upcoming stage would witness regulatory measures for this sector.

**Prejudice**

Dr. Mohammed Al Shabeebi (business owner) pointed out that not taking into consideration the private sector’s opinion on a law like this or any other laws pertinent to it is prejudicial. Failing to regard the obstacles faced by this sector is also prejudicial. He urged that the situation must change.

**Perfecting collection mechanism**

“What can the State achieve from the tax increase? Was the previous tax percentage 12% properly collected?” asks Sheikh Ali Al Kalbani (business owner). “Collection of taxes should be enhanced and perfected by improving the mechanism used by the Secretariat General of Taxation in order to enable the government to collect the expected amounts without imposing further 3%,” he said.

Hassan bin Ali Jawad (business owner) pointed out that the application of tax increase would jeopardize the companies which were committed to the previous percentage. He suggests applying the 15% on the non-compliant companies while retaining the 12% for the compliant companies.

**The country’s interest**

Humood Al Toofi (journalist and business owner) pointed out that all parties are looking for their interests and all want to come out a winner from this mess. The questions asked are: where does the country’s interest lie? Can the private sector submit to this, particularly since it is bearing too much of a bureaucracy that hinders its growth?

**We are not to blame**

Sheikh Ali Al Junaibi pointed out that he was against imposing additional taxes on the private sector calling for reforming the house from interior in order to resolve the problem. “The private sector is not to blame for the failures and mistakes of others. Instead of taking the public and private sectors to safety, we find that the trend is to deluge the private sector in order to save the government from the impacts,” he said.
Tourism in Musandam: Between opportunities and challenges

Prepared by: Mohammed bin Rashid Al Shuhi

Musandam Governorate’s strategic location and proximity to large and international markets in the neighboring countries and its special nature featuring diverse details require us to deal with the available opportunities and use unconventional environment-related methods and to optimally take advantage of the Governorate’s position, nature and its various potentials in its four Wilayats, namely Khasab, Diba, Bukha and Madha.

These elements and others, including the strategic location, natural potentials, diverse terrain and available capabilities, constitute opportunities and strengths supporting the overall trend and ambitions. It is important to rely on these components in building a diverse national economy and sources of income in order to enrich the society, increase per capita income and achieve integration of all economic activities for further contribution to comprehensive development.

The Governorate’s most prominent activities and its promising sectors which represent investment opportunities that support and strengthen development and achieve positive results are in the fields of tourism, trade, import and export, services, building contracting, decoration works and relevant activities such as light industries which fit the governorate’s nature (blocks/bricks, concreting, blacksmith, aluminum manufacturing and carpentry, hotel and services sector, restaurants, agricultural, livestock and fishery sectors).

Tourism sector is considered to be one of the most important promising sectors in the Governorate which plays prominent role in driving the wheel of development and supporting and activating several associated economic sectors. Musandam Governorate enjoys attractive and distinguished nature featured by a chain of mountains, wadis, lagoons and fertile farms. These natural potentials give the governorate a distinguished profile in the region’s tourist map.

There is no doubt that the private sector companies operating
in the tourism sector play an important role in promoting the governorate, highlighting its potentials and introducing tourism sites of interest and the cultural and historical legacy coupled with a variety of dresses, customs, traditions and folklore as well as handicrafts of various types. Tourism companies provide a series of tours whereby tourists cruise in a different environment characterized with particularly attractive maritime and mountainous nature. This atmosphere provides a favorable opportunity for meditation and relaxation.

Commenting on the tourism sector, Jasim Abdul Razzaq Al Badri, Board member of OCCI Musandam Branch and Chairman of the Branch Tourism Committee said: “It is well known that tourist motels such as hotels and resorts contribute to raising tourism efficiency everywhere in the world, but these motels should be introduced gradually in terms of their star class. It is important also to introduce youth houses in the governorate since hotel prices are very high at the present time which obstructs domestic tourism in Musandam.”

As for prices of tourism services such as maritime cruising, the chairman says that they are suitable but hotel prices remain to be high. Al Badri further said: “If we want Musandam’s tourism sector to be seasonal it will be so, but terrain diversity and the rich tourism potentials available in the governorate are capable of making Musandam a tourist destination throughout the year by introducing new ideas and activities to attract the world throughout the year.”

Jasim Al Badri added that one of the most prominent challenges to tourism is the high prices of hotels, lack of facilities and necessary support by the existing tourism companies in accordance with a working system that can incubate such establishments.
and companies. The opportunity must be provided to the tourism offices and companies to enable them to innovate and contribute to driving development through the provision of diversified services. There is also need to attract foreign investment in domestic tourism, particularly with the now slumping oil prices.

Jabir bin Ahmed Al Shuhi, Board Chairman of Khasab Travel and Tourism Company, which is one of the largest tourism companies in Musandam and has extensive experiences in tourism and promotion globally, said: “It is known that hotels and resorts constitute an inseparable part of tourism and play an important role in increasing tourist movement in the region. The higher the quality of hotels, the higher is tourist flow into the region. For example, Six Senses (Al Hawas Al Sit) Resort has attracted celebrities and presidents from around the world due to the beautiful nature and particularity of the place coupled with the provision of high standard of hotels and tourist services.” Jabir Al Shuhi added that the governorate has various levels of motels and hotels to meet the needs of all and fit their financial ability and this is manifested by what we can see now in terms of increased domestic and foreign tourists on all occasions and holidays. He confirmed that there were companies which have been operating for the past quarter century on promotion of the governorate. These companies took part in most of the important world tourist arenas and thanks to them the region has acquired wide reputation. This was made possible due to the efforts made by some tourism and promotion companies and the Ministry of Tourism. In concluding his statement, he said: “In view of the atmospheric conditions, we still notice that tourism in the governorate is seasonal with flow of tourists considerably declining in summer. The challenges to the tourism sector are many and diverse. Like other economic sectors, it is affected by global changes and is bound to cope with the reality and acclimatize with it in order to achieve the set tourist objectives. There is also need to establish mooring facilities for tourist boats and ships. The shortage in public facilities in the governorate represents another challenge.”

Ahmed bin Masoud Al Shuhi, owner of Khasab Dolphin Tourism Company, said: “Tourist motels are very important in supporting tourism sector because they can accommodate large numbers of tourists coming to the governorate. The prices of tourism services must, however, be commensurate with the tourists’ ability as per the type of services provided. What we are now seeing is otherwise. Tourism offices and companies contribute to promoting the governorate in terms of its tourism potentials and cultural legacy. The governorate has a virgin environment attracting people who love maritime and mountainous settings and that is why we are focusing our efforts in this field.” Ahmed Al Shuhi further stated that the challenges facing tourism sector and tourism companies are many, foremost of which is insufficient support to tourism sector by the concerned authorities and this has negative
impact on the ability of such companies to cope with the economic changes and represent the sector in the required manner.

Ahmed Al Dhuhuri, owner of Khawrsham Tourism Company, said: “It is very important that the prices of tourism services are commensurate with the ability of domestic and foreign tourists. Tourism companies have great responsibility for boosting, developing and promoting the governorate’s tourism sector to enable it to play its role as per the plans and strategies pursued by the concerned authorities. The challenges to the tourism sector are manifested by lack of group transport modes that could reduce the cost of tours in Musandam. It is noticed that the number of tourists coming from Muscat is low due to the high cost and long distance between Muscat and Musandam. In addition, the available infrastructure and services in the governorate do not support tourism activity. The absence of guiding manuals in tourism places represents another challenge. There are difficulties in obtaining services from the concerned organizations and employing qualified human cadres to work in tourism companies.

Mohammed bin Ahmed bin Hassan Al Shuhi, a partner in Middle Travel and Tourism Company, said: The company he is representing is concerned with organizing domestic tours in addition to providing several other services to visitors such as accommodation, transport and supervision of tours and recreational facilities. Tourism is an important component in the governorate and the potentials enjoyed by Musandam including its exotic nature and diverse terrain constitute an attractive factor for domestic and foreign tourists. There are some facilities that should be available such as increasing the number of hotels. Wilayat Khasab is in need of investing in tourist motels due to the large number of visitors flowing into the wilayah. The unavailability of vacant rooms in hotels during holidays does not encourage tourists to visit the region. This is another reason prompting investment in hotels and rehabilitation of the region to receive larger numbers of visitors at competitive prices.

Mohammed Al Shuhi confirmed that the tourism offices are making considerable efforts to promote the region through the social media and the Internet in addition to the domestic and foreign promotion in coordination with overseas companies to attract larger number of tourists into the region and utilize the natural potentials to enable the citizens, tourism offices, owners of small and medium enterprises and craftsmen to have an additional income.

He further said: Tourism in the wilayah like any other country or city in the world depends considerably on appropriate seasons. We, therefore, request the concerned authorities including the Ministry of Tourism, to assist us in further promoting the governorate’s geographic location and facilitating flow of tourists by granting entry permits to some nationalities.
OCCI regularly receives student delegations of Omani and overseas colleges and universities. A Singaporean student delegation consisting of 44 male and female students of the Singaporean National University has recently visited OCCI. The visit comes in the context of their annual programme whereby they tour a number of countries around the world, including the Sultanate of Oman. Their tour in Oman will also take them to visit a number of commercial and non-commercial organizations over two days. This is the fourth time in which the university dispatches its students to the Middle East in a tour that also included Oman, UAE and Saudi Arabia, the aim being to familiarize with the experiences of these counties in various specializations of the students such as business administration, engineering and science.

The delegation was received at the Chamber by Sulaiman bin Sultan Al Mughairi, Deputy Director General of the OCCI’s Branch Affairs. The students were briefed on the functions entrusted to the Chamber, the mechanism of its operation and its role as representative of the Omani private sector. The delegation also familiarized themselves with the services provided by OCCI to its affiliated members. They visited the Chamber’s library where they were briefed on its contents and services as well as the publications produced by the Chamber, including manuals and laws, etc. The students got acquainted with the levels of trade exchange between the Sultanate of Oman and the Republic of Singapore over the past years and the importance of further increasing this exchange in line with the capabilities of the two counties as well as the mutual investment opportunities available in the two countries.

The volume of trade exchange between Oman and Singapore exceeded RO 431 million. Oman’s exports to Singapore amounted to nearly RO 204 million of oil lubricants, minerals, liquefied natural gas, vehicle accessories, dredgers, marbles, air-conditioning units and motorbikes. The volume of imports from Singapore amounted to RO 172 million of vehicle parts and accessories, lubricants, ball bearings, tap manufacturing tool, poly-carbonate, milk-produced fats, normal cement, palm oil and its molecules, tourist vehicles, small trucks, poly-chloride, glass, milks and butter.
The Sultanate has a number of agreements with Singapore such as the Agreement for Exchange of Exemption of Air Transport Revenues signed on 29 June 1998 and ratified on 13 September 1998, the Agreement on Regulation of Air Services, the Agreement on Avoidance of Double Taxation and Prevention of Tax Evasion ratified by the Royal Decree (96/2003) dated 21 December 2003 and the Agreement on Mutual Encouragement and Protection of Investments signed on 10th of December 2007 and ratified by the Royal Decree (101/2008) dated 1st of September 2008.
Education is one of the most powerful tools leading to sustainable development at various environmental, economic and social levels and is a top priority for countries to build their human resources enabling them to compete at the level of open global economy.

The Government of the Sultanate of Oman led by His Majesty Sultan Qaboos bin Said has since the inception of renaissance devoted utmost attention to education as being the basic pillar in preparing human resources to contribute to sustainable development and interact with the latest trends. This is manifested by the distinguished position of education in the five-year plans and in activating the role of this sector and overcoming the obstacles to it by providing necessary financial allocations and preparing and adopting studies and researches aimed at its development and enhancement.

Higher education in the Sultanate has witnessed remarkable progress in terms of the number of enrolled students, academic programmes offered and development of
educational policies, mechanism and legislations. While we are reviewing here the achievements made by the Ministry of Higher Education during the seventh five-year plan 2006-2010 and the eighth five-year plan 2011-2015, we must point out that the Sultanate of Oman began in 2012 a new stage of development and building and is working towards formulating national goals that it seeks to achieve in the context of the Sustainable Development Plan 2040.

He future social development plans come ahead of these plans which aim at raising the living standard of citizens and providing employment and training opportunities and scientific and cognizance advancement as advocated in His Majesty's speech to Oman Council in 2012. In the light of these challenges, the Ministry in cooperation with the higher education stakeholders works towards building a higher education that would contribute to achieving the goals of national development for the upcoming stage. The aim is to build a robust, dynamic and interactive system that copes with the labor market requirements and the society in line with the Ministry’s vision under the theme “Towards a higher education that meets sustainable development requirements”.

**Joining Higher Education**

One of the most prominent achievements made by higher education during the period of the seventh and eighth five-year plans was the remarkable rise in the numbers of those enrolled to higher education. The number of students enrolled in universities inside and outside the Sultanate accounted for 124,290 male and female students for the academic year 2013/2014 compared to 72,117 male and female students in the academic year 2006/2007, i.e. an increase of 72%. The number of students enrolled in the Sultanate of Oman for the academic year 2013/2014 was 117,804 male and female students constituting 94.8% of the total enrolled students with female students constituting 57% of the total number of enrolled students. According to the World Bank Report 2010, females in Oman are achieving high rates of completion of higher education equal to the rates in countries known to have high rates in this area such as Singapore and South Korea.

Since 2011, newly enrolled students at the government’s expense have unprecedentedly increased raising percentage of newly enrolled students in higher education to 89% in the academic year 2013/2014 compared to 35% in the academic year 2010/2011. The rate of joining higher education involving age group 18-24 recorded continuing increase to reach 35.2% in the academic year 2013/2014 compared to 24.8% for the academic year 2006/2007.

The number of those enrolled in higher education was accompanied with an increase in the number of higher education institutions and in the academic year 2013/2014 there were 57 institutions including eight universities, 36 colleges and university colleges and 13 specialized institutes. Government higher education institutions were 30 while the number of private higher education institutions was 27.

**Colleges of Applied Sciences**

In the context of futures roles to be played by the education colleges, the former Council of Education issued a decision transforming them to colleges of applied sciences focusing on practical and applied education in the field of basic technology and applied sciences. These colleges began to offer the new programmes in the academic year 2005/2006 distributed over six governorates thus allowing an opportunity to expand the umbrella of higher education in various parts of the Sultanate and play an important role in preparing and qualifying human resources in service of the holistic development plans.

The colleges started with offering four main programmes and then new programmes were added in the light of development requirements increasing to seven the number of offered programmes, namely: international business management, information technology, design, communication studies, engineering, applied biotechnology and teaching of English language. Each programme includes a number of specializations with each college accommodating 6,645 male and female students in the academic year 2013/2014.

Keen on maintaining strategic planning at the colleges of applied sciences, the Ministry has taken the initiative to set in motion its Strategic Plan 2020 which aims to draw up future policies for thee colleges with respect to the study programmes, enhancement of quality, compatibility with the labor market requirements and systems and rules regulating their academic and administrative operations. The strategy included 40 executive initiatives to promote operational mechanism of these colleges. A set of policies has also been introduced and developed to regulate the work at the colleges in line with the academic practices and norms.

The colleges maintain cooperation and communication with the world higher educational institutions as manifested by the students’ exchange programmes and training which is an academic/cultural programme where a group of students are sent for study in universities or training in world-class firms and companies having relation to the offered programmes. In return, these partnering establishments send similar groups of students either for study or training in the same manner. The aim of this process is to provide an opportunity to the students to familiarize with new cultures and civilizations and hence
widen their cognizance horizons by interacting with their counterpart participants. The number of students taking part in the students’ exchange programme over the past two years has been 212 male and female students who were dispatched to Britain, Australia, Finland and Morocco.

Since inception of these colleges, the Ministry of Higher Education has put in place a plan to Omanise academic organizations through overseas scholarships for Master and PhD degrees. A total of 149 students were sent for Master Degree and 42 for PhD degree. The Ministry also designated a number of scholarships of the “one thousand scholarship programme” to academic organizations within the higher education institutions.

Private Higher Education
In the context of the state’s encouragement of the private sector to invest in higher education, as this process is an integral part of the government role, the government has provided a package of incentives and facilities coupled with internal scholarships programme for students of social security families and exceptional cases.

Private higher education has since its inception in 1995 witnessed outstanding and rapid growth in terms of the number of institutions and number of enrolled students. The number of higher education institutions increased to 27 in the academic year 2013/2014 compared to 23 at the beginning of the seventh five-year plan. Private higher education institutions consist of seven universities and 20 colleges in various Governorates to constitute nearly 47% of the total higher education institutions. The number of students enrolled in private higher education institutions reached 59,585 male and female students in the academic year 2013/2014 compared to 20,353 male and female students in the academic year 2005/2006, representing an increase of 193%. Private higher education has contributed to increasing enrollment to higher education as the number of those enrolled rose to 51% of the total number of students enrolled in higher education inside the Sultanate. Also, non-Omani students are studying at the private education institutions with their number reaching 2,320 male and female students in the academic year 2013/2014.

In the context of keen interest in infrastructure and basic facilities and provision of appropriate learning environment for higher education students, 18 institutions have completed their new buildings to the international standards of higher education in terms of study rooms, laboratories, educational source centers and other public and recreational services.

Scholarships Programme
The Government has devoted particular attention to increasing enrollment to higher education and numbers of human cadres qualified and trained to take up their role in the development process being witnessed by the Sultanate by providing opportunities of undergraduate and postgraduate programmes of study either inside or outside the Sultanate of Oman.

The Government embarked upon implementing the internal scholarships programme in the academic year 2000/2001 which aims at assisting the students of social security families by providing them with opportunities of studying at private universities and colleges to enable them to join labor market. At the same time, some companies in the private sector are contributing to providing a number of scholarships at private universities and colleges for general diploma holders. The number of internal scholarships and grants has increased over the past ten years, but it witnessed unprecedented increase after 2011 in the light of the orders of His Majesty Sultan Qaboos bin Said in 2011 to provide 7,000 internal scholarships in addition to the already existing scholarships. The newly enrolled students for internal scholarships and grants accounted for 8,407 male and female students in the academic year 2014/2015 compared to 3,058 scholarships and grants in the academic year 2010/2011, i.e. an increase of 174%.

The Government provides a number of overseas scholarships every year for interested general diploma students satisfying the scholarship conditions. The Ministry also receives a number of overseas grants for bachelor degree in a number of Arab and world universities in the framework of cultural and international relations and cooperation which the Ministry maintains with fraternal and friendly countries and world universities through memoranda of understanding and agreements. Keen on increasing the opportunities of joining higher education, the government in 2011 has increased the number overseas scholarships to 1,500 annually in addition to the existing scholarships.

The total number of newly enrolled students for overseas scholarships and grants for bachelor degree accounted was 1,263 for the academic year 2014/2015 compared to 231 in the academic year 2010/2011, representing an increase of 446%.

The Ministry is also keen on diversifying countries where students are sent in order to take advantage of numerous scientific schools and familiarize with the global experiences in various sciences and acquire skills and cognizance competences. The Ministry sent students to a total of 14 countries for the academic year 2014/2015 compared to five countries in the academic year 2005/2006.
In harmony with the keenness of the international community, world organizations and human rights organizations, the differently-abled are now having their right to education, training and vocational qualification and employment. The Ministry of Higher Education began to provide opportunities of higher education to the general diploma differently-abled students with their number now reaching 65 male and female students in the academic year 2014/2015 enrolled in government and private higher educational institutions in as well as through overseas scholarships.

The Sultanate provides a number of scholarships to students of fraternal and friendly countries to study in government higher education institutions in the Sultanate which is an important factor in the maintenance of human and cultural interactions between the Sultanate and various countries of the world as part of the Omani Programme for Cultural and Scientific Cooperation. The Sultanate offered 246 scholarships during the period from 2009-2014 distributed to a number of Arab, Asian and African countries.

Controlling and boosting higher education

The Ministry has exerted strenuous efforts to consolidate the standards and culture of quality and ensure its implementation within higher education institutions under its supervision. It further worked towards building the capacities and preparing specialized competencies based on quality assurance and management through the training programmes and specialized seminars. The Ministry has also enforced laws and legislations ensuring quality control in the entire components of the educational system.

The Ministry ordered the higher education institutions falling under its supervision to set up internal units for quality assurance in implementation of corporate self-responsibility to ensure quality of all educational elements which are part of the quality philosophy pursued by international higher educational institutions.

Since the rate of contribution by higher education system to the economic and social growth depends on the ability to build the culture of innovation, entrepreneurship and work in line with the government’s trend targeting small and medium enterprises, the Ministry has been keen on directing its higher education institutions to work towards building a society that encourages and rewards success and innovation and strengthens the desire to take the risk, learn from mistakes, embrace diversity leading to success and accept continuing change and capitalization on opportunities. The Ministry has designed entrepreneurship syllabus “innovation and creation” in the light of the resolutions passed at the SME Development Seminar held at the Royal Camp at Shamikhat. The Council of Education has approved this syllabus as compulsory at all government and private higher education institutions beginning from the academic year 2014/2015.

Scientific research and higher studies

In support of the Sultanates’ trends towards the knowledge-based economy, the Ministry has devoted special attention to the scientific research as being the basis of innovation and creation by providing appropriate environment for promotion and encouragement of scientific research in various fields within its higher education institutions. The Colleges of Applied Sciences and private higher education institutions contribute to research activity in Oman through researches conducted by members of the academic staff and participation in international conferences. The programmes provided by the Council of Scientific Research featured by the open research grants and strategic research grants have contributed to activating scientific research within the higher education institutions. Funded researches carried out by the colleges of applied sciences and higher education institutions as part of the open grant programme accounted for 38 researches for the period 2009-2013. The number of study grants offered by the Council of Scientific Research was 26 Master degree grants and six PhD grants during the same period. The Council of Scientific Research also agreed in 2013 to fund the Mining Sciences Application Chair at the University of Nizwa in cooperation with the University of Cambridge.

In the context of encouraging scientific research dynamics in the Sultanate and contributing to raising cognizance and awareness of the most important issues of higher education and scientific research, the Directorate General of Colleges of Applied Sciences represented by the Council of Scientific Research issues a scientific magazine on annual basis by the name “Oman Applied Sciences Magazine” aiming at propagating robust academic and scientific researches and studies.

As for post-graduate studies, according to the orders of His Majesty Sultan Qaboos in 2010, RO 100 million was allocated to human resources development programme through which 1,000 overseas specialized post-graduate scholarships are funded in fields needed by the country in order to contribute to supporting the national economy with highly qualified specialized national cadres to meet actual needs at various government units and private sector, at the rate of 200 scholarships every year. This programme continues for five years. The fifth batch of these scholarships was announced in 2015 for PhD and Master Degree in a number of disciplines. The number of those currently registered with the programme is 556 male and female students with 183 being the number of graduates including 176 with Master degree until the beginning of November 2015.
Ministry of Finance’s statement on State’s General Budget for Fiscal Year 2016

FOCUS ON NON-OIL INCOME
On the occasion of promulgation of Royal Decree No. 2/2016 ratifying the State’s General Budget for Fiscal Year FY 2016, the Ministry of Finance is pleased to review the projected financial results for FY 2015, and main features and estimates of the General Budget for FY 2016.

The estimates of 2016 budget have been prepared amid great plunge in oil prices. In view of uncertainty in oil market and future oil prices, the accuracy of assumptions and estimates of oil revenues and spending became very difficult to achieve, especially since oil revenue is still the main source of budget revenues.

Given the unfavourable global economic conditions, as stated, and the need to take necessary measures to sustain fiscal stability, the estimates of revenues, spending and budget deficit have been prepared as follows:

First: Initial Projected Results for FY 2015:

1- Public Revenues:
Aggregate actual revenues are expected to reach nearly RO 8.9 billion, decreasing by 23% compared to budget estimates. Such decline is attributed mainly to sharp fall in oil prices during 2015, whereby oil revenues - oil and gas revenues, which represent 78% of total revenues, dropped by RO 2.2 billion i.e. 24%.

Non-oil revenues, which account for 22% of total revenues, fell by 21% compared to budget estimates.

2- Public Spending
Total actual public spending is also expected to be about RO 13.4 billion against an RO 14.1 billion estimated in the budget, saving 5%. This saving came as a result of precautionary measures taken since the beginning of the year, aiming at rationalizing and reducing spending so as to respond to the decline in oil revenues. Nevertheless, current expenditures of Ministries and Government units reached RO 4.7 billion, representing 35% of overall spending. On the other hand, security and defense expenditures reached RO 3.7 billion, accounting for 28% of total spending. The expenditures of developmental projects totalled RO 1.8 billion i.e. 14% of overall spending. Oil and gas production expenditures reached RO 2.1 billion i.e. 15% of public spending. Furthermore, subsidies made for fuel, electricity, housing and development loans and Government companies reached nearly RO 0.9 billion, i.e. 7% of total spending. Other expenditures, which comprised cash contributions of the Government to domestic, regional and international institutions, amounted to RO 200 million i.e. 1% of overall spending.

3- Deficit:
According to initial forecasts, actual fiscal deficit for FY 2015 is expected to reach around RO 4.5 billion, increasing by 80% compared to estimated budget deficit. Such high deficit is driven by lower oil prices realized in the same year. However, 47% of the deficit has been covered by borrowing from domestic and external sources such as issuance of Islamic bonds, development bonds, treasury bills and commercial loans. Additionally, the deficit also was financed by drawing on the Government’s fiscal reserves, which covered the rest of the deficit i.e. 53%.

Second: Main Features of the State’s General Budget for FY 2016:
The 2016 General Budget seeks to achieve a set of objectives in line with the overall framework for Ninth Five-Year Development Plan 2016-2020, as follows:

A- The Main Objectives of the Budget:
- Stimulating economic growth by continuing to spend on development projects, projects of social and economic priorities.
- To continue to provide support required for stimulating the growth of private sector investments.
- To maintain basic/essential and public services provided to Omani society.
- Activate general financial planning by setting up a medium term framework, and budget ceiling.
- Rationalizing public spending, enhance its flexibility and efficiency, and contain spending within sustainable levels.
- Restructuring general resources through enhancing the contributions of non-oil sector revenues, and reduce dependency on oil revenues.
- Reduce future/potential implications of budget deficit on financial stability and economy.
- To improve the efficiency of state-owned companies’ performance through setting up holding companies. The purpose of setting up such companies is to draw up plans and strategies to supervise the aforementioned companies in accordance with sound principles of corporate governance in addition to boost their contributions to the National Economy.

B- Budget Estimates:
1- Total Public Revenues:
Public revenues are made up of oil and gas revenues of RO 6.15 billion i.e. 72% of overall revenues, and non-oil revenues, tax, fees and investment returns of RO 2.45 billion i.e. 28% of total revenues. Thus, overall revenues were estimated at RO 8.6 billion,
falling by 4% as compared to actual revenues projected for 2015. The decline in overall revenues is attributed to the average oil price assumed in the budget, as this price has been brought up close to the current and projected prices.

As for non-oil revenues, such revenues were estimated at RO 1.9 billion in 2015. This estimate was made on the basis of the approved general principles, and actual rates realized over the past fiscal years. Some measures have also been taken into account such as tax increase, introducing some fees, raising the efficiency of tax collection, and revising the provisions pertaining to tax exemptions.

2- Public Spending:
Public spending was estimated at about RO 11.9 billion, decreasing by RO 1.5 billion i.e. 11% as compared to expected actual spending in 2015. In this regard, the outcomes of fiscal measures, set to reduce overall spending, have been taken into consideration in addition to the measures to be made including those related to costs of electricity and oil products subsidies.

A- Oil and Gas Production Expenditures:
These expenditures were estimated at RO 1.79 billion, decreasing by 14% compared to 2015 budget estimates. Subsequently, this will lead to a reduction in oil and gas production cost.

B- Current Expenditures of Ministries and Government Units:
The expenditures of this budget item were estimated around RO 4.62 billion, falling by 12% as compared to budget estimates for 2015. The current expenditures of such budget item include salaries and entitlements of the employees with an amount of RO 3.3 billion, and also contain operating expenses of RO 1.1 billion.

C- Development Expenditures:
Spending on the implementation of development projects was projected at RO 1.35 billion, representing the estimated amount to be paid during the year as per the actual work progress of the projects. This budget item was reduced by 18% compared to 2015 budget estimates.

D- Security and Defense Expenditures:
Total allocations of security and defense estimated at RO 3.5 billion, decreasing by 12% against the allocations of 2015 budget. The expenses of this budget item comprise salaries and entitlements of the employees, operating expenses, and capital expenditures.

E- Subsidies:
The appropriations allocated for subsidies were estimated at RO 400 million, decreasing by RO 710 million i.e. 64% compared to 2015 budget. This budget item includes subsidies for electricity, oil products, housing and development loans, as well as Government companies.

F- Other Expenditures:
The appropriations allocated for this item were estimated at RO 240 million, decreasing by RO 10 million i.e. 4%. This budget item contains Government cash contributions in the capitals of local and international companies with an amount of RO 150 million in addition to allocations for loan interest totalled at RO 90 million.

3- Deficit:
Budget Deficit is estimated at about RO 3.3 billion i.e. 38% of overall revenues, and 13% of domestic production.

This deficit shall be covered by different financing options available such as borrowing from local and external sources and drawing on the Government’s reserves. The deficit shall be financed after reviewing all options provided that these options do not affect the local liquidity or bank credit, nor the private sector plans or its financing needs.

4- Education, Health and Social Welfare Sectors:
The allocations approved for these sectors amount to about RO 4 billion, of which nearly RO 2.5 billion for education sector, RO 1.3 billion for health sector, and RO 163 million for social welfare. These allocations include salaries and entitlements of employees, operating expenses, expenses for health care and education services, and appropriations for social security and welfare. Appropriations devoted to development projects of the aforementioned sectors such as schools, health facilities and others are also included.

5- Privatization Scheme
A privatization scheme shall commence as per a framework set for the period of 2016-2020. In addition, some assets will be identified for privatization during 2016, immediately upon the completion of a study being conducted.

The scheme’s aim is to expand the involvement of private sector in acquiring, financing and managing Government projects. The scheme also seeks to expand the ownership base of private sector and foster the role of securities market.

Third: Fiscal Measures To Deal With Budget Deficit and Correct Fiscal Conditions:
A- Improving non-oil sector revenues
The measures listed below, as per the decisions issued by Government entities concerned, are expected to improve and enhance the contributions of non-oil sector revenues. These measures are as follows:

• Increasing corporate income tax rates.
• Reduce tax exemptions.
• Enhance the efficiency of tax collection, and activate monitoring and controlling process.
• Applying new system of TALLY for tax calculations in all border outlets.
• Revising provisions of tax exemptions.
• Collection of fees of licenses and labour cards.
• Revising tariffs of electricity and water for commercial, industrial and Governmental use.
• Amending fees of real estate transactions and municipal fees imposed on lease contracts.
• Revising regulations related to land allocations, commercial, touristic, industrial and agricultural lands.
• Standardizing the fees of Muscat Municipality, Dhofar Municipality and regional municipalities.
• Revising fees of vehicle registration and renewal, as well as driving license.
• Adjusting fees of some services provided by the Ministries and Government units.

B- Rationalizing and reducing spending
• Revising local fuel prices, so as to match with the international prices.
• To stop expanding in organizational structures of the Ministries and Government units.
• Postpone the implementation of non-urgent and unnecessary projects.
• Abolish family and tour cars allocated for ministers, under-secretaries and senior officials.
• To stop allocating Government cars to some positions, and reinstate transportation allowance as set forth in the approved regulations.
• Banning the use of Government vehicles after official working hours, and rationing fuel consumption.
• Review fleets owned by each Government unit, and take back the additional cars to the Ministry of Finance, as stated in Financial Circular No. 8, issued on 28/10/2015.
• Assign Oman Post Company to transfer daily mails between the Ministries and Government units, and, therefore, abolish all Government vehicles, functions and expenses allocated for transporting the aforesaid mails.
• Intensify the use of electronic mails (e-mails) as much as possible as a means of official communication among/ between the Government departments and entities, and get rid of the paperwork.
• Transfer some Government activities and services to private sector via tenders.
• Minimize trips and days of overseas business trips and number of members participating in such trips, to the least possible.
• Reduce training abroad, if not necessary.
• Provide a non-cashable travel ticket to the employee assigned with an official duty or training outside the Sultanate.
• Limit/reduce the expenses of hospitality, hosting events, administrative expenditures, petty cash, and all unnecessary expenditures.
• Rationalization of energy consumption by turning off all lights, ACs, and electrical devices in Government offices after official working hours. Additionally, replace lights bulbs with LEDs, which are energy-efficient.
• To assign all minor repairs and maintenance works of water and electricity to private enterprises in order to ease spending.

Fourth: Fiscal Planning and Discipline:
Due to the rapid growth in public spending over the past years, the need to achieve fiscal discipline and to contain spending within sustainable levels, the Ministry of Finance carried out the following:
1- Set up a Macro Fiscal Unit to prepare studies and forecasts, and to suggest alternatives and scenarios for spending and resources in addition to identify the gap between spending and resources, as well as advise on the suitable options to bridge such gap. This will help to lay the basis/foundations required for accurate analysis and financial planning over the medium-term.
2- Formation of a joint technical committee between Ministry of Finance and Secretariat General of Supreme Council for Planning to monitor the spending on development projects approved in the Five-Year Plan, detect any changes, and set mechanisms to address any potential issues.
3- Formation of a joint technical committee between the Ministry of Finance, Central Bank of Oman and State General Reserves Fund to observe the financing plan set for the next three years 2016-2018, and review financing means and options in light of developments of global financial markets and local liquidity position.

Fifth: Conclusion:
In the implementation of the provisions of Article No. 3 of Royal Decree No. 2/2016 ratifying the State’s General Budget, the Ministry of Finance shall submit a comprehensive report to the Financial Affairs and Energy Resources Council, by midyear, on the actual implementation of the budget. While preparing such report, the developments in global economy and financial markets and trends of oil prices will be taken into consideration.

The Ministry will also publish progress reports on the budget implementation, namely on spending, revenues, and deficit, and compare the actual rates realized with the planned ones.

Moreover, the Ministry would like to draw the attention that all details, data and statistical figures about the budget are available on the Ministry’s website. In addition to, details of planning and fiscal measures to be made.

Lastly, we supplicate to Almighty Allah to protect His Majesty Sultan Qaboos bin Said, and to bestow upon our beloved nation and its people with security, peace and progress.
Investment in value added projects
The seminar recommended various methods and ways assisting the sector to play more important roles in supporting economic and social development in the Sultanate of Oman, ensuring guidance, control and continuing follow-up and supervision of implementation of agricultural plans in line with the rules and instructions, facilitating any obstacles to the execution of plans and encouraging by the government of the private sector into investing in value-added projects and taking advantage of the experiences of other developed counties in this field.

The seminar was held in the context of the OCCI’s keenness on adopting methods capable of promoting the economic system seeking to diversifying income sources, particularly since the agricultural sector is considered to be the main source of food security and hence the importance of agricultural insurance stems from the importance of this sector. It is, therefore, essential to provide the sector with the necessary protection that ensures its continued role in production and vertical and horizontal expansion and in ensuring sustainability.

**Agricultural Insurance System**

About the seminar, engineer Redha bin Jumaa Al Saleh, OCCI Vice-Chairman for Administrative and Financial Affairs and Chairman of Finance, Banking and Insurance Sector Committee, said: “The seminar is of prime importance and is concerned with developing the agricultural, livestock and fisheries sector. Agricultural development is of paramount importance in the context of the national objective aiming at achieving food security. It is, therefore, essential to increase agricultural productivity and maintain good quality of produce resulting from the top prioritized activities in the context of the efforts being made in this direction. Hence, the protection of the projects of agricultural crops, livestock and fisheries against disasters is of vital importance in order to achieve this goal. This can be realized through the application of an agricultural insurance system at par with the counties applying such system on some of the agricultural activities in order to contribute to protecting agricultural wealth.

The seminar aims to diversify income sources and increase the contribution of insurance industry to domestic product. It is for this reason that it was proposed to introduce agricultural insurance system to assist the farmers and agriculturists and livestock breeders to avoid the economic losses arising from various causes beyond their control. The presentation of such proposal was the result of the impacts of the damage left behind due to the unfavorable atmospheric conditions over the past years in addition to the tough climatic conditions resulting from increased temperatures, flooding, fires and other natural conditions. There is a need to work to protect the society and properties from various threats and the liabilities resulting from various activities. It is also necessary to work towards increasing the national workforce in the agricultural, livestock and fisheries sector and providing appropriate guarantees for financing system.

**Indicators of growth of agriculture and fisheries sector**

He also referred to the importance of the agricultural sector in its contribution to the GDP. According to economic performance indicators of the agriculture and fisheries sector, there is positive development in growth rates of agricultural and fishery activities with the growth rate of vegetable production in 2014 reaching about 2% while at the same time the total value of agricultural and fishery production rose from RO 496 million in 2013 to RO 535 million in 2014, i.e. at a growth rate of 8%. This rate represents the resultant increase in growth rates of the three main sectors. Based on the figures we quoted and the great importance of the agricultural and livestock sector, it is incumbent upon us to think about finding systems that would further develop and maintain these resources. The insurance of agricultural crops, livestock and fisheries is considered to be one of the systems followed by many countries to preserve the properties in general and the agricultural, livestock and fisheries wealth in particular.

**Agricultural insurance is an essential activity**

Redha bin Jumaa Al Saleh added that the insurance and re-insurance are essential activities for national economy and are of long-term uniquely strategic importance that would capture savings in the form of insurance installments and direct the same to investment. On this basis, the Ministry of Agriculture and Fisheries took the initiative on this aspect and is having several options including the Chamber’s participation in coordinating with insurance companies with a view to finding guarantees against human risks and natural and human catastrophes of projects and properties and consequent legal liability.

**Seminar on sustainable development of agricultural sector and organization of labor market**

Several working papers were also presented during the seminar including a paper delivered by Muneer bin Hasan bin Ali Al Lawati, Director General of Planning and Development, Ministry of Agriculture and Fisheries, entitled “Agricultural Insurance in the Sultanate of Oman ... Challenges and Future Prospects”. He indicated that the agriculture and fisheries sector is one of the most important service sectors in Oman as it is tied to a large segment of the population. He pointed out that the agricultural lands in the Sultanate amount to 73.3 million hectares, including 5.5 million hectares of arable areas. Agricultural possessions amount to 355,000 hectares including 17,000 hectares of actually exploited lands. He also indicated that the Sultanate of Oman held in this respect a seminar on sustainable development of agricultural sector and regulation of labor market in Samail in 2007. Recommendations from that seminar provided for encouraging...
commercial banks to increase their contribution to financing agricultural sector through insurance against the risks of agricultural investment. A working team was set up to devise a mechanism for agricultural insurance under the chairmanship of the Ministry of Agriculture and Fisheries and membership of Ministry of Commerce and Industry, Capital Market Authority and Oman Development Bank. This committee recommended the setting up of a government fund to provide guarantee against agricultural and livestock risks. An opinion poll was conducted involving insurance companies and a study was prepared on agricultural insurance.

Compensating farmers and cattle breeders
The Director General of Planning and Development at the Ministry of Agriculture and Fisheries, pointed out that the government was concerned about compensating farmers and cattle breeders due to impact of exceptional climatic changes. The government compensated farmers for the damages resulting from the tropical cyclone Gonu in the total sum of RO 7.5 million.

Agricultural Risk Fund
Then, Sheikh Saad bin Abdallah Al Kharusi, Chairman of South Al Batinah Farmers Society, delivered a presentation on agricultural insurance which is considered to be some sort of risks management system used for protection against any potential loss. He stated that agricultural insurance is a special product of insurance and is used by farmers and agricultural companies. The importance of this type of insurance lies in the fact it absorbs the shocks to which farmers are exposed due to disasters and pandemics beyond their control creating some sort of stability in the life of farmers and provides genuine opportunity for partnership between farmers and the private sector on one part and the government on the other hand. He referred to some of the recommendations which he considers to be important in this insurance sector requiring setting up by the government of agricultural risk fund, cooperative agricultural insurance fund and agricultural insurance companies.

Achieving food security
Talal bin Abdallah Al Zadjali, Director of Oman Development Bank's Seeb Branch, presented a working paper in which he spoke about the services and support accorded by the bank to the farmers and cattle breeders. He pointed out that the bank's financing programme for agriculture and fisheries activities aimed at assisting in maintaining stability and securing the needs of farmers and fishermen by covering the crops and properties against various risks, foremost of which are the natural disasters. He added that the bank works towards diversifying income sources by qualifying farmers and fishermen to enable them to expand in production by obtaining necessary funding based on guarantees through insurance. The programme is intended to find a minimum level of income for farmers and fishermen which would assist in expanding investment in the agricultural, livestock and fisheries sectors and hence lead to increased national income, food security, economic and social stability and employment of job seekers.

Engineer Redha:
Seminar aims to diversify income sources and increase insurance industry’s contribution to the GDP.

Saad Al Kharusi:
The importance of agricultural insurance lies in that it absorbs shocks to farmers due to disasters and pandemics beyond their capacity.

Talal Al Zadjali:
The Bank’s agriculture and fisheries financing programme aims to assist in stabilizing and securing the needs of farmers and fishermen.
Agricultural insurance is a shock absorber

Al Zadjali pointed out that the agriculture and fisheries sector receives considerable attention from the bank in the light of the overall trend of the government towards supporting this sector and strengthen its contribution to the national economy in quest for diversification of national income sources. The need for agriculture and fisheries insurance is urgent and pressing and this insurance is like a shock absorber extricating farmers and cattle breeders from the risks they are subjected to. The basic goal of agricultural insurance is to assist in stabilizing and securing the needs of agricultural community by providing a set of coverage of their crops and properties.

It is, therefore, necessary to recommend addressing the challenges and obstacles preventing insurance companies from providing insurance cover to the agriculture, livestock and fisheries sectors. There is a need to carry out an integrated research study of those obstacles in order to bring about possible solutions to these sectors while at the same time being attractive to the insurance companies. It is also necessary to diversify income sources and encourage agriculture, livestock breeding and fisheries and ensure funding these projects. Oman Development Bank recommends creating a mechanism to ensure and insure loans in case of natural disasters which lead to spoilage, damage or loss of properties, etc. by taking advantage of experiences of other countries in the field of agricultural insurance, the government’s contribution to insurance fees. It is also important to work towards activating insurance documents approved by the concerned authorities.

Recommendations of the seminar

Firstly:
At the level of overall economy
• Certainty of escalating efforts catering for agricultural sector with increased certainty of the eventuality of economic diversity and hence varied methods and means should be made available to agricultural sector that would assist it towards playing a more important role in support of the economic and social development in the Sultanate of Oman.
• Guidance, control and continuing follow-up and supervision of implementation of agricultural plans to ensure compliance with the rules and instructions and facilitate any obstacles that may hinder the implementation of such plans in addition to encouragement of public and private sectors into investing in value-added projects and taking advantage of the experiences of other developed countries in this field.
• Encouragement and motivation of citizens to take interest and involve in agricultural profession, livestock breeding and fishing together with provision of necessary training to them on methods and principles of risk management and retention of records.

Secondly:
In the field of insurance and protection of agricultural sector
• The concerned authorities are required to put in place clear and practical mechanism to protect agricultural crops against natural, biological, social and economic risks.
• There is a need to set up a company specializing in insurance of agriculture, livestock and fisheries and embark upon conducting necessary economic feasibility study and to put in place a working plan for incorporation of such a company within a specific timeframe and encourage insurance companies to open up departments or sections concerned with insurance of agriculture, livestock and fisheries.
• There is a need to urge agricultural cooperative societies to set up parallel companies with legal entities and subject to Oman’s Commercial Companies Law to be able to get the funding provided by Oman Development Bank and other similar institutions.
• It is necessary to take advantage of the experiences of other developed countries in the field of agricultural insurance.

Thirdly:
In the field of providing services and facilities to the sector
• To streamline the procedures of granting loans by Oman Development Bank and other commercial companies and finance institutions.
• To establish a bank for provision of information and data on climate and agriculture and animal diseases, etc.

Fourthly:
Formation of a committee to follow up seminar’s recommendations consisting of senior officials of the following authorities:
• Ministry of Agriculture and Fisheries
• Capital Market Authority
• Oman Chamber of Commerce and Industry
• Chairman of Al Batinah Farmers Society
• Chairman of Insurance Society
The Financial, Banking and Insurance Sector Committee of OCCI has held a meeting under the chairmanship of engineer Redha bin Jumaa Al Saleh, OCCI Vice-Chairman for Administrative and Financial Affairs and Committee Chairman, in the presence of the Committee’s members. Opening the meeting, the committee chairman commended the efforts made in connection with the Seminar entitled “Securing Agricultural Crops, Livestock and Fisheries” recently held at the OCCI premises. He expressed his satisfaction at the considerable interaction with the seminar and the working papers presented therein and wished that the seminar’s recommendations would be set in motion in collaboration with the Ministry of Agriculture and Fisheries.

The meeting discussed the committee’s plan for 2016, the agenda of which will include in the first quarter sending a delegation consisting of committee members to the Republic of Taiwan in February. The committee intends to hold a seminar on the Taxation Law, the aim being to discuss the proposed law and raise awareness of stakeholders on the provisions of the law, as well as another seminar on social responsibility of the private sector organizations and the need to activate corporate social responsibility.

The meeting also discussed a proposal by the committee to hold a consultative meeting annually involving stakeholders of financial sectors (insurance, finance and banking). The participants stressed the importance of putting in place an integrated perspective with a view to achieving the desirable objectives.
Gulf-Indian Forum in Jeddah
Event expected to boost economic and business ties between GCC and India

The fourth GCC India Forum of GCC businessmen and their Indian counterparts hosted by the city of Jeddah, Saudi Arabia, has recently concluded its works. Organized by the Federation of GCC Chambers of Commerce and Industry, the forum was held at the King Abdallah Economic City ship.

The inaugural ceremony was presided over by His Excellency Dr. Tawfiq bin Fawzan Al Robayea, Saudi Minister of Commerce and Industry; and was attended by His Excellency the Deputy Minister of Commerce and Industry; the Indian Minister of Commerce; senior officials of the GCC General Secretariat and Federation of GCC Chambers of Commerce and Industry as well as a large number of GCC businessmen and their Indian counterparts.

Oman Chamber of Commerce and Industry (OCCI) took part in the forum with a delegation chaired by Sheikh Abdallah bin Salim Al Rawas, Chairman of Branch of Oman Chamber of Commerce and Industry in Dhofar Governorate. The delegation comprised a host of Omani business owners representing various economic and trade sectors and activities.

Trade relations between the Sultanate of Oman and the friendly Republic of India are deep-rooted and date back to the beginning of human civilization and developed through subsequent ages and achieved in the recent years to the highest level of trade exchange and investment cooperation between the two countries. The joint Omani Indian projects in the Sultanate exceed 2,500 with a total invested capital of more than USD 3 billion in addition to other Indian projects in the form of branches of Indian International companies and Indian trade representatives in the Sultanate.

Despite the clear growth of trade exchange, such growth could reach higher levels compared to the capabilities of the Sultanate of Oman and India. This prompts further efforts to activate the role of agreements signed between the two countries and enhance the activity and function of the Business Council of the two friendly countries. There is also requirement for further endeavors to be made by the business owners in both countries, including intensification of exchanged visits, removal of all obstacles to further growth, provision of training programmes, imparting of technology, encouragement of exports and exchange of information, exhibitions, seminars, conferences and workshops between the two countries.

OCCI delegation had an active participation in the forum. Mohammed bin Khamis Al Husayni, Director of Research and Economic Studies at OCCI, presented a working paper dealing with the volume of cooperation between Oman and India and means to activate it. The second working paper was presented by engineer Saleh bin Mohammed Al Shanfari, CEO of Oman Agricultural Investment Company, which dealt with the potentials of developing relations between the GCC and India in the field of food security.

Sheikh Abdallah bin Salim Al Rawas, Head of Oman’s delegation, held a number of meetings with heads of delegations taking part in the forum and a number of Indian and GCC experts to enrich the activities of the forum.

The members of Omani delegation pointed out that they took advantage of the participation considering that the forum opened their minds to further activities where cooperation can be effective with the Indian counterparts and GCC business owners.

The forum’s final statement called for intensifying cooperation and resolving the difficulties facing exports and imports between the two parties and stressed the importance of continuing the work for the signing of free-trade agreement between the GCC countries and India which has for long been the subject of discussion. The statement also stressed the necessity of maintaining communication between officials and business owners through the various sessions of the forum which is recommended to be held on annual basis. The fifth forum is scheduled to be held in India this year.
CALL TO MAINTAIN TRANSPORTATION COSTS

Dr. Salim Al Junaibi: Call for not taking increased diesel price as pretext to increase transportation cost.

*Call to double committee’s efforts to promote transport and logistics sector

In its first meeting this year, the Chamber’s Transport and Logistics Committee discussed the issue of increasing diesel prices and the possibility of its impact on increased transport and shipping cost. In this respect, the committee called upon the owners of transport establishments not to take this increase as a pretext to increase transport cost to avoid adversely affecting other sectors and citizens in general. The committee members stressed the necessity that the establishments operating in this field should cooperate with the government, each in their field of business, in the current stage in public interest and for the benefit of citizens.

Dr. Salim bin Sulayem Al Junaibi, Chairman of Transport and Logistics Sector of OCCI, stated that the committee’s working plan for this year will be full of domestic and external activities in the transport and logistics sector. The committee’s agenda for the first quarter of the year will include taking part in the Sohar Transport, Heavy Equipment and Logistic Services Exhibition in February. The exhibition is concerned with transport, heavy plants, shipping, loading and unloading, storage and logistic services. The committee chairman invited companies operating in these fields to participate in this exhibition which will introduce the promising Omani market in the field of equipment, shipping, loading and unloading and logistic services, particularly with the shifting of navigation movement from Sultan Qaboos Port to Port of Sohar. In addition, the committee is in the process of preparing for participation in the Middle East Transport and Logistic Services Exhibition scheduled to be held at Oman International Exhibition Centre next September. The committee chairman called upon the owners of companies operating in this field to prepare for having an effective participation in this conference in order to give good impression about this promising sector in Oman and to achieve the purpose of the exhibition. The OCCI, represented by the committee, will take part in this exhibition through a special stall.

The meeting evaluated the committee’s efforts during last year and noted that the committee played an effective role, paid site visits to the Port of Sohar and the Economic Zone of Duqm and dispatched a delegation to the Port of Rotterdam, Netherlands, as well as other efforts. The committee chairman called upon the members to exert further efforts to promote the committee’s role in support of the transport and logistics sector in the Sultanate which is a vital component in the process of development.
Economic delegations are constantly visiting the Sultanate, yet senior businessmen tend to refrain from taking part in the bilateral discussions held with such delegations which visit Oman either in coordination with the Ministry of Commerce and Industry or Oman Chamber of Commerce and Industry. It is, therefore, required to find a solution to this refrainment, the aim being to maximize the benefit from the outcome of these visits to our country in quest for exchanged investments.

These delegations represent a significant link for direct communication between the various trade and economic sectors. They also provide a favorable opportunity enabling both sides to closely familiarize with the available investment opportunities by offering existing investments to international and foreign investors, particularly those accompanying visiting delegations. I don’t know why this is the case and for how long will continue. The fact is that most of the major businessmen refrain from taking advantage of the visiting delegations and the opportunities and information they carry with them about their countries which are readily and freely available to us without making any effort. Visiting delegations provide a good opportunity for parties to exchange inquiries and hold direct discussions with the officials and specialists accompanying these delegations, let alone the possibility of concluding deals, obtaining commercial agencies and making friendship with business persons from various countries.

These frequent visits are useful, particularly in the current difficult economic situations. For example, they need to finance their projects from new joint ventures that provide employment opportunities to job seekers who are on the increase year after year. It is, therefore, useful to adopt an open-door policy in order to boost economic and trade relations with various countries of the world as this trend would support mutual economies, increase inter-trade activities and further strengthen the political and historical relations that exist among various countries.

There is no single justifiable reason that prompts many of the major businessmen to refrain from benefiting from such visits which in most cases bear fruit through the establishment of joint investments among business owners in various countries.

We need to focus on the need to increase the rate of visits by trade and economic delegations to the free industrial and economic zones, the aim being to support and activate these zones and bring about a joint formula for mutual investment cooperation involving future viable projects that maximize economic returns and promote commodities and goods. It is important to use such visits to penetrate into the neighboring markets from where these delegations come and open up new outlets in their countries. It is really embarrassing to see that the members of visiting delegations are found to be double the number of participants from the host country who involve in discussions with the delegations. Thus, it is frustrating to miss such a precious opportunity which comes to us at our doorsteps seeking cooperation and partnership with us and looking for more information about Omani products and industries, investments and trade opportunities available in the Sultanate.

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Businessmen and their reluctance to get involved… why?

Economic Thoughts
Entrepreneurship seminar

Report by: Ibtisam Al Saadi
Al Hajri: The seminar comes at a time when all means of setting up successful competitive entrepreneurial enterprises are available.

OCCI represented by its Al Sharqiyah North Branch in cooperation with Al Sharqiyah University and Ibra College of Technology organized an entrepreneurship seminar under the theme “Entrepreneurship between Opportunities and Challenges”. The seminar aimed to further strengthen the concept of entrepreneurship and entrepreneurial mind-set within the Omani society and provide successful solutions to the challenges facing entrepreneurial enterprises and availing of the opportunities and basic resources available for initiation of new projects and optimum use of capital.

The inaugural ceremony was held under the patronage of His Excellency Sheikh Yahya bin Humood Al Maamari, Governor of Al Sharqiyah North, in the presence of Ali bin Salim Al Hajri, OCCI Treasurer and Chairman of Al Sharqiyah North Branch, and a host of entrepreneurs and entrepreneurship specialists and academicians and representatives of the SME sector.

University encourages business among its students
The seminar set off with an address by Dr. Abood bin Hamad Al Sawafi, Chancellor of Al Sharqiyah University, in which he pointed out that the University sought to strengthen the concept of entrepreneurship and exchange of experiences with the community in public sectors, knowledge industry and acquisition of skills and procurement of expertise to have an effective role encouraging business among the students and the community in general and enable them to be available at labor market of the Sultanate. He stressed that there were many economic opportunities available in North Al Sharqiyah Governorate coupled with some challenges and difficulties faced by male and female entrepreneurs which “we are now studying with the concerned specialists with a view to taking advantage of the experiences available in order to achieve the ambition and dreams of entrepreneurs in the short and long term.

Setting up successful enterprises
Ali bin Salim Al Hajri addressed the seminar emphasizing that the entrepreneurship seminar came at a time when all means were available to set up successful enterprises capable of competing in the local and regional markets. He indicated that the scientific presentations and realistic experiences would enable entrepreneurs and SME owners to stay close to the reality of entrepreneurship in North Al Sharqiyah Governorate and intensify awareness of its importance. The challenges being faced as well as the means of funding entrepreneurial enterprises in the Governorate will be reviewed by the Sultanate’s financial institutions.
Provision of ideal environment

Al Hajri added that the OCCI’s North Al Sharqiyah Branch was making significant efforts in support of entrepreneurs and SME owners by providing an ideal environment to incubate various types and fields of free business and augment entrepreneurship through workshops, training programmes, seminars and conferences as well as organizing site visits inside and outside the Sultanate of Oman to instill the culture of innovation into entrepreneurs and enable them to use capital for setting up new entrepreneurial businesses or expanding already existing ones.

Reality of entrepreneurship

The seminar included a number of specialized working papers presented by a number of government and private organizations. The first paper discussed the reality of entrepreneurship in North Al Sharqiyah Governorate prepared by a teaching staff of Al Sharqiyah University and Ibra College of Technology. They also dealt with the economically feasible commercial activities exercised in the various Wilayats of the Governorate and the production opportunities available for individuals and groups and ways to utilize the material and moral support accorded by some government and private organizations and methods of developing the marketing of products and turning small and very small businesses into emerging distinguished enterprises so that they can be able to innovate and develop into leading companies in the Governorate. The paper also dealt with the challenges relating to the concepts of entrepreneurship summarizing them in two significant challenges, namely:
1. Challenges relating to environment in support of entrepreneurship

2. Challenges relating to the personal attributes and entrepreneurial skills which should be enjoyed by each entrepreneur.

In concluding, the paper recommended that experiences should be exchanged among entrepreneurs by way of setting up a regional guidance programme in the Governorate for the Authority of Small and Medium Enterprises and establishing an economic alliance which would serve as an incubating entrepreneurship in the North Al Sharqiya Governorate.

**Importance of awareness of entrepreneurship**

The second paper presented by the Public Authority of Small and Medium Enterprises discussed the importance of raising entrepreneurship awareness and familiarization of the meaning of entrepreneurship and its scope and the process of turning ideas into enterprises that are capable of growing and flourishing. It also discussed the ways of supporting and motivating entrepreneurial activities and SMEs and stimulating production and manufacturing process, accessing the markets and competing the peer companies. The paper stressed the importance of bolstering the concepts of entrepreneurship by way of practical integration and effective participation in entrepreneurial tasks in government and private schools, colleges and universities.
OCCI has recently organized a coordinating meeting for enterprise owners and some businessmen to discuss the tax increases proposed to be imposed on companies of certain economic sectors due to oil price slump by more than 60%. The meeting focused on a number of issues with OCCI’s members giving their observations on these measures. Ayman bin Abdallah Al Hassani, OCCI Vice-Chairman for Economic Affairs and Branches, pointed out that businessmen discussed during the meeting some important and essential questions such as the Law of Income Tax and the proposed amendments to this law. He added that this issue constituted for many enterprises and companies a particular significance since all trade-related issues are tied to some clauses, including the tax law, investment law, foreign capital law and insurance companies law and the procedures pertinent to the registration and exercise of businesses.

Such discussions normally deal with important issues, the aim being to promote developmental work, streamline procedures for investors and strengthen private sector’s contribution, particularly at this critical stage which witness great challenges due to continuing decline of oil prices. OCCI is of the opinion that discussing the laws and presenting views, with particular emphasis on the country’s economic activity should receive considerable attention to encourage local and foreign investors. These laws should be referred to the OCCI Board of Directors before being approved by the State and Shura Councils. Today, some economic sectors such as mining are required to be regulated by clear laws to prevent negative practices such as exporting Oman’s sands and stones without there being any broad lines for developing this sector in the required manner. The aim is also to protect the environment and Omani society from the acts of some merchants and expatriates who are exploiting local laws to exhaust the country’s wealth, including financial resources, without strict control. Such economic sectors should remain property of the people and should be managed through appropriate laws.

The revised income tax law consists of 190 articles including raising tax on companies from 12% to 15% and imposing a 3% tax on the companies whose capital is less than RO 50,000 and whose income exceeds RO 100,000. There are also other calls to increase the tax on the activities relating to exportation of liquefied natural gas, extraction of natural non-oil wealth for exportation as well as on oil and gas dependent petrochemical industries and other economic sectors. These views which were brought forward to the meeting also dealt with the importance of equilibrium in the value of taxes such that it does not repel the foreign investor and hence lose new cost-reducing technologies.

A number of businessmen stressed during the meeting the necessity of referring the proposed laws to the OCCI’s Board of Directors and its committees to have their views before these laws are approved by the concerned authorities in the country such as the State Council and Shura Council. There should be full understanding by the members of the two councils of all matters associated with these laws and the economic sectors involved in order to protect investors. These laws should not only be discussed from a sympathetic point of view and it is necessary to have the views of the private sector which is the one concerned with payment of such taxes and fees.
The importance of the private sector emerges during the economic crises which are currently encountering the oil-dependent countries as a major source of income at the moment and is seen as a saviour, and entrusted with a very important role in improving the level of its contribution to the national income and pulling out the country with the least possible losses as a result of the crisis. Therefore, based on this and in order for the sector to be able to exercise its role with high performance the government should not narrow it down, but on the contrary, must provide whatever ways and methods of support the government can make available to ensure its growth and taking of the initiative in such crises, and staying away from the legislations that may be cause of migration of funds and business like what had happened during the financial crisis in 2008 when countries, including the United States, injected funds to support the private sector and the preserve its components.

Yes, we agree that the private sector needs more regulation, but before that it needs more confidence from the government, and it also needs to not have a voice and taking its views into consideration in the formulation of any draft laws concerning it and to be deemed a partner to the government in all issues relating to the economic legislations. But unfortunately the reality is different where the Chamber is requested to review templates of laws with the reality is different where the Chamber is requested to review templates of laws with the importance of the private sector which are currently encountering the.

As for the mining sector and before imposition of any additional royalties or legislations related thereto there be a separation between the government and the private sector will have an impact in finding solutions to various challenges with an emphasis that none of the two sectors can work in isolation from the other.

Whereas it is known that the root to solve the problem is to address the causes that led to it. When talking about tax increases, for example, we find that there is a clear imbalance in the current tax collection mechanism at the current rates. The failure to fix up this defect by raising efficiency of collection and activation of control and follow-up will lead to aggravation of the defect with the proposed additional rates and tax evasion rate will increase, which would limit the State revenues from these taxes.

Based on the Chamber’s right to express its views and raise its proposals which may be more feasible is to mainstream corporate income tax under all grades by retaining the 12% rate for the year to come, taking into account promoting efficiency of the collection mechanism and enactment of legislations and regulations that limit tax evasion particularly, as per the available Information, only 4000 companies out of 300,000 companies registered with the Chamber are committed to payment of taxes. This confirms a defect in the collection mechanism. Moreover, privatization of some public sectors and the transfer of ownership and management to the private sector and restriction the number of commercial registrations and type and number of activities for the full-time owner would reduce conflict of interest, decrease the numbers of job-seekers, and developing a public transport network with high specifications that establishes a new culture in this framework and preparing for the next stage after the lift of subsidies, so we do not have to reinstate the subsidy in the future. As for the mining sector and before imposition of any additional royalties or legislations related thereto there be a separation between the metalic minerals mines and the quarries and crushers provided tax should be imposed on the net profit. It is a national wealth which the country and citizen should avail as it is promising and very vital sector, but the main problem hindering it lies in the weakness of its regulation and the aimlessness that dominates it. It needs serious stand to solve its problems, and we believe that the rail project will serve it much very and increase its productivity.
Mahmood bin Abdallah Al Amri, Deputy CEO of Recycling Services Company, believes that industrial and economic expansion and associated technological and knowledge advancement results in environmental contamination and damages to the environment and natural resources. From this concept, Mahmood and his partner derived the idea of setting up their business realizing the importance of conserving the environment and its gains which are the responsibility of each and every member of the society.

Al Amri and his partner incorporated their company in October 2014. The company is being managed by Omani cadre working on collecting and sorting out paper, plastic and metal wastes in addition to management and recycling of wastes of government and private establishments.

Recycling is a tool to conserve the environment

In an interview that we had with him, he said: The mode and shape of life in our society has completely changed with environmental pollution problems getting worse. It is, therefore, incumbent upon us all as individuals and communities to contribute to recycling the wastes in order to preserve and conserve the natural resources and deliver this message to the next generations. Recycling Services Company take upon itself the duty of providing support to protect the environment and strengthen the individual and corporate efforts to make its programmes and services an outstanding success. For humanitarian objectives, we made waste donation boxes which enable us to receive such wastes for us to recycle them. The financial return of these boxes will go to one of the charitable societies operating in Oman. As a first stage, we began to distribute such boxes in various Wilayats of North Al Sharqiyah Governorate.
Provision of raw materials and their transformation into usable product

Mahmood bin Abdallah Al Amri pointed out that his cadre also serves various local factories by recycling and providing raw materials such as paper, plastic and metal wastes which are clean, of good volume and weight and suitable. In this way, we contribute to mitigating pollution and curtailing the dumping of wastes by turning the wastes into usable products.

Practical skills and realistic experiences in waste management

He also pointed out that through previous experiences in other businesses, this cadre was able to succeed in their work and as a result they have acquired many practical skills and realistic experiences such as negotiations, management, marketing, promotion, creation of public relations, sales and local market research. They also familiarized themselves with local and foreign experiences (either government or private) as well as international exposure in countries like Germany and United States in waste management. In this area, I mention with particular emphasis the partner founder and CEO of the project, brother Majid bin Saud Al Batashi, who has an experience of more than 15 years in the field. Thanks to his extensive experience as an entrepreneur, the company could achieve tremendous successes.

Overcoming difficulties

- Raising operational capital by 34% for issue of fast sale licenses for raw materials to avoid storage problem.
- North Al Sharqiyah Governorate lacks logistic services.

According to Al Amri, legislations and laws were the most difficult problems that they faced upon its incorporation. These difficulties were featured by obtainment of permits necessary for initiation of the project and posed a great challenge. He said: In fact, we sought to resolve this problem by raising the operational capital by about 34% to cover the requirements of licenses. We are still facing some difficulties, including the small area of the project where we cannot store more than 100 tons of various types of wastes monthly. We are making considerable efforts in order to achieve fast sale of raw materials. Our ambition over the upcoming period is to rent some more spacious areas to increase storage capacity. North Al Sharqiyah Governorate lacks logistic services such as exportation and transportation facilities and that is why the cost is high affecting owners of medium, small and very small enterprises.

He gained experience through local exposure

- The Cell Programme
- Business Opportunities Forum
- Waste Management Conference

Mahmood joined the Cell Programme of the Indian Fertilizers Company through which he learned how to prepare economic feasibility study and saw for himself a number of exemplary successful enterprises. “I participated in the Business Opportunities Forum organized by OCCI and benefited a lot from it as I met with several entrepreneurs and exchanged experience with them on various services in the waste management sector. I also participated in the waste management conference held last year which gave the opportunity to meet with large companies operating in the same sector and discuss with them the most important available opportunities.

Taking advantage of German experience in waste management

Mahmood commended the German experience in waste management and said: I admired the waste sorting out system for each house and benefited from that. This system allows all to take part in sorting out wastes in order to utilize all types of wastes and have them recycled. During my visit to Germany, I understood that they have in every supermarket or big shop special equipment whereby customers can sell their empty sparkling water containers and buy food stuff or get the cash.

An advice to young Omanis: begin the idea of your enterprise today

In concluding his statement, Mahmood bin Abdallah Al Amri, Deputy CEO of Recycling Services Company, said: I have an advice which I would like to present to my ambitious country men who aspire to set up small or medium enterprises. “Ideas do not wait for long. So, if you have an idea of an enterprise, begin it right now because if you don’t begin others will do. He who does not move forward will be overtaken by others. Yes, you may face risks and unexpected costs but naturally these are there in all types of businesses. The revenues generated from small and medium enterprises deserve the adventure and hardship.”
General Automotive Company (GAC), the official distributors for Mitsubishi in Oman, has successfully completed the first of six trips of its annual desert excursion, the ‘Team Pajero Desert Adventure’. The two day trip saw just under 260 people in 56 Mitsubishi Pajeros drive into desert for a weekend of fun and adventure. Organised by GAC specifically for Pajero owners and enthusiasts, each of these trips gives Pajero owners a taste of a true desert adventure in the vehicle best suited to handle the challenge – the Mitsubishi Pajero.

Driven by popular demand, the Team Pajero Desert Adventure will be split into six separate groups this year, the first of which was recently completed. All Mitsubishi Pajero owners in the Sultanate are invited to register for the upcoming trips at the Mitsubishi Showroom in Athaiba.

As an additional bonus, GAC is holding a special contest for the duration of the Team Pajero Desert Adventure. Participants are encouraged to share photographs or videos taken during the event along with their entry.

Commenting on the Desert Adventure, Manoj Ranade, the GM of General Automotive Company said: “Our annual ‘Team Pajero Desert Adventure’ events have welcomed a growing number of Pajero owners with each passing year. Last year, by popular demand, we doubled the number of trips from three to six and witnessed the participation of over 1,500 people. This year, we are offering six trips right from the get-go in order to offer our customers a higher chance of securing a space on one of the trips.”

The event, which began at the Mitsubishi Showroom saw just under 260 Mitsubishi customers and 25 GAC staff members set off towards the desert in 47 Customer Pajeros and nine Marshall Vehicles. All participants followed a predefined course as they headed to Wahiba Sands.

Once at the Al Raha Camp, the convoy of Pajero vehicles were escorted by Marshalls and provided with specialised desert driving training. The drivers were then taken on a dune bashing session, after which the group is taken atop a dune overlooking the camp to witness the stunning sunset. Once back at the camp a large number of activities and entertainment was prepared for the families to enjoy. The following morning, Camel riding sessions and dune bikes were provided for the customers to use at their discretion. The convoy left the camp and returned to the Azaiba showroom shortly after.

Reiterating the success of the ‘Pajero Adventure’, Nelson Dsilva, a Mitsubishi customer who attended the event said, “The trip was great and gave us the kind of experience that left me and my family, wanting for more. The event was managed in a great way and the crew was the best, especially in the way they handled things and guided us out of any trouble we had. The food and the stay were magnificent and way beyond our expectation, especially considering we were given such good service free of charge. I would like to say a big thank you to everyone at GAC for making us feel so comfortable right from the moment we registered for the event. I will definitely be back if I get the chance and will bring some more friends along to show them just what ‘Team Pajero’ actually represents – power, team work and family.”

In its latest iteration, the 2015 Mitsubishi Pajero offers a modern look with a revised front grille and an aggressively shaped bumper with integrated LED daytime running lamps. The legendary vehicle is packed with features that make it a pleasure to drive both on the road and off. From the power of its 3.5 or 3.8 litre MIVEC engine through to a comprehensive suite of safety features, the Pajero was designed from the ground-up to cope with any kind of driving condition. Whether highway cruising, urban driving or more challenging off-road adventures in the wadis and dunes of the Sultanate, the Pajero has proved its mettle time and again.
In another initiative towards making shopping and entertainment more accessible to its customers, Muscat Grand Mall (MGM) announced the completion of its new pedestrian passage which connects the ground floor of the Mall, near HomesRUs to the additional parking facility located in the expansion site of Phase III of the Mall.

The Mall’s visitors can now make the most of this walkway which is fully operational, completely air conditioned and has clear signage that guides customers from the new parking space to the Mall. Furthermore, to encourage customers to park at the new facility, Muscat Grand Mall is providing the opportunity for them to get one free carwash.

Hassan Jaboub, General Manager of Tilal Development Company commented, “It gives us great pleasure to announce that Muscat Grand Mall has witnessed a 10 per cent increase in footfall as compared to the same period last year. To meet this increase in demand, we have been working tirelessly to provide more ease to our guests and better infrastructural facilities which would make it even more convenient for visitors to the Mall. The additional parking space opened in July this year and this pedestrian walkway are among the key initiatives and we are confident that our visitors will benefit immensely from them.”

This new pedestrian passage is a component of the larger expansion project that is currently underway. Following the completion of the expansion, Muscat Grand Mall will house new retail outlets, bringing new global brands to Oman for the first time and increasing the total number of stores, as well as providing more parking spaces for visitors.

MGM is Oman’s most dynamic shopping destination. It is the fastest growing lifestyle hub in the Sultanate, offering choice and convenience for shoppers and residents, as part of a combined leisure experience. Boasting more than 142 stores, a three-screen cinema, high-end residences and office space, in addition to hosting the largest food court in Oman, Muscat Grand Mall is also home to leading global brands such as Carrefour, Happy Land, City Cinema, Sharaf DG, HomesRUS, PAUL and Chili’s and Patchi among others.

### MHD LLC to distribute Intex Mobile Devices in Oman

Intex Technologies, a major player in the manufacturing of consumer electronics, mobile devices and IT accessories, is entering the Oman market with five Smart Phone models - Aqua Xtreme II, Aqua Desire HD, Aqua Star II HD, Aqua Life II and the entry level Aqua T2. All Intex devices will be covered with one year warranty in Oman. The customer can get warranty for their devices in countries like India, UAE, Qatar, Bahrain and Iran subject to model availability.

Mohsin Haider Darwish LLC will be the authorized distributor for Intex Mobile Devices. MHD Group is one of Oman’s leading business houses, with activities spanning manufacturing, services, imports and distribution of a large portfolio of brands and products.

“With the launch of its new Aqua smartphone collection, Intex aims to provide regional consumers with wider options,” said Sanjay Bansal, Managing Director of Intex. “Aqua smartphones’ craftsmanship and technology rival those of other brands available in the market today, but this value-added features cost a fraction of the price.”

Intex, which is headquartered in Delhi, India, is the third largest selling consumer electronic goods brand in India. As per Cybex Exim reports of the last three months, Intex has outperformed all other players in import shipments and local manufacturing combined in the country, which makes Intex No. 1 maker of mobile handsets in India. It has presence in 66 countries worldwide.