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ENTREPRENEURS
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Commercial Delegations

the severe decline in crude prices (Reasons and Repercussions)
Sheikh Salem Bin Ahmed Al-Ghazali, is one of the most prominent Omani business tycoons.
Oman Chamber of Commerce and Industry (OCCI) was established on ١٥ May ١٩٧٣ as a public utility organization.

**Vision:**
To develop the Omani private sector and to make it a key partner in the sustainable economic development.

**Mission:**
The Chamber is the official representative of the Omani private sector both at domestic and international level, as well as its active tool in participating in taking all the decisions pertaining to the sector. The Chamber is keen to support, develop and improve the private sector through the tools and programs available for advancing economic development in the Sultanate.
Editorial

Conferences identify motives, investment opportunities

Oman government is aware that the ability to lure funds is subject to the available facilities and motives. Thus, it prepared the proper climate for the attraction of local and foreign investments, through offering some motives and facilities as well as adopting some regulations. In addition, the Sultanate created distinguished strategic locations and provided the necessary infrastructure, natural resources and qualified human cadres.

Investment authorities in Oman seek to provide investors with the necessary facilities, and overcome the challenges and difficulties facing local and foreign investors. The fierce competition for investments in the region requires renewable facilities and creative services.

The cooperation and partnership relations between investors as well as private institutions in the GCC and Arab region require activating the cooperation agreements, boosting the communication channels between these institutions, as well as participating in the economic events and sharing the commercial and investment information.

Oman Chamber of Commerce and Industry seeks to achieve an important objective in this regard, through organizing forums and conferences that help identify motives, facilities and investment opportunities.

Oman government provides investors with all necessary motives and opportunities, and create the proper environment for joint business.
COMMERCIAL DELEGATIONS
DIFFERENT VISION TO
ENTREPRENEURS
707 SME OWNERS BENEFITING
FROM DELEGATIONS
Some people may say that Oman Chamber of Commerce and Industry (OCCI) has not introduced new ideas about the establishment of new commercial delegations, while others believe that there are no any benefits from such visits. However, OCCI was founded in 1973 to establish these delegations and participate in the economic events. The chamber aims to organize the commercial and industrial interests through the different available means, as well as boosting the local economy through implementing the different development plans that aim to achieve the economic diversification. In addition, OCCI stimulates the role played by Omani institutions and private companies in the local development plans through implementing development projects in the different sectors. The chamber also represents the Sultanate and the private sector in the different regional and global events. It also expresses the Omani vision in the issues addressed globally.

During the current term, the chamber witnessed major economic developments, and its agenda included several activities, including the organization of regular visits for the Omani commercial delegations outside the Sultanate. The chamber aims to boost the partnership between the private sector and the government as regards increasing the contribution of the business sector to the sustainable comprehensive development plan. Moreover, the chamber seeks to support the sector’s institutions and provide more jobs for the national cadres, as well as boosting the government programs in achieving the economic diversification through activating investments in non-oil sectors such as tourism, industry and fisheries. OCCI also encourages the self-employment as well as small and medium-sized enterprises (SMEs).
The central objective of the commercial delegations
The work of commercial delegations is based on a plan, goal and initiative. In addition, the visits of delegations are previously prepared through the accurate selection of targeted countries and economic sectors.

The most prominent services provided by the chamber include organizing the visits of commercial delegations and relevant events. These services are provided for the private companies and institutions whose number exceeds 300,000. OCCI also organizes exhibitions to update businessmen about the latest developments of trade and industry. It also organizes meetings between Omani businessmen and their foreign counterparts, in addition to providing lists of businessmen’s addresses and names for both parties.

OCCI board has recently approved 2016 strategy that includes attracting foreign and local investments through some programs and initiatives such as activating the visits of Omani commercial delegations.

These programs allow local investors to know the latest investment ideas from the countries of modern industrial experiences and enable them to find investment partners.

(Join us to Escalate)
Different vision for the commercial delegations
The chamber send delegations from entrepreneurs and SME owners to attend conferences outside the Sultanate. This initiative is to update investors about the latest international experiences in the different fields and using them in the development of SMEs through adopting the latest production methodologies, utilizing topnotch technologies and exploring the best investment opportunities and looking for new partners.
This initiative adopted by the chamber increased the number of delegations over the last three years.

45 delegations specialized in different activities
The number of delegations established by the chamber in 2014-2016 reached 45. It amounted to 17 in 2014, 14 in 2015 and 14 in 2016. The activities of delegations include information technology, training and consulting, decoration and furniture, construction, tourism, spare parts, meat, fruits, dairy products, leather products, logistics, real estate, textiles and fashion, stationery, office items, sweets and bakery products.
These sectors were selected at the behest of small and medium-sized enterprises, as most enterprises focus on these sectors. In addition, companies have great growth opportunities to benefit from the targeted countries.

707 SME owners benefiting from delegations
The number of SME owners benefiting from commercial delegations reached almost 707 in 2014–2016, as shown in figure No. 1. These beneficiaries are distributed among the following governorates: Muscat, Ad Dakhiliyah, Batinah North, Batinah South, Buraimi, Ad Dhahirah, Musandam, Al Wusta, Ash Sharqiyyah North, Ash Sharqiyyah South and Dhofar. OCCI board allowed a large number of SME owners to participate in these delegations whose activities are distributed to all governorates in the Sultanate.

16 targeted fellow countries
There are 16 targeted fellow countries with strong economies, such as China that is one of the main commercial partners of the Sultanate, and Iran whose commercial and economic relation with the Sultanate has developed remarkably. There are also other countries with strong economic fundamentals such as India, Malaysia, Turkey, Thailand, Italy, South Korea, South Africa, and Indonesia. They have experiences and capabilities that can be utilized in developing the commercial and economic operations in the Sultanate. Turkey ranked first, as it hosted 15 Omani delegations. It provided the necessary facilities and organized several events such as the exhibitions that aim to draw the attention of SMEs through showcasing new opportunities and products. China took the second position after hosting eight Omani commercial delegations, while Iran, Thailand and Malaysia ranked third with three delegations. Indonesia came fourth with two delegations.

Major commercial delegations … advanced vision
The chamber is keen on boosting its role of serving the private institutions in the Sultanate and strengthening the investment relations between these institutions and their peers abroad.
Over the last period, OCCI sent commercial delegations to several countries such as Germany, Turkey, China, Spain, Russia, Belarus and South Korea, as part of its role of benefiting from participant members, luring investments to the country and forming commercial partnerships with different countries that have strong economies.
Such delegations visit the free zones and hold meetings with foreign businessmen to explore the investment opportunities and privileges available in the country. In addition, they organize meetings with major officials in these countries; for example, the Sultanate’s delegation to Belarus visited the Belarusian President and expressed interest in boosting the bilateral commercial and economic relations.
Salem Al-Ghazali, who is known for his calm and careful look at things

Our guest in this issue is Sheikh Salem Bin Ahmed Al-Ghazali, chairman of Golden Group of Companies, is one of the most prominent Omani business

During this interview, Al-Ghazali was keen on sending indirect messages to help us best direct the interview. He does not intervene in your business, so you are the dialogist and director. Thus, you feel that this person has not reached this level of professionalism except after gaining strong experiences that profoundly affected his character.

He conveyed a great message to the community that man should serve his country as possible as he can, and Allah does not charge a soul except with that within its capacity.

“We sometimes tell others about our experiences, not for ostentation but for the guidance of others. We remind them of this inevitable duty in order to ensure that we are moving in a safe caravan,” Al-Ghazali said.

Economic Personality Award for 2016

Al-Ghazali won the Economic Personality Award for 2016 from Omani Al-Roya newspaper. Commenting on this occasion, the business tycoon thanked the gazette for awarding him this great accolade.
«We commend the initiative played by the newspaper in honoring businessmen and highlighting their roles in developing the national economy. This award recognizes the great efforts exerted by my team, and encourages us to maintain sustainable development, overcome challenges and achieve leadership in the Omani market,» he said.

Al-Ghazali added the award improves the group’s mechanism in managing quality and reviewing the relevant means, to develop the quality effectiveness and competitiveness, as well as encouraging employees to work within a team that can add a value and fulfil customer needs.

Role of tourism sector in supporting the national economy

Al-Ghazali works in the tourism sector especially hospitality, and he has significant contributions in the development of this sector. The businessman has a special view for this promising sector that can prop up the local economy.

«I believe that tourism is one of the major economic sectors that play a major role in achieving the sustainable development, enriching the community, creating more job opportunities, maintaining the cultural heritage and achieving the peaceful coexistence among cultures,» Al-Ghazli said.

He indicated that the figures and statistics of this active sector encourage the group to double its investments in the different fields related to tourism. The group’s investment in this sector aims to boost its partnership with the public sector, especially as this sector generates strong returns, participates in enhancing the relevant productive sectors, creates job opportunities for nationals and accelerates the economic development.

«We always seek to expand our partnership with government entities and utilize our experiences in developing the different tourism projects,» Al-Ghazali said. «From my viewpoint, I believe that the tourism sector is moving in the right direction amid the tough conditions facing the Ministry of Tourism and its 2040 strategy. In addition, tourism was selected to be among the most promising sectors on which the national economic diversification program will focus.»

Development of legislation important for the private sector

When asked about the needs of the private sector to increase its contributions to the local GDP, Al-Ghazali said the Sultanate is a good investment opportunity, thanks to its political and security stability as well as
strong economic fundamentals that are boosted by the wise vision of Sultan Qaboos. However, the attraction of investments requires reviewing investment regulations and facilitating procedures for investors through one stop shop, as well as removing all obstacles. In addition, panel discussions should be held with decision makers in the private sector to follow up their challenges and difficulties.

The private and public sectors seek to achieve national objectives; namely defying all circumstances and exerting possible efforts to achieve a significant economic development and enhance investments in Oman. The local private sector has evolved over the past years, as it became no longer confined to a number of companies or certain activities. The sector is currently facing several challenges because of this shift and other reasons related to crises. It is affected by these reasons for being correlated with the global economy.

“In my viewpoint, the private sector lacks the constant update of regulations, especially those related to commercial and economic business,” Al-Ghazali said.

**Investment in the private sector**

The businessman said the tourism sector will likely play an important role in the economic development over the next years, because the ninth five-plan of the Sultanate is the first plan having an executive action strategy. It will start with applying the decision of the National Program for Enhancing Economic Diversification (Tanfeedh) in January 2017. The ninth five-plan (2016 - 2020) focuses on developing the tourism sector through best utilizing investment resources and opportunities, as well as developing governorates. This aims to achieve balanced growth and comprehensive distribution of the development fruits among nationals everywhere in the country. In addition, the plan is based on strategies aiming to help the sector boost the national economy and provide job opportunities for nationals, through the continued improvement of business environment, implementation of the privatization program and the development of small and medium-sized enterprises. Tourism is one of the most important sectors on which the plan will focus, to achieve the economic diversification.

**Economically feasible projects enrich the tourism sector**

Al-Ghazali said his group has recently signed a set of qualitative mega tourism and hotel projects such as the
five-star Shaza Salalah Hotel, with a capacity of 300 rooms. The under-construction hotel will be opened in the fourth quarter of next year.

The four-star Shaza Muscat Hotel is under construction and will have a capacity of 200 room at the Wave Muscat area. It will be launched in the second quarter of next year. The three-star Intercity Hotel was inaugurated this year at Salalah Free Zone.

In addition, a contract was signed with Accor Group to run and operate a 4-star hotel at Al Khuwair area, and another contract was concluded with the global operator Rotana to run and operate 1,500 rooms with different categories (3, 4 and 5 stars) in Muscat, Salalah, Sohar. All these units are being designed currently. A usufruct agreement was signed with the Special Economic Zone Authority of Duqm to establish an integrated tourism project, and it is still being designed.

He said that Shaza Muscat Hotel is one of the ambitious projects that will add 2,500 rooms to the Omani market over the next years. This project is part of the ministry’s plan to boost the local economy. The hotel carries the brand «Shaza» that is one of the most famous five-star hotel operators, with the support of Kempinski – the famous chain of hotels.

Shaza Muscat is a mixed-use real estate project, consisting of two stories. It will include retailers, restaurants and a luxury hotel to provide upscale office space. Moreover, there will be another building consisting of hotel apartments, a celebration hall and a multiple chain of entertainment venues.

«Through this giant investment project, we aim to provide the community with more social and economic benefits, given that the project is located at Al Khuwair area that can be reached easily. Once completed, the project will be the ideal place for several ceremonies in Muscat,» the businessman said.

Local investments boost production capacity

Al-Ghazali said all of the group’s investments are focused on the local market, out of its commitment to fulfilling the national duty and contributing to the government plan that aims to increase the private sector’s contribution to the local GDP. This also reflects the group’s social responsibility, as investment in the country stimulates the productive sectors, creates more job opportunities and improves the standard of living.

Social responsibility

Al-Ghazali said the group’s tendency to focus its investments on the country is sufficient evidence that it pays more attention to social responsibility, because local investment boosts the welfare of the local community.

«The group continued to support the educational institutions as well as the social organization. It, for example, coordinated with the Ministry of Housing to provide integrated residential units for low-income people,» the businessman said.

He added that the group also offers integrated university scholarships to local-income students, and provides free medicine for the needy.

«We also support small and medium-sized enterprises, as we recently signed an agreement to provide SMEs with ready offices in Muscat. In addition, we sponsor several national and social events,» Al-Ghazali concluded.
Burudatak

Essa Al-Aghbari: we will highlight the creativity and determination of an entrepreneur in establishing his long-awaited business.

Creativity depends on determination, persistence and ambition. Thus when an entrepreneur plans to establish his own project.
Creativity depends on determination, persistence and ambition. Thus, when an entrepreneur plans to establish his own project, he faces some challenges. In the following lines, we will highlight the creativity and determination of an entrepreneur in establishing his long-awaited business.

Could you please introduce yourself to us?
My name is Issa bin Saleh bin Salim Al-Aghbari, the owner of Burudatak that is specialized in maintaining and repairing air conditioners. After my graduation from high school, I had the opportunity to complete study in my preferable engineering specialty. However, my conditions obliged me to leave study and think of starting my own business. I am currently moving in this direction to achieve my objectives and ambitions.

Could you please talk to us about Burudatak?
I chose this trademark after deep thinking, as it reflects the different stages of my business development. The idea of choosing this trademark is to help people know that we are specialized in air conditioning. The word «Buruda» means low temperature in Arabic, while the word «Tak» refers to technology.

Do you think that you are able to continue in this hard career?
Of course, the technical projects are very hard, because they include field works that require using more equipment and moving from one place to another. In addition, the field of maintaining and repairing air conditioners definitely requires exhausting physical efforts. However, I enjoy performing this interesting work and facing challenges.

We also have movable workstations to provide services for our customers everywhere in Muscat. We can also serve the other regions, but this depends on the number of air conditioners that need to be repaired. We compete with others through this competitive privilege.

What is the ambition you seek to achieve?
We thank God for the level of achievements we reached. However, we have greater ambitions, represented in achieving our future plan, as we seek to provide more services to high-tech air conditioners. We plan to achieve this ambition through boosting our experience, developing capabilities and supplying the necessary equipment.
What are the difficulties that faced you in this project?
Of course, entrepreneurship is not that easy as some people think, and who reads the success stories of entrepreneurs will find that they faced several challenges. However, they were able to avoid such obstacles.
Since I decided to work in this field, I know that I will face several difficulties such as fierce competition with foreigners who dominate the market though most of them are not qualified for this field. However, customer seeks their help because he needs fast solutions for his problem. We will continue working to avoid such obstacle.

We also have another challenge, represented in recording low revenues in winter, which makes us think of other alternatives to contin

Who helps you in your career?
Sometimes, entrepreneurs may feel inactive because of the challenges they face in their career. Thus, we need people who can provide us with moral support, and several Omani young persons can play a major role in this regard. We seek the help of a private institution that aims to succeed and help us succeed.

Could you advise other business owners?
I advise the owners of small and medium-sized enterprises to persist in discovering their skills and employ them in their projects. They should also know that the way to success is full of obstacles; thus, they should develop their skills in all fields with learning and training. I also ask them to follow the advice of project owners, and dedicate to their work because dedication is the reason of success, and the journey of a thousand miles begins with a single step.
This initiative targets the fresh graduates entering to the labor market with the desire to establish their own business. They should have the necessary competence and efficiency to compete for the project by submitting their own idea about a commercial project or compete for a project submitted by the private sector. The project should cater a part of the market needs for products and services through establishing and managing a company. The performance of this company for the first 12 months will be evaluated.

**Vision of the Initiative**
Projects that enhance the national economy

**Mission**
Strengthen and spread the culture of self-employment and to cater the market needs for supporting the national economy

**Terms of Participation**
- The applicant should be a job seeker who are interested in establishing a trade project
  - Should a team of (2-4) persons. No individual participation is accepted
    - All members should be Omani national
  - An applicant is not allowed to participate in more than one team
    - Age limits of the members should be between 18-35 years
  - The team members should have the basic skills to manage the project
    - The project should be implementable and serve the local market
  - The idea should be creative and not submitted earlier for any similar competitions
  - If won the project, the team should be committed for fulltime engagement in the project

For registration and participation, please fill the form available at
The OCCI website in the following link:
http://chamberoman.om/ar/event/tasis-award/
And send the form to with all necessary supporting documents to E-mail
tasisaward@chamberoman.com
The severe decline in crude prices (Reasons and Repercussions)

Introduction:
Oil is the main economic source for oil-producing and non-producing countries in terms of revenues and income, given that it is one of the most important energy sources that drive the development pace in several developed and developing countries. Therefore, let us know the reality of oil. Oil is liquid hydrocarbons having special smell and different colors ranging between greenish black to brown and yellow. In addition, oil viscosity differs from one area to another. The economic problem is that the prices of this strategic commodity fluctuate from one period to another, due to the
economic, political and climate conditions that have negative or positive impacts on the economies of countries, according to their classifications in terms of production, export or consumption. The international oil market has witnessed severe fluctuations. Prices, for example, rose from $3 to $35 per barrel from 1979-1973. Then, they severely declined from $35 to $8 per barrel from 1981 to 1985. Price increased from $30 to $65 from 2003 to 2008, and then they declined from $104 in early 2014 to below $30 at the end of 2015. This resulted in negative impacts on the oil producing and exporting countries, and positive impacts on the consuming countries in terms of decline in imports. Accordingly, this study highlights the reasons and repercussions of the current decline in crude prices and the different relevant impacts on the global economy, through studying and analyzing the following points:
- Crude classification
- Crude oil market and actors
- The historical development of the gradual decline and severe fall in oil prices
- The economic and political reasons of the severe fall in oil prices
- The impacts and repercussions of the sharp fall in oil prices (beneficiary and affected countries)
- The repercussions of oil price volatility due to OPEC’s latest decisions

First: Crude Classifications:
The most important contributions of the American Petroleum Institute (API) include creating a standard for measuring density by degrees, starting from zero. The oil whose minimum density is 25 degrees is considered heavy, while the oil whose density ranges between 25 and 35 is medium, and the oil whose density exceeds 35 degrees is light. The sweet oil has sulfur concentration of less than 1%.

Oil prices decline when the density and acidity increase, and vice versa. The output of light sweet oil represents almost 40% of the total global output, while the heavy and medium crude accounts for 60%.

Accordingly, crude is classified according to some factors, including: origin, density, sulfur content, viscosity and derivatives:
- The origin classification is used as a benchmark reference for price differences. For example, West and North Texas oil is a reference to North America oil, while Dubai oil is a reference to Asia-Pacific region. In addition, Minas, Indonesia is a reference to European crude.
- The classification of density and sulfur is important for identifying the quality of oil, as the density affects the quality of oil and boosts its value. When the degree of density increases and the degree of viscosity decreases, the quality of crude oil increases.
- If sulfur concentration is low, oil will be named «light crude» and its price will be high. If sulfur concentration is high, oil will be named «heavy crude» and its price will be lower because its refining costs are higher, such as European benchmark Brent crude and light American crude that are the benchmark references of oil prices in the world.
Classification oil in terms of density and sulfur concentration

<table>
<thead>
<tr>
<th>Limits of content</th>
<th>API density limits</th>
<th>Types of oil</th>
</tr>
</thead>
<tbody>
<tr>
<td>Low sulfuric concentration</td>
<td>API &lt;0.5 %</td>
<td>Extra light</td>
</tr>
<tr>
<td>&gt;0.5 %</td>
<td>API &gt;0.5 %&lt;API 135</td>
<td>Light and Sweet</td>
</tr>
<tr>
<td>&lt;1%&gt;0.5 %</td>
<td>API &gt;0.5 %&lt;API 135</td>
<td>Light and medium acidic</td>
</tr>
<tr>
<td>&lt;0.5 %</td>
<td>API &gt;26 %&lt;API 10</td>
<td>Heavy and sweet</td>
</tr>
<tr>
<td>&gt;1%</td>
<td>API &lt;26 %&lt;QPT 10</td>
<td>Heavy and sweet</td>
</tr>
</tbody>
</table>

Second: Crude market and actors

How do the oil markets work?
The oil market is complicated in terms of actors and factors affecting it.
The market consists of producers - exporters - large consumers through:

- strategic inventories - development of energy consumption technologies
- the internal policies encouraging energy savings.
- Buyers, traders, brokers, hedge.
- funds, pension funds.
- individual investors.

The following table illustrates the most important parties affecting the international oil markets represented in the biggest 10 oil producing countries.
Third: Historical development of oil price fluctuations (gradual decline and sharp fall)

How can prices be defined in crude market?
Oil prices are set as per supply and demand, as well as other factors that will be mentioned later.

- Hundreds of millions of barrels of oil are bought and sold via futures or spot market, and the settlement prices are announced at the end of the day.
- Futures market is different from the spot market:
  - The crude contracted in the futures markets is produced, marketed and delivered to the buyer in the future, even after years from now. This is done at a price agreed upon in advance, regardless of the prevailing prices at the delivery time. Crude prices are reported by the media, except for the prices of futures that are announced in the following month. The futures market is one of the most active markets in the world, where enormous profits are reaped from it.
  - Futures contracts are concluded on New York Stock Exchange, and each contract consists of 1,000 barrels for example, and the delivery is made in Cushing, Oklahoma State, because its strategic location at the intersection of pipelines enables it to export all over the world.
  - Speculators and investors find great opportunities in the futures markets, because it enables them to reap profits through trading oil on paper only until the time of delivery comes, without doing any actual operations for the shipping and delivery.

Through analyzing the following graph related to the fluctuations of crude oil prices, it becomes clear that the price per barrel in the global markets fell by 55% in less than seven months. This is classified under the steep slopes. The graph shows that the sharp decline has started since October 2014, while the gradual decline began since January 2014. The gradual decline and steep fall in crude oil prices continued to fall to their lowest level in mid-2015 (around $28 a barrel), and then they increased slightly to stabilize at 45$ -40 a barrel in 2016, as indicated in the following graph:

Fourth: The economic and political reasons behind the severe fluctuations of oil prices:

- The economic reasons:
  - Oversupply and weak demand (market fundamentals).
  - Oversupply of oil shale.
  - Weak growth in the Eurozone and slowdown in China and Brazil.
  - Rise in the US dollar value.
- The Market fundamentals:
  - Oversupply and weak demand especially from non-OPEC members.
  - The decline in demand contributed 35- 20 % to oil price fall, as indicated in the following graph:
Oil shale revolution and its impact on the oil market

Shale gas is a natural gas that is found trapped within shale formations. However, it needs more processing before being extracted; thus specialists classify it as untraditional gas, because its extraction requires horizontal drilling and hydraulic cracking on a large scale, through using water treated with chemicals and sand. However, these possibilities are only available in some countries. The following figure illustrates the technical process and techniques of horizontal drilling, which is only available in some countries:

The costs of shale gas are high, as the production costs range between $50-70 per barrel, but the cost of traditional gas in the Gulf region reaches one third of this value.

**A-Rise in the US dollar**

- When the oil-producing countries receive their revenues, they are evaluated in the US dollar, and this is the petro-dollar policy known since World War II.
- The value of dollar against two major currencies

<table>
<thead>
<tr>
<th>The month</th>
<th>$/GP</th>
<th>$/EU</th>
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<tbody>
<tr>
<td>Jun-14</td>
<td>0.5916</td>
<td>0.7353</td>
</tr>
<tr>
<td>Oct-14</td>
<td>0.6222</td>
<td>0.7892</td>
</tr>
<tr>
<td>Feb-15</td>
<td>0.6529</td>
<td>0.8810</td>
</tr>
<tr>
<td>Mar-15</td>
<td>0.6650</td>
<td>0.9250</td>
</tr>
<tr>
<td>Sep-15</td>
<td>0.65</td>
<td>0.945</td>
</tr>
<tr>
<td>Feb-16</td>
<td>0.75</td>
<td>0.90</td>
</tr>
<tr>
<td>Jun-16</td>
<td>0.70</td>
<td>0.920</td>
</tr>
<tr>
<td>Aug-16</td>
<td>0.78</td>
<td>0.88</td>
</tr>
</tbody>
</table>

- The countries import commodities in different currencies, and need to exchange part of their revenues to other currencies. It is well known that when the dollar declines, the value of other currencies rise. We need more dollars to maintain the same level of imports, and vice versa. In other words, when the dollar rises, the commodity price is lower locally but higher in other countries.
- The Result: With the rise in US dollar, oil turns into a high-cost product, which reduces global demand. Thus, pressures send the prices down.

**B- The political conditions behind the plunge in oil prices**

- Fragility of OPEC
- Price war
- Internal pressures arising from political instability
- Collective sanction on some countries such as Russia and Iran

1- Fragility of OPEC

There is disagreement between OPEC members such as Iran that aims to increase oil prices, as per supply and demand, to reach a price satisfying producers. However, Saudi Arabia refuses these proposals, and injects more barrels of oil to maintain the commodity at a price satisfying consumers, especially the Arab countries.
2- Price war
Some OPEC members said explicitly that the purpose of decreasing oil prices is enforcing shale gas producers to reduce their output, as OPEC members are requested to take the same action.

3- Internal pressures arising from the political and security instability
• Most OPEC members (Libya, Iraq, Iran, Kuwait, Saudi Arabia, etc.) witness a state of political and security instability, and thus they found it necessary to export oil at any price to fulfill their economic needs.
• Collective sanction on Russia and Iran
Some analysts believe that what happens in oil markets is a «collective sanction» especially for Russia and Iran, to achieve political goals from exerting economic pressures on them. For example, some economists expect that falling oil prices in the global markets will enforce Iran and Russia to decrease their support to Bashar Assad’s government in order to be able to overcome their economic difficulties. This will enforce Iran to freeze its nuclear program, and will exert pressure on Russia because of its position from the Ukrainian crisis. Thus, both Russia and Iran may be enforced to change their political positions towards the West. Accordingly, the Iranian riyal fell around 150% against the US dollar during the last four years, while the Russian rouble dropped 200%.

Fifth: The impacts and repercussions of the sharp fall in oil prices
The accelerated decline in oil prices divided the world countries in 2014-2016 into three categories:
• Assured oil producers that deal the crisis with full confidence such as Saudi Arabia and the UAE
• Worried countries such as Libya, Iraq, Oman and Iran which believe that oil fall is a conspiracy against their economies
• Consuming countries that enjoy benefits and calculate their returns such as the US, China and Turkey

We will highlight below the most important economic developments stated in the reports of some economic organizations such as the International Monetary Fund (IMF), OPEC and Revenue Watch:
A- The Countries benefiting from low oil prices
• The US: The US economic recovery in 2014 was mainly attributed to low energy costs. The economy grew by 4.6% and 3.98% in the second and third quarters, respectively.
• Benzene dropped in early January 2015 to its lowest level since October 2010.
• The US consumer spending – the main driver of economy – increased to highest since October 2007.
• France: Fuel prices hit their lowest level in four years.
• Energy costs fell by $5.8 billion at least in 2014.
• France’s manufacturing sector would save $3.2 billion, and the local GDP would rise 0.5 point.
• The Eurozone: Energy deficit declined by $1 billion during the first 10 months of 2014, and energy revenues dropped 11%.
• China: Inflation rate fell 2.2% in October 2014, due to low oil prices. When oil prices decline 10%, the local GDP would rise 15%.
• India: Fuel prices slid 7% for the first time since January 2009. When oil prices decline 10%, the local GDP would rise 25%. The Ministry of the Treasury will provide $4.4 billion.
• Jordan: The government decreased the public transport fares by 10% in early 2015, and the budget deficit dropped by 24% during the same year as energy costs fell 20%. The monetary policy accordingly improved by 1% from the GDP.
• Morocco: The prices of oil derivatives declined by almost $0.5 per litter in 2015, and the budget deficit fell from 77% in 2012 to 5% in 2014. The government hopes the deficit declines to 4% in 2016.

B- Countries hurt by steep decline in oil prices
• Iraq: The revenue decline in December 2014 contributed to decreasing the foreign reserves from $77 billion to $67 billion, according to the estimates of IMF. The government was forced to cancel the original budget draft for 2015, and submitted an amended copy reflecting the revenue decline. The country lost nearly half of its revenues due to the sharp fall in oil, according to an IMF report. Oil constitutes more than 90% of Iraq’s resources, and contributes 70% to the local GDP.
Iran: The country recorded a budget deficit of around $8 billion, according to an IMF report. The government stated that this is considered a political conspiracy against Iran rather than political conditions.

Libya: The state recorded a severe budget deficit of 50% in 2014 due to low oil revenues that impacted public spending and dinar value.

Algeria: The plunge in oil revenues led the government to issue instructions to the financial institutions to cut public spending and foreign aid to the African countries by around 50%. The Minister of Energy said low oil revenues led to a 50% decline in the country’s resources in 2015.

Russia: Low oil prices were the main reason behind the fall in economic growth to 0.2% in 2014. The central bank warned that the economy would drop by 4.8% in 2015. After OPEC refused to cut the output in November 2015, the Russian currency hit its lowest level since 2009. Inflation rate hit almost 11% in end-2015. Fitch cut Russia’s credit rating in October 2015 on the local economic deterioration.

Both Venezuela and Kuwait also witnessed negative effects from the sharp drop in oil prices, which reflected in budget deficit and reduction of public spending.

Sixth: The repercussions of oil price volatility due to OPEC’s latest decisions

OPEC succeeded in cutting the output of member states, which was considered a historical decision taken in the International Symposium on Energy held in Algeria from 26-28 September 2016. This decision helped overcome the impasse of political disagreements, as the 13-member organization reached a historical agreement on cutting the output for the first time in eight years; when the economic crisis started in 2008.

In Algeria’s meeting, OPEC members agreed to cut oil output by around 750,000 barrels per day to 33-32.5 million bpd. OPEC sources said the organization would announce the decision in an official meeting to be held in November in Vienna – Austria.

It was proposed that OPEC members cut their production by 1.6% from January to August, excluding Libya, Nigeria and Iran. The proposal allows Iran to increase its output to 3.7 million bpd, which is around 0.1 million barrels higher than the output of August. After this important decision was announced, oil prices soared around 6% to over 46.96. This will confirm the upward scenario, as the prices are likely to continue rising towards the ascending wave, targeting the peak hit previously at 49.34.

Oil prices would rise to $60-70 in 2017, but they are unlikely to reach $80.

Goldman Sachs expected that oil prices would rise $7-10 during the first half of 2017 on OPEC’s latest decision to cut production. It added that the strict application of the decision means reducing the output by 480,000-980,000 bpd, which means price recovery. However, some analysts are not sure that OPEC members will commit to the decision, which creates a state of uncertainty in the market.

Seventh: Conclusion

Although the Sultanate is not an OPEC member, but it depends on its crude exports to finance its economic and social development plans. Oil contributes more than 30% of Oman’s GDP. Thus, political and economic decision markers in the economic institutions should consider these repercussions, and put budgets and economic plans based on the future prices. Several economic studies show that prices would hover above $50 per barrel until mid-2017.
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Oman Chamber of Commerce and Industry (OCCI) organized a ceremony to announce winners of Economic Researches and Studies Award. The event was attended by a heads and members of the Arab Chambers Union taking part at the meeting of the Arab Chambers for Commerce and Industry Union and a number of businessmen and women.

The OCCI Economic Researches and Studies Award for the University Education Students is a competition held and supervised by the OCCI research and studies committee in order to promote the climate of scientific research and to develop the educational skills of the participants, in addition to creating solutions and suggestions for various challenges faced by the private sector and the Omani economy in general.

Said bin Saleh al Kiyumi, OCCI Chairman, said “OCCI believes the supporting of research and development sector is very important and necessary to serve various economic sectors in Sultanate. The sector plays huge role in the renaissance journey of the country, as well as in the technical and civilizational development, thus the OCCI shouldered the responsibility of supporting economic research activities and students of this field in order to continue their success march towards innovating better ways for the advancement of national economy.”
Today we have announced the winners of the Economic Studies and Researches Award which aim at encouraging job seekers to conduct researches on issues of interact of the Sultanate.

He added that the awards seek to promote the climate of scientific research and to develop the educational skills of the participants. He also noted that that the award helps to consolidate the cooperation between the parties related to the research topics. The objectives of the award also include the linking of research institution with the private sector issue in order to take advantage from the outcome of the studies to create viable alternatives for the national economy and avoid relying on oil resource.

The OCCI aims at creating a database of economic studies and researches that support the journey of development of growth and helps the researchers who are interested in establishing trade and economic projects.

He pointed out that the economic conditions require all of us to show more interest in researches and studies as science helps us to devise solutions and innovations.

We are very well determined to go ahead with the award to be a source for alternatives for the national economy.

The award target university, college and other higher education institutions students who are interested in scientific research.

The award also benefits the private sector enterprises as the researches will analyze the challenges facing their growth and provide solutions for them.
Researches that won OCCI Award for Economic Researches 2016

- Winner of the first award is the research by the College of Applied Sciences in Rustaq under the theme “The Industrial enterprise and its effect on Cultural Identity: A Study on Analysis of the Omani workers in Sohar Industrial Area – The aim of the study is to highlight the major practices in the industrial enterprises in the Sultanate of Oman and its effect on the culture of the Omani female workers. The study relied on the cultural identity and the constructive theory to understand the effect and impact on the culture of individual and the institution. The outcomes of the study were linked to previous studies. The researcher found that there is a mutual effect between the female employees and the company. While companies have their own policies and procedures, the Omani female workers have their own values and attitudes. These values play a key role in how far they would accept and reject work practices. This means that the cultural identity affects the personal behaviors and that the identity may change due to interaction with others. The research is prepared by the students Aza Al Abriya, Muna Al Oufiyah and Asmaa Al Abriyah under the supervision of Dr. Mohammed Al Kharousi.

- Winner of the second place is the research submitted by Al Sharqiyah University under the title “challenges and opportunities of the family companies in North Al Sharqiyah Governorate”. The study aimed at highlighting the opportunities for the development of family businesses in North Al Sharqiyah Governorate, the challenges facing them, the opportunities for growth and the future plans. To do this study, the researchers interviewed about 73 business owners and managers in the governorate. The study concluded that the government initiatives including financing startup companies and providing training courses have been useful in developing family businesses in the governorate. On the other hand, the major challenges facing the growth of businesses including high cost of raw material, operations and tough competitions. The business owners also complained of lengthy procedures for registering businesses. The research is prepared by students Said Al Harthy and Saad Al Shably under the supervision of Effat Sabir Shoudary.

- The winner of the third place is the research submitted by Sultan Qaboos University under the theme “work productivity in the Sultanate of Oman: Diversification Manual). The study aims at analyzing
the work productivity in the different sectors. The study was limited to private sector output during the period from 2010 to 2015. The study pointed out that the productivity indicators for sector (product by each employee) is still low compared to international standards. The indicator has been going downward during the term of the study. This refers to the poor efficiency of production. Despite some slight gains made in the productivity of some sectors namely mining, quarries, financial brokerage, transport, warehousing and communication, still the improvement of production at work is due to increased job opportunities resulting from increase in public expenditure.

The research is prepared by Abdullah Al Salmi, Mohammed Al Salmi under the supervision of Dr. Al Mukhtar Al Abri

Members of the award judging panel
- Dr. Yousef Al Busaidi, director of cultural, social and political sciences researches at The Research Council
- Dr. Sami Al Kharousi, assistant professor at the college of economy and political sciences at SQU.
- Mr. Mohammed Al Husaini (Director of economic researches and studies).

Some researches that qualified for the finals were also honored. These researches are
- The Applied Science College in Sohar, a research titled ‘The Role of Technology Parks in Knowledge Based Economy’. The research was prepared by the students Khadija Al Nabhani, Khloud Al Balushi and Zamzam Al Kharousi, under the supervision of Dr. Aisha Hussain Al Balushiyah.
- The College of Technology in Ibra. A research under the theme ‘customer awareness of brands and their preferences of the local products’. The research was prepared by the students Said Al Hanzali & Mohammed Al Jahdami.
- The Modern College for Commerce and Science. The research was prepared by the student Jomana Al Zaabi and Amira Al Sajwani under the supervision of Dr. Vinkath Ram Raj.
- The Applied Sciences College in Sohar: A research titled ‘the smart application for controlling farmers’ irrigation system’. The research was prepared by the students Faisal Hajj Mohyeddin under the supervision of Wasan Al Kashriyah, Shaikhah Al Maamariyah, Khadijah Al Salmiyah and Hasnah Al Saidiyah.
Jahzeen Proceeds its Achievement in the Field of Training and Qualification Adopted by the OCCI

The MoU with Jahzeen provides great opportunity for youth training and rehabilitation, Bothar GM says. We seek to develop national manpower and enhance their skills, Al Khouri says.

Jahzeen, a training and rehabilitation program, promoted by Oman Chambers of Commerce and Industry, recently signed in Doha an MoU with Bothar, which has branches in U.K, Australia, South Africa, Qatar, U.A.E, Ghana and Mozambique. Jahzeen focus on providing training to students at schools and colleges to introduce them to the SMEs sector not only in the Sultanate but also in the different parts of the world. Jahzeen signed a number of MoU with many institutions in a number of countries including Bothar which have branches at the different parts of the world.

The agreement aims at providing training opportunities to graduates, job seekers and undergraduates at the different colleges and universities. The training also includes SMEs owners in a bid to training them on ensuring optimum utilization of the available business opportunities.

The one-month training program, has been announced through social networks, covers a number of administrative and technical majors. Trainees will be trained at the projects owned by the company in Qatar.

On his part, the GM of Bothar said that the agreement aims at preparing everything to receive the first batch of job seekers and work with Jahzeen to train them at the projects owned by the company in Qatar.
Tayiba Al Nuamani, a participant at Jahzeen Program said that the program which was launched by OCCI aims at preparing job seekers and undergraduates to take over the available jobs at the labor market. We also train them on how to start their own businesses and management them efficiently.

The training program includes a number of lectures, workshops and training session depending on the major of participants. It also includes fields visits and interviews with successful entrepreneurs. Participants are also involved in discussions with HR managers in many companies.

On his part, Mohammed Al Khouri, GM of Jahzeen Program delivered a speech where he appreciated the cooperation of Bothar with the program and providing Omani with training opportunities. He added that this cooperation will help in developing the national manpower and enhancing the level of their knowledge and experience.

Maram Al Zadjaliyah, a participant at the training program said that the initiatives aim at developing our skills and capabilities and help us meet the needs of the labor market.

The training opportunity in Qatar has been offered to job seekers through social networks by Jahzeen. The interested applicants sent their CVs and afterwards appointments were made for interviews for those who meet requirements. The company made the short listing of the candidates.

The program includes one-month training at the company projects in Qatar. The participates welcomed the experience which will expose them to a different work environment. The participants were provided with food, accommodation and health insurance cover.

The programs teach participants the skills they will actually need on daily basis. It also helped participants to share views and ideas with senior engineers and technicians. Moreover, it introduced them to modern technologies used by the company.

It should be noted that Jahzeen program, supervised by a number of ambitious young Omani. It is one of the initiatives that serious youths should try to benefit from epically its provides participants with the opportunity to work with multinational companies that have long experience at the market. It also allows them to acquire more skill and knowledge.
Invest in Oman Forum
Marketing Investment Opportunities in the Sultanate

Al Kiyumi: We urge our brothers and friends to invest in the Sultanate as OCCI is providing them with every possible support.

Al Habsi: Oman welcomes investors and provides them with political and social stability and high quality infrastructure.

Al kabariti: Investment in innovation reduces economic burdens on the Arab economies and society.
Invest in Oman Forum, organised by Oman Chamber of Commerce and Industry and the General Union of Chambers of Commerce, Industry and Agriculture for Arab Countries started at Grand Millennium Hotel under the sponsorship of His Highness Sayyid Shihab bin Tariq Al Said.

The forum aimed at promoting the available investment opportunities as well as the political stability witnessed by the Sultanate under the wise leadership of His Majesty Sultan Qaboos Bin Said. It is true that the Sultanate provides investors with many competitive edges such as high quality infrastructure, trained manpower, financing facilities, liberal trade policy and investor-friendly environment.

While addressing the gathering at the opening speech, said bin Saleh Al Kayoumi, Chairman of OCCI said: “It is a good coincidence that this forum organized by OCCI in collaboration with the Arab Chambers Union coincides with the launch of the government economic diversification program ‘Tanfeedh’, which focus on a number of aims such as facilitating and attracting local and foreign investments to production and services sector. The program will create a considerable number promising and lucrative business opportunities. We at the Omani private sector are very optimistic about the outcomes of this program which promotes economic diversification.

“We proudly inspire the royal call of His Majesty the Sultan during his speech before the Council of Oman in 2009 to local and foreign investors to invest in the Sultanate when he said...”

“The projects of the comprehensive development are progressing along their planned paths in various areas of the country, particularly in the fields of infrastructure, industry and tourism. Although the State is carrying out most of these projects, we call on investors, citizens and foreigners to participate in them to the benefit of all, and they in turn will be provided with all the necessary facilities, he added.

“On our part, we call on all our brothers and friends to invest in the Sultanate. At OCCI, we are very ready to support the private sector by maintaining the necessary coordination and cooperation with the relevant investment organizations, he furthered.

New Mechanisms for attracting investments

“The Sultanate also continued promoting for a number of national investment programs such as the Special Economic Zone in Duqm which includes the port, the dry-dock, the industrial zone and the commercial area that overlooks the Arabian Sea and the Indian Ocean. The Sultanate also has Sohar Industrial Area which overlooks the Sea of Oman. It has also Salalah Port and Salalah Free Zone which is very close to the African Horn countries, he continued.

“The Sultanate’s governorates have many business opportunities in areas such processing industries, IT&C, knowledge industry, tourism, fish farming, services and other sectors that will be highlighted by the working papers that will be delivered in this forum,” he noted.

The Sultanate is fully aware of the cutthroat competition at the market to attract investments. It also realizes that the progress made in this area is closely linked...”
to the inventive and facilities provided to investors. To this end, it has provided the conducive environment for attracting local and foreign investor to enable them to process a large number of their transactions very smoothly through the ‘Invest Easy’ Portal.

Regional economic indicators
Sultan bin Salim Al Habsi, Secretary General of the Supreme Council for Planning delivered a speech where he said: I would like to thank Oman Chamber of Commerce and Industry and the Arab Chambers Union for organizing this forum at a time the Arab countries in general and GCC states in particular need to double their efforts to attract foreign investments and address the implications of sluggish economic growth not only in the region but also in the world. He pointed out that the Forum is held at a time the world and the region are witnessing unprecedented developments since the financial crisis in 2008. It also comes at a time the oil revenues, the mainstay of the economy in many countries, are going downward. He noted that our region is witnessing great challenges that have been reflected at the ‘regional economy horizons’ report issued by IMF in April 2016. The report said that the oil price drop and the intensifying conflict pose a real burden on the economic activity in the MENA region.

The report presents a number of important indicators the most important of which are:

- The growth rates of GCC declined from 3.5 percent in 2014 to 2.1% in 2016 and 2.4% in 2017.
- The growth of the non-oil sectors over the coming five years is expected to be 3.25% compared to 7.75% during the period from 2006 to 2015.
- The decline of oil prices since mid-2014 by more than 70% led to a decline in exports revenues by $390 billion or 17.5% of the GDP in 2015.
- The surplus of the GCC states reversed to an expected deficit of 12.75% of the GDP in 2016. It is expected to stay at 7% at the medium term despite the great measures taken to reduce deficit. The accumulated deficit of the GCC states is expected (in addition to some Arab oil producers) to be about $900 billion during the period from 2016 to 2021.
Strategy for diversified economy

He added that the IMF report highlighted the deep reforms made by the GCC states to ‘improve the medium term horizons and facilitate economic diversification. The policy makers are more determined to take proactive measures to address the challenges posed by oil price stagnation. This has been very clear in the fact that the measures taken to reduce expenditure and increase revenues at the GCC states contributed by 7% of the GDP in 2016 and are expected to increase to 13% in 2016.

He added that the preparation of the 9th five-year plan has coincided with a number of international and regional changes and development the most notable of which is the fluctuation of oil prices, the geopolitical developments in the Arab countries and the recession of the world economy due to declining growth rates in the advanced and emerging economies as well. This makes this five-year plan a special one either in terms of its preparation methods or aims.

“We sought to build on the achievements made at the previous plans to create a qualitative and quantitative leap in economic diversification sectors. We also sought to establish production projects that create job opportunities, enhance state revenues from non-oil sectors and enhance the role of the private sector in the growth of national economy. All these measures serve the interests of the Omani man and enhances the level of his welfare, he continued.

Investment friendly policies

He added that the Sultanate needs to reconsider the economic, legal, legislative and investment policies that ensure smooth running of businesses and investments.

To achieve this, the Sultanate adopted a multi facet approach to provide the conducive milieu for investment, the most notable of which are continuing investment in infrastructure which includes the expansion and improving of road, ports and airport network to reduce the cost of private investment. It also includes eliminating the difficulties facing investors and amending the laws and regulations that hamper investment.

“My last message is that the Sultanate of Oman welcomes investments and provides investors with social and political stability, high quality infrastructure, abundant natural resources and strategic geographic location, he concluded.

Keeping pace with modern technologies

Nail Raja, Chairman of the Arab Chambers said the world economies are trying to cope with the implications of the global economic crises that are attributed to many factors including but not limited to the hot conflicts in many Arab countries which resulted in sharp humanitarian and economic crises.

“The current stage requires us to have an Arab economy that promotes innovation and creativity. We are in
bad need to introduce changes to our economic policies and to diversify sources of our economy. We also need to have knowledge-based economy that can gradually replace the traditional economy. We need to have an economy where skilled manpower is more important that natural resources and capitals. We need to make the knowledge-based economy one of the key sectors of the Arab economy and the international service trade, he added.

« I here call upon all stakeholders to rethink the different stages of the Arab education systems to ensure that they keep pace with modern technologies and innovations. Our education systems are required to promote innovation and creativity among the existing and the future generations of students. To do this we need to develop the Arab universities and research centers. We need also to establish more technology parks and incubators and link them together, he furthered.

« Investment in Innovation will reduce burdens on the Arab economies and societies as innovation will help us in addressing challenges of poverty, unemployment, having sustainable sources of income, absorbing the youth energies and activating the role played by SMEs to ensure the growth of this vital sector, he noted.

The Forum sessions and working papers
The two-day Forum covered a number of important themes the most important of which is the investment climate in the Sultanate, the promising investment opportunities and the prioritized sectors for investment. One of the work papers presented at the Forum was titled « investment opportunities in food security field», by Dr. Fouad bin Jaafar al Sajwani, Minister of Agriculture and Fisheries under the theme investment environment in food security in the Sultanate. At this working paper, Sajwani highlighted the challenges facing the food security and the available opportunities in the Sultanate. He also said that the Sultanate is ranked second on the Arab level and 26th on the world level at the food security indicator for 2016. The Sultanate is classified also among top countries in terms of providing low custom duties on agricultural products.

He added that the planted area increased from 181 feddans in 2011 to 197 feddans in 2015; a growth by 3.1 per
cent per annum. The growth of the planted area from 2014 to 2015 stood at 20%. The average growth of the fisheries sector in the Sultanate from 2011 to 2015 stands at about 13%.

As for the challenges facing the global food security, he said that the main challenges include continuous increase in food consumption, the deterioration of soil, reduction of planted spaces, decrease of underground water levels, climate changes and natural disasters.

Service Sectors and Investment Opportunities

There has been also a session on investment opportunities in the field of service sectors namely tourism, education, health and logistics. The session which was managed by Dr. Saleh bin Said Musin, Head of the Economic Committee at Majlis Al Shura included a number of working papers that highlighted medical city, aspiration and horizons. Dr. Ali bin Talib Al Hinai highlighted the components of the medical city project which include a number of specialized majors such for head and neck surgeries, a center for organ transplantation, a complex for diagnostic labor and a rehabilitation center.

The City is expected to be opened in 2021 to provide integrated and comprehensive health services for residents in the Sultanate. The project will stretch over about 5 million square meters in Al Fulaij area in Barka.

Promising Investment Opportunities

The last session was on investment opportunities in industry and mining includes four working paper. The first working paper was titled Oman a promising country, investment environment and opportunities. The second working paper by the Public Authority for Mining was on plans, programs and opportunities in the field of mining. The third working paper will be on the competitiveness of industrial investment environment in GCC States and the Sultanate of Oman. The last session will be on the experience of foreign private investor in industry field in the Sultanate.

During the Forum, Ommarn, the main developer of Irfan City in Muscat, announced 10 investment opportunities in the project. Irfan City, one of the key development projects in the Sultanate, stretches over 7.4 million square meters near Muscat International Airport. The project present multi-use facilities that have been designed as per the highest world-class standards. This makes the city a hub for attracting major companies operating in areas such as tourism, aviation, healthcare, education, banking and other sectors as well. The opportunities include a number of land plots that have been dedicated as business centers, office spaces, hospitals and education institutions.
Lebanon Week in Muscat

With the Participation of Specialized 120 Lebanese Company

Written By: Ibrahim Al Jalandani

Oman Chamber of Commerce and Industry, in cooperation with Beirut Chamber and Mount Lebanon, has organized «Lebanon Week in Muscat» exhibition, in Oman Convention & Exhibition Centre, from 23-25 October 2016. More than 120 Lebanese companies from the different sectors participated in this major economic event that aims to bolster the economic, commercial and investment relations between the two countries in the fields of industry, services, tourism, real estate and investment. In addition, it aims to boost the competitiveness of the Lebanese products in the Omani market and increase their market share, in order to build strong economic partnerships between the Omani businessmen and their counterparts.

The exhibition had pavilions for the different Lebanese products, services and trademarks. It served several sectors such as real estate, banking,
services, chemicals, pharmaceuticals, clothing, arts, paper manufacturing and printing.

The results of the joint effort
At the beginning, HE Said bin Saleh Al-Kiyumi, chairman of Oman Chamber of Commerce and Industry, welcomed the Lebanese delegation that participated in the exhibition. He said, «It is a pleasure for us in Oman Chamber and the local private sector to express our delight at the distinguished partnerships we have with the Chamber of Commerce, Industry and Agriculture of Beirut to boost the investment and commercial relations at the level of private sector between Oman and Lebanon.»

Al-Kiyumi added that the initiative of organizing «Lebanon Week in Muscat» is part of the joint efforts between the Omani and Lebanese chambers. «We believe this event moved into the right direction of establishing strong economic and investment partnerships based on the great experiences of the two parties as well as their technical and financial resources.»

Al-Kiyumi said the chamber supports all investment initiatives that will result from this major economic event. He confirmed that Oman Chamber will strive to overcome the difficulties of carrying out projects through using all available tools and communication channels.

For his part, Mohamed Choucair, chairman of Chamber of Commerce, Industry and Agriculture of Beirut, said the initiative of organizing this exhibition is a great move and will be followed by others, through cooperating with the Lebanese chamber to boost the bilateral relations.

Economic diversification became the best option, especially after the tough global economic conditions and falling oil prices. He added that the Omani and Lebanese private sectors made more progress in studying the detailed characteristics of the two countries and using their privileges and energies in carrying out competitive projects.

«We hope to establish joint ventures in the different fields in Oman, and Lebanon is ready to receive the different Omani investments. Lebanon is embarking on a period of prosperity especially after the positive signs seen by the country as regards the presidential election,» Choucair said.

The chairman said this is expected to accelerate Lebanon’s economic development and open the door wide to major projects, most prominent of which is the reconstruction of infrastructure in Lebanon after the adoption of the partnership law between the public and the private sectors as well as oil and gas discoveries.
Finding Omani agent to distribute products
Hboubna Company, one of the companies that participated in the exhibition, is specialized in producing foodstuffs, grains and spices to fulfill the market demands.

Pierre Razzouk, owner and founder of Hboubna, said his company has participated in this exhibition, because Oman is an open market for competition and has a strong purchasing power. He added that the company plans to boost its foothold in Oman.

«We are exporting the main foodstuff to famous chains of restaurants and hotels in Lebanon,» Razzouk said. He added that Hboubna plans to expand in the Omani market through opening a branch there or hiring an authorized agent who is able to convince customers of the product quality. The agent will distribute the company’s products and compete with them in the Omani market. «We provide high-quality products at competitive prices, and the agent can easily find a strong base of consumers,» Razzouk said.

The week is a good opportunity for knowing more about the Omani market
SABCO for Engineering and Contracting is specialized in the construction field. It provides customers with high-end residential units that ensure a good standard of living. The company has extensive experience in this field and seeks to boost its presence through participating in the exhibition.

Ghassan Hani Saab, owner of SABCO, said his company participated in the exhibition to identify the investment needs and opportunities available in Oman, as well as the incentives provided by the government for foreign investors.

«We also met with Omani businessmen, and this gives us an opportunity to think of establishing economic partnerships,» Saab said.

The trademark helps to market the products
SMS is a company specialized in manufacturing the office machinery and banking equipment that facilitate the work of bankers such as ATMs. The company is located in Lebanon and has branches and agents in several countries in the Middle East and Gulf. However, it does not have branches or representative in Oman. Through its participation in the exhibition, the company aimed to open an office in Oman, which would be a gate for it in the local and neighboring countries.

Joe Haddad, owner of the company, said Oman is a safe country attracting investments, where you can feel that you are living in your country. «The company’s headquarters will be located in Muscat, and we will look for distributors outside Muscat.» Haddad added that the company provides the equipment and machinery needed by banks and exchange houses, and the partner will market these products and introduce them to the Omani market.

«We have global agencies in the company such as Magner that is a well-known trademark of money
counters. Those working in the banks know the importance of this trademark, as it markets itself and helps us compete in the local and global markets,» Haddad said.

Planning to find a commercial agent and distributor
Siraj Art is a company specialized in the manufacturing of leather products such as book covers, rudders and various designs.
Ghida Noam, an official at the company, said, «Our goal from the participation in the exhibition was to explore the investment opportunities in Oman, as well as finding an agent and distributor of our high-quality products.»
The exhibition witnessed an overwhelming response from Oman traders and those interested in the event. «We hope the exhibition achieves its goals that are represented in forming investment and economic partnerships. We hope to find an agent to distribute our products in the Omani market,» Noam said.

Meetings increase trade exchange
Simon Gabor, head of the Exhibitions Department at Lebanon’s Ministry of Economy, said, «The Lebanese companies focus on quality, and this makes them able to compete globally. We seek to complete the Arab trade agreement and boost cooperation with the friendly countries.»
He hopes this exhibition enhances the trade exchange between the two countries and unveil their investment opportunities.
Fish farming plays an important role in supplying the market with new products.

**Fisheries Sector Rapid Growth**

(51) Fish Markets already in Oman with Plans to Build (7) Additional Markets

The Sultanate’s production stands at (257) k tons in 2015 with expectations to hit (462) k tons in 2020.
Fisheries

The fisheries sector is one of the major economic sectors in the Sultanate. The sector provides job opportunities and source of income for a large number of Omani. Moreover, it contributes to achieving food security in the Sultanate. The Sultanate’s long coasts, which extend for 3165 km, provides a job opportunity for having diversified surface and demersal fish reserves. The quantities that can be utilized are estimated at 2.2 million tons.

The fish sector has achieved a remarkable growth in production; thanks to the efforts made to develop the sector. The Sultanate’s production in 2015 stood at 257,000 tons, worth of RO172 million; a growth by 21.5% compared to 2014.

Artisan fishing is the most dominant method in the Sultanate as it contributes by 99.1 of the total production. Al Wusta governorate topped the list of production with 30%, followed by South Al Sharqiyah Governorate with 24%, North and South Al Batinah with 16%, Dhofar 14 and finally Musandam and Muscat with 8% each. The Sultanate’s fish exports in 2015 stood at 132,000 worth of RO76 million or 51% of the gross production. U.A.E topped the list of importers of Omani fish with 48% of the total exports.

Clearly defined plan for fisheries development

The Sultanate is making great endeavors to develop the fisheries sector. To this end, it has developed the 2013-2020 strategy and then the 2020-2040 strategy which delineate the measures taken to develop the sector.

A number of legislations are promulgated to ensure smooth implementation of the two strategies. The strategy policy and plans focus on four main aims namely enhancer the efficiency of the fleet, developing the infrastructure, developing the added value fish projects, promoting fish farming and ensuring the export of added value products. To implement the strategy RO509 million has been allocated to finance 11 projects.
The growth in the number of Oman fishermen is very important for the progress of the sector. The Sultanate fleet consists of about 22,237 artisan fishing boats, 684 fishing vessels. The number of fishermen stands at 48,837 compared to 687 technicians. The number of vehicles operating in fish transport and marketing stands at 3,132 with plans to increase add 500 more fishing boats and 500 advanced coastal boats.

The new boats will be provided with state-of-the-art technologies and a room that includes the major navigation tools that help sailors stay at the sea for about three days. The boats will have spaces for storing fish, ice and fishing tools to enhance the quality of fish production.

**Fishing ports**

Fishing ports are very important in the development of fisheries sector and maximizing revenues. To this end, the government has developed the existing 22 ports during the previous five-year development plans. It has built buildings for the fish markets, management offices, fuel stations, ice factories, marine workshops, café shops, fishermen shade and warehouses for storing fish. Work is also underway to build four new ports and rehabilitate 9 existing ports.

The Ministry is also upgrading the marketing system through development of retail and wholesale outlets. The number of fish markets in the Sultanate now stands at 51 at the different governorates. 8 fish
markets have been developed already and work is underway to develop another 8 markets. The development plans including upgrading 393 fish shops. The number of fish processing factories now stands at 102. They include fish processing, packing, storing and canning. They also included added value products and a factory for fish oil and powder.

Encouraging investment in fish farming

The Sultanate encourages investments in fish farming to ensure that the private sector contribute to supplying high quality fish. The Sultanate has 10 fish farms whose production increased from 5 tons in 2014 to 20 tons in 2015. There is hatchery for tilapia fish with a capacity of 60,000 baby fish per month. As for commercial fish farms, there is only one farm that produces 150 tons of shrimps in 2015. Three companies obtained licenses for starting fish farms namely Arabian Marine Development (production of shrimps in the wilayat of JBBH), Knowledge for Fish Farming Technologies (for the production of grouper fish in Sur Industrial Area), Al Jazeera Investment (for the production of grouper and abalone in the wilayat of Shaleem and Halaniyat. Additional 13 applications for licenses are under processing.

Fish Revenues Expected to Hit RO 6.369 million in 2020

As per the strategy estimates, the fish production is expected to hit 462 k tons in 2020 generating about RO369.6 million revenues of fixed rates and indirect revenues of about RO739.6. The projects will provide 8600 direct job with the number of workers at the sector expected to stay at 20,400. The total number of job opportunities generated by the fisheries development plan stands at about 29,000 jobs.
B2B Meeting between Omani and Indian Businessmen

recently organized at its HQs B2B meeting between Oman and Indian businessmen. The meetings were attended by Ayman Abdullah Al Hasani, Deputy Chairman of OCCI, Mohsen bin Khamis Al Balushi, Advisor of the Ministry of Commerce and Industry, Andra Mani and the Indian accredited ambassador to the Sultanate.

Al Hasani opened the meeting with a welcoming speech at which he said that the meeting is part of the official visit of the Indian delegation to the Sultanate. He thanked the representatives of the Indian businessmen who represent a number of key sectors such as health, education, marketing, jewelry and training.

He pointed out that the meetings provide an ideal opportunity to enhance economic and business ties between the two countries. He noted that the relations between the Sultanate and India witness a continuous growth and development and that this is very evident from the many joint mega projects such as the fertilizer plant and the value of such investments.

He pointed out that OCCI is ready to open wider horizons for economic partnerships between the Omani and Indian private sectors through B2B meetings, exchanging visits and developing the activities of the joint committees.

While addressing the gathering, Mohsen bin Khamis Al Balushi, Advisor of the Ministry of Commerce and Industry said that the Omani Indian relationships are deep-rooted since ages. He pointed out that the value of the Omani Indian joint investments as of the end of 2015 stood at about $1.5 billion and that the number of Indian companies operating in the Sultanate stands at 2889.

He affirmed that there are many fields of cooperation and that we seek to utilize the available investment opportunities to enhance relations in all economic and investment fields. He stressed that both countries seek to open wider horizons for cooperation in the different fields.

« We believe in the importance of such meetings and visits as they contribute to increasing the value of reciprocal trade and create future economic partnerships.

After the speeches, the floor was open for B2B meetings which discussed means of enhancing joint investments and ventures as well as sharing of information about the companies and organizations taking part at the meetings.
OCCI SMEs Committee Meets

OCCI SMEs Committee held a meeting at Zubair SMEs Center in Muscat under the chair of Ahmed Abdul Kareem Al Hooti, OCCI Board members and chairman of the committee.

The meeting reviewed a number of topics of interest for the SMEs. The Committee hosted a number of officials at Oman Environmental Services Holding Company S.A.O.C «be»ah». The meeting reviewed the company performance, its future plans and the available business opportunities in the waste management sector.

They stressed the presence of many investment opportunities that SMEs can focus on at the company nine concession areas.

The company stressed the need to enhance awareness of investment in waste management. The committee members were also invited to visit some of the site where works are going on.

The meeting also covered the development of the SMEs sector and the challenges they face including late payments by the government and the new regulations about increasing fees for expatriate registration and registration renewals.

The Committee urged the Ministry of Manpower to provide more incentives and facilities to SMEs and seek solutions to address the burden SMEs face due to the recent decisions.
OCCI in North Al Sharqiyah Operates a Delegation to Dhofar

OCCI branch in North Al Sharqiyah operated a delegation of the education committee members to Dhofar Governorate. The delegation was led by Dr. Salem Mohammed Al Hajri, member of the Committee and head of the team of the study on the reality of the private schools.

The study included meeting members of the education committee at OCCI branch in Dhofar. They were briefed on the major achievements made during the past period and the efforts made to promote education system in the Governorate. They also seek to provide solutions for the difficulties and challenges facing the education and training sector in the governorate.

On its part, the Education Committee at OCCI branch in North Al Sharqiyah Governorate discussed the roles and regulations of the committee in developing the education sector and enhancing the relationship among the different education stakeholders in a bid to develop the education and training process, create more job opportunities, enhance awareness of entrepreneurship and investment. They also highlighted the role of entrepreneurship center, its aims in promoting entrepreneurship and the need to adopt models that meet the needs of the local market.

In the name of Allah Most Gracious Most Merciful

« Come back to your Lord well-pleased (yourself) and well-pleasing (unto Him)!

OCCI expresses condolences for the death of our colleague Essa Khalfan Ali Al Wuhaibi, who passed away on Tuesday 6th November 2016. We appeal to Allah to rest his soul in heavens and give his family members patience and oblivion.

We appeal to Allah to forgive and show mercy on him
Control over joint stock companies

There is no doubt that the oversight of Omani public joint stock companies is necessary to ensure their safe performance, maintain shareholders' equity, and face the subsequent mistakes of some board members. These mistakes may affect the company or shareholders who mandated the board to invest their money in the company.

This indicates that the Capital Market Authority should oversee the public joint stock companies and ensure the application of market regulations, which is considered an important step for boosting the local economic development and providing the necessary financing for projects and investments. The oversight aims to protect traders and markets and ensure competitiveness and transparency, in addition to protecting shareholders' equity against cheating and fraud.

It is surprising to know that a company pays dividends at over RO 100, but its balance sheet reflects net earnings of no more than RO 20–30 thousand. This means that the board or employees' remuneration is five times higher than the company's annual profits, and thus shareholders would be deprived from these benefits.

It is also surprising to know that the salary of chief executive officer in a company amounts to 20–25 thousand, and that board members unanimously approved and signed his contract. In addition, some companies continue to lease some of their headquarters for millions of riyals annually, and do not plan to prepare head office, especially as they record robust earnings. This deprives shareholders from receiving dividends.

Moreover, some companies sell some assets to employees for lower prices such as selling luxury cars for RO 50 each. Auditors may also connive with the management to recognize fake amounts as statutory reserves in the final accounts, and these amounts may appear as earnings or losses. Accordingly, inaccurate balance sheets are submitted to secure banking credit, which hurts the interests of most shareholders.

Thus, unless the market regulator takes serious actions against such violations, any shareholder may sue the board of directors even if the company is liquidated or the board members step down, according to the corporate law and corporate governance regulations related to joint stock companies.

The board holds responsibility for the damage resulting from their illegal actions such as fraud or negligence at work, as per the trot law. The corporate law gives board members broad powers to do what the management requires. Thus, they are responsible for any damage before the general meeting.
Oman Chamber of Commerce and Industry, represented in the Department of Small and Medium-Sized Enterprises, has organized the «Franchise Seminar» to provide business owners with the right information as well as commercial and economic terminology.

Franchise means a contract under which the franchisee gets the franchiser’s approval to use one or more intellectual or industrial rights as regards the production or distribution of products or services under the trademark of the franchisor in a geographical location for a specified period.

The seminar was presented by Khalid Al-Rashid, head of operations at Francorp, branch of Kuwait, and the event was attended by several SME owners.
The seminar discussed four important worksheets; the first was about the franchise strategy and work plan; the second highlighted the guide of franchise operations; the third included the terms and legal structure of franchise; the fourth was about the marketing plan and sales strategy of franchise.

Badr Al-Oufi, deputy director general of Oman Chamber, said the Chamber, represented in the SME Department and in cooperation with Francorp Middle East, organized this seminar, as part of its efforts to support and develop the local private sector so that it can achieve economic sustainability, diversification of income resources and creation of job opportunities for the Omani young people.

He added that the franchise is a contract between two independent parties legally and economically. Under the contract, the franchisee obtains the approval form the franchiser to use one or more intellectual or industrial rights or technical knowledge.

Al-Rashid highlighted the fundamental elements of franchise such as the technical knowledge that gives its owner a privilege over his competitors. This knowledge may be related to the production of a certain commodity through using patents, industrial models and intellectual property rights (the trademark, patent or copyright).

He added that the trademark should have some standards; mainly it should be legally registered in the franchiser’s name and can be registered in the franchisee’s country. In addition, the trademark should not infringe the public order or morals.
Banking facilities provided to SMEs, Seminar in North Al Sharqiya

Al Hajri: the seminar aims at highlighting the support programs provided to SMEs

The seminar reviews the banking and investment opportunities for SMEs, Al Hajri says.

Oman Chamber of Commerce and Industry branch in North Al Sharqiya Governorate (Ibra) organized a seminar on the role of commercial banks in promoting SMEs. The seminar targeted SMEs and business owners in the governorate.

Ali bin Salem Al Hajri, Treasurer of OCCI and Chairman of OCCI branch in North Al Sharqiya said that the seminar aims at highlighting the support programs provided to SMEs. It also shed light on the banking services...
provided by the banking sector to SMEs. The seminar also covers the available finance and investment opportunities facing SMEs.

A number of commercial banks including Bank Sohar, Bank Muscat, Bank Dhofar and National Bank of Oman made presentations on the role of commercial banks in supporting the growth of SMEs. The seminar also covered the types of facilities and loans such as asset finance, project finance, bill discounting finance, capital finance, woman finance and short/long term loan. The seminar also covered some financing programs by commercial banks such as Najahi from Bank Muscat and Tojari from NBO.

Banking facilities and services
Suleiman bin Zayed Al Rahbi, Director of Bank Dhofar, Ibra branch presented a working paper on the facilities at the bank. He highlighted the terms and conditions for loans provided by the bank to SMEs. He also highlighted the major facilities provided by the bank such as financing commercial buildings, assets, equipment, existing and news project and finally invoice discounting finance.

Ahmed bin Saleh Al Sinani from Najahi Center at Bank Muscat presented a working paper that highlighted the features of the products such as the facilities of the flexible loan, contract finance and bill discounting. He also highlighted the aims of the program and its importance of SMEs, the loan cap for each type, the benefits as well as the terms and conditions for the banking services provided to the bank customers.

Comprehensive solutions
Mohammed Murtadha Al Isaie from National Bank of Oman presented a working paper on the facilities provided by the bank under Tejarati Program which includes loans for the development of business, contract / asset finance, construction finance, professional loans for professional entrepreneurs such as doctors, architecture engineers, accountants, lawyers and others. He also reviewed the benefit of each loan and finance by the bank.

Suleiman bin Zayed Al Abri, Director of SMES Commercial Banking at Bank Sohar made a presentation on the facilities provided to SME and the types of finance provided by the bank such as capital finance, project finance, short-term/long-term finance, bill discounting, document guarantee, letter of credit and commercial credit cards. He also said that the list of beneficiaries from the bank services include entrepreneurs, industrial organizations, service projects, women projects, startup companies, construction and transport company.

At the end of his presentation, he urged SMEs to benefit from the banking services provided by Bank Sohar.
Oman Air Unveils Innovative Media Box Epaper Service in Premium Lounges

Passengers of Oman Air particularly value the airline for its multi-award-winning comfort and service, both inflight and on the ground. Now, First Class and Business Class passengers in the beautiful and luxurious, recently renovated Oman Air lounges at Muscat airport can take advantage of another premium service from the airline. With immediate effect the Media Box - one of the largest e-paper media libraries, developed by the experts at Media Carrier - will be available to them.

With this, customers can compile their own personal on-board reading material from a comprehensive portfolio of international magazines and an extensive range of daily newspapers.

The Media Box is a web-based platform that supports any internet-enabled device, smartphone or tablet. Passengers register in the lounge using the free Wi-Fi by entering their name and flight number and can then easily download their chosen reading material. After downloading, newspapers and magazines are presented unabridged and in the same layout used in print versions and can be browsed easily and intuitively.

The publications are available not only in Arabic and English but also in French, German, Thai and Malaysian.

As well as the outstanding service which Oman Air can now offer its passengers with the Media Box from Media Carrier, the ePaper media library is an attractive analysis tool for the airline. Using an analysis of downloads, the media favoured by individual passenger groups can be tracked. The results can be used to create a more targeted service in the future.
Ooredoo has launched an exciting new value-packed Mass SMS service. Developed to assist businesses of all sizes, this latest offering enhances company communication with existing and potential customers cost-effectively and quickly, while adding to a business’ marketing impact in today’s competitive enterprise environment.

What is fantastic about Ooredoo Mass SMS is that it allows them to design their own message in the language they think will be most effective, to send it out to as many or a few people as they like, and to the target groups they select from a set of predefined filters that are available. Campaigns can be monitored in real-time and best of all, Ooredoo Mass SMS is highly affordable. The service also provides recipients with the option of opting out of the service, thus providing the business with an audience who are happy to receive any promotional messages.

Corporations and SMEs alike can send their specially designed and tailored marketing messages of up to 160 characters in English or 70 characters in Arabic, to send promotions and alerts in bulk lists to mobile numbers in the Ooredoo network.

For the convenience of users, a special Admin Portal and App Dashboard feature means the status and success of messaging campaigns can be monitored and checked at any time. For added peace of mind, Ooredoo offers 24/7 technical support and the integrated payment gateway offers a choice of online and offline payment options.
Real Story

Combating money laundering

Money laundering crimes increased to include cheating in weights, prices and commodities, as well as tax evasion, bribery, counterfeiting, forgery, piracy and extortion. Money laundering crimes have increased over the last three decades due to the emergence of new technologies, lack of laws and control of businesses by some mobs. The gangs practiced corruption through exploiting poor people’s needs for food, drink, housing, and medicine. Thus, they managed to generate a large amount of illegal funds through money laundering.

Through the above-mentioned crimes, criminals commit other crimes so that they can hold the returns generated from the original crimes. Thus, countries and international organizations put customers’ banking accounts under preliminary control and oversea the daily cash flows of banks. This is because most banking laundering crimes are committed after the financial institutions approve depositing, lending, opening accounts, installment, financing, insurance, reinsurance, money transfer services, credit cards, bank cards, issuance of guarantees and credits, foreign currency exchange, and foreign currency trading.

Money laundering means concealing the origin of illegally-gained proceeds and making them appear legal, and using them for trading in the economic cycle and transferring them to legal financial institutions abroad.

These crimes take place when corruption spreads in the private and government institutions, especially as regards the systems that need accountability and transparency. This means that there is a clear relationship between money laundering and corruption. We see that some of the world’s poorest countries are the most corrupt, according to the Global Corruption Report of Transparency International. The decline in any single unit on the 10-point corruption index would result in a fall in the GDP by around 0.3-1.8 percentage point.

The organizations combating money laundering such as the Financial Action Task Force, the World Bank, the International Monetary Fund, the United Nations Office on Drugs and Crime, the Interpol and Egmont Group developed their methodologies. These organizations encourage using practical tools and technologies to limit or stop such crimes.

Several countries joined the international institutions that launch awareness campaigns for combating these issues and set the necessary regulations for money laundering and terrorism financing.