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Trade Policy Review Body

TRADE POLICY REVIEW

REPORT BY THE SECRETARIAT

OMAN

This report, prepared for the second Trade Policy Review of Oman, has been drawn up by the WTO Secretariat on its own responsibility. The Secretariat has, as required by the Agreement establishing the Trade Policy Review Mechanism (Annex 3 of the Marrakesh Agreement Establishing the World Trade Organization), sought clarification from Oman on its trade policies and practices.

Any technical questions arising from this report may be addressed to Mr. Arne Klau (tel.: 022 739 5706).

Document WT/TPR/G/295 contains the policy statement submitted by Oman.

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SUMMARY

Economic developments

1. Oman's economic performance since its last TPR in 2008 has been positive, with robust real GDP growth, low inflation, a solid fiscal position, and strong external accounts. Growth was sustained by high oil prices, growing oil production, and an open and transparent foreign trade regime.

2. Inflation rates fell during the period under review, to under 3% in 2012. The number of expatriate workers has increased strongly since Oman's last TPR, to nearly 1.7 million. The exchange rate of the Omani Rial is pegged to the U.S. dollar. Oman's balance of payments is characterized by a strong surplus in trade in goods and a deficit in trade in services and current transfers. Foreign investment is concentrated in the oil and gas sector. Oman's exports consist mostly of hydrocarbons, largely destined for Asian markets, while imports are dominated by various manufactures, mainly from other countries in the Middle East and Asia.

Trade policy framework

3. The Ministry of Commerce and Industry (MOCI) has overall responsibility for the formulation of Oman's trade policies. The National Committee (NC), which comprises representatives from various ministries, the customs authority, and the private sector, deals with all WTO-related matters. Bills are prepared by the relevant ministries, and presented by the Cabinet to the Consultative and State Councils, and are then issued by the Sultan through a Royal or Sultani Decree.

4. Oman's main economic goals are defined in the Long-Term Development Strategy (1996-2020) and in successive five-year-plans. They are to support growth, diversify production and exports away from oil, and create employment opportunities for Omanis. In addition, Oman seeks to achieve a balanced budget, boost productivity, and maintain low inflation rates. A new five-year plan (2016-2020) and a new Long-Term Development Strategy (Vision 2040) are currently under preparation.

5. Oman, a WTO Member since November 2000, grants at least most-favoured-nation treatment to all its trading partners. It is an active participant in the Doha round and has particular interest in NAMA and services. Oman has never been directly involved in any dispute under the WTO, but has reserved its third-party rights in a number of cases.

6. Oman is a member of the Gulf Cooperation Council (GCC), which also comprises Bahrain, Kuwait, Qatar, the Kingdom of Saudi Arabia, and the United Arab Emirates. A free-trade area among GCC members was established in 1983, and a common market for services in January 2008. With the exception of a few products, the GCC applies a common external tariff. Common legislation has been adopted on a number of other issues, such as contingency measures, veterinary quarantine and plant quarantine. Oman is also a member of the Pan-Arab Free-Trade Area (PAFTA) Treaty, under which most trade barriers among members were eliminated on 1 January 2005.

7. A free-trade agreement between Oman and the United States entered into force in January 2009. Among the other GCC members, only Bahrain has a free trade agreement with the United States. The GCC has decided that all future regional agreements are to be negotiated as a group. An FTA between Singapore and the GCC entered into force in September 2013. EFTA member states and the GCC have also signed an FTA, which had not entered into force as at January 2014. Negotiations between the GCC and a number of other countries are ongoing.

8. Under the Foreign Capital Investment Law, all foreign investments require approval by the Ministry of Commerce and Industry. Foreign investment in companies with capital of RO 150,000 or less is banned. Above this threshold, foreign investors may own up to 49% of companies. In practice, this share may be increased to 70% and to 100% in the free zones. Subject to approval by the Cabinet, foreign ownership of 100% may be accepted in projects with total capital exceeding RO 500,000. A number of services are excluded from foreign investment. Since land ownership by foreigners is generally prohibited, long-term and project-based lease of land is the

preferred solution of most foreign investors. Investment incentives include various tax exemptions and subsidized electricity, water, natural gas, and land use. Omani-owned SMEs are also eligible for soft loans provided by state-owned Oman Development Bank.

Trade policy instruments and practices

9. Since January 2003, the GCC states have operated a common external tariff (CET) of 0% and 5% on most products. In addition, Oman applies a 100% tariff on imports of alcoholic beverages and pork products. Oman's overall average MFN applied tariff is 5.5%. Oman has bound 100% of its tariff, at rates ranging up to 200%. With the exception of alcoholic beverages and tobacco products, products from GCC and PAFTA members enter Oman duty-free. Preferential treatment also applies to products from Singapore and the United States. Oman's average bound rates are 28% on agricultural products and 11.6% on non-agricultural goods. Commercial invoices and certificates of origin must be authenticated by an Omani Consulate or an Arab Embassy in the country of origin. Goods are normally cleared within 24 hours. Other duties and taxes are bound at zero.

10. Oman does not apply other duties and taxes on imports and does not levy VAT or sales tax. It applies a number of import prohibitions and restrictions, mainly for health, security, and moral reasons. It does not maintain any import licence requirements Oman has never taken any anti-dumping, countervailing or safeguard measures. While it has adopted the GCC's provisions on contingency trade remedies, it has not yet adopted any implementing regulations. Oman has been increasingly harmonizing its technical regulations and standards at the GCC level; only 12 of more than 10,000 standards are purely national. GCC and Omani standards are usually based on international standards.

11. Oman does not apply any export duties and taxes. Temporary export bans apply to several species of fresh and frozen fish. No export subsidies are granted, but there are three free zones to promote exports. The Public Authority for Investment Promotion and Export Development (PAIPED) provides various export promotion and marketing measures.

12. New legislation on government procurement entered into force in 2008. Public tender is the main method for procurement of goods and services. Oman is an observer to the Government Procurement Agreement. New legislation on intellectual property rights, which extended the duration of protection for copyrights, also entered into force in 2008.

13. State ownership remains extensive in Oman's economy; it is particularly important in the oil and gas sectors, air and maritime transport, utilities, postal services, telecommunication, and certain manufacturing activities. The privatization process has been at a virtual standstill since Oman's last TPR in 2008.

14. A Public Authority for Consumer Protection was instituted in 2011. Oman does not have any competition legislation, although a competition law is under consideration. However, the Consumer Protection Law calls upon the Government to curtail monopolies or over-dominance in the market. Moreover, sectoral agencies may act against anti-competitive behaviour in financial services and telecommunications.

Sectoral policies

15. Agriculture and fisheries contribute just over 1% to Oman's GDP, but engage about 37% of the economically active population, frequently at the subsistence level. Production centres around livestock and dates. The Government's long-term objective is to increase the GDP shares of agriculture to over 3% and of fisheries to 2%. Due to the numerous challenges for agricultural production and strong population growth, Oman is an important net importer of agricultural goods.

16. Oil and gas revenues account for some 85% of Oman's Government income and about 70% of its merchandise exports. The contribution of crude petroleum to Oman's GDP has varied strongly in recent years, between 36% and 49%. Oil production and exports rose significantly between 2007 and 2012, while increasing natural gas exports have contributed to diversifying Oman's economy away from oil. Partly state-owned Petroleum Development Oman holds the vast majority of Oman's oil reserves and is responsible for about 80% of national production. Despite

recent discoveries, it is estimated that by 2030 Oman's oil reserves could be largely depleted. The contribution of other mining and quarrying activities to GDP is just about 0.3%.

17. Energy-intensive industries are at the centre of Oman's manufacturing activities and play an important role in the Government's diversification strategy. Production is often located in free zones or in special industrial estates. Manufacturing exports more than quadrupled between 2006 and 2012. In line with rising demand, electricity generation has increased strongly.

18. The share of service in Oman's GDP is about 35%. Oman has undertaken GATS commitments in many services categories. Various subsectors are dominated by state-owned enterprises. Oman is an increasing net importer of services.

Outlook

19. Oman's economic outlook depends, to a large extent, on developments in the world oil market. In the medium term, public investment may sustain relatively high growth rates. The Government's diversification and privatization policies will also play an important role for future development, as will demographic factors.

1 ECONOMIC ENVIRONMENT

1.1 Introduction

1.1. The Sultanate of Oman has a land mass of about 309.500 square km. Its population is some 3.73 million, of which about 1.68 million are expatriates.[1] About 50% of Omanis live in Muscat and the Batinah coastal plain northwest of the capital. Annual population growth is about 2.8%, and 43% of Omanis are under the age of 15. Oman is a high-income country, with GDP per capita estimated at US$21,560 in 2012. Life expectancy at birth was some 76 years in 2011.[2] Oman ranks 84th out of 186 countries on UNDP's Human Development Index.[3]

1.2. Oman's foreign trade has grown strongly in recent years; between 2006 and 2012 merchandise imports and exports more than doubled. Almost 50% of Oman's GDP and over 85% of merchandise exports is based on petroleum and natural gas. However, against the background of finite oil resources and fluctuating demand, Oman has been trying to diversify production and exports away from hydrocarbons.

1.2 Recent economic developments

1.3. Sustained by growing oil production and high oil prices, Oman's economy has weathered the global economic and financial crisis of 2008/09 well and grown strongly over the past years (Table 1.1). Favourable oil prices during the period under review also explain why, despite plans to diversify away from hydrocarbons, the GDP shares of agriculture, non-oil industries, and services have not increased.[4] Oman's fiscal position has remained positive since its last TPR, apart from a major deficit in 2009.

1.4. Oman's labour market is characterized by a strong presence of migrant workers, notably in the private sector, while most Omanis work either for government- or state-owned enterprises. The number of expatriates doubled strongly between 2010 and 2013, from 816,000 to nearly 1.7 million.[5] No official unemployment figures are published; however, it is estimated that about 15% of the labour force are unemployed.[6]

1.5. Oman's main economic and social challenge is to create employment opportunities for local workers, through the "Omanization" policy. Omanis make up only about 14% of the workforce in the private sector. A large share of Omanis work either for government or state-owned enterprises. The Omanization initiative, a quota system that mandates employing specified percentages of Omani citizens, has been in operation since 1988 and is a high priority for the Government. The Ministry of Manpower has stipulated a fixed Omanization ratio in six areas of the private sector.[7]

1.6. The exchange rate of the Omani Rial (RO) has been pegged to the U.S. dollar since 1973; the parity has remained unchanged since 1986, at US$2.6008 per RO.[8] Interest rates in Oman have been broadly in conformity with prevailing dollar rates, given the exchange rate peg. The fact that the peg has been sustained for many years has provided a considerable degree of certainty for investment by limiting risks associated with currency fluctuations.

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[1] National Center for Statistics and Information (2013).

[2] World Bank, World Development Indicators database. Viewed at: http://data.worldbank.org/country/oman [25 October 2013].

[3] UNDP online database. Viewed at: http://hdr.undp.org/en/statistics/ [25 October 2013].

[4] See Hvidt (2013) for structural barriers to diversification at the GCC level.

[5] About 90% of expatriates come from India, Pakistan, and Bangladesh. About 44% of expatriates are employed in the construction sector.

[6] Arabian business online information, "Bahrain and Oman have highest Gulf unemployment rates", 7 July 2011. Viewed at: http://www.arabianbusiness.com/bahrain-oman-have-highest-gulf-unemployment-rates-409116.html [25 October 2013]. The most recent official unemployment figures date from the 2010 Census, according to which total unemployment was 144,000.

[7] Transport, storage, and communications are to have 60% Omanization, finance, insurance and real estate 45%; industry 35%; hotels and restaurants 30%; wholesale or retail trading 20%; and contracting 15%. Ministry of Information online information. Viewed at: http://www.omanet.om/english/misc/omanise.asp [18 October 2013].

[8] With the exception of Kuwait, whose dinar is pegged to a basket of currencies, the currencies of all GCC countries are pegged to the U.S. dollar.

Table.1.1 Selected macroeconomic indicators, 2006-12

	2006	2007	2008	2009	2010	2011	2012
GDP and employment							
Current GDP (Omani Rial million)	14,151.2	16,110.9	23,356.0	18,548.4	22,613.6	26,904.2[a]	30,033.6[b]
GDP growth at constant (2000) prices[c]	5.5	6.7	13.2	3.3	5.6	0.3	..
Unemployment rate (%)							
	(%age of GDP, unless otherwise indicated)						
National accounts[d]							
Private consumption	30.1	32.7	30.7	39.1	33.3	29.9	..
Government consumption	18.8	18.9	14.2	19.4	18.1	17.2	..
Capital formation (investment)	24.2	30.6	30.1	34.6	27.9	26.3	..
Exports-imports (goods and services)	24.8	16.6	21.3	16.0	24.4	29.6	..
GDP by economic activities at current market prices[e, f]							
Industry	63.8	61.4	67.2	60.0	64.0	70.3	68.7
Petroleum activities	47.6	44.3	50.7	39.8	45.9	52.6	52.2
Crude petroleum	43.5	40.6	47.0	36.2	42.1	48.8	48.4
Natural gas	4.1	3.7	3.7	3.6	3.8	3.8	3.8
Non-petroleum industrial activities	16.2	17.1	16.5	20.2	18.1	17.8	16.5
Agriculture & fishing	1.4	1.3	1.0	1.4	1.3	1.2	1.1
Services	36.6	38.8	32.7	40.8	36.5	34.0	35.4
Public finance[f]							
Revenues	35.2	36.7	32.7	36.4	35.0	39.5	46.9
Net oil revenues	22.8	22.8	21.8	24.2	24.2	29.0	34.8
Gas revenues	4.3	5.0	3.9	3.9	4.1	4.4	5.3
Total expenditure	34.9	36.5	32.4	40.1	35.2	39.9	45.1
Current expenditure	25.0	23.9	18.9	22.7	21.2	22.7	29.2
Investment expenditure	8.5	10.5	9.8	14.5	11.5	11.0	9.6
Surplus/deficit	0.3	0.2	0.3	-3.7	-0.2	-0.4	1.7
Prices							
Inflation (CPI, %age change)	3.5	5.9	12.4	3.4	3.3	4.1	2.9

.. Not available.

a Provisional.
b Preliminary.
c GDP at market prices for 2011 is not strictly comparable with 2010 as there is a break in the series due to the introduction of new compilation methods for the subsidies on oil in 2011. The figure for 2011 was adjusted to make the real GDP data for 2011 comparable with 2010.
The adjusted data give around 4.5% growth in real GDP during 2011, compared to 5.6% in 2010.
d Shares may not add up to 100 because import tariffs and financial intermediation services are not considered here.
e Preliminary for 2011 figures.
f Provisional for 2012 figures.

Source: Central Bank of Oman Annual Report 2009, 2010, 2011, and 2012; IMF online information. International Financial Statistics. Viewed at: http://elibrary-data.imf.org/FindDataReports.aspx?d=33061&e=169393.

1.7. The Central Bank of Oman (CBO) is responsible for maintaining the internal and external value of the national currency. Inflation decreased during the period under review, from a peak of more than 12% in 2008, to 2.9% in 2012. Inflation is constrained by an extensive system of subsidies and price caps for core goods and services. Public debt is less than 5% of GDP.

1.8. Oman's balance of payments shows a strong and increasing surplus in trade in goods, a deficit in trade in services, and a deficit in current transfers (Table 1.2). The deficit in current transfers, amounting to some RO 3.1 billion in 2012, is mainly due to the importance of remittances by migrant workers. With the exception of 2009, Oman had a strong current account surplus in all of the review period.

Table 1.2 Balance of payments, 2008-12

(RO million)

Items	2008	2009	2010	2011	2012[a]
Current account	1,929	-192	1,936	3,447	3,131
Goods	6,541	4,460	7,200	9,841	10,193
Exports (f.o.b.)	14,503	10,632	14,073	18,107	20,047
Oil	9,423	5,978	8,527	11,357	12,352
Natural gas	1,601	970	1,176	1,469	1,615
Imports (f.o.b.)	-7,962	-6,172	-6,873	-8,266	-9,854
Services	-1,559	-1,485	-1,694	-2,036	-2,232
Service exports	702	623	753	939	1,106
Service imports	-2,261	-2,108	-2,447	-2,975	-3,338
Balances on goods and services	4,982	2,975	5,506	7,805	7,961
Income	-1,061	-1,124	-1,377	-1,584	-1,721
Current transfers	-1,992	-2,044	-2,193	-2,774	-3,109
Capital and financial account	-1,456	929	-1,646	-2,547	-2,353
Capital account	-20	21	-25	-56	-33
Financial account	-1,436	908	-1,621	-2,491	-2,320
Foreign direct investment	910	529	-98	-185	55
Portfolio investment	-633	40	94	-137	255
Other investment	-1,713	339	-1,617	-2,169	-2,630
Net errors and omissions	229	-439	286	-326	-381
Overall balance	702	297	576	574	397
Reserve assets	-702	-297	-576	-574	-397

a Preliminary.

Source: Central Bank of Oman, Annual Report 2012.

1.9. Annual FDI inflows fluctuated between US$700 million and US$3.3 billion from 2007 to 2012 (Table 1.3). About 40% of inward FDI is in the oil and gas sector.

Table1.3 Foreign direct investment

(US$ million)

	2007	2008	2009	2010	2011	2012
FDI inflows	3,332	2,952	1,485	1,243	739	1,514
FDI stock	9,307	12,259	13,744	14,987	15,726	17,240

Source: UNCTAD, FDI/TNC database.

1.3 Developments in trade

1.3.1 Composition of trade

1.10. Oman's imports increased in line with the country's continued significant economic growth during the period under review. Total merchandise imports more than doubled from US$11,038 million in 2006 to US$28,118 million in 2012. Over 70% of Oman's total merchandise imports are manufactures, led by transport equipment and machinery; base metals and chemicals also represent a sizeable share (Chart 1.1 and Table A1.1). Fuels represented 8.9% of total merchandise imports in 2012 (up from 3.5% in 2006), whereas the share of agricultural imports remained stable at around 11% during the same period.

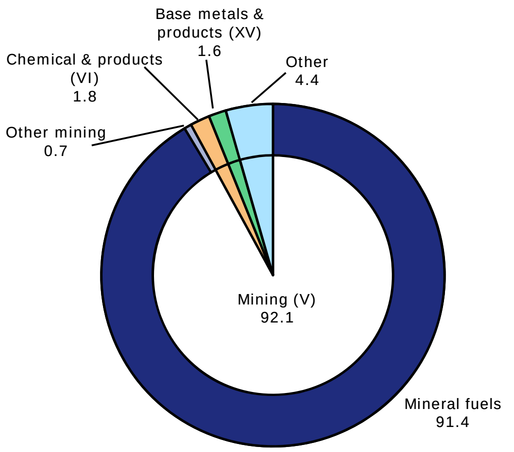
1.11. As a result of high world price of crude oil and increasing production levels, Oman's export base is strongly concentrated in fuels (petroleum and gas). The share of fuels in total merchandise exports fluctuated between 79% and 91% during the period under review (Chart 1.1 and Table A1.2). Non-oil exports mainly consist of chemicals, base metals, and plastics. Despite high and increasing levels of hydrocarbon exports, the overall share of non-oil exports has even shown an increasing trend.

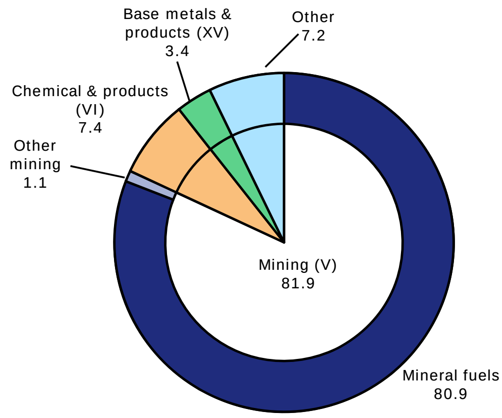
Chart 1.1 Product composition of merchandise trade by HS section and chapters, 2006-11[a]

(%)

2006 **2011**

(a) Exports (f.o.b.)

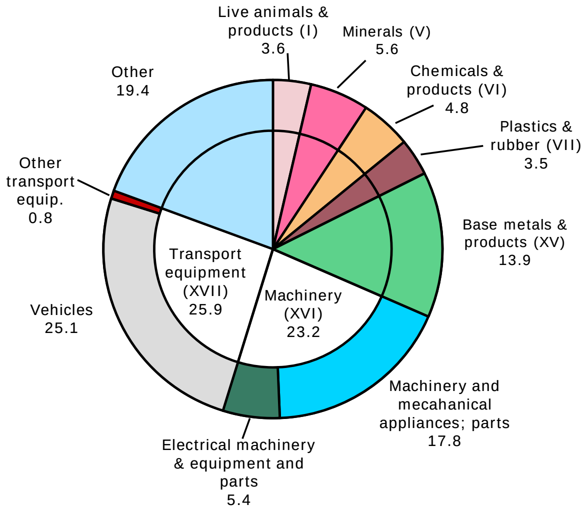


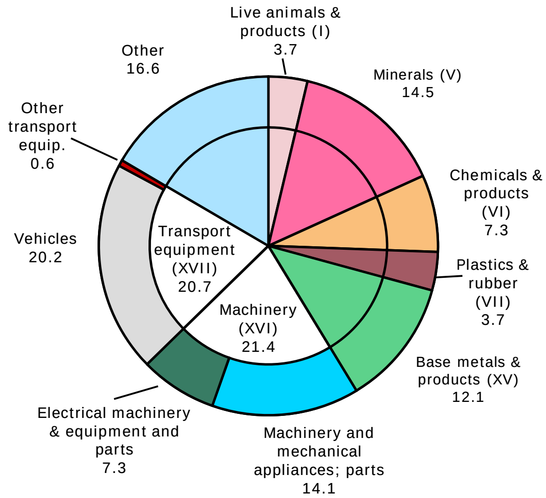


Total: US$19.6 billion

Total: US$41.2 billion

(b) Imports (c.i.f.)





Total: US$11.0 billion

Total: US$23.6 billion

a 2011 was chosen as most recent reference year for the charts since a large share of trade flows for the year 2012 had not been geographically allocated by UN Comtrade as at January 2014.

Note: Data in brackets refer to the HS Section number.

Source: WTO Secretariat calculations, based on UNSD, Comtrade database.

1.3.2 Direction of trade

1.12. Oman's exports are largely destined to Asian countries and mostly consist of hydrocarbons (Chart 1.2 and Table A1.3). The share of exports to China and India grew significantly during the period under review, while the importance of Korea and Thailand as export destinations decreased. Between 6% and 10% of Oman's exports are destined to the Middle East, whereas combined exports to the U.S., Europe or Africa make up less than 5% of all Omani exports. For non-oil exports, India, the United Arab Emirates, the Kingdom of Saudi Arabia and China are the prime destinations.

1.13. Asia and the Middle East together supply about 70% of Oman's imports (Chart 1.2 and Table A1.4). The UAE remains the leading source of Oman's merchandise imports with 25.7% of the total in 2012, followed by the EU (12.5%), and Japan (13.5% in 2011).

1.4 Outlook

1.14. Given Oman's high dependency on oil, its economic outlook depends, to a great extent, on the evolution of the world oil market. Oman's medium-term economic outlook remains positive. The inflation outlook is moderate. The main downside risk to the outlook is a sustained fall in oil prices.

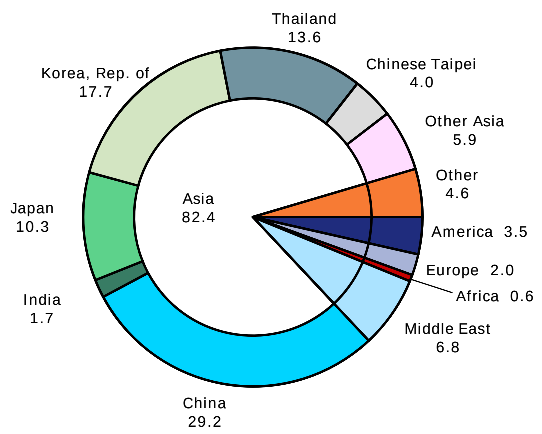
1.15. Public investment is expected to support average real growth of above 5% in the non-oil sector, while crude oil production will level off and eventually decline. Demographic factors, such as Oman's young and quickly growing population, and developments in immigration may also play an important role.

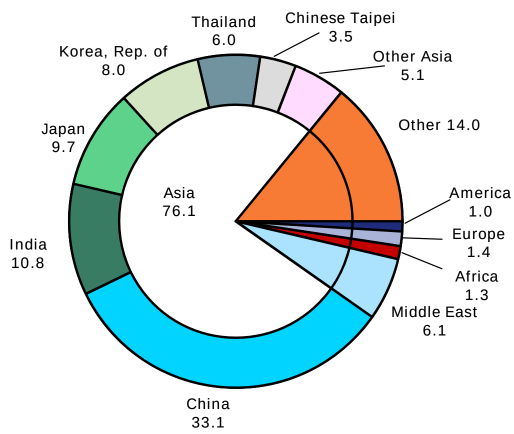
Chart 1.2 Direction of merchandise trade, 2006 and 2011

(%)

2006 **2011**

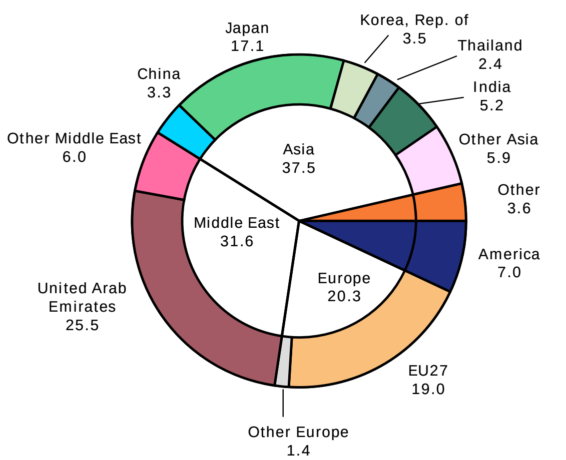
(a) Exports (f.o.b.)

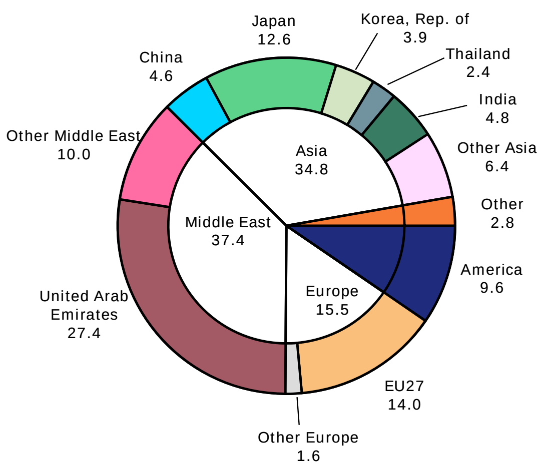




Total: US$19.6 billion **Total: US$41.2 billion**

(b) Imports (c.i.f.)





Total: US$11.0 billion **Total: US$23.6 billion**

Source: WTO Secretariat calculations, based on UNSD, Comtrade database.

2 TRADE POLICY REGIME: FRAMEWORK AND OBJECTIVES

2.1 Institutional framework

2.1. Oman's Constitution, also referred to as the Basic Statute of the State, was approved by its Sultan in 1996 and amended in 2011.[1] It provides for a two-chamber Council, the Oman Council, which consists of the Majlis al-Shura (Consultative Council) and the Majlis al-Dawla (State Council), and for the organization and independence of the judiciary. The Sharia (Islamic) Law is the basis for national legislation, and Islam is named as the state religion.

2.2. According to Article 42 of the Constitution, legislative authority is vested in the Sultan, while executive authority is vested in the Sultan together with the Council of Ministers. The Sultan exercises his powers directly and through the Ministers. He also appoints the Prime Minister, Deputy Prime Minister and Ministers by Royal Decree and dismisses them by Royal Order.[2] Moreover, he is the supreme commander of the armed forces and currently retains the posts of Prime Minister, Foreign Minister, Defence Minister, and Finance Minister. The Sultan also has the right to propose laws, and is the ratification and promulgation authority.[3]

2.3. Various amendments were introduced to the Constitution in 2011. Since then, the Oman Council has the right to propose changes to laws, and parliamentarians have been enjoying immunity to freely express their opinions. New provisions were also introduced on finding a successor to the throne.

2.4. Headed by the Prime Minister, the Council of Ministers is entrusted with overseeing State interests, and laying down and implementing government policy. Cabinet resolutions are passed with the approval of the majority of those present. The Cabinet also submits recommendations to the Sultan on economic, political, social, environmental, and executive and administrative matters of concern to the Government, and proposes draft laws and changes for existing laws.

2.5. Under Article 60 of the Constitution, the judiciary is an independent and separate body. The system comprises primary, appeal, and supreme courts. Within each level, courts adjudicate cases according to their specialization (Sharia or religious courts; criminal, administrative, and commercial courts). The commercial courts have jurisdiction over disputes between private sector parties and individuals. Decisions of government departments or authorities affecting international trade can be appealed at the Administrative Court.

2.6. Bills are prepared by the relevant ministries, and presented by the Cabinet to the Consultative and State Councils, and are then issued by the Sultan through a Royal or Sultani Decree. Once a bill is signed by the Sultan, it must be published in the *Official Gazette* within two weeks of issuance; it enters into effect on the date of publication unless otherwise prescribed.[4] The application of the Basic Statute of the State shall not prejudice treaties and agreements the Sultanate has entered into with other countries, international institutions and organization.[5] Treaties and international agreements concluded and ratified by Oman have legal power in national courts.

2.2 Trade policy formulation

2.7. Formulation of Oman's trade policy is the responsibility of the Ministry of Commerce and Industry (MOCI), in coordination with other ministries. The private sector provides inputs to trade policy formulation through the Chamber of Commerce and Industry, which has 12 specialized committees covering a vast array of economic issues, including tourism, industry, construction, and labour.

2.8. The National Committee (NC), created in 2001, deals with all WTO-related matters. It acts under the chair of the MOCI. The NC comprises representatives from various ministries, the customs authority, and the private sector. It meets several times a year, depending on WTO

[1] Sultani Decree Nos. 101/96 and 99/2011.
[2] Articles 48 and 51 of the Constitution.
[3] Article 42 of the Constitution (Part four on the Head of State).
[4] Article 74 of the Constitution.
[5] Article 72 of the Basic Statute.

workload. Various government departments and ministries participate in its three sub-committees, which deal with market access issues, services, and TRIPS. Furthermore, a committee on GCC issues, which meets four times a year, also deals with WTO issues, but at the regional level.

2.9. Table 2.1 shows Oman's main trade and trade-related laws. Since its last TPR in 2008, Oman has adopted new legislation on intellectual property protection.

Table 2.1 Main trade-related laws, 2013

Legislation	Issue
Sultani Decree No. 67/2003, 28 September 2003	Implementation of GCC Common Customs Law, tariff, customs valuation and procedures, import prohibitions and restrictions
Sultani Decree No. 39/2006, 26 April 2006	Implementation of the GCC Common Law on Anti-dumping, Countervailing Measures, and Safeguards
Sultani Decree Nos. 45/2004, 3 May 2004, and 47/2004, 5 May 2004	Implementation of GCC Common Laws on Veterinary Quarantine and Plant Quarantine
Sultani Decree No. 39/1976, 20 October 1976	Establishment of Directorate-General for Specification and Measurements
Sultani Decree No. 36/2008, 24 March 2008	Government procurement
Sultani Decree No. 102/1994, 16 October 1994	Foreign capital investment
Sultani Decree No. 56/2002, 22 May 2002	Export processing zones
Sultani Decree No. 63/1998, 19 September 1998	Ratification of the Paris and Berne Conventions
Sultani Decree Nos. 65/2008, 4 May 2008, and 132/2008, 16 August 2008	Copyright and related rights
Sultani Decree No. 67/2008, 12 May 2008	Industrial property rights
Sultani Decree No. 49/2009, 29 August 2009	Plant breeders' rights
Sultani Decree No. 109/2000, 15 November 2000	Hallmarking scheme for precious metals
Sultani Decree No. 102/94, 16 October 1994	Foreign investment
Sultani Decree No. 81/2002, 28 August 2002	Consumer Protection
Sultani Decree No. 26/2011, 28 February 2011	Establishment of the Public Authority for Consumer Protection
Sultani Decree No. 52/2011, 27 March 2011	Establishment of the Public Authority for Investment Promotion and Exports Development

Source: Information provided by the Omani authorities.

2.3 Economic and trade policy objectives

2.10. Oman's main economic goals, laid down in the Long-term Development Strategy (1996-2020), are to support growth, diversify production and exports away from oil, and create more employment opportunities for all its citizens. According to the Strategy, Oman would get only 19% of its GDP from oil and gas by 2020, be globally integrated, and boast an educated labour force. Medium-term policy goals are formalized in five-year-plans. The eighth five-year development plan (2011-2015), issued under Sultani Decree No. 1/2011, plans for the continuation of the production and export diversification exercise with the private sector taking a larger role. In addition to economic diversification, the plan seeks to achieve a balanced budget by lowering public expenditure and increasing public savings, achieve real term growth of not less than 3%, boost productivity, and maintain low inflation rates.

2.11. The authorities indicate that a new five-year plan (2016-2020) as well as a new Long-term Development Strategy (Vision 2040) is under preparation.

2.4 Trade Agreements and Arrangements

2.4.1 Multilateral agreements

2.12. Oman became a Member of the WTO on 9 November 2000. It is a signatory to the WTO Information Technology Agreement (ITA) and an observer to the Government Procurement Agreement. Oman's trade-related notifications to the WTO are presented in Table 2.2.

Table 2.2 Selected notifications to the WTO, December 2013

WTO Agreement	Description of requirement	Periodicity	Most recent notification	Comment
Agreement on Agriculture				
Articles 10 and 18.2	Export subsidies	Annual	G/AG/N/OMN/10, 6 June 2012 G/AG/N/OMN/9, 2 November 2011	No export subsidies for 2011 No export subsidies for 2002 and 2004 to 2010
Article 18.2 DS:1 and DS:2	Domestic support	Annual	G/AG/N/OMN/11, 6 July 2012; G/AG/N/OMN/8, 19 October 2011; G/AG/N/OMN/7, 26 May 2009	List of DS measures for 2011 List of DS measures for 2009-2010 List of DS measures for 2008
Agreement on Customs Valuation				
Article 22.1	Laws and regulations	Once	G/VAL/N/1/OMN/2, 8 September 2008	Implementation of the agreement
	Checklist of issues	Once	G/VAL/N/2/OMN/1, 8 September 2008	Answers by Oman
Agreement on Anti-dumping				
Article 18.5	Laws and regulations	Once, then changes	G/ADP/N/1/OMN/2, 6 October 2010	GCC common law on anti-dumping, countervailing measures and safeguards
General Agreement on Tariffs and Trade 1994				
Article XXIV:7(a)	Free-trade areas	Once, then changes	WT/REG259/N/1, 2 February 2009	Free trade agreement with the United States, also notified under the GATS
Agreement on Import Licensing Procedures				
Article 7.3	Import licensing	Once, then changes	G/LIC/N/3/OMN/6, 30 January 2012	No import licence requirements
Agreement on Rules of Origin				
Annex II, Article 5.4	Rules of Origin	Once, then changes	G/RO/N/32, 30 April 2001	No non-preferential rules of origin
Agreement on Subsidies and Countervailing Measures				
Article 32.6	Laws and regulations	Once, then changes	G/SCM/N/1/OMN/2, 6 October 2010	GCC common law on anti-dumping, countervailing measures and safeguards
Agreement on Safeguards				
Article 12.6	Laws and regulations	Once, then changes	G/SG/N/1/OMN/2, 6 October 2010	GCC common law on anti-dumping, countervailing measures and safeguards

WTO Agreement	Description of requirement	Periodicity	Most recent notification	Comment
Agreement on Sanitary and Phytosanitary Measures				
Article 7 Annex B	Sanitary and phytosanitary measures	Ad hoc	21 notifications since the last TPR: G/SPS/N/OMN/27 to 47	Six emergency measures, 15 draft technical regulations
Agreement on Technical Barriers to Trade				
Article 2.9.2	Technical regulations		91 notifications since the last TPR: G/TBT/N/OMN/55 to 146	Draft technical regulations
Agreement on Trade-Related Aspects of Intellectual Property Rights				
Articles 63.2	Laws and regulations		IP/N/1/OMN/C/2 and IP/N/1/OMN/I/2, 27 January 2011; IP/N/1/OMN/2 26 January 2011	Laws and regulations under the TRIPS Agreement
Agreement on Trade-Related Investment Measures				
Article 5.1	Measures not in conformity with the Agreement	Once	G/TRIMs/N/1/OMN/1, 10 December 2000	No TRIMs maintained

Source: WTO documents.

2.13. Oman grants at least most-favoured-nation (MFN) treatment to all its trading partners. It is a strong believer and advocate of the multilateral trading system. Oman takes part in the "recently-acceded members" (RAMs) Group and is a Member of the WTO Arab Group. It is an active participant in the current round of multilateral trade negotiations and has particular interest in NAMA and services. The authorities believe that they made extensive commitments during their WTO accession process and are calling for additional flexibilities to be granted to the RAMs in the DDA. It has suggested that Members could raise the level of ambition by accepting commitments like those undertaken by RAMs. It has stressed that core WTO benefits, i.e. legal certainty, and transparent and fair rules of mutual benefit, should be at the forefront of Members' thinking in moving the DDA to a conclusion.

2.4.2 Regional and bilateral agreements

2.4.2.1 The Gulf Cooperation Council (GCC)

2.14. The GCC was created in May 1981 and comprises Bahrain, Kuwait, Oman, Qatar, the Kingdom of Saudi Arabia, and the United Arab Emirates. Its main objectives are regional cooperation and integration in all economic, social, and cultural affairs. Its specific objectives are to achieve a common market, with equal treatment of GCC citizens (about 40 million), in each member country, in respect of freedom of movement, work, residence, ownership of real estate, movement of capital, as well as financial and monetary coordination.[6] A free-trade area among GCC members was established in 1983.

2.15. The Unified Economic Agreement among the GCC countries was notified to GATT contracting parties on 15 August 1984.[7] The GCC customs union was originally notified by Kuwait under the Enabling Clause. Following its accession to the WTO in December 2005, the Kingdom of Saudi Arabia notified the customs union under Article XXIV of the GATT[8], but subsequently changed the notification to come under paragraph 4(a) of the Enabling Clause.[9] On 6 October 2009, the GCC

[6] In December 2009, Bahrain, Kuwait, Qatar, and the Kingdom of Saudi Arabia also agreed to establish a monetary union. The date for introduction of a single currency is yet to be determined. Oman and the United Arab Emirates are not joining the monetary union.
[7] GATT document L/5676, 11 October 1984.
[8] WTO document WT/REG222/N/1, 20 November 2006.
[9] WTO documents WT/REG222/N/1/Corr.1 and WT/COMTD/N/25, 31 March 2008.

Agreement was re-notified by the Kingdom of Saudi-Arabia under Article XXIV:7(a) of the GATT 1994.[10]

2.16. Since January 2003, the GCC states have operated a common external tariff (CET) of 0% and 5% for most products (section 3.2.4.1.)[11], and a common law on customs procedures and valuation. On 1 January 2008, the members of the GCC also formed a common market for services. This last aspect of the GCC Agreement is yet to be notified to the WTO. As at November 2013, the GCC also had common legislation on contingency measures, veterinary quarantine, and plant quarantine. Under the GCC Agreement, each member state maintains its own list of restricted and prohibited items.

2.17. While all the members apply a common external tariff on most imports, certain differences remain (e.g. on alcohol products). In addition, customs checks between GCC members are maintained for security and other reasons (e.g. statistics, and to avoid piracy and commercial cheating). Prohibited goods may not circulate between members' territories; restricted products may transit the territory of members who restrict their import, with the appropriate documentation.

2.18. Allocation of customs revenues follows the principle of final destination. Customs duties are collected at the GCC's first point of entry; in the case of transhipment to another GCC country collected duties are transferred. Full implementation of the customs union is expected to take place by end 2015.[12]

2.19. While two GCC members (Bahrain and Oman) have FTAs on an individual basis with the United States (see 2.4.2.3. below), the GCC announced in November 2011 that all future agreements would be negotiated as a group. The GCC has concluded free-trade agreement negotiations with the European Free Trade Association (EFTA) states, and Singapore. Negotiations with a number of other countries are ongoing (November 2013) (see 2.4.2.5. below).

2.4.2.2 PAFTA

2.20. Under the Pan-Arab Free-Trade Area (PAFTA) Treaty[13], in force since 1 January 1998, most trade barriers among its members were eliminated on 1 January 2005, with some products excluded from liberalization. Numerous implementation problems and non-tariff barriers are still reported, such as differing standards, lengthy bureaucratic and administrative procedures at the borders, and transit fees. The principal entity responsible for implementing the programme is the Economic and Social Council of the League of Arab States. The PAFTA was notified to the WTO by the Kingdom of Saudi Arabia in 2006 under GATT Article XXIV.[14]

2.4.2.3 Agreement with the United States

2.21. A free-trade agreement between Oman and the United States, signed in January 2006, entered into force in January 2009.[15] The agreement covers trade in goods and services; it also has provisions on investment, intellectual property rights, e-commerce, labour, environment, and dispute settlement. It provides for tariff elimination in agricultural and non-agricultural goods over a maximum of ten years, although a large share of products is granted duty-free access immediately. Special provisions apply to trade in textile and apparel goods.

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[10] WTO document WT/REG276/N/1/Rev.1, 17 November 2009.

[11] The exceptions to the CET relate to tobacco, pork, and alcohol products, which are either prohibited (including domestic production) or subject to high rates of duty.

[12] Decision by the GCC Supreme Council at the end of 2010.

[13] The PAFTA members include the GCC countries plus Algeria, Egypt, Iraq, Jordan, Lebanon, Libyan Arab Jamahiriya, Morocco, Palestine, Sudan, Syrian Arab Republic, Tunisia, and Yemen. The Comoros, Djibouti, Mauritania, and Somalia are accession candidates. The agreement is sometimes referred to as GAFTA (General Arab Free Trade Agreement).

[14] WTO document WT/REG223/N/1, 20 November 2006. The text of the agreement has not yet been made available to the Secretariat.

[15] WTO documents WT/REG259/N/1 and S/C/N/472, 2 February 2009.

2.4.2.4 Agreement with Singapore

2.22. A free-trade agreement between Singapore and the member states of the GCC entered into force in September 2013. The agreement covers trade in goods and services, investment, rules of origin, standards, customs procedures, government procurement, electronic commerce, intellectual property, movement of natural persons and economic cooperation. The agreement has not yet been notified to the WTO.

2.23. With the agreement's entry into force, approximately 94% of all tariff lines of GCC members qualified for immediate duty-free treatment, while an additional 2.7% of tariff lines will be duty free as of 2018. In services, both parties have committed to liberalize various sectors beyond their WTO commitments. The service sectors for which Singapore citizens, permanent residents, and companies incorporated in Singapore enjoy preferential access include professional service, e.g. legal, accounting, and engineering services; and business services, e.g. construction, distribution and hospital services.

2.4.2.5 Agreements not yet in force

2.24. EFTA member states and the member states of the GCC signed a free trade agreement in June 2009. However, the agreement has not entered into force (as at January 2014).

2.25. The GCC is negotiating free-trade agreements with Australia, China, India, Japan, the Republic of Korea, Mercosur, New Zealand, Pakistan, and Turkey. The authorities indicate that feasibility studies will be carried out before any new agreement is signed.

2.4.3 Other preferential agreements

2.26. Oman does not participate in the Global System of Trade Preferences (GSTP) among developing countries. Under the Generalized System of Preferences (GSP), Oman receives unilateral trade preferences from Australia, Canada, and Turkey. Oman was graduated from Japan's GSP scheme in 2012, and from the EU's GSP scheme in January 2014.

2.5 Trade disputes and consultations

2.5.1 Dispute settlement in the WTO

2.27. Oman has not been directly involved in any dispute under the WTO Dispute Settlement Mechanism, but has reserved its rights as third party in seven cases.[16]

2.5.2 Other

2.28. Oman has not been involved in any disputes under its regional and bilateral agreements.

2.6 Investment regime

2.29. The authorities indicate that Oman's legislation on foreign investment is currently under revision. As at November 2013, the Commercial Companies Law (Sultani Decree No. 4/1974) allowed both foreign and domestic investment in the form of general partnership, limited partnership, joint-venture, joint-stock company, limited-liability company, or holding company. Specific rules for foreign investment are laid down in the Foreign Capital Investment Law (Sultani Decree No. 102/94). Under the Law, all foreign investments require approval by the MOCI, and foreign investment is banned in companies with capital of RO 150,000 or less. Above this threshold, the Law allows foreign investors to own up to 49% of companies; this share can be increased to 65% by the Minister of Commerce and Industry. In practice, foreign ownership is allowed up to 70% as per Oman's WTO commitments and implementing regulations, and up to 100% in the free zones.

2.30. Subject to approval by the Cabinet of Ministers, upon recommendation from the MOCI, foreign ownership of 100% may be accepted in projects with total capital exceeding RO 500,000

[16] WTO document series: DS431, DS432, DS433, DS434, DS435, DS440, and D453.

(US$1.3 million), provided the project contributes to the national economy.[17] Projects are evaluated on a case-by-case basis. Land ownership by foreigners is generally prohibited in Oman, except in designated touristic areas where freehold is allowed, and in the industrial estates, including Rusayl, Sohar, Raysut, Nizwa, Buraimi, and Sur.[18] The authorities indicate that long-term, project-based lease of land is the preferred solution of most investors.

2.31. Foreign investment is not allowed in real estate brokerage services; employment placement services; investigation and security services; tourist guide services; internal waterway transportation services; taxi transportation services; and small businesses, such as electric and electronic household appliances maintenance and repair, barbering, tailoring, laundry, ladies hairdressing, driving instruction services, typing, translation, small auto repair, calligraphy, photocopying, printing and publishing (including newspapers and magazines), Hajj and Omra services, and upholstery services.[19] Pursuant to the Foreign Capital Investment Law, non-Omanis may only conduct cross-border business through companies licensed and registered in Oman, or by virtue of special contracts issued by Sultani Decree.

2.32. Incentives available for domestic and foreign investors in Oman comprise: tariff exemptions on raw materials, machinery, and equipment imported for local production; exemption from income tax for five years, renewable for one further five–year period; and the possibility of soft loans from Oman Development Bank. Special investment incentives are also granted in Oman's three free zones (section 3.3.5). A one-stop shop, run by the Ministry of Commerce and Industry, has the objective of enabling investors to set up companies in Oman while minimizing paperwork, and saving costs and time. Article 12 of the Foreign Capital Investment Law provides that foreign investment projects cannot be expropriated or confiscated except in case of public interest, and against fair compensation. Oman does not have restrictions or reporting requirements on private capital movements into or out of the country.

2.33. The Public Authority for Investment Promotion and Export Development (PAIPED), established by Sultani Decree No. 52/2011, is responsible for promoting foreign direct investment in Oman.[20] To this end PAIPED also has 22 representations around the globe. Its main tasks include assisting investors in obtaining approvals, registering companies, facilitating business contacts, advising companies on incentives available, as well as helping firms market and promote their products.[21] Specific support for industrial FDI is available through the Public Establishment for Industrial Estates (PEIE) (section 4.4).

2.34. In 2012, Oman ranked 47th out of 184 countries in ease of doing business, 26th out of 152 countries in economic freedom, and 61st out of 176 countries in the corruption perception index.[22]

2.35. There are no restrictions on investment abroad by Omani nationals. Oman has signed 33 bilateral investment treaties[23] and 32 double taxation agreements with 32 countries.[24] Oman is a member of the Multilateral Investment Guarantee Agency.

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[17] As a general rule, an investment is considered as contributing to the national economy (economic development of Oman) if: it is located outside the capital area; transfers technology; applies a new technology; and contributes to improving existing infrastructure.

[18] Freehold is generally for 25 years; for Integrated Tourism Complexes (ITC) and similar projects it is for 50 years.

[19] These prohibitions are generally laid down in sector-specific legislation.

[20] The Authority replaced the former Omani Centre for Investment Promotion and Export Development established in 1997, with the objective of promoting inward investment and the development of non-oil exports.

[21] Public Authority for Investment Promotion and Export Development (2013).

[22] World Bank (2013); Fraser Institute online information. Viewed at: http://www.freetheworld.com/2013/EFW2013-ch2-country-tables.pdf; and Transparency International online information. Viewed at: http://www.transparency.org/country#OMN_DataResearch.

[23] Algeria, Austria, Belarus, Brunei Darussalam, Bulgaria, China, Croatia, Egypt, Finland, France, Germany, India, Iran, Italy, Jordan, Korea, Lebanon, Morocco, Netherlands, Pakistan, Singapore, Sudan, Sweden, Switzerland, Syria, Tanzania, Tunisia, Turkey, Ukraine, United Kingdom, Uzbekistan, Viet Nam, and Yemen.

[24] Algeria, Azerbaijan, Belarus, Canada, China, Croatia, Egypt, France, Germany, India, Iran, Italy, Korea, Lebanon, Mauritius, Moldova, Morocco, Mozambique, Pakistan, Philippines, Russia, Seychelles, Singapore, South Africa, Sudan, Syria, Thailand, Tunisia, Turkey, United Kingdom, Ukraine, and Yemen. Numerous other double taxation agreements are under negotiation.

3 TRADE POLICIES AND PRACTICES BY MEASURE

3.1 Introduction

3.1. Oman's tariff is based on the GCC common external tariff, which consists of three rates: zero (11.1% of all lines), 5% (87.8%), and 100% (0.3%); 0.8% of Oman's tariff lines are not subject to GCC's common external tariff and carry a 100% duty. The average applied MFN tariff is 5.5%. All but 19 tariff lines are *ad valorem*. Oman does not apply other duties and charges on imports and does not levy VAT or sales tax. Oman has adopted the GCC Treaty provisions on contingency trade remedies, but has never taken any anti-dumping, countervailing or safeguard measures.

3.2. The documentation for all imported products must be authenticated by the Consulate of Oman or representative, or any Arab Embassy in the country of origin. Import prohibitions and restrictions are maintained on a limited number of products, mainly for health, security, and moral reasons. Oman is harmonizing its regime on standards and technical regulations at the GCC level.

3.3. No export duties and taxes are applied. The Public Authority for Investment Promotion and Export Development (PAIPED) provides various export promotion and marketing measures to Omani enterprises. Oman does not grant any export subsidies. The export of several species of fresh or frozen fish has been temporarily banned or limited. Oman has three free zones to promote exports and industrial development.

3.4. The Government of Oman continues to have a strong influence on the economy, mainly through the many state-owned companies. Privatization has basically come to a halt since Oman's last TPR. New legislation on public procurement was adopted in 2008. A Public Authority for Consumer Protection was established in 2011. Since its last TPR Oman has amended its legislation on intellectual property rights.

3.2 Measures directly affecting imports

3.2.1 Procedures

3.5. All imports into Oman above RO 1,000 must be accompanied by: an accredited copy of commercial registration; a copy of the affiliation certificate to the Oman Chamber of Commerce and Industry (OCIC); a commercial invoice, a bill of lading or airway bill; the relevant certificate or permit for restricted imports (section 3.2.6); and a certificate of origin for preferential imports. Commercial invoices and certificates of origin must be authenticated by an Omani Consulate or representative (any Arab Embassy) in the country of origin before the goods are exported to Oman. If the documents are not certified, the goods may still be cleared after payment of a deposit of RO 20. The deposit is reimbursed if the required documents are submitted within 90 days.[1]

3.6. Since 2003, Oman has been applying the GCC Common Customs Law, and its Rules of Implementation and Explanatory Notes, through Sultani Decree 67/2003. Under the "single port of entry" principle, items imported into Oman or any other GCC State, and destined for another GCC market, are subject to customs duty only at the first point of entry into the GCC.

3.7. Since its last TPR in 2008, Oman has continued to improve the efficiency of its customs procedures. The authorities indicate that a contract was recently signed with a private company to further mainstream customs procedures and establish an electronic single window project. There are 27 customs offices in Oman. According to the authorities goods are normally cleared within 24 hours.

3.8. Importers in Oman are not required to use a commercial agent. Oman has notified the WTO that it has no laws or regulations on pre-shipment inspection.[2] Goods are randomly selected for inspection on the basis of a risk management system (e.g. type, description, and value of goods). On average, about 2% of all imports are subject to physical inspection.

[1] Royal Police online information. Viewed at: http://www.rop.gov.om/English/dg_customs_importing.asp.

[2] WTO document G/PSI/N/1/Add.10, 19 July 2004.

3.2.2 Customs valuation

3.9. Oman has notified that, through Sultani Decree 67/2003, it is implementing the WTO Customs Valuation Agreement (CVA) on the basis of the GCC Common Customs Law and its Rules of Implementation and Explanatory Notes.[3] The first basis for determining the value for customs purposes is the transaction value. If the transaction value cannot be determined, the customs value is to be calculated by proceeding through the basic methods set by the CVA. Oman has reserved its rights under Annex III, paragraph 3 (concerning reversal of sequential order of Articles 5 and 6), and paragraph 4 (to apply Article 5.2 whether or not the importer so requests).[4] Tariffs are levied on the c.i.f. value of imports.

3.10. Oman replied to the Checklist of issues in the Committee on Customs Valuation in 2008.[5]

3.11. To settle customs valuation and classification disputes, an operator may appeal to the Directorate General of Customs under the Royal Oman Police (ROP); then to the Inspector General of Police and Customs, also under the ROP; to the Minister of Finance; and lastly to the Omani Court of Arbitration. Between January 2008 and June 2013, there were 269 disputes, mostly related to valuation. According to the authorities, between 80% and 90% of the disputes were decided in favor of the importer.

3.2.3 Rules of origin

3.12. Oman has notified the WTO that it does not have rules of origin for non-preferential transactions.[6]

3.13. Under the GCC customs union, products are generally considered as originating from the country where they are wholly obtained or where they underwent substantial transformation. For products imported from the Pan Arab Free-Trade Area (PAFTA), local value added of at least 40% is required in order to qualify for preferential treatment.

3.14. Under the trade agreement with the United States, local value added of at least 35% is necessary. The agreement stipulates specific rules of origin for textiles, including a "yarn forward requirement".

3.2.4 Tariffs

3.2.4.1 MFN applied tariffs

3.15. Oman's MFN tariff comprises 7,301 lines. Except for 19 tariff lines on tobacco products, which carry a mixed tariff[7], all lines are *ad valorem*. There are no tariff quotas (Table 3.1). Oman's tariff is based on the GCC's common external tariff, which consists of three rates: zero (11.1% of all lines), 5% (87.8%), and mixed tariffs (0.3%). However, Oman also applies a 100% tariff (0.8% of the lines) on imports of alcoholic beverages and pork and pork products (Chart 3.1).[8] Duty-free items include agricultural raw materials and basic food products, medical and pharmaceutical products, and other products such as certain newspapers, books and magazines, unwrought precious metals, vessels, and airplanes.

[3] WTO document G/VAL/N/1/OMN/2, 8 September 2008.

[4] WTO document WT/Let/368, 22 December 2000.

[5] WTO document G/VAL/N/2/OMN/1, 8 September 2008.

[6] WTO document G/RO/N/32, 30 April 2001.

[7] The authorities indicate that on these products only the *ad valorem* part of 100% has been applied so far.

[8] Alcoholic beverages and pork products are "special products" under the GCC Agreement; GCC members are allowed to prohibit the importation of these items or apply tariffs set at the national level.

Table 3.1 Structure of applied MFN tariffs in Oman, 2014

(%)

		Applied MFN tariffs	Final bound[a]
1.	Bound tariff lines (% of all tariff lines)	100.0	100.0
2.	Simple average tariff rate	5.5	13.4
	Agricultural products (WTO definition)	10.1	27.9
	Non-agricultural products (WTO definition)	4.6	11.3
	Agriculture, hunting, forestry and fishing (ISIC 1)	3.2	22.6
	Mining and quarrying (ISIC 2)	4.9	14.8
	Manufacturing (ISIC 3)	5.7	12.9
3.	Duty-free tariff lines (% of all tariff lines)	11.1	5.6
4.	Simple average rate of dutiable lines only	6.2	14.2
5.	Tariff quotas (% of all tariff lines)	0.0	0.0
6.	Non-*ad valorem* tariffs (% of all tariff lines)	0.3	0.0
7.	Non-*ad valorem* tariffs with no AVEs (% of all tariff lines)	0.3	0.0
8.	Domestic tariff peaks (% of all tariff lines)[b]	1.1	1.5
9.	International tariff peaks (% of all tariff lines)[c]	1.1	3.7
10.	Overall standard deviation of applied rates	10.1	17.8
11.	Nuisance applied rates (% of all tariff lines)[d]	0.0	0.1

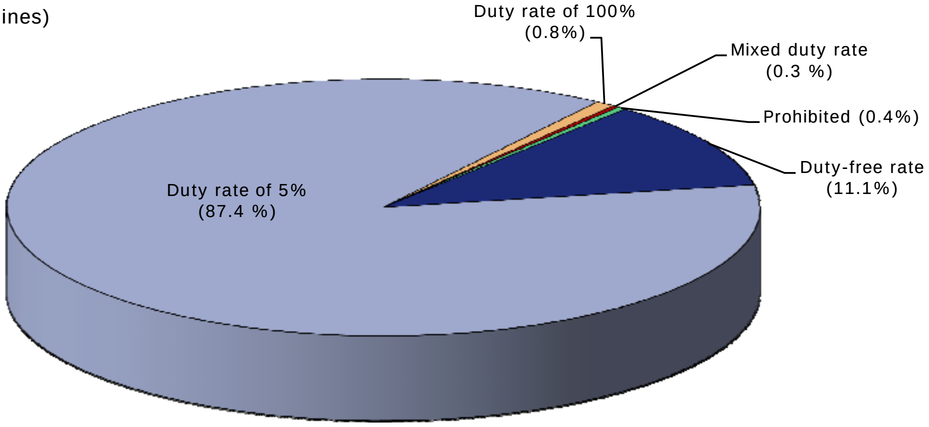
a Calculations for final bound rates are taken from the CTS database.
b Domestic tariff peaks are defined as those exceeding three times the overall simple average applied rate.
c International tariff peaks are defined as those exceeding 15%.
d Nuisance rates are those greater than zero, but less than or equal to 2%.

Note: The 2014 tariff is based on HS12 nomenclature consisting of 7,301 tariff lines (at 8-digit tariff line level). In case of non-*ad valorem* tariffs, the *ad valorem* part is used for alternate rates.

Source: WTO Secretariat.

Chart 3.1 Oman's applied MFN tariff distribution, 2014

(Share of total tariff lines)



Source: WTO Secretariat calculations, based on tariff information provided by the authorities.

3.16. Oman's overall average MFN applied tariff is 5.5%, the same as at the time of its last TPR, in 2008, although some 175 products have been subject to tariff changes. The modal rate is 5%. On the basis of the WTO definition, tariffs average 10.1% in agriculture, and 4.6% on non-agricultural products (Tables 3.2 and A3.1). Using ISIC (Revision 2) definition, the least tariff-protected sector is agriculture with 3.2%, followed by mining and quarrying (4.9%), and manufacturing (5.7%).

Table 3.2 Summary of Oman's 2014 applied MFN tariff

	Number of lines	Average (%)	Range (%)	Standard deviation	Duty free (%)
Total	7,301	5.5	0-100	10.1	11.1
HS 01-24	1,374	9.0	0-100	22.2	25.1
HS 25-97	5,927	4.7	0-100	2.8	7.9
By WTO category					
WTO agricultural products	1,195	10.1	0-100	23.9	22.3
Animals and products thereof	157	14.7	0-100	32.1	40.1
Dairy products	35	5.0	5-5	0.0	0.0
Fruit, vegetables, and plants	358	6.4	0-100	16.2	25.4
Coffee and tea	38	8.7	0-100	21.6	26.3
Cereals and preparations	183	3.5	0-5	2.3	30.1
Oils seeds, fats, oil and their products	101	10.6	0-100	22.9	4.0
Sugars and confectionary	40	5.8	0-100	15.3	32.5
Beverages, spirits and tobacco	84	45.7	0-100	47.1	1.2
Cotton	5	5.0	5-5	0.0	0.0
Other agricultural products, n.e.s.	194	5.7	0-100	12.1	15.5
WTO non-agricultural products	6,106	4.6	0-100	2.6	8.9
Fish and fishery products	265	3.5	0-5	2.3	29.4
Minerals and metals	1,202	4.9	0-5	0.7	2.2
Chemicals and photographic supplies	1,258	4.5	0-5	1.4	9.1
Wood, pulp, paper and furniture	425	4.5	0-5	1.5	9.4
Textiles	718	5.0	0-5	0.4	0.6
Clothing	254	5.0	5-5	0.0	0.0
Leather, rubber, footwear and travel goods	212	6.4	5-100	11.4	0.0
Non-electric machinery	640	4.2	0-5	1.8	16.1
Electric machinery	313	3.4	0-5	2.4	32.6
Transport equipment	233	4.4	0-5	1.6	11.2
Non-agricultural products, n.e.s.	551	4.6	0-5	1.4	8.9
Petroleum	35	5.0	5-5	0.0	0.0
By ISIC sector [a]					
ISIC 1 - Agriculture, hunting and fishing	505	3.2	0-100	10.1	53.7
ISIC 2 - Mining and quarrying	123	4.9	0-5	0.8	2.4
ISIC 3 - Manufacturing	6,672	5.7	0-100	10.2	8.0
By stage of processing					
First stage of processing	939	4.1	0-100	8.1	30.1
Semi-processed products	2,166	4.9	0-100	3.7	4.5
Fully processed products	4,196	6.1	0-100	12.4	10.2

a International Standard Industrial Classification (Rev.2). Electricity, gas, and water are excluded (1 tariff line).

Note: The 2014 tariff is based on HS12 nomenclature consisting of 7,301 tariff lines (at 8-digit tariff line level).

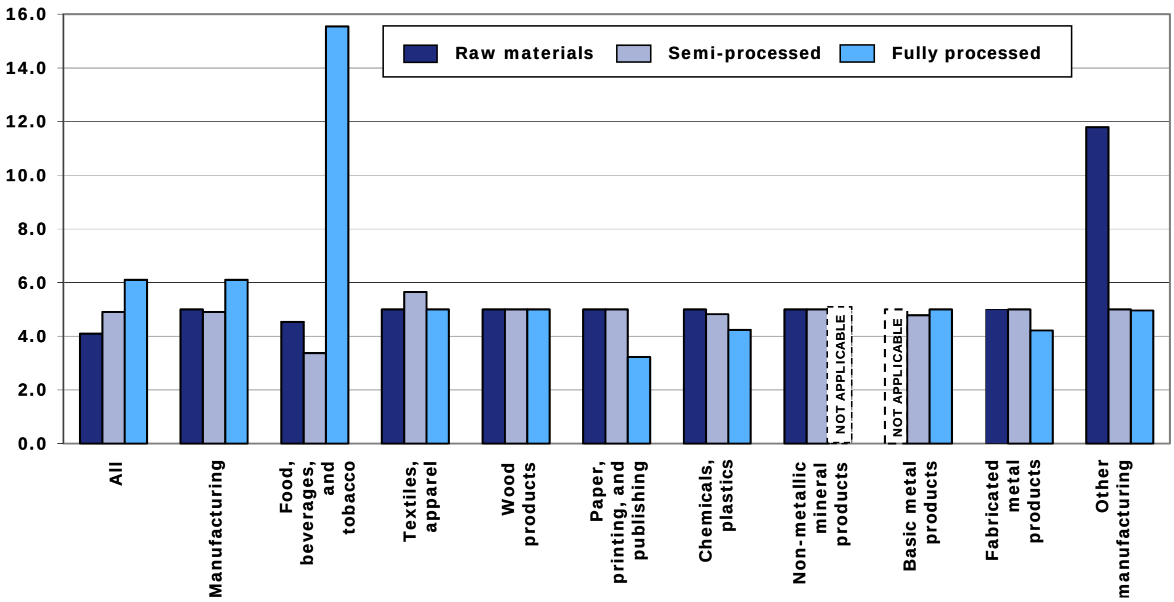
Source: WTO Secretariat calculations, based on data provided by the authorities.

3.17. On aggregate, Oman's tariff displays low positive escalation, from first-stage processed products, with an average tariff of 4.1%, to semi-finished goods, with an average rate of 4.9%, and fully processed products, on which tariffs average 6.1%. This escalation mainly stems from the lower average applied tariffs on agricultural raw materials. At a more disaggregate level, there are mixed results: in some industries (e.g. wood products, and non-metallic mineral products) tariffs are uniform from the first to the final stage of processing (Chart 3.2); otherwise, tariff escalation is mixed (negative from the first to the second stage, and then positive) in the food, beverages, and tobacco industry, reflecting the high rates on tobacco and spirits. Escalation is negative in chemicals and plastics, and in the paper, printing and publishing industries, and other manufacturing because of duty-free imports of pharmaceuticals and certain books.

3.18. Customs revenues fell sharply from 2008 to 2009, but have recovered steadily (Table 3.3).

Chart 3.2 Tariff escalation by manufacturing, ISIC 2-digit, 2014

(%)



Source: WTO Secretariat estimates, based on data provided by the authorities.

Table 3.3 Customs revenue, 2008-12

(RO million)

	2008	2009	2010	2011	2012
Revenue	216,657	156,893	172,378	174,318	219,310

Source: Omani authorities.

3.2.4.2 Tariff bindings

3.19. Upon its accession to the WTO, Oman bound 100% of its tariff at rates averaging 13.8% and ranging up to 200% (on animal products, and beverages and tobacco). Average bound rates are 28% on agricultural products and 11.6% on non-agricultural goods.

3.2.4.3 Tariff preferences

3.20. Products from GCC members circulate free of duty across the customs union. With the exception of tobacco and alcohol products, imports originating from the other members of PAFTA enter Oman duty free. Products from Singapore and the United States receive preferential treatment (Table 3.4).

Table 3.4 Oman's applied preferential tariffs, 2014

	Singapore		USA		MFN (memo)	
	Average rate (%)	Range (%)	Average rate (%)	Range (%)	Average rate (%)	Range (%)
Total	1.2	0-100	1.0	0-100	5.5	0-100
HS 01-24	5.3	0-100	4.7	0-100	9.0	0-100
HS 25-97	0.3	0-100	0.1	0-100	4.7	0-100
WTO Agriculture	5.6	0-100	5.5	0-100	10.1	0-100
WTO Non-agriculture	0.4	0-100	0.1	0-100	4.6	0-100

Note: The 2014 tariff is based on HS12 nomenclature consisting of 7,301 tariff lines (at 8-digit tariff line level). In case of non-*ad valorem* tariffs, the *ad valorem* part is used for alternate rates.

Source: WTO Secretariat calculations, based on data provided by the authorities.

3.2.4.4 Tariff exemptions and concessions

3.21. Section VIII of the Common Customs Law of GCC States specifies tariff exemptions and concessions. Duty-free imports are allowed for the armed forces, the police, and charity institutions. Additional exemptions and concessions are specific to each GCC member and may therefore differ from one State to another. Efforts to harmonize the exemptions and concessions regimes at the GCC level are ongoing. Oman grants tariff exemptions on raw materials, machinery, and equipment imported for local production under the Local and GCC Industries Laws. In addition, duty concessions may be granted selectively to certain industries or companies on imports necessary for their operational use. According to the authorities, the value of duties forgone on private sector mports amounted to RO 1,214,392 in 2012.

3.2.5 Other charges affecting imports

3.22. Oman bound other duties and taxes at zero. It does not apply other duties and taxes on imports and does not levy VAT or sales tax.

3.2.6 Import prohibitions, restrictions, and licensing

3.23. Under the GCC Common Customs Law, each GCC State determines its own list of prohibited or restricted products, although members are developing a common list. Imports that are prohibited in some GCC member states and permitted in others must not transit through the states in which they are prohibited.

3.24. Oman operates import prohibitions for reasons of human and animal health, public morals, environment, and security. They cover, *inter alia*, narcotics, weapons, and certain media products (Table 3.5). Oman is a signatory to the Basel Convention on Hazardous Wastes, the Rotterdam Convention on Trade in Hazardous Chemicals, the Montreal Protocol, and CITES.

Table 3.5 Prohibited imports, January 2014

HS code	Product description	Justification	Institution
01066910	Camels	Preservation of Omani camel breed (camels entering for race purposes excepted)	Ministry of Agriculture
06022010	Date seedlings	Protection from agricultural pests (i.e. dates red mite)	Ministry of Agriculture
19011000	Infant milk	Health reasons	Ministry of Health
65059060	Omani Kumma and other products carrying the Royal emblem, the State emblem, or a picture of the Sultan	Public morals	Royal court

HS code	Product description	Justification	Institution
95030000	Ornaments and toys containing inflammable liquids	Health reasons	MOCI
..	Any product carrying the name of God, Koranic verses or any religious expression	Public morals	MOCI
ex080290	Betelnuts	Health reasons	MOCI
..	Used and retreated tyres	Safety reasons	DG on Specification and Measurements
..	Weapons, and fireworks and explosives	Security reasons	MOCI and Royal Oman Police
..	Toy arms and other devices the Inspector General of Customs deems easily transformable into fatal arms	Health reasons	MOCI and Royal Oman Police
..	Vehicles with steering wheels removed from the right to the left side	Safety reasons	Royal Oman Police
..	Raw organic and natural fertilizers	Health reasons	Ministry of Agriculture and Fisheries
..	Any drugs or substances declared harmful by the International Conference on Opium and Drugs	Health reasons	Ministry of Health
..	Any newspaper, pamphlet, notice, book or photography containing materials meant to arouse violence against the Government and against moral and public principles	Public morals	Royal Oman Police

.. Not available.

Source: Information provided by the authorities.

3.25. Oman notified the WTO Committee on Import Licensing Procedures that it implemented the WTO Agreement on Import Licensing Procedures through Ministerial Decision 71/2000.[9] Oman also notified that it maintains no import licence requirements.[10] Most import restrictions maintained by Oman are on safety, health, religious or moral grounds, and apply to, *inter alia*, alcohol products and organic fertilizers (Table 3.6). Goods subject to these restrictions must be accompanied by certificates from the relevant authorities.

Table 3.6 Restricted imports, 2013

HS code	Product description	Justification	Institution
12110000	Herbal products imported from Indonesia	May contain harmful substances, such as phynel biltason	Ministry of Health
2203 and 2208	Beer and other alcohol products: may only be imported by registered importers	Public morals	Royal Oman Police (DG Customs)
30020000	Serums, genetically modified immune products, vaccines	Health reasons	Ministry of Health
31010000	Organic fertilizers, mixed or chemically treated	Could contain pests or snake eggs	Ministry of Agriculture and Fisheries
35030010	Animal gelatinous gel	Health reasons	Ministry of Agriculture and Fisheries
580790000	Chevrons and military decorations	Security reasons	Royal Oman Police (DG Customs)
61010000	Military uniforms and suits	Security reasons	Royal Oman Police (DG Customs)

[9] WTO document G/LIC/N/1/OMN/1, 20 February 2001.
[10] WTO document G/LIC/N/3/OMN/6, 30 January 2012.

HS code	Product description	Justification	Institution
65037000	Remote controlled aircraft	Security reasons	Royal Oman Police (DG Customs)
90220000	X-Ray (alpha/beta/gamma) instruments even if for medical and veterinary purposes	Health reasons	Ministry of Environment
90221990	Other sources of rays	Environment protection	Ministry of Environment
95081000	Moving circus animals	Health reasons	Ministry of Agriculture and Fisheries
..	Fishing boats	Security reasons	Ministry of Agriculture and Fisheries
..	Food products containing alcohol, pork, lard, and their derivatives	Public morals	Royal Oman Police (DG Customs)
..	Radio transmitting and receiving sets and wireless telegraph devices	Security reasons	Telecommunications Regulatory Authority

.. Not available.

Source: Information provided by the authorities.

3.26. Food, plant, and animal imports that are restricted for health reasons must be accompanied by sanitary and/or phytosanitary certificates from the exporting country. Imports of food products must be accompanied by a certificate declaring them to be free of radiation and dioxin (section (SPS) below). In addition, pharmaceutical products must be imported directly from manufacturers with research departments, and the products must be licensed in the country of manufacture and in at least two GCC countries other than Oman, one of which must be the Kingdom of Saudi Arabia.

3.2.7 Contingency measures

3.27. Oman has never taken any anti-dumping, countervailing or safeguard measures. It adopted the GCC Treaty, provisions on contingency trade remedies through Sultani Decree 39/2006.[11] However, no implementing regulations had been adopted by Oman as at November 2013.

3.2.8 Other measures

3.28. Oman does not apply any sanctions other than those adopted by the United Nations Security Council. No official countertrade or offsetting arrangements, or agreements designed to influence the quantity or value of goods and services imported by Oman are currently in force. No agreements have been concluded with foreign governments or foreign firms to restrict exports to Oman. Oman does not maintain any compulsory reserve stocks, and has never taken measures for balance-of-payment purposes. Oman has not notified any trade-related investment measures (TRIMs) to the WTO. According to the authorities, Oman does not apply local-content requirements.

3.3 Measures directly affecting exports

3.3.1 Procedures

3.29. Like imports, exports may only be carried out by companies or individuals who are registered with the Commercial Registration Department of the MOCI. Documents required for exports include the commercial invoice. Additional documentation may be required by the Directorate General of Customs for exports of products that are subject to permits from the relevant ministries.

[11] WTO documents G/ADP/N/1/OMN/2, G/SCM/N/1/OMN/2, and G/SG/N/1/OMN/2, 6 October 2010.

3.3.2 Export taxes, charges and levies

3.30. According to the authorities, Oman does not apply any export duties and taxes.

3.3.3 Export prohibitions, restrictions, and licensing

3.31. Oman prohibits exports of antiques, ancient manuscripts, and Maria Theresa Thalers (historic rials). Export restrictions apply to date seedlings[12], and to three species of fish (lobster, abalone, and shark) during the breeding and reproduction seasons when fishing is not allowed (section 4.2.2).[13] In addition, export permits are needed for locally mined or quarried products (section 4.3.1).

3.32. Oman has repeatedly banned or restricted the export of various species of fresh or frozen fish. From 1 June to 30 September 2012, from 1 July to 30 September 2013, and from 15 December 2013 to 15 February 2014, exportation of various species of fish, including tuna and king fish, was prohibited. Furthermore, during these periods the export of other fish species, including mullet and emperor fish, was limited to 50% of the quantity available; export licences were required. The authorities indicate that the limits on fishery exports were imposed due to a decrease in the volume of catch and to help maintain stocks for sale in the local market.

3.3.4 Export subsidies

3.33. Oman has notified the WTO that it does not grant or maintain any subsidy within the meaning of the Agreement on Subsidies and Countervailing Measures, or any subsidy that operates directly or indirectly to increase exports from or reduce imports into its territory within the meaning of Article XVI:1 of GATT 1994.[14]

3.34. Under GCC regulations, duty refunds are allowed under Article 16 of the Executive Supplementary Notes to the GCC Customs Law. It permits exporters to recover the duty paid on their imported products once the product is re-exported from Oman. The qualifying conditions include: that the exporter is also the original importer of the product; that the original c.i.f. value of the re-exported goods is not less than RO 5,000; that the goods are re-exported within one year of payment of the import duty, in the same condition as when they were imported; and that the exports are not restricted under Omani Law, unless prior permission is obtained from the relevant authority. Proof is required that the goods being exported are identical to the goods that were imported.

3.35. Duty concessions are granted under Oman's re-export or transit regimes.[15] Importers using the import for re-export regime must make a deposit or provide a bank guarantee in lieu of the payable duty; the guarantee is refunded on proof of re-export. Goods that can be re-exported are: (i) imports not withdrawn from customs warehouses (at air and sea customs offices only); (ii) imports to be exported that have been granted a temporary release, for up to six months, against a bank or cash guarantee; (iii) imports under the temporary entry scheme to be re-exported; and (iv) goods put in warehouses. If the goods are sold in Oman instead of being re-exported, the appropriate duties are levied.[16]

3.3.5 Free zones

3.36. Oman has three free zones: Al Mazuna free zone (AMFZ), inaugurated on 24 November 1999; Salalah free zone (SFZ), established under Sultani Decree 62/2006; and

[12] Importation and exportation of date seedlings are subject to risk analysis.
[13] Lobster, abalone, and shark are in danger of over-exploitation in Omani waters. Permission to export these species during the restricted period may be obtained from the Ministry of Fisheries, provided the exporter is a registered Omani fish-trading company, and holds a licence from the competent authority.
[14] WTO document G/SCM/N/123/OMN, 8 March 2005.
[15] Merchandise received on a "through-bill-of-lading", for a destination outside Oman and dispatched overland, is cleared on a "transit bill". A deposit or guarantee is required by the Directorate General of Customs, and is refunded on proof of exit of the goods. If the consignment is dispatched by sea, directly from the port (ship-shore-ship or ship-to-ship), the goods are cleared on a transhipment bill.
[16] Royal Police online information. Viewed at: http://www.rop.gov.om/english/dg_customs_rexporting.asp.

Sohar free zone, established by Sultani Decree No. 123/2010.[17] Under the Free Zones Law and its rules and regulations[18], the incentives provided include: a lease for 30 years (renewable for another 30 years); 100% foreign ownership; duty-free imports; no minimum capital investment requirement; no taxes on profits or dividends for 30 years; no tax on personal income; less strict Omanization requirements (10% instead of the standard level of 30% of Omani employment); and expeditious customs procedures. Bonded warehouses may be used for storage, provided certain customs procedures are fulfilled. Each free zone also has its own customs office and a dedicated one-stop shop to help with the required permits and approvals.

3.37. According to the authorities, no distinction is made between locally and foreign-owned companies in respect of access to the free zones or bonded warehouses. The relevant customs duties must be paid on sales of products from the free zones on the GCC market (including Oman). Up to 30% of free-zone production may be sold on the domestic market, i.e. at least 70% must be exported. Consolidated figures on production, employment or exports of Oman's free zones are not available.

3.38. The SFZ issues five types of licences: (i) general trading licences allow holders to import, export, distribute, and store all items as provided for by the free-zone rules and regulations; (ii) trading licences permit holders to import, export, distribute, and store items specified on the licence; (iii) industrial licences allow holders to import raw materials, carry out the manufacture of specified products, and export the finished product; (iv) service licences permit holders to carry out the services specified in the licence, within the free zone[19]; and (v) national licences are designed for manufacturing companies with at least 51% GCC ownership or shareholding, and minimum value-added of 40%.[20] Goods produced by companies that meet both the 51% GCC ownership and 40% value-added criteria are considered as Omani; they are not subject to the 30% limitation, on their sales on the domestic market, and these are not treated as imports. In all cases, sales in Oman must be carried out through a distributor or company based in Oman that holds a valid trade licence with the same business activity.

3.3.6 Export finance, insurance and guarantees

3.39. The fully government-funded Export Credit Guarantee Agency of Oman (ECGA) promotes companies based in Oman, regardless of their ownership, mainly through the following programmes: the Export Credit Insurance (ECI), Pre-shipment Credit Guarantee (PCG), Post-shipment Financing (PF), and Domestic Credit Insurance (DCI). The ECGA also advises exporters on credit worthiness of overseas buyers, and guides the exporters on their credit collection and recovery of bad debts. The ECGA's services are available to Oman-based exporters of any size, operating in any industrial or service sector.

3.40. The ECI covers export sales made on credit terms of 180 days or less. It provides protection of up to 80% against commercial risk and up to 85% against non-commercial risk. In 2012, export credits covered by this programme totalled RO 332.8 million, up from RO 236.7 million in 2007.

3.41. The PCG is mainly aimed at small-sized exporters. It issues pre-shipment credit guarantees to commercial banks on behalf of exporters with insured credit in order to assist them in obtaining pre-shipment financing facilities to purchase raw materials, process/manufacture, and pack goods to be exported. However, the authorities indicate that no PCG was provided in 2012 and the first half of 2013.

3.42. Under the PF, commercial banks grant post-shipment advances at a reduced interest rate of 7% maximum per year to exporters for up to 180 days.[21] The PCG and the PF are available only to ECI holders. The DCI is available to exporters with insured credit; it provides additional protection

[17] Another special zone was established in al-Duqm in 2011. However, as at November 2013 the incentives available in this zone had not been decided.

[18] Sultani Decree No. 56/2002.

[19] The type of service must conform to the parent company's licence issued by the economic department or municipality of the relevant region in Oman.

[20] National licences allow the holder the same status as a local GCC company inside Oman.

[21] Exporters are required to meet a value-added requirement of at least 40% for exports to GCC and PAFTA countries, and 25% for exports to other countries.

against protracted default and insolvency of domestic buyers, and to ease exporters' cash-flow constraints and liquidity problems.[22]

3.3.7 Export promotion and marketing assistance

3.43. As part of its export development strategy for non-oil products, the Public Authority for Investment Promotion and Export Development (PAIPED) provides various support measures to Omani enterprises. This includes the organization of fairs, the participation in trade missions, the organization of export-related workshops and seminars for Omani companies, and the publication of sectoral and country studies for target markets. In 2012, for example, PAIPED and the International Trade Centre jointly published a results-based guide to exporting specifically for SMEs.[23] In addition, PAIPED maintains a global network of 22 representatives who provide market intelligence and trade information. PAIPED has also formed an Export Development Working Group whose members comprise private and public sector organizations.

3.4 Measures affecting production and trade

3.4.1 Incentives

3.44. Oman Development Bank (ODB), 100% government-owned, is Oman's main financial development institution, providing soft loans to Omani-owned SMEs[24], and seasonal agricultural loans. The maximum loan is RO 1 million, for up to ten years. ODB charges a fixed interest rate of 9% per year (6% is paid by the Government and 3% by the borrower), with flexible grace periods and repayment terms (up to ten years). In 2012, 4,855 projects were approved with a total loan value of RO 42 million. ODB also manages the Agriculture and Fisheries Development Fund and is responsible for the disbursement and collection of SANAD Fund loans.[25]

3.45. The Public Authority for the Development of Small and Medium Enterprises (PASMED) was established through Royal Decree No. 36/2013 in June 2013. PASMED is a subsidiary of the Ministry of Commerce and Industry and, with its annual budget of RO 7 million, should consolidate the Government's efforts to support SMEs. Its aim is to achieve overall development of SMEs, to strengthen their role in providing employment opportunities, and assisting SMEs in diversifying their product portfolio. To this end, PASMED provides various financial and technical consultancy services.

3.46. Various investment incentives are in place for foreign and domestic investors, including tax exemptions and subsidized electricity, water, natural gas, and land use (section 2.6).

3.4.2 Standards and other technical requirements

3.4.2.1 Standards, metrology, testing, and certification

3.47. The National Enquiry Point and Information Centre (NEPIC), under the Directorate General for Standards and Metrology (DGSM) of the MOCI, is Oman's national enquiry point.[26] The DGSM is responsible for standardization, metrology, testing, quality control and quality assurance, conformity assessment and certification, and accreditation activities.[27] Oman accepted the TBT Code of Good Practice on 18 December 2000.[28] Between April 2008 and December 2013, Oman made 110 notifications to the WTO's TBT Committee. No specific trade concerns have been raised about Oman's TBT measures.

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[22] The DCI is considered as an extension of ECI because the benefits for exporters apply to domestic sales, as it provides protection against risks of non-payment from domestic buyers against goods supplied on credit.

[23] ITC/PAIPED (2012)

[24] SMEs are defined as companies with less than 100 workers and annual sales not exceeding RO 1.5 million.

[25] The SANAD Fund supports work-seekers by financing self-employment projects (Ministry of Information online information. Viewed at: http://www.omanet.om/english/misc/omanise2.asp).

[26] WTO document G/TBT/ENQ/38, 30 May 2011.

[27] The DGSM was established under Sultani Decree No. 39/1976; its duties and functions were defined by Sultani Decree No. 1/1978.

[28] WTO document G/TBT/CS/2/Rev.12, 17 February 2006.

3.48. Oman is harmonizing its technical regulations and standards at the GCC level. GCC-wide standards may be proposed by any member country, and are processed through one of the 12 technical committees of the Gulf Standards Organization (GSO)[29], which is based in Riyadh. The proposal requires support from at least five member countries in order to be included in the GSO work programme. For technical regulations, unanimity is required. Once approved, GSO standards are circulated to all GCC member states for adoption. In general, GCC and Omani standards are based on international standards.

3.49. According to the authorities, Oman develops technical regulations and standards at the national level only if there is a pressing need. All standards and most technical regulations are processed by the DGSM; any proposed technical regulation or standard is examined by one of the seven technical committees under the DGSM[30], which has nine months to approve, finalize, and adopt it. All draft standards and technical regulations are made available for public comments for at least 60 days[31], before they are adopted. A Ministerial Decision is required for a standard to become compulsory (technical regulation). Technical regulations are published in the *Official Gazette.* Technical regulations and standards normally enter into effect six months after their publication, unless an emergency situation requires this period to be reduced.

3.50. As of November 2013, Oman had 10,012 standards in place, of which 10,000 based on GCC standards as formulated by GSO; 1,838 were mandatory standards. Twelve standards are purely national standards, covering products such as bread, traditional daggers, unbottled water, or LPG cylinders. All mandatory standards in Oman apply equally to locally produced and imported products. Mandatory standards apply mainly on food products, construction material, toys, cosmetics, and motor vehicles. Compliance of imported goods is verified by the customs authorities. Non-food products are allowed automatic entry to Oman on the basis of a Manufacturer's Declaration of Conformity Assessment Certificate, supported by a test report verified by the DGSM; in parallel, some samples are collected unless a mutual recognition agreement is in place. Imported products that are not covered by certificates are released temporarily and their samples tested. Oman has concluded mutual recognition agreements with Bahrain, Egypt, Iran, Iraq, Jordan, Qatar, Syria, Tunisia, Turkey, the United Arab Emirates, and Yemen.

3.51. Oman is a member of the Arab Centre for Standardization and Metrology in the Arab Organization for Industrial Development and Mining (AIDMO), the International Organization for Standardization (ISO), and the International Organization of Legal Metrology (OIML).

3.4.2.2 Sanitary and phytosanitary measures

3.52. The NEPIC is the national enquiry point under the WTO SPS Agreement.[32] The Directorate General of Animal Wealth (DGAW) and the Directorate General of Agricultural Development (DGAD), under the Ministry of Agriculture and Fisheries (MAOF), are the authorities on SPS matters, including food safety, and plant and animal health. No specific trade concerns have been raised about Oman's SPS measures.

3.53. Since 2004, Oman has been applying the GCC Laws on Veterinary Quarantine and Plant Quarantine.[33] Imports, exports, and domestic production of plants and animals are subject to inspection by the quarantine section of the MOAF, which also examines and issues SPS certificates for all agricultural products prior to their export. Phytosanitary certificates and prior permission from DGAD are required for imports of agricultural seeds, plants, plant parts, and plant products.

3.54. A health certificate and prior permission from the DGAW are required to import live animals from all countries, including GCC countries. Health certificates are required for all birds; cats and

[29] Membership of the GSO includes all GCC countries and Yemen.
[30] These are: Omani Codex Committee for Food; Technical Committee for Building Materials and Construction; Technical Committee for Oil and Gas; Technical Committee for Mechanical and Metallic Products; Technical Committee for Electrical and Electronic Products; Technical Committee for Chemical Products and Textiles; and Technical Committee for Metrology.
[31] In case of urgency, this period may be reduced.
[32] WTO document G/SPS/ENQ/26, 11 March 2011.
[33] Sultani Decree Nos. 45/2004 and 47/2004. The Regulations of the Plant Quarantine Law were issued through Ministerial Decision 32/2006.

dogs may be imported from all countries, but must be accompanied by a health certificate from the competent authority stating that the animal is free from rabies.

3.55. Imports of foodstuffs of animal origin, including milk and milk products, are inspected by the DGAW to ensure that they are free from contaminants, and must be accompanied by a certificate declaring them free of radiation and dioxin. Municipal officials are responsible for the inspection of domestic products. All consignments that are imported for the first time are analysed before release. Results are assessed against GCC and Codex Alimentarius standards to ensure that imported food items are safe for human consumption. Unfit foodstuffs are rejected at the port of entry; they are either destroyed or returned to the country of origin (the decision is left to the importer).

3.56. Oman has made 21 SPS notifications since January 2008, of which six concern emergency measures.[34] All SPS measures are published in the *Official Gazette* and the website of the Ministry of Commerce and Industry.

3.57. Oman is a member of the World Organization for Animal Health (OIE), the International Plant Protection Convention (IPPC), and Codex Alimentarius.[35]

3.4.2.3 Marking, labelling, and packaging requirements

3.58. Labels must be in Arabic or Arabic and English, although a small number of products with labels only in English may be approved, on a case-by-case basis, for marketing test purposes. Food labels must contain product names, production and expiry dates, country of origin, name and address of the manufacturer, net contents in metric units, list of ingredients and additives in descending order of importance, lot identification, and instructions for storage and use (where applicable).[36]

3.59. For meat and poultry products, Oman requires slaughtering according to Islamic halal procedures. Packaged fresh or frozen meat and poultry must also carry the following information in Arabic: country of origin; production (slaughtering or freezing) and expiry dates; shelf life of the product; metric net weight; and product identification. Pre-packaged processed meat and poultry must be accompanied by production and expiry dates as well as the net weight of the product.

3.60. The Telecommunications Regulatory Authority (TRA) issued labelling guidelines for telecommunication equipment in June 2010. Dealers of such equipment must register with the TRA. The label must contain the approval number and the dealer number. Imported goods may be labelled after customs clearance, but before entering the Omani market.

3.61. All precious metals, jewellery, and gemstones, whether imported or locally produced, must be hallmarked under Sultani Decree 109/2000. The gold hallmarking scheme is operated by the DGSM's precious metal assaying laboratory.

3.62. In August 2011, the GSO adopted labelling requirements for tobacco products, introducing mandatory warnings on cigarette packages. These rules were taken up by Oman, through Ministerial Decree No. 12/2012, and will enter into force in March 2013. GSO standard 223/2013 establishes that breast milk substitutes bear labels indicating the sources of the protein, and a statement expressing the superiority of breast feeding.

3.4.3 Government procurement

3.63. The main legal instruments relating to government procurement are the Tender Law (Sultani Decree 36/2008, repealing Sultani Decree 64/1984) with its Regulations and the Unified Rules Granting Preferences in Government Purchases to National Products and Products of GCC Origin. Tendering is required for all purchases by ministries, government departments or agencies,

[34] WTO documents G/SPS/N/OMN/27-47, January 2008 – October 2013.
[35] WTO document G/SPS/GEN/49/Rev.8, 9 October 2007.
[36] GCC Technical Regulation 9 of 1995.

and fully-state-owned companies[37], with the following exceptions: (i) purchases by the Royal Court, Royal Oman Police, Ministry of Defence and Defence Forces; (ii) emergency situations for up to RO 10,000, subject to approval by the Chair of the procurement unit in the Ministry in charge; and (iii) extreme cases (force majeure) for up to RO 25,000, subject to approval by the relevant Minister.

3.64. Government procurement is supervised by a high-level Tender Board (TB), an independent authority not attached to any ministry. Its members are appointed through Royal Decree. The TB announces, processes, and awards all contracts over RO 1 million; it is assisted by various tender committees. Contracts for government purchases of up to RO 1 million are announced, examined, and awarded by internal tender committees within ministries. However, they must inform the TB in advance.

3.65. Under the Law, public tender is the main method for procurement of goods and services. For specific circumstances, there are four other methods: (1) restricted tender, (2) direct award; (3) the concept of *Mumarasa*; and (4) the new concept of *Musabakah*. Restricted tendering applies to tenders of a special nature with pre-qualified bidders. Direct awards are allowed in four situations: (1) special cases (not specified), (2) when a contract is awarded to another government unit, organization or company, (3) if the value of the contract does not exceed RO 10,000, or (4) in the case of urgency, if the value of the contract does not exceed RO 25,000. The principle behind a *Mumarasa* is that of a negotiated contract, which is allowed in special circumstances. Under the principle of *Musabakah*, the procuring entity will ask bidders, through a public announcement or a direct invitation, to submit their studies or designs, and choose a winner from the pool of entries. Unlike the direct award, contracts of any value can be procured through a *Musabakah*.

3.66. In general, tender notices for purchases of at least RO 500,000 are published in the TB's website[38], well-spread local newspapers, and in the *Official Gazette*. Tender opportunities are generally published in Arabic and English. Bidders must reside in Oman or have a local agent named in the bid. They are allowed to be present at the opening of bids, or may view the process broadcast live on the TB's website. Contract award notices are published online. Successful bidders are required to provide a performance bond (5% of the value of the contract) as a guarantee. Successful international bidders are required to enrol in the Commercial Registration Department of the MOCI and become members of the OCCI within 30 days of award of the contract. Unsuccessful bidders are not informed; they may appeal to the TB, and ultimately to the administrative courts. The authorities indicate that in 2012 two decisions of the TB were challenged.

3.67. Sultani Decree 36/2008 and the Unified Rules provide for price preferences of 10% for products from Omani SMEs. An extension of this preference to SMEs from other GCC countries is currently under consideration. The authorities indicate that, in practice, a 5% preference is already applied.

3.68. The TB awarded 259 tenders in 2012, with a total value of RO 1.5 billion, mostly related to the construction of schools, health centres, medical care, electricity and water infrastructure, pavements, and landscapes.

3.69. Oman is an observer to the WTO Plurilateral Agreement on Government Procurement.

3.4.4 Intellectual property rights

3.4.4.1 Overview

3.70. The MOCI, through its Department of Intellectual Property, is responsible for policy formulation and implementation in respect of patents, copyrights and related rights, and trade marks. The MOCI cooperates with other relevant ministries, such as the Ministry of the National Heritage and Culture and the Ministry of Information, in implementing IPRs legislation. Other

[37] An amendment to the Tender Law, Sultani Decree No. 60/2013, established that state-owned enterprises, while being bound to the rules of the Law, have the full authority to conduct procurement on their own.

[38] Tender Board online information. Viewed at: http://www.tenderboard.gov.om/eng/.

institutions responsible for intellectual property matters are the Directorate General of Customs for matters related to border measures courts of law for enforcement issues and the GCC Patent Office (based in Riyadh, the Kingdom of Saudi Arabia).

3.71. New legislation on IPR protection entered into force in December 2008 and was notified to the WTO[39] (Table 3.7). Oman, is working with other GCC members toward unifying their intellectual property regimes.

Table 3.7 Overview of IPR legislation, 2014

IPR	Main legislation	Duration of protection	Minimum duration of protection under TRIPS
Copyright	Sultani Decree 65/2008 on Copyright and Neighbouring Rights, amended by Sultani Decree 132/2008	Life of author plus 70 years	Life of author plus 50 years
Patents	Sultani Decree 67/2008 on Industrial Property Rights and Their Enforcement	20 years from the date of filing for patents	20 years from date of filing
Trade marks	Sultani Decree 67/2008 on Industrial Property Rights and Their Enforcement	Trade marks: 10 years, renewable indefinitely for periods of 10 years	Trade marks: at least 7 years; renewable indefinitely
Geographical indications	Sultani Decree 67/2008 on Industrial Property Rights and Their Enforcement	Unlimited	Unlimited
Integrated circuits	Sultani Decree 67/2008 on Industrial Property Rights and Their Enforcement	10 years from the date of filing	10 years from first commercial exploitation
Industrial designs	Sultani Decree 67/2008 on Industrial Property Rights and Their Enforcement	5 years, renewable for 2 periods of 5 years	At least 10 years
Plant breeders' rights	Sultani Decree 49/2009 on the Protection of Breeders' Rights in New Varieties of Plants	20 years from the date of granting (25 years for trees and vines)	20 years from the date of filing

Source: Information provided by the authorities.

3.72. Oman is party to various international intellectual property treaties and conventions (Table 3.8). Since its last TPR in 2008, Oman has joined the Hague Agreement Concerning the International Registration of Industrial Designs and the International Union for the Protection of Plant Varieties (UPOV).

Table 3.8 Participation in international IPR agreements, 2014

Treaty or convention	Entry into force
WIPO	19/02/1997
Berne Convention for the Protection of Literary and Artistic Work	14/07/1997
Paris Convention for the Protection of Industrial Property	14/07/1997
Patent Cooperation Treaty	26/10/2001
WIPO Performances and Phonograms Treaty	20/09/2005
WIPO Copyright Treaty	20/09/2005
Budapest Treaty on the International Recognition of the Deposit of Microorganisms for the Purposes of Patent Procedure and Regulations	16/10/2007
Protocol relating to the Madrid Agreement concerning the International Registration of Marks (Madrid Protocol)	16/10/2007

[39] WTO documents IP/N/1/OMN/C/2 and IP/N/1/OMN/I/2, 27 January 2011; and IP/N/1/OMN/2, 26 January 2011.

Treaty or convention	Entry into force
Patent Law Treaty	16/10/2007
Trade Mark Law Treaty	16/10/2007
Hague Agreement Concerning the International Registration of Industrial Designs	4/03/2009
Union for the Protection of Plant Varieties (UPOV)	22/09/2009

Source: Information provided by the authorities.

3.4.4.2 Patents

3.73. Under Sultani Decree 67/2008, an invention is patentable if it is new and industrially applicable. Excluded from patentability are discoveries, scientific theories, and mathematical methods; and pure mental activities. Patent protection on pharmaceutical products, agricultural chemicals, and other inventions is also provided under the Law.

3.74. Patents are valid for at least 20 years from the date of filing. Normally, a patent needs to be exploited on a sufficient industrial scale in the GCC states within three years from the date of grant. Decisions taken on patents by Oman are subject to administrative review and to right of appeal within provisions already established for the commercial courts.

3.75. Requests for a compulsory licence for an unworked patented invention are granted by the MOCI provided the applicant proves their ability to use the invention industrially, and against fair compensation to be paid for the patent. The Government may also authorize one of its agencies, in the public interest and against payment of fair compensation, to exploit a patent without the consent of the patent owner, based on the same criteria. Such a decision may be appealed. The patent owner may only assign or transfer a patent right to a third party in conjunction with all the elements of the business. The authorities indicate that no compulsory licences were granted during the period under review.

3.76. Fees for filing a patent application are RO 200 for individuals and RO 300 for firms; the patent certificate is RO 500 for individuals and R 1,000 for firms, followed by annual fees growing from RO 100 for individuals (RO 200 for firms) in the second year to RO 1,000 for individuals in the 20th year (RO 2,000 for firms).

3.77. From 2008 to 2012, there were 44 national patent applications and 1,221 applications under the Paris Convention and the Patent Cooperation Treaty. As at November 2013, two patents had been granted. The authorities indicate that they were still in the process of setting up examination procedures, which would include an agreement with Egypt's patent office to technically examine Omani patent applications.

3.4.4.3 Copyright and related rights

3.78. Under Sultani Decree 65/2008, amended by Sultani Decree 132/2008, the term of copyright protection is the author's lifetime plus 70 years (up from 50 years in the previous legislation). The Decree covers books, articles, computer programs and other writings; oral works, such as lectures, speeches, and sermons; dramatic works; musical works; choreographic works; audiovisual works; drawings, paintings, engraving, works of architecture, and ornamental works; works of applied art; illustrations, maps, plans, sketches and three-dimensional works; folklore; and title of the work, provided it is creative and is not a common term identifying the subject of the work. The related rights covered are performers, producers of sound recordings, and broadcasting organizations.

3.79. The Decree gives authors and their successors in title the right to authorize or prohibit the commercial rental to the public of originals or copies of their copyright works within the limits allowed under Article 11 of the TRIPS Agreement. It also provides for moral rights, and regulates acts permitted without the authorization of the right holder, such that those acts, whenever allowed, are within the limits stipulated under the Berne Convention and the TRIPS Agreement.

3.80. From 2008 to 2012, there were 986 copyright applications, all of which were granted.

3.4.4.4 Trade marks

3.81. Sultani Decree 67/2008 regulates the procedures for application, publication, registration, and protection of trade marks. Registration is sufficient to notify potential infringers of the owner's exclusive right; it is also required for the protection of well-known marks in Oman. Registration may be cancelled for trade marks not used for five consecutive years, unless the trade mark owner submits a justification, such as reasons beyond their control, for non-use. The owner of a registered trade mark has the sole right to produce, import or distribute the trade-marked goods and the right to prevent any other person from using the trade mark without permission. The holder has the right to assign or license a trade mark; assignment must be recorded. The application fee for trademarks is RO 50; the registration certificate is an additional RO 50.

3.82. At the GCC level, a Trademark Law adopted in December 2012 is aimed at creating unified rules for trade mark protection in all GCC member states. However, as at December 2013 the Law had not been ratified by Oman. The GCC Law does not provide for a unified filing system; trade mark applications will continue to be filed separately in each GCC member state.

3.83. From 2008 to 2012, there were 19,690 national and 8,691 international trade mark applications. The total number of registered trademarks was 37,099 in December 2013.

3.4.4.5 Industrial design and layout-designs of integrated circuits

3.84. Protection of industrial designs is for five years, renewable for two consecutive five-year periods; layouts of integrated circuits are protected for ten years. The application fee for industrial designs and layout-designs of integrated circuits is RO 1,000; the registration certificate is an additional RO 500.

3.85. From 2008 to 2012, there were 63 national and 660 international industrial design applications, all of which were granted.

3.4.4.6 Geographical indications

3.86. Under Sultani Decree 67/2008, a geographical indication identifies a good as to its origin and geographical environment in any country, where a given quality, reputation or other characteristic of the good is essentially attributable to its geographical origin. Protection is not available for geographical indications that are contrary to public order or morality, that are not or cease to be protected in their country of origin, or that have fallen into disuse in that country. The time frame for protection is unlimited. The application fee for geographical indications is RO 200; the registration certificate is an additional RO 200.

3.4.4.7 Plant breeders' rights

3.87. Royal Decree No. 49/2009 lays down the conditions for the protection of plant breeders' rights. The Directorate General of Agriculture and Animal Research (DGAAR) in the Ministry of Agriculture and Fisheries is the relevant authority. A breeder’s right shall be granted where a plant variety is new, distinct, uniform, and stable.

3.4.4.8 Enforcement

3.88. IPR infringements and violations are subject to fines (up to RO 10,000) or imprisonment (up to three years). Civil remedies are available in all cases of infringement. The Public Prosecution Office may initiate legal action ex officio with respect to IPR-related offences, without the need for a formal complaint by a private party or right holder.

3.4.5 State-trading, state-owned enterprises, and privatization

3.89. Oman notified the WTO Working Party on State Trading Enterprises that the Public Authority for Stores and Food Reserves (PASFR), Petroleum Development Oman (PDO), and Oman Refinery Company (ORC) are not state-trading enterprises within the meaning of Article XVII:4(a) of the GATT 1994 and paragraph 1 of the Understanding on the Interpretation of Article XVII, as they have not been granted any exclusive rights or privileges in their purchases or sales involving either imports or exports.[40]

3.90. Some of Oman's fully or partly state-owned enterprises (Table 3.9) enjoy certain exclusive rights (Omantel, Oman Post Company). Since Oman's last TPR in 2008, the privatization process has come to a virtual standstill. The authorities indicate that this is partly due to the global financial crisis in and that, as part of plans to revitalize privatization, a 19% share of Omantel should be sold to private investors.

Table 3.9 State-owned enterprises, Oman 2013

Company name	Sector / field of activity	State share %
Oman Fisheries Company	Fisheries	24
Oman Oil Company	Petroleum production and refining, petrochemicals	100
Oman Gas Company	Natural gas	80
Qalhat LNG	Natural gas	65.2
Petroleum Development Oman	Petroleum and natural gas production, refining	60
Oman Mining Company	Mining	99.8
Oman Chromite Company	Mining	15
Oman Power and Water Procurement Company	Utilities	100
Electricity Holding Company	Electricity generation, transmission, and distribution	100
Omantel	Telecommunications	70
Oman Air	Air transport	99.8
Oman Airport Management Company	Airport management	100
Oman Aviation Services	Airport auxiliary services	100
Oman Investment Fund	Fund management	100
Oman Shipping Company	Maritime transport	100
Oman's eight major ports	Maritime transport	100
Oman National Transport Company	Road transport	100
Port Service Cooperation	Port management	35.5
Salalah Port Services Company	Port management	20.1
Salalah Methanol Company	Manufacturing	100
Sohar Aluminium Company	Manufacturing	40
Oman Cement Company	Manufacturing	51
Oman Flour Mills Company	Manufacturing	51.1
Oman Polypropylene Company	Manufacturing	80
Sohar Industrial Port Company	Port management	50
Bank Muscat	Financial services	24.9
Oman Post Company	Postal services	100
Oman Holding Company For Food investment	Food products	100
Omran	Tourism	100

Source: Information provided by the authorities.

3.4.6 Competition policy, consumer protection, and price controls

3.91. Oman does not have any competition legislation. A Law has been proposed by the newly created Public Authority for Consumer Protection. However, sectoral agencies (Capital Market Authority, Central Bank, Telecommunication Regulatory Authority) have the right to act against anti-competitive behaviour in financial services and telecommunications.

[40] WTO document G/STR/N/9/OMN, 29 January 2004.

3.92. The Public Authority for Consumer Protection, established under Sultani Decree 26/2011. operates under the Council of Ministers.

3.93. The Consumer Protection Law (Sultani Decree 81/2002) requires the Government to curtail monopolies or over-dominance in the market. The Law does not specify what action must be taken and vests discretion in the relevant Minister to formulate rules. It requires the issuance of rules for controlling excessive price increases and prohibits suppliers from hoarding commodities which would result in an artificial price rise. Oman's industrial property legislation also contains provisions on confusing or fraudulent use of trademarks and geographical indications, and on misleading information on products or their production process.

3.94. Certain subsidized products, such as gas, petroleum, electricity, and water, as well as some services (e.g. telecommunications), are subject to price controls when sold for household use. In general, the Government sets maximum prices for these goods and services and the companies adjust their prices accordingly. Personal and housing loans are subject to an interest rate ceiling set by the CBO.

4 TRADE POLICIES BY SECTOR

4.1 Introduction

4.1. The petroleum and gas sector has continued to play a predominant role in Oman's economy. Against this background, the Government's eighth Five-Year Development Plan (2011-15) strives to further enhance economic diversification; non-oil activities are expected to grow by 6% annually at constant prices, during the plan period. Although private-sector participation is being encouraged, state involvement remains very high in most economic activities.

4.2. Despite the Government's efforts to strengthen agriculture, the sector has been stagnating in terms of real output in recent years, at slightly more than 1% of GDP, but remains important in terms of employment. As a result of population growth, rising per capita income, and challenging domestic production conditions, agricultural imports have increased strongly over the past years.

4.3. Oil and gas revenues account for some 85% of government revenues and about 70% of total merchandise exports. The contribution of crude petroleum to Oman's GDP has oscillated between 36% and 49% since 2007. New oil and gas discoveries exceeded total production during the period under review, bringing proved reserves to record levels. Rising exports of natural gas have contributed to diversifying the economy away from oil. Other mining and quarrying activities contribute just about 0.3% to GDP.

4.4. Oman's manufacturing activities are centred around energy-intensive industries. Manufacturing exports (mainly fertilizers, metals, and various chemical products) more than quadrupled between 2006 and 2012. The majority of production is located in free zones or in special industrial estates. The Government plans to increase the contribution of manufacturing to 15% of GDP in 2020. Electricity installed capacity and generation have increased strongly, in line with rising demand.

4.5. Services contribute about one third to GDP. In its GATS schedule, Oman has made commitments in many services categories. In financial services, most companies are privately owned. In telecommunications, two more licences to offer fixed-line services have been issued; the issuance of a third licence for mobile services is under consideration. In the tourism sector, numerous activities are subject to licensing requirements.

4.2 Agriculture

4.2.1 Policy objectives and key features

4.6. The contribution of agriculture and fisheries to Oman's GDP is just over 1%, but the sector engages about 37% of the economically active population, frequently at a subsistence level. According to the target set for the agriculture sector in the Vision 2020, its contribution to GDP is to be raised to 3.1% by 2020, with annual growth of not less than 4.5%. The vision for fishing sector also aims at raising its contribution to GDP to 2% by 2020.

4.7. Oman's agriculture sector faces various environmental challenges, such as the scarcity of irrigation water, the poor and declining quality of the soil due to increasing salinization, overgrazing, and adverse climatic conditions. Given its limited cultivable area and unfavourable climate, Oman is likely to remain heavily dependent on imports to meet its domestic demand for most agricultural products.

4.8. The total area under cultivation is estimated to be about 63,000 hectares (155,600 acres). The date palm is Oman's main crop, occupying about half the total cropped area; other main crops are limes, bananas, mangoes, alfalfa (a livestock fodder), and various types of vegetables (Table 4.1). In addition, frankincense is produced from about 8,000 trees growing wild in the province of Dhofar.

Table 4.1 Estimates of cropped area and production by crop

('000 tonnes, production; '000 feddan, area)

	2008		2009		2010		2011		2012	
	Prod.	**Area**	**Prod.**	**Area**	**Prod.**	**Area**	**Prod.**	**Area**	**Prod.**	**Area**
Vegetables										
Tomatoes	42	..	74	4	82	3	54	1	54	1
Peppers	9	1	8	1	23	2	12	1	10	1
Watermelons	20	2	15	1	19	2	19	1	17	1
Field crops										
Wheat	1	1	2	1	3	1	2	1	2	1
Barley	4	3	2	2	2	1	3	1	3	1
Sugar cane	..	..	18	9	10	3	..	..	..	..
Others										
Alfalfa[a]	359	21	252	15	277	14	285	16	277	16
Rhodegrass[a]	278	16	306	18	550	33	418	26	334	20
Dates	267	75	256	75	276	75	268	75	262	75
Bananas	29	6	29	6	57	9	62	10	57	10

.. Not available.

a Fodder crops.

Note: One feddan = 0.42 hectares.

Source: Omani authorities.

4.9. Livestock production has increased continuously since Oman's last TPR (Table 4.2).

Table 4.2 Livestock in Oman, 2008-12

(Head)

Type	2008	2009	2010	2011	2012
Camels	124,520	127,010	129,560	132,150	134,800
Cattle	319,850	326,240	332,780	339,430	346,260
Goats	1,652,380	1,685,420	1,719,120	1,573,510	1,788,580
Sheep	373,520	380,990	388,590	396,370	404,110

Source: Omani authorities.

4.10. Oman's key policy objectives for the sector are the promotion of food security and the provision of work opportunities for the national workforce in rural areas. The Ministry of Agriculture and Fisheries (MAOF) is responsible for formulating policies for the sector. It is also responsible for providing technical assistance to farmers, regulating water use in agriculture, and enforcing sanitary and phytosanitary measures.

4.11. Ministerial Decision No. 41/2010 requires owners to register their farmland with the Centre of Agricultural Development.[1] The Decree also states that agricultural land must be used for farming unless there is no source of water and no permission is granted for drilling of wells, or the level of water salinity is too high. Foreigners are not allowed to own agricultural land.

4.12. The average MFN tariff on agricultural products (major division 2 of ISIC, Revision 2) is 3.2%. While most agricultural products are imported duty free or face a tariff of 5%, imports of tobacco and pork carry a tariff of 100%.

4.13. Oman is a net importer of agricultural products. Agricultural imports rose from US$1,230 million in 2006 to US$3,066 million in 2012. The most important imported goods were dairy products, rice, and meat. Agricultural exports stood at US$961 million in 2012, up from US$393 million in 2006. Oman's main exported agricultural goods were dairy products, bread, tobacco products, and dates.

[1] Ministry of Agriculture and Fisheries (2012).

4.14. According to Oman's latest notification, domestic support for green box and development measures amounted to RO 11.7 million in 2011, of which RO 5.2 million were for extension and advisory services.[2] Oman has notified that it does not provide export subsidies to agricultural products.[3]

4.15. New and expansion projects in agriculture are eligible for soft loans from the Oman Development Bank (ODB) (section 3.4.1). According to the authorities, during 2006-12, RO 37 million were granted to agriculture (excluding fisheries). In 2012, the sector (including fisheries) received 1.16% of total credit insurance support provided by the Export Credit Guarantee Agency (ECGA).

4.16. Publicly funded agricultural research is undertaken by the Directorate General of Agriculture and Livestock Research in the MAOF. The Directorate operates six research centres, nine research stations, and six research farms, which cover all agri-ecological zones of the country. Public expenditure for agricultural research scheduled for 2011-15 amounts to RO 13.2 million.

4.17. The Public Authority for Stores and Food Reserve (PASFR), established in 1980, maintains reserve stocks of basic food commodities (section 3.4.5). It is responsible for meeting emergency requirements of rice, sugar, milk powder, tea, and edible oil for four to six months. The Authority's stocks are rotated regularly. It imports lentils, sugar, and rice through international tenders, while the other products are purchased through local tenders.[4] Purchase and sale prices are set at market values.

4.18. Imports of food products of animal origin must be accompanied by a health certificate declaring them to be free of radiation and dioxin (section 3.4.2.2). Imports, exports, and domestic production of plants and animals are subject to inspection by the quarantine section of the MAOF. All imports of plants, plant parts (including seeds and grains), and plant products must be accompanied by phytosanitary certificates. A health certificate and prior permission from the MAOF are required to import live animals from all countries, including GCC states. Meat and poultry products must also be accompanied by a health certificate from the country of origin and a halal slaughter certificate issued by an appropriate Islamic centre in the country of origin (section 3.4.2.2).

4.2.2 Fisheries

4.19. The fisheries industry is a major source of income for a large numbers of inhabitants of the coastal regions. The Sea of Oman and the Arabian Sea offer a large variety of catch, including sardines, bluefish, mackerel, tuna, abalone, lobsters, and oysters. Along Oman's coast of over 3,165 km, there are around 380 fisheries landing sites.

4.20. Oman's fish production in 2012 was 192,000 tonnes, up from 151,000 tonnes in 2007. Most fishermen harvest their catch in coastal waters, using seagoing canoes to which an outboard motor has been added. As at November 2013, there were 19,245 motorized canoes, 698 artisanal vessels (dhows), 98 coastal fishing vessels, and 11 industrial long-liners. Since June 2011, deep-sea trawl fishing has been banned for environmental reasons.

4.21. Oman is a net exporter of fishery products. In 2012, exports amounted to US$160 million (up from US$152 million in 2006), whereas imports were US$28 million. The United Arab Emirates, the Kingdom of Saudi Arabia, the Republic of Korea, and the EU are the main foreign fish markets. The partly state-owned Oman Fisheries Company is Oman's largest processor and exporter of fish and seafood products.

4.22. The Government's main goals for the fishery sector include the development of infrastructure and marketing; the increase of fleet efficiency; the development of aquaculture; and sustainable management of resources.

[2] WTO document G/AG/N/OMN/11, 6 July 2012.
[3] WTO document G/AG/N/OMN/10, 6 July 2012.
[4] WTO document G/STR/N/9/OMN, 29 January 2004.

4.23. The fisheries sector is governed by the Marine Fishing Law of 1981 and its executive regulations.[5] Fishing vessels must be fully equipped for handling and preserving fish and fish products. For environmental reasons, discards are prohibited, gear harmful to aquatic resources is banned (including nylon and floating drifting nets), and commercial fishing for demersal species is prohibited from 15 July to 15 November. Commercial fishing activities are subject to various types of licences issued by the MAOF. The fisheries sector is excluded from foreign investment. Publicly funded research is undertaken by the Fisheries Research Centre in the MAOF.

4.24. Oman temporarily banned the export of various species of fresh or frozen fish, including king fish and tuna, in 2012, 2013, and 2014.[6] Furthermore, during these periods, the export of various other fish species, including emperor fish and mullets, was limited to 50% of the quantity available (section 3 3.3). In June 2008, the Government imposed a three-year moratorium on the harvest, sale, and export of abalone. New fish quality control regulations were adopted in February 2009. MFN tariffs on imports of fishery products average 3.3%, with rates ranging up to 5% (Table A3.1).

4.25. The Government provides subsidies to: purchase fibreglass boats and outboard engines; construct workshops, cold storage facilities, and jetties along the coastline; and establish companies to market fish both domestically and internationally. In Duqm, the Government plans to create a port and processing centre, which is to be the largest processing facility in the Middle East. New and expansion projects in fisheries are eligible for soft loans from the ODB (section 3.4.1). According to the authorities, during 2006-12, RO 10,915 million were granted to the fisheries subsector.

4.26. Aquaculture in Oman is still at an early stage of development, in terms of research and commercial application. Current production efforts focus on white shrimp, abalone, bream, and grouper. Total aquaculture production amounted to 168 tonnes in 2012, up from 121 tonnes in 2008. An Aquaculture Centre has been established in the Ministry. In 2012, the MAOF issued quality control regulations on aquaculture.

4.3 Mining, energy and water

4.3.1 Mining and quarrying

4.27. The contribution of mining and quarrying to Oman's GDP is about 0.3%. Oman’s mineral resources include non-metallic rocks mainly used in the construction industry (marble, gypsum, dolomite, laterite, various types of clay and rocks, and limestone) and metallic minerals (gold, silver, copper, and chromium). Exploration for additional resources is ongoing. By end-2013, about 300 companies were conducting mineral exploration and production operations in Oman. The main metallic minerals are produced by the state-owned Oman Mining Company (OMC), and the privately owned Mawarid Mining. In addition, chromite is being mined by Oman Chromite Company (OCC), which is partially state-owned.

4.28. Under the Mining Law (Sultani Decree No. 27/2003), Oman's exhaustible natural resources, including petroleum and mineral wealth, are owned by the State. The Ministry of Commerce and Industry (MOCI) oversees the subsector; it issues prospect, exploration, and quarry permits and mining leases. It is also responsible for implementing safety regulations, carrying out geological studies, and undertaking research projects on Oman's geology and mineral exploration. The authorities indicate that legislation for the mining sector is currently being revised.

4.29. Investors, national and foreign, pay an application fee of RO 100 for all permits and RO 500 once the permit is granted.[7] In terms of royalties, investors pay 5% on the sale value of all minerals and rocks. In early 2013, the Government stopped issuing new licences pending the completion of a sector review, which is expected to lead to new regulations and restrict the

[5] Sultani Decree No. 53/1981. Other fisheries legislation includes the Rules of Operation for Industrial Fishing Vessels; Quality Control Regulations of Omani Exported Fish; and Industrial Fishing Vessels Equipped for Preservation and Handling of Fish Products (Ministerial Decision No. 121/1998).

[6] The bans covered 1 June to 30 September 2012, 1 July to 30 September 2013, and 15 December 2013 to 15 February 2014.

[7] For a detailed description of the various types of mining permits, their duration and fees, see WTO (2008), Table IV.3.

subsector to national companies. Mining and quarrying companies do not enjoy any sector-specific incentives.

4.30. MFN tariffs on mining and quarrying products (major division 2 of ISIC, Revision 2) average 4.9%, and range from zero to 5% (Tables 3.2 and A3.1). Export permits are needed for locally mined or quarried products for statistical purposes. Exports of ores and minerals amounted to US$719 million in 2012, up from US$76 million in 2006.

4.3.2 Crude oil

4.31. The contribution of crude petroleum to Oman's GDP has varied significantly in recent years, between 36% (2009) and 49% (2011). Oman's oilfields are concentrated in the central interior and in Dhorfar. In contrast to other GCC countries, oil reserves in Oman are characterized by small fields and complex geology, with exceptionally dense oil and relatively high extraction costs. State involvement in the subsector is very high. Oil production increased continuously between 2007 and 2012 (Table 4.3); and in value terms, oil exports more than doubled.

4.32. Oil and condensate reserves were estimated at 4,974 million barrels in 2013, compared with 4,865 million barrels in 2006. Added reserves due to new discoveries and re-evaluation of known reserves during the period under review varied between 162 million barrels in 2008 and 389 million barrels in 2012. Although the discoveries in past years usually exceeded production, it is estimated that by 2030 the country's reserve could be largely depleted.

Table 4.3 Oil production, exports, and refinery, 2007-12

	2007	2008	2009	2010	2011	2012
Oil production (million barrels)	259.3	277.0	296.6	315.6	323.0	336.2
Oil exports (million barrels)	222.0	216.7	244.9	271.8	269.4	279.8
Oil exports (US$ million)	14,443	21,888	13,939	20,826	27,723	30,677
Average price of oil (US$/barrel)	65.2	101.1	56.7	76.6	103.0	109.6
Refinery						
Input, crude oil (million barrels)	49.8	77.5	73.7	60.9	74.2	72.5
Output (million barrels)	31.3	51.1	47.5	37.6	51.8	51.7
Gasoline	10.5	19.1	18.3	16.3	23.3	23.5
Kerosene	4.3	6.2	5.8	4.6	4.9	5.5
Gasoil	10.2	14.7	13.4	11.1	16.0	15.5
Butane	2.4	3.8	4.2	3.3	4.3	3.9
Fuels	3.9	7.3	5.8	2.3	3.3	3.3

Source: Omani authorities, COMTRADE.

4.33. The Ministry of Oil and Gas (MOG) is responsible for formulating policies for the subsector. A new Oil and Gas Law (Sultani Decree No. 8/2011) was adopted in 2011. The Law specifies rights and obligations for concession agreements, and contains provisions on the employment of nationals in the oil and gas industry. The MOG has the objective of restricting production to a maximum of 6.5% of remaining reserves per year. It monitors this through its role of approving budgets and business plans of the various state-owned companies in the subsector.

4.34. Petroleum Development Oman (PDO), in which the State holds a 60% stake[8], holds the vast majority of Oman's oil reserves and is responsible for 80% of its production. There are two major refineries, both state-owned: Oman Oil Refinery Company and Oman Oil Refineries and Petroleum Industries Company.[9] Oman is not a member of OPEC.

[8] The remainder is owned by Royal Dutch Shell (34%), Total (4%), and Partex (2%).
[9] In 2007 Sohar Refinery Company was merged into Oman Oil Refineries and Petroleum Industries Company, through Sultani Decree No. 99/2007.

4.35. The MFN tariff on imports of petroleum products is 5%. Almost all of Oman's crude oil exports go to Asia, notably China, Japan, and Chinese Taipei.

4.3.3 Natural gas

4.36. The contribution of natural gas to GDP has been relatively constant in recent years, at about 3.8%. As a result of more advanced exploration activities and new discoveries, Oman's proven natural gas reserves were corrected upwards, to 345 billion cubic metres in 2013, from 277.5 billion cubic metres in 2004. Production of natural gas has increased during the past years with an increasing share of non-associated gas (Table 4.4). Exports fluctuated between US2.3 billion and US$4.2 billion.

4.37. Expanding natural gas production has become a key element of Oman's diversification strategy. Natural gas now powers a substantial percentage of Oman's electricity generation; rising LNG production has also supported the expansion of industries such as petrochemicals and water desalination.

Table 4.4 Natural gas production and exports, 2007-12

	2007	2008	2009	2010	2011	2012
Production (million m^3)	30,261	30,230	31,022	33,259	34,720	37,942
Associated	6,179	6,255	5,882	6,173	6,125	6,336
Non-associated	24,082	23,975	25,140	27,086	28,595	29,606
Uses (million m^3)	..	..	..	..	34,716	37,919
Government gas system	7,665	8,813	11,389	12,585	13,730	16,509
Oman LNG	9,965	9,599	8,830	8,449	8,222	8,068
Oil fields	8,717	8,099	6,674	7,241	7,799	8,627
Exports (US$ million)	3,070	4,165	2,372	2,399	2,287	4,199

.. Not available.

Source: Ministry of Oil and Gas.

4.38. Most natural gas in Oman is produced by PDO. Liquefaction is undertaken by Oman LNG and Qalhat LNG, both partly state-owned. Partly state-owned Oman Gas Company owns and operates the country's gas transportation facilities, which mainly supply the power generation plants and various small consumers.

4.39. Oman has been a member of the Gas Exporting Countries Forum (GECF) since 2011. Natural gas is exported primarily in the form of LNG. In 2012, Oman exported natural gas for US$4.2 billion; the main export countries were Japan and Korea.

4.40. Liquefied petroleum gas for household use is subject to a price cap. The MFN tariff on imports of natural gas is 5%.

4.3.4 Electricity

4.41. The 2004 Electricity Law (Sultani Decree No. 78/2004) established the Authority for Electricity Regulation as authority for regulating the electricity sector. Under the Law, electricity generation is open to competition, while transmission and distribution are under the monopoly of the state-owned Electricity Holding Company (EHC). The Law also requires that all new electricity projects be carried out by independent power providers (IPP).

4.42. The Oman Power and Water Procurement Company (OPWP) is the single buyer of power for all IPP projects. The OPWP undertakes long-term generation-planning and publishes a seven-year statement. This statement includes the identification of new IPP projects to be competitively tendered and developed by private-sector companies in order to meet future power generation and water desalination requirements. As at November 2013, there were 11 major IPPs. Oman's installed capacity is 7.9 GW. It is planned to add some 3.8 GW of new capacity by end-2014. Oman's electricity generation amounted to 18.6 billion kWh in 2011 (up from 13.5 billion kWh in

2006), of which 15.3 billion kWh were consumed and 3.3 billion kWh were distribution losses. About 82% of production is from natural gas sources and the remainder from oil sources.

4.43. Oman's grid is divided into two main parts, both under the responsibility of the OPWP. The Salalah system covers the southern Dhofar region, while the much larger main interconnected system (MIS), accounting for 90% of installed generation, covers the northern half of Oman. The MIS is also connected to the Abu Dhabi network through a 220kV link. Several smaller networks relying on small-scale diesel-fired plants, operate outside these two systems.

4.44. Final consumer tariffs are fixed by the Authority for Electricity Regulation, with prices depending on the consumer category and the quantity consumed (Table 4.5).

Table 4.5 Electricity prices, 2013

Tariff category	Range	Tariff (RO)
Residential	Up to 3,000 units	0.01
	3,001 to 5,000 units	0.015
	5,001 to 7,000 units	0.02
	7,001 to 10,000 units	0.025
	Above 10,000	0.03
Industrial		
May to August	none	0.024
September to April	none	0.012
Agriculture and fisheries	Up to 7,000 units	0.01
	Above 7,000	0.02
Tourism	Up to 3,000 units	0.01
	3,001 to 5,000 units	0.015
	Above 5,000	0.02

Source: Omani authorities.

4.45. Exports and imports of electricity are subject to licensing; licences may only be granted to the Oman Power and Water Procurement Company and the Rural Areas Electricity Company. The MFN tariff on imports of electricity is 5%. In 2012, Oman's electricity imports amounted to US$95,000, and exports stood at US$5,000.

4.3.5 Water

4.46. Water rights are vested in the State. Royal Decree No. 83/88 declared water a national resource, authorizing the Government to take any necessary action to protect and conserve underground water and its development. At the national level the Ministry of Regional Municipalities, Environment and Water Resources (MRMEW) is responsible for groundwater and surface water management. At the local level, water rights are frequently based on *aflaj* systems where traditional and community-agreed rules on amounts and timings of water use prevail. Water consumed by households is subject to a price cap. About 85% of the rural population had access to clean water in 2011, up from 80% in 2005.[10]

4.47. A national water resources conservation plan has been drawn up to further rationalize and improve water consumption practices and explore for new groundwater reserves. The Sultanate now has a complete, up-to-date and properly documented database covering all the country's available and potential water resources, together with details of their status and conditions. Studies on new ways of rationalizing water consumption are ongoing.

4.48. The Public Authority for Electricity and Water, established by Royal Decree No. 92/2007, regulates the supply of potable water and water treatment. State-owned Oman Power and Water Procurement Company (OPWPC) is the single buyer and seller of water in Oman. Permits are required for the construction of new wells, for deepening existing ones, for changes in use, and for installing a pump; all drilling and well-digging contractors are required to register annually with the MRMWR. Private companies may produce desalinated water and sell it to OPWPC. However, there

[10] World Bank, World Development Indicators database.

is an obligation for independent producers to list a certain percentage of the company on the Muscat Securities Market to facilitate public ownership. Challenges for water management in Oman include limited rainfall, a hot and dry climate, increasing demand, and high and growing groundwater salinity. A long-term objective for Oman is water desalination through solar power, taking advantage of its long coastline and the highest rates of solar radiation in the world.

4.4 Manufacturing

4.49. Oman's large reserves of natural gas are a cost-effective source of electricity and a feedstock for industries such as aluminium, petro-chemicals, steel, fertilizers, and plastics (Table 4.6). Most of Oman's manufacturing activities are located in its free zones (section 3.3.5) or other special industrial zones. Under the eighth Five-Year Development Plan (2011-2015), Oman aims to maintain a high growth rate in manufacturing. The contribution of manufacturing to GDP has been between 10% and 11% since Oman's last TPR. The Vision 2020 has set a target of raising the manufacturing base of the country from 5% of GDP in 1995 to 15% by 2020.

Table 4.6 Production in the manufacturing sector, 2006-10

	2006	2007	2008	2009	2010
Total (RO million)	**2,982**	**3,979**	**6,623**	**5,360**	**6,271**
Selected industries					
Oil refining and gas liquefaction	1,712	2,232	4,146	2,633	3,280
Basic metals	155	212	319	476	630
Chemicals	204	285	413	721	616
Food and beverages	275	361	547	481	500
Non-metallic minerals	238	274	397	427	411

Note: Data for 2011 and 2012 were not available.

Source: Omani authorities.

4.50. Manufacturing industries do not benefit from any specific incentives. However, they are eligible for the incentives available to all companies, including exemption from import duties (e.g. on machinery, equipment, and spare parts); five-year tax holidays, renewable for other five years; long-term use of land at favourable rates in cooperation with the Public Establishment for Industrial Estates (PEIE); subsidized electricity, water, and natural gas for production; and soft loans from ODB for up to ten years at a low interest rate (sections 2.6 and 3.4.1).

4.51. The Public Establishment for Industrial Estates (PEIE), established in 1993, has as an objective to attract industrial investment and provide continued support to investors, in particular access to infrastructure. It oversees the Knowledge Oasis Muscat[11], various industrial estates (Rusayl, Sohar, Raysut, Nizwa, Buraimi, Sumail, and Sur), and the Al Mazunah free zone.

4.52. The State continues to play a dominant role in manufacturing. It owns some manufacturing companies (e.g. Salalah Methanol Company), and is an important shareholder in others (e.g. Sohar Aluminium Company, Oman Polypropylene Company, Oman Cement Company, and Oman Flour Mills Company). There has been no privatization of state-owned manufacturing companies since Oman's last TPR in 2008.

4.53. The average MFN tariff on manufactured products (major division 3 of ISIC, Revision 2) is 5.7%, with tariffs ranging from zero to 100%. The highest rate applies to alcoholic beverages, and tobacco and tobacco products, although Oman does not produce these goods. The trade agreement with the United States stipulates specific rules of origin for textiles, including a "yarn forward requirement".

[11] Knowledge Oasis Muscat (KOM) is a technology park of 100 hectares located near Muscat International Airport. KOM was built to support technology-focussed start-up enterprises and corporate entities. It is home to the Middle East College and the Waljat Colleges of Applied Sciences, and hosts Oman's Information Technology Authority.

4.54. Oman's manufacturing exports rose to US$4,926 million in 2012, from US$1,116 million in 2006. The most important manufactured exports are chemicals (mostly fertilizers and cyclic hydrocarbons), and iron and steel. Imports of manufactured goods amounted to US$13,947 million in 2012, up from US$8,541 million in 2006. Manufactured imports are dominated by machinery and transport equipment, chemicals, and other semi-manufactures.

4.5 Services

4.5.1 Main features

4.55. Service activities contribute about 35% to Oman's GDP. The service sector is a crucial component of Oman's diversification policy, and private-sector participation is being encouraged. Nevertheless, foreign investment is not allowed in certain services subsectors and activities, for example real estate brokerage, employment placement, investigation and security, tourist guide, and taxi transportation (section 2.6).

4.56. Oman is an increasing net importer of services; its service trade deficit in 2012 amounted to more than US$5.4 billion, up from US$2.6 billion in 2006 (Table 4.7). Transport services, mostly linked to the exportation of hydrocarbons, are the most important category of services imports, amounting to over US$3.6 billion in 2012.

Table 4.7 Services

(US$ million)

	Imports (US$ million)						
	2006	2007	2008	2009	2010	2011	2012
Services	3,896.3	5,094.9	5,877.8	5,482.4	6,291.3	7,066.3	7,960.8
Transportation	1,232.8	1,721.7	2,538.4	2,096.2	2,665.8	3,094.9	3,622.9
Sea transport	1,050.7	1,521.5	2,197.7	1,703.5	1,898.6	2,280.9	..
Air transport	182.1	200.3	340.7	392.7	767.2	814.0	..
Travel	712.4	751.6	855.7	902.5	1,001.3	1,167.8	1,282.2
Business travel	106.6	120.2	134.5	150.8	169.1	189.9	..
Personal travel	605.7	631.5	721.2	751.6	832.3	977.9	..
Other commercial services	1,951.2	2,621.6	2,483.7	2,483.7	2,624.2	2,803.6	3,055.7
Telecommunication services	44.2	46.8	54.6	44.2	36.4	36.4	69.8
Insurance services	333.5	561.8	590.4	624.2	715.2	759.4	816.6
Other business services	1,573.5	2,013.0	1,838.8	1,815.3	1,872.6	2,007.8	2,169.3
	Exports (US$ million)						
	2006	2007	2008	2009	2010	2011	2012
Services	1,310.8	1,682.7	1,825.8	1,620.3	1,898.6	2,148.2	2,518.9
Transportation	317.3	387.5.	470.7	561.8	634.6	868.7	1,060.8
Sea transport	111.8	130.0	161.2	158.6	158.6	179.5	..
Air transport	205.5	257.5	309.5	403.1	475.9	689.2	..
Travel	543.6	647.6	795.8	689.2	769.8	923.3	1,014.9
Business travel	166.5	197.7	241.9	210.7	234.1	280.9	..
Personal travel	377.1	449.9	554.0	478.5	535.8	642.4	..
Other commercial services	449.9	647.6	559.2	369.3	494.1	356.3	443.2
Telecommunication services	52.0	75.4	98.8	111.8	78.0	62.4	75.4
Insurance services	5.2	7.8	15.6	23.4	26.0	33.8	41.6
Other business services	392.7	564.4	444.7	234.1	390.1	260.1	326.1

.. Not available.

Source: UNCTAD-ITC-WTO Trade in Services database.

4.57. Upon its accession to the WTO, Oman scheduled commitments in most main services categories (i.e. business, communication, construction and related engineering, distribution, educational, environmental, financial, health and related social, and tourism and travel-related services) (Table A4.1).[12] It does not maintain MFN exemptions under Article II of the GATS. Oman made commitments on the movement of natural persons as business visitors, professionals of contractual service suppliers, and employees of juridical persons, both in the higher executive category (managers, executives, and specialists) and in the lower non-executive category.

4.58. Several state-owned companies continue to dominate services activities although some had been repeatedly proposed for privatization. They frequently operate under monopoly or hold exclusive rights in some branches. These include Oman Telecommunications Company, Oman Postal Company, National Transport Company, Oman Air, Oman Aviation Services, certain tourism services, and various port companies.

4.5.2 Financial services

4.5.2.1 Banking

4.59. The Central Bank of Oman (CBO) is Oman's banking sector regulator, in accordance with the Banking Law (Sultani Decree No. 114/2000, as amended). There are 16 commercial banks operating in Oman (7 Omani banks and 9 branches of foreign banks) as well as 2 state-owned specialized banks (Oman Development Bank (ODB) and Oman Housing Bank (OHB)). All commercial banks are privately owned; the Government has only 24.9% minority stake in Bank Muscat. ODB provides soft loans to SMEs in key activities, such as agriculture, fisheries, livestock, health, tourism, and traditional industrial craftsmanship (section 3.4.1). OHB provides finance mainly through soft housing loans.

4.60. Licensing procedures are the same for Omani and foreign-owned banks. Investors must apply to the CBO for a licence. Approval or disapproval of any request for authorization of a branch office is made by the Board of Governors. The authorities indicate that no request has been denied since 2006. An application fee of RO 6,000 is charged for the head office, and RO 600 for the main branch. Any licensed bank may establish and operate branch offices within or outside Oman. Commercial presence is allowed in the form of wholly foreign-owned subsidiaries and branches of foreign banks and of other financial service suppliers. The minimum paid-up capital requirement is RO 100 million for local commercial banks, and RO 20 million for foreign banks. In addition, licensed banks are required to keep a paid-up capital deposit with the CBO equivalent to one-tenth of 1% of their global banking resources, with a minimum of RO 50,000 and a maximum of RO 500,000. Pursuant to Oman's FDI legislation, aggregate foreign ownership in locally incorporated banks is limited to a maximum equity share of 70%.

4.61. A financial stability unit (FSU) was set up within the CBO in 2011 for macro-prudential supervision of the financial system.[13] The FSU is tasked with developing a database on key variables relating to the economy, financial markets and institutions towards formulating an early warning signal system for surveillance of the Omani financial system. At end-2012, the banking system's Basel II regulatory capital was 16% (up from 14.7% in 2008), significantly higher than the minimum of 12% prescribed by the CBO. The CBO has also issued a roadmap for the implementation of Basel III standards. Moreover, an internal capital adequacy assessment process has been put into operation by all banks. Risk-based supervision, which was first initiated on a pilot basis in 2011, has now been implemented in full to cover the entire banking system.

4.62. Personal and housing loans are subject to an interest rate ceiling set by the CBO. The ceiling was reduced from 8% to 7% in April 2012 and further to 6% in October 2013.[14] Other lending and deposit rates are market-determined.

4.63. In December 2012, the Government issued a regulatory framework for Islamic banking (Sultani Decree 69/2012). As at November 2013, there were 8 Islamic banks and 30 Islamic banking windows offered by other licensed banks.

[12] WTO document WT/ACC/OMN/26/Add.2, 29 September 2000.
[13] Central Bank of Oman (2013).
[14] Central Bank of Oman, Circular BM 112 of 2 October 2013.

4.5.2.2 Insurance

4.64. Oman's insurance market consists of 21 direct insurance companies, 10 of which are Omani companies, and 1 reinsurance company. The number of insurance policies issued in Oman increased from around 700,000 in 2007 (85% were car insurance) to about 1.1 million in 2012, while the value of written premiums rose from about RO 175 million to some RO 270 million.

4.65. Under Sultani Decree No. 90/2004, the sector is supervised and regulated by the Capital Market Authority (CMA). Sultani Decree No. 12/1979, as amended, lays down the regulatory regime for insurance activities. Under the Decree, an insurance company must be a joint-stock company, commercially registered in Oman, and licensed by the CMA. The minimum capital prescribed for insurance companies is currently RO 10 million. Companies must deposit requisite guarantees and maintain a required margin of solvency. There are no regulations on tariffs, premiums are market determined. Cross-border supply of reinsurance services is free of restrictions.

4.66. Foreign insurance companies may supply insurance services as a locally incorporated company or as a branch of the parent company. For foreign insurance companies, the Decree stipulates: (i) all policies covering risks situated in Oman must be issued in Oman; (ii) a record of all policies issued with respect to Oman must be maintained in a local office; (iii) the parent company must be established in accordance with laws of the country of origin; (v) RO 150,000 must be deposited with the CMA for doing business in any class of insurance and not less than RO 300,000 for more than one class; and (vii) an amount not exceeding 25% of each insurance policy issued in Oman must be reinsured with a national insurance company.

4.67. Oman's insurance regulatory framework also includes a Code for Corporate Governance and a Code of Practice for Conduct of Insurance Business. The regulatory framework is reviewed periodically with the aim of keeping up to date with international guidelines and global best practices. A risk-based solvency and capital adequacy framework for insurance services is under discussion.

4.68. There are no restrictions regarding ownership of insurance companies. An insurance company in Oman may transact general or life insurance or both, depending on the licence applied for and granted. Third party vehicle insurance is compulsory and may only be provided by locally incorporated companies.

4.69. The authorities indicate that a draft law on Islamic insurance (*takaful*) is under preparation.

4.5.2.3 Securities

4.70. The Muscat Securities Market (MSM) established through Sultani Decree No. 53/1988 (as amended), started operations in 1989. The MSM is a governmental entity, in charge of providing operational facilities and mechanisms for licensing trading, settlement, and registration of securities. The CMA, established by Sultani Decree No. 80/1998, is responsible for monitoring capital market activity on the MSM. In addition, the Muscat Clearing and Depository Company, a closed Omani shareholding company, provides a centralized system for registering and transferring ownership of securities and safekeeping records.

4.71. In November 2013, 125 companies, 18 bonds (11 corporate, 7 government[15]), and 14 mutual funds were listed on the MSM. Market capitalization of listed securities amounted to RO 13.5 billion, up from RO 10.2 billion in 2007. The MSM is open to foreign investors. The share of foreign investors in Oman's total securities market investment increased from 27% in 2007 to 28% in 2013.

[15] In 2008, the Government of Oman issued development bonds, through the CBO, for the first time since 1991. The issuance of Islamic bonds (*sukuk*) is under preparation.

4.5.3 Communication services

4.5.3.1 Telecommunications

4.72. The Telecom Law (Sultani Decree No. 30/2002[16]) lays down the basic regulations for Oman's telecom sector and established the Telecommunication Regulatory Authority (TRA) as regulator. The Ministry of Transport and Communication (MOTC) formulates policies for the subsector. Any operator wanting to establish, operate, and provide telecommunications services must obtain a licence from the TRA. Licence applications are reviewed on the basis of the technical and financial capabilities of the applicant, with preference given to those prepared to participate in universal service provision; compete to provide telecom services; promote research or new types of telecom services; and promote investment in the subsector.

4.73. There are three types of telecom licences: a "class I" licence is issued, through Sultani Decree, for the establishment or operation of a public telecom network or international telecom infrastructure, or for the supply of public telecom services or international access services that require the use of national resources (right of way and spectrums). The duration of the licence is determined on a case-by-case basis. A "class II" licence is issued, by decision of the Minister of Transport and Communication, after approval by the TRA, for the provision of public telecom services that depend on using the capacity of a "class I" telecom network and the provision of additional public telecom services that require exploiting national resources (numbering) without exploiting any natural resource. The duration is determined by MTC but shall not exceed ten years. For private telecom services not connected to public network, a "class III" licence is issued, for a duration not exceeding five years. An application fee of RO 500 is charged by the TRA for examining an application. Operators are required to notify TRA of any charge (including tariffs) and the standard terms and conditions. The charge should be notified to the customers in the media.

4.74. As at November 2013, three companies were offering landline telephone and internet services: Oman Telecommunication Company (Omantel), in which the state holds a 70% share[17]; Nawras, which was granted a licence in June 2009; and a consortium consisting of Awaser Oman and PCCW International, which was granted a licence in November 2012. There are two mobile phone operators in Oman: Oman Mobile, a subsidiary of Omantel, and Nawras Telecom. The authorities indicate that issuance of a third mobile phone licence is under consideration. Since Oman's last TPR, the number of mobile subscriptions has increased substantially, while the number of fixed-line subscribers has stagnated (Table 4.8).

Table 4.8 Selected telecommunication indicators, 2008-13

	2008	2009	2010	2011	2012	2013[a]
Main telephone lines ('000)	301	300	284	287	305	350
Cellular mobile subscribers ('000)	3,219	3,971	4,606	4,809	5,278	5,588
Broadband subscribers ('000)	32	41	53	78	113	151

a Figures are for November 2013.

Source: ITU (2013), *Telecommunication Indicators*; Telecommunication Regulatory Authority (2013), *Annual Report 2012*; and information provided by the Omani authorities.

4.75. Under Articles 38 and 39 of the Telecom Law, the TRA is to float an open tender for licensing universal services requirements, as set up by the MTC, with subsidies for the incumbent to be financed by the Treasury. If there are no bidders, Omantel will provide the services and have the right to receive subsidies for the related net cost as determined by the Act.

4.76. An Information Technology Authority (ITA) was established in 2006 to promote projects for Oman’s digital advancement and help transform Oman into a knowledge–based economy. The ITA is responsible for implementing Oman's e-government initiative.

[16] The Law was amended by Sultani Decree Nos.59/2004, 64/2007, and 134/2008.
[17] In September 2013, the Government rekindled plans to reduce its share to 51%.

4.77. The importation of radio-transmitting and receiving sets and wireless-telegraph devices requires a permit, issued by the TRA (section 3.2.6). In June 2010, the TRA issued labelling guidelines for telecommunication equipment; dealers of such equipment must register with the TRA (section 3.4.2.3).

4.5.3.2 Postal services

4.78. Postal services are under the control of Oman Post Company (OPC), a state-owned monopoly; under Sultani Decree No. 48/2005 the MOTC is the supervisory authority. Pursuant to the Postal Services Regulatory Law (Sultani Decree No. 71/2012), licences, issued by the TRA, are required to provide postal services. Private companies are allowed only in international express mail services. As at October 2013, 12 such companies were registered with the MTC.

4.79. There are 93 post offices in Oman. Mail is delivered to post office boxes, not directly to the physical address; the annual fee for this service is RO 15 for enterprises and RO 10 for individuals.

4.5.4 Transport services

4.5.4.1 Land transport

4.80. Oman has about 60,400 kilometres of asphalted and graded roads. In general, road transport is reliable, although coverage in some sparsely populated areas remains poor because of the difficult terrain. In 2012, imports by road transport represented about 25% of total merchandise imports by value.

4.81. Road transport activities are mainly regulated by the MOTC. A Department for Land Transport was established within the Ministry in 2008. The main policy goal is to widen and improve the existing road system in order to accommodate the increase in traffic in recent years. Oman is increasingly using smart road technologies to improve traffic safety and the efficiency of the existing infrastructure.

4.82. Road transport services may be provided by the private sector. Foreign participation in road transport services is limited to a maximum of 70%. State-owned Oman National Transport Company (ONTC) is the main bus and coach operator; there are also some private bus operators. Only Omani nationals are allowed to operate taxis. Prices of road transport services are market-determined. Cabotage is not permitted.

4.83. There are no railways in Oman, but a rail network is planned, including links to neighboring countries. The Oman Railway project is part of the GCC Railway network, linking Oman with Kuwait along with other GCC states. In autumn 2013, a tender was assigned to provide preliminary design services linked to the development of a national rail network to link major cities and ports. The network is to be built in nine segments, the first running from al Buraimi to Sohar, and eventually all the way to Salalah. The target year for the completion of the entire GCC network is 2018.

4.5.4.2 Maritime transport

4.84. The maritime transport subsector is overseen by the Directorate General for Ports and the Directorate General for Maritime Affairs (DGMA), both under the MTC. Port tariffs are approved by both the MTC and the Ministry of Finance. The GCC approved a number of rules and regulations for seaports in 2006 with a view to improving port infrastructure.[18]

4.85. Oman has eight major ports, all of which are state-owned.[19] In 2011, the Government announced that cargo movements were to be concentrated in Sohar, while Port Sultan Qaboos is to be converted into an exclusive tourism port. The Port of Salalah, some 1,000 kilometers southwest of Muscat, has established itself as a leading container transhipment centre on the Indian Ocean Rim. The Port Services Corporation (PSC), a company with 35.5% government

[18] The Cooperation Council for the Arabs States of the Gulf (2006).

[19] Port Sultan Qaboos, port of Salalah, port of Sohar, port of Khasab, port of Shinas, port of Duqm, Mina Al Fahal, and Qalhat LNG (Ministry of Transport and Communications, 2010.

ownership, has managed and operated Port Sultan Qaboos since 1976 under an exclusive concession granted by the Government. The concession was renewed for 25 years in 2007. Since 2012, the PSC has also been managing the port of Khasab. The ports of Sohar and Salalah are operated by joint ventures between the Government of Oman and private foreign companies. In 2012, imports by Oman's seaports represented about 66% of total merchandise imports by value.

4.86. Oman's merchant fleet remains relatively small, while port traffic has increased substantially in recent years (Table 4.9).

Table 4.9 Shipping and maritime transport services, 2007-12

	2007	2008	2009	2010	2011	2012
Container port trafic ('000 TEUs)[a]	2,877	3,428	3,768	3,893	4,090	..

.. Not available.

a 20-foot equivalent unit.

Source: UNCTAD (2012), *Review of Maritime Transport*; and information provided by the authorities.

4.87. According to the authorities, no special incentives are granted to the subsector. Maritime transport services may be provided by the private sector (national and foreign). Freight and passenger transport charges are market determined. Cabotage is not allowed. The conditions associated with flying the Omani flag include being registered as Omani company; having a valid certificate; being recognized by the International Association Classification Society; and, for second-hand ships, being less than 50 years old.

4.5.4.3 Air transport

4.88. Air transport has grown substantially since Oman's last TPR (Table 4.10). Oman's main airport is Muscat International, which is currently being expanded to handle a capacity of 12 million passengers annually. In 2011, construction began for the new Salalah International Airport, which is supposed to open in 2014 and cater for 1 million passengers annually. Smaller airports are located in Masirah, Khasab, Diba, and Sur. Additional airports are being constructed in Adam, Ad Duqm, Sohar, Ras-as-Hadad, all of which are expected to be operational in 2014. Furthermore, oil companies operate a number of landing strips at remote oilfield locations. In 2012, imports by air transport represented about 9% of total merchandise imports by value.

Table 4.10 Air transport services, 2006-11[a]

	2006	2007	2008	2009	2010	2011
Passengers ('000)	4,778	4,220	4,401	4,980	6,206	6,992
Arrivals	2,278	2,089	2,221	2,476	3,064	3,527
Departures	2,244	1,963	2,104	2,427	3,024	3,386
Transit	256	168	75	80	118	78
Cargo services (tonnes)	97,908	76,540	59,002	65,028	97,980	95,342
Aircraft movements	49,901	58,903	48,627	59,008	70,481	73,179

a Figures for 2006 and 2007 refer to Muscat International Airport only. Statistics include international and domestic flights. Data for 2012 and 2013 are not available.

Source: National Center for Statistics and Information, Statistical Year Books (2009, 2010, and 2012). Viewed at: http://www.ncsi.gov.om/publications.aspx.

4.89. State-owned Oman Airport Management Company (OAMC) is the airport operator at the Muscat and Salalah airports; it will also manage the airports that are due to open in 2014.

4.90. Oman Air, the national carrier, is 99.8% state-owned. Private air carriers are allowed to operate scheduled flights from and to Oman. The authority for approval of new flights is vested in the Public Authority for Civil Aviation. According to the authorities, there are, in principle, no objections to allowing new entrants into the market. Cabotage is not allowed.

4.91. Oman Aviation Services (OAS), a subsidiary of Oman Air, has exclusive rights to provide airport handling facilities, airline catering, and other services (e.g. ramp services) in Oman. OAS pays to OAMC as concession fee: 5% of its monthly turnover received from ground handling revenue provided to third parties, and 5% of its monthly turnover from catering revenue.

4.92. Oman has signed bilateral air transport agreements with numerous countries. These agreements are usually based on reciprocity in terms of capacity and frequency. Oman has also initiated and signed open-skies agreements with Bahrain, Iceland, Lebanon, Jordan, Kuwait, Malaysia, Morocco, Thailand, Spain, UAE, and the United States. The Government is currently exploring the possibility of introducing an open-skies policy and allowing private investment in a number of services related to air transport.[20]

4.5.5 Tourism

4.93. Oman has one of the most diverse environments in the Middle East, with high mountain ranges, deserts, a long coastline and unpolluted waters. Other attractions include castles, forts, and various festivals. The development of tourism activities is a key policy objective and part of the Government's diversification efforts. The number of hotels has increased strongly in recent years. The number of foreign tourists stagnated between 2008 and 2011, but increased strongly in 2012 (Table 4.11). Most tourists come from neighbouring GCC countries, Europe (mostly the United Kingdom, Germany, and France) and India.

Table 4.11 Main tourism indicators

	2007	2008	2009	2010	2011	2012
Total tourism value added (million RO)	430.2	562.9	507.3	606.3	542.6	636.0
Tourism share in GDP (%)	2.67	2.43	2.82	2.66	2.0	2.1
Total expenditure of inbound tourism (million RO)	167.7	178.7	144.2	140.6	..	..
Foreign tourists	1,359,510	1,614,703	1,586,979	1,454,083	1,427,611	2,063,956
Hotels	190	196	224	229	248	..
Rooms/apartments	9,298	9,318	10,491	11,037	12,195	..
Beds	14,665	14,826	16,681	17,492	19,265	..

.. Not available.

Source: Ministry of Tourism.

4.94. The Ministry of Tourism, established in 2004, is responsible for preparing tourism-related plans and programmes; and regulation and supervision of all relevant agents in the subsector, including hotel classification, and granting licences. Licensing requirements apply to numerous activities in the tourism sector, this includes: entertainment and leisure activities, transportation of tourists, water sports, travel agencies, hotel management, and tour guides. The authorities indicate that these requirements are mainly for quality control reasons.

4.95. Foreign individuals and companies are excluded from owning real estate unless the property falls under Integrated Tourism Complexes (ITC) regulations on the basis of Sultani Decrees Nos. 12/2006 and 65/2007. An Omani or foreign company may apply to the Ministry of Housing to lease land with freehold interest in general for 25 years, or 50 years for ITC and similar projects. Under the Foreign Capital Investment Law, foreign investors in the tourism subsector may own up to 70% of total equity. Nonetheless, this can be raised to 100% in case of "strategic" projects (section 2.6).

4.96. State-owned Omran is the leading tourism-related investment, development, and management company; it also owns and manages several hotels and resorts. All hotels and restaurant charge 5% municipality tax and 4% tourism tax.

[20] *Oman Daily Observer*, 13 January 2013: "Oman to weigh open sky policy for air transportation". Viewed at: http://main.omanobserver.om/node/143422; [17 June 2013].

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5 APPENDIX TABLES

Table A1.1 Merchandise imports by HS section and major HS chapters, 2006-12

(US$ million and %)

HS Section	HS Chapter/Code	2006	2007	2008	2009	2010	2011	2012
Total (US$ million)		11,038.4	16,024.7	22,924.7	17,851.5	19,774.5	23,619.4	28,117.6
		(% of total)						
01 Live animals and products		3.6	3.3	3.9	3.9	3.7	3.7	3.5
	04 Dairy produce	1.9	1.7	2.2	2.0	2.0	1.9	1.9
02 Vegetable products		2.8	2.8	3.6	2.9	2.9	2.8	2.9
03 Fats and oils		0.7	0.8	0.9	0.7	0.8	1.1	0.8
04 Prepared food, beverages and tobacco		3.5	3.0	2.5	3.5	4.8	3.5	3.3
05 Mineral products		5.6	5.0	4.7	7.3	8.9	14.5	13.5
	27 Fuels	3.5	3.7	3.0	6.0	7.7	11.1	8.9
	26 Ores, slag and ash	1.7	0.8	0.4	0.1	0.2	2.4	3.8
06 Chemicals and products thereof		4.8	4.6	4.3	7.4	7.9	7.3	7.9
	29 Organic chemicals	0.4	0.5	0.4	1.7	1.9	2.1	2.7
07 Plastics and rubber		3.5	3.4	4.5	3.4	3.7	3.7	3.3
	39 Plastics and articles	2.6	2.5	3.8	2.5	2.6	2.6	2.3
08 Raw hides and skins; leather		0.1	0.1	0.1	0.1	0.1	0.1	0.1
09 Wood, cork, straw		1.0	0.9	1.0	1.0	1.0	0.9	1.0
10 Pulp of wood; paper and paperboard		1.3	1.1	1.0	1.1	1.1	1.1	1.0
11 Textiles and textile articles		1.5	1.5	1.4	1.5	1.6	1.6	1.4
12 Footwear, headgear, etc.		0.4	0.4	0.3	0.4	0.4	0.3	0.3
13 Articles of stone, plaster, cement		1.4	1.5	1.6	1.5	1.4	1.4	1.6
14 Precious stones and metals, pearls		1.1	1.1	1.2	1.0	1.2	1.0	1.3
15 Base metals and articles thereof		13.9	16.1	15.9	12.4	11.6	12.1	13.0
	73 Articles of iron or steel	7.0	7.9	6.3	6.7	5.0	4.7	5.8
	72 Iron and steel	2.6	3.0	4.9	2.7	3.0	3.9	3.7
16 Machinery, electrical machines		23.2	25.8	23.5	23.3	20.7	21.4	18.4
	84 Machinery and mechanical appliances; parts	17.8	18.4	16.9	15.9	14.2	14.1	12.2
	85 Electrical machinery and equipment and parts	5.4	7.4	6.6	7.4	6.5	7.3	6.2
17 Transport equipment		25.9	25.6	26.6	25.8	25.6	20.7	23.7
	87 Vehicles	25.1	24.1	25.2	21.9	24.9	20.2	23.0
18 Precision equipment		1.2	1.2	1.4	1.3	1.4	1.4	1.5
19 Arms & ammunition		0.0	0.0	0.0	0.0	0.2	0.0	0.0
20 Miscellaneous manufactured articles		1.4	1.4	1.5	1.3	1.3	1.3	1.3
21 Works of art, etc.		0.1	0.0	0.0	0.0	0.0	0.0	0.0
Not classified		2.8	0.3	0.1	0.1	0.0	0.0	0.1

Source: UNSD Comtrade database, HS classifications.

Table A1.2 Merchandise exports by HS section and major HS chapters, 2006-12

(US$ million and %)

HS Section	HS Chapter/Code	2006	2007	2008	2009	2010	2011	2012
Total (US$ million)		19,591	22,082	33,777	22,880	31,603	41,246	45,672
		(% of total)						
01 Live animals and products		1.0	1.0	1.3	1.4	1.3	1.1	1.0
	04 Dairy produce	0.4	0.6	1.0	0.9	0.7	0.6	0.5
02 Vegetable products		0.2	0.2	0.2	0.2	0.3	0.2	0.2
03 Fats and oils		0.4	0.4	0.6	0.7	0.5	0.5	0.3
04 Prepared food, beverages and tobacco		0.4	0.4	0.4	0.7	0.5	0.5	0.6
05 Mineral products		92.1	89.9	87.2	79.9	80.6	81.9	85.2
	27 Fuels	91.4	89.1	86.4	79.0	79.9	80.9	83.5
	26 Ores, slag and ash	0.1	0.3	0.5	0.4	0.4	0.7	1.4
06 Chemicals and products thereof		1.8	2.1	2.4	3.5	5.8	7.4	6.1
	29 Organic chemicals	0.0	0.3	0.7	0.9	2.9	4.7	3.5
	31 Fertilizers	1.5	1.3	1.2	2.2	2.5	2.3	2.2
07 Plastics and rubber		0.4	1.3	1.4	2.8	2.1	1.9	1.4
	39. Plastics and articles	0.4	1.3	1.4	2.8	2.1	1.9	1.4
08 Raw hides and skins; leather		0.0	0.0	0.0	0.0	0.0	0.0	0.0
09 Wood, cork, straw		0.0	0.0	0.0	0.0	0.0	0.0	0.0
10 Pulp of wood; paper and paperboard		0.1	0.1	0.1	0.1	0.1	0.1	0.1
11 Textiles and textile articles		0.1	0.1	0.0	0.0	0.0	0.0	0.0
12 Footwear, headgear, etc.		0.0	0.0	0.0	0.0	0.0	0.0	0.0
13 Articles of stone, plaster, cement		0.5	0.5	0.5	0.7	0.5	0.3	0.4
14 Precious stones and metals, pearls		0.0	0.0	0.0	0.2	0.1	0.0	0.0
15 Base metals and articles thereof		1.6	1.4	1.3	4.2	2.8	3.4	3.8
	76 Aluminium and articles	0.2	0.3	0.4	3.0	1.9	1.5	1.9
	72. Iron and steel	0.4	0.2	0.1	0.1	0.2	1.3	1.2
	73. Articles of iron or steel	0.7	0.5	0.4	0.9	0.5	0.5	0.7
16 Machinery, electrical machines		1.2	2.1	1.8	1.5	0.9	0.8	0.6
	85. Electrical machinery and equipment and parts	1.2	2.1	1.8	1.5	0.9	0.8	0.6
17 Transport equipment		0.0	0.0	0.0	0.0	0.0	0.0	0.0
18 Precision equipment		0.0	0.0	0.0	0.0	0.0	0.0	0.0
19 Arms & ammunition		0.0	0.0	0.0	0.0	0.0	0.0	0.0
20 Miscellaneous manufactured articles		0.2	0.1	0.2	0.2	0.1	0.1	0.1
21 Works of art, etc.		0.0	0.0	0.0	0.0	0.0	0.0	0.0
Not classified		0.0	0.2	2.5	3.7	4.3	1.6	0.0

Source: UNSD Comtrade database, HS classifications.

Table A1.3 Destination of exports, 2006-12

(US$ million and %)

	2006	2007	2008	2009	2010	2011	2012
Total (US$ million)	19,591	22,082	33,777	22,880	31,604	41,246	45,672
	(%)						
America	3.5	0.3	0.4	0.8	1.1	1.0	1.9
United States	3.5	0.2	0.4	0.8	0.9	0.7	1.8
Other America	0.0	0.0	0.0	0.1	0.2	0.3	0.1
Europe	2.0	1.3	1.4	3.1	1.6	1.4	0.9
EU(27)	2.0	1.2	1.3	3.0	1.4	1.3	0.9
The Netherlands	0.3	0.3	0.3	0.3	0.2	0.4	0.2
EFTA	0.0	0.1	0.0	0.0	0.1	0.0	0.0
Other Europe	0.0	0.0	0.1	0.1	0.1	0.1	0.0
Commonwealth of Independent States (CIS)	0.0	0.1	0.0	0.1	0.1	0.1	0.1
Africa	0.6	0.7	0.6	0.9	1.1	1.3	1.7
United Republic of Tanzania	0.1	0.1	0.0	0.0	0.1	0.2	0.5
Somalia	0.2	0.2	0.1	0.3	0.2	0.2	0.3
Egypt	0.0	0.0	0.1	0.2	0.2	0.2	0.6
Middle East	6.8	8.8	8.4	9.7	8.5	6.1	7.2
United Arab Emirates	4.8	6.4	4.9	5.8	4.8	2.8	3.1
Kingdom of Saudi Arabia	0.7	0.7	1.3	1.5	1.5	1.5	1.9
Iraq	0.1	0.2	0.5	0.5	0.3	0.4	1.0
Kuwait	0.2	0.2	0.3	0.2	0.9	0.7	0.4
Qatar	0.4	0.6	0.8	0.8	0.5	0.3	0.4
Yemen	0.3	0.3	0.2	0.4	0.2	0.1	0.2
Asia	82.4	73.9	72.7	66.8	68.3	76.1	9.1
China	29.2	29.8	32.6	21.4	28.8	33.1	79.5
Japan	10.3	13.2	11.8	13.3	11.7	9.7	10.9
Six East Asian Traders	40.9	27.8	25.5	27.9	23.3	20.6	29.1
Malaysia	3.8	2.0	2.1	0.7	0.4	0.5	0.5
Thailand	13.6	11.6	7.6	8.4	7.6	6.0	4.9
Chinese Taipei	4.0	2.9	3.6	4.6	4.1	3.5	8.2
Korea, Rep. of	17.7	10.4	10.7	11.9	8.2	8.0	10.3
Singapore	1.7	0.8	1.5	2.2	2.9	2.5	4.9
Other Asia	2.0	3.2	2.7	4.2	4.4	12.8	5.8
India	1.7	2.4	2.1	2.9	2.8	10.8	4.8
Pakistan	0.2	0.4	0.3	0.5	0.6	0.7	1.2
Indonesia	0.0	0.0	0.0	0.4	0.5	0.7	0.5
Viet Nam	0.0	0.0	0.1	0.1	0.1	0.2	0.3
Other	4.6	14.9	16.5	18.6	19.4	14.0	10.4

Source: UNSD Comtrade database. For 2012, country shares are based on information provided by the authorities.

Table A1.4 Origin of imports, 2006-12

(US$ million and %)

	2006	2007	2008	2009	2010	2011	2012
Total (US$ million)	11,038.4	16,024.7	22,924.7	17,851.5	19,774.5	23,619.4	28,117.6
				(%)			
America	7.0	7.6	7.0	8.2	6.8	9.6	11.0
United States	5.2	5.8	5.7	6.5	4.9	5.9	5.9
Other America	1.8	1.9	1.3	1.7	1.9	3.7	5.1
Brazil	0.7	0.7	0.6	0.8	0.8	2.7	4.2
Europe	20.3	21.9	18.7	18.8	16.7	15.5	14.1
EU(27)	19.0	19.5	17.1	17.2	14.9	14.0	12.5
Germany	5.0	5.3	4.2	4.3	3.7	3.5	3.2
Italy	2.0	2.4	2.0	2.3	1.6	1.9	2.0
United Kingdom	3.3	2.9	2.2	2.3	2.3	2.0	1.9
France	1.7	2.4	1.3	1.5	2.3	1.6	1.5
The Netherlands	2.0	2.1	1.5	1.7	1.0	1.2	1.1
Belgium	1.3	0.9	1.8	1.1	1.0	0.7	1.0
EFTA	0.8	1.4	0.8	1.1	1.1	0.9	0.9
Switzerland	0.8	1.3	0.8	1.0	0.9	0.8	0.8
Other Europe	0.5	1.0	0.8	0.6	0.7	0.7	0.7
Commonwealth of Independent States (CIS)	1.3	1.2	1.8	0.7	1.0	1.6	1.6
Russian Federation	0.4	0.7	1.0	0.5	0.9	1.3	1.1
Africa	1.1	0.9	1.5	1.3	1.1	1.2	1.2
Middle East	31.6	31.4	32.5	31.0	35.4	37.4	31.4
United Arab Emirates	25.5	26.4	27.2	23.8	28.4	27.4	25.7
Kingdom of Saudi Arabia	3.4	2.4	2.6	3.5	3.2	5.0	4.2
Kuwait	0.3	0.2	0.4	1.2	1.4	0.8	1.1
Bahrain	0.8	0.9	0.9	0.6	1.2	1.6	1.1
Qatar	0.2	0.2	0.2	0.8	0.3	1.4	0.9
Asia	37.5	36.8	38.5	40.1	38.9	34.8	32.7
China	3.3	3.0	4.6	4.8	4.8	4.6	5.0
Japan	17.1	15.7	15.6	15.0	16.7	12.6	13.5
Six East Asian Traders	8.5	7.5	9.3	10.4	9.2	8.9	5.4
Korea, Rep. of	3.5	3.5	4.2	3.5	3.4	3.9	1.7
Malaysia	0.9	1.0	1.0	2.6	1.2	1.2	1.0
Thailand	2.4	2.0	2.0	2.4	2.5	2.4	2.7
Other Asia	8.6	10.6	9.0	9.9	8.1	8.5	8.8
India	5.2	6.5	4.5	5.9	4.5	4.8	5.5
Australia	2.0	2.0	1.7	2.0	2.1	1.7	1.7
Other	1.3	0.3	0.0	0.0	0.0	0.0	7.0

Source: UNSD Comtrade database. For 2012, country shares are based on information provided by the authorities.

Table A3.1 Applied MFN tariff averages by HS 2-digit level, 2013

HS	Description	No. of lines	Average (%)	Range (%)	Share of duty-free lines (%)
	Total / Average	7,301	5.5	0-100	11.1
01	Live animals	52	0.0	0.0	94.2
02	Meat and edible meat offal	85	19.8	0-100	16.5
03	Fish and crustaceans, molluscs and other aquatic invertebrates	224	3.3	0-5	34.8
04	Dairy produce; birds' eggs; natural honey; edible products of animal origin, not elsewhere specified or included	48	4.8	0-5	4.2
05	Products of animal origin, not elsewhere specified or included	29	8.4	5-100	0.0
06	Live trees and other plants; bulbs, roots and the like; cut flowers and ornamental foliage	20	3.3	0-5	35.0
07	Edible vegetables and certain roots and tubers	83	2.5	0-5	49.4
08	Edible fruit and nuts; peel of citrus fruit or melons	83	2.4	0-5	51.8
09	Coffee, tea, maté and spices	44	3.6	0-5	27.3
10	Cereals	32	0.6	0-5	87.5
11	Products of the milling industry; malt; starches; inulin; wheat gluten	85	3.8	0-5	24.7
12	Oil seeds and oleaginous fruits; misc grains, seeds and fruit; industrial or medicinal plants; straw and fodder	77	2.8	0-5	40.3
13	Lac; gums, resins and other vegetable saps and extracts	28	5.0	5.0	0.0
14	Vegetable plaiting materials; vegetable products not elsewhere specified or included	9	5.0	5.0	0.0
15	Animal or vegetable fats and oils and their cleavage products; prepared edible fats; animal or vegetable waxes	63	14.0	5-100	0.0
16	Preparations of meat, of fish or of crustaceans, molluscs or other aquatic invertebrates	51	14.3	5-100	0.0
17	Sugars and sugar confectionery	40	5.8	0-100	32.5
18	Cocoa and cocoa preparations	20	14.5	5-100	0.0
19	Preparations of cereals, flour, starch or milk; pastry cooks' products	53	4.7	0-5	5.7
20	Preparations of vegetables, fruit, nuts or other parts of plants	117	13.1	5-100	0.0
21	Miscellaneous edible preparations	41	4.9	0-5	2.4
22	Beverages, spirits and vinegar	40	42.9	0-100	2.5
23	Residues and waste from the food industries; prepared animal fodder	30	8.0	0-100	3.3
24	Tobacco and manufactured tobacco substitutes	20	100.0	100.0	0.0
25	Salt; sulphur; earths and stone; plastering materials, lime and cement	97	5.0	5.0	0.0
26	Ores, slag and ash	37	5.0	5.0	0.0
27	Mineral fuels, mineral oils and products of their distillation; bituminous substances; mineral waxes	77	5.0	5.0	0.0
28	Inorganic chemicals; organic or inorganic compounds of precious metals, of rare-earth metals, of radioactive elements or of isotopes	268	5.0	0-5	0.7
29	Organic chemicals	482	4.2	0-5	15.4
30	Pharmaceutical products	40	0.0	0.0	100.0
31	Fertilizers	29	5.0	5.0	0.0

HS	Description	No. of lines	Average (%)	Range (%)	Share of duty-free lines (%)
32	Tanning or dyeing extracts; tannins and their derivatives; dyes, pigments and other colouring matter; paints and varnishes; putty and other mastics; inks	76	5.0	5.0	0.0
33	Essential oils and resinoids; perfumery, cosmetic or toilet preparations	63	5.0	5.0	0.0
34	Soap, organic surface-active agents, washing preparations, lubricating preparations, artificial waxes, prepared waxes, polishing or scouring preparations, candles and similar articles, modelling pastes, dental waxes and dental preparations with a basis	48	5.0	5.0	0.0
35	Albuminoidal substances; modified starches; glues; enzymes	32	5.0	5.0	0.0
36	Explosives; pyrotechnic products; matches; pyrophoric alloys; certain combustible preparations	11	5.0	5.0	0.0
37	Photographic or cinematographic goods	38	5.0	5.0	0.0
38	Miscellaneous chemical products	112	4.9	0-5	2.7
39	Plastics and articles thereof	156	5.0	5.0	0.0
40	Rubber and articles thereof	116	5.0	5.0	0.0
41	Raw hides and skins (other than furskins) and leather	37	15.3	5-100	0.0
42	Articles of animal gut (other than silk-worm gut)	34	5.0	5.0	0.0
43	Furskins and artificial fur; manufactures thereof	15	5.0	5.0	0.0
44	Wood and articles of wood; wood charcoal	152	4.9	0-5	2.0
45	Cork and articles of cork	18	5.0	5.0	0.0
46	Manufactures of straw, of esparto or of other plaiting materials; basketware and wickerwork	20	5.0	5.0	0.0
47	Pulp of wood or of other fibrous cellulosic material; recovered (waste and scrap) paper and paperboard	22	5.0	5.0	0.0
48	Paper and paperboard; articles of paper pulp, of paper or of paperboard	122	5.0	0-5	0.8
49	Printed books, newspapers, pictures and other products of the printing industry; manuscripts, typescripts and plans	51	1.5	0-5	70.6
50	Silk	9	5.0	5.0	0.0
51	Wool, fine or coarse animal hair; horsehair yarn and woven fabric	50	5.0	5.0	0.0
52	Cotton	124	5.0	5.0	0.0
53	Other vegetable textile fibres; paper yarn and woven fabrics of paper yarn	23	5.0	5.0	0.0
54	Man-made filaments	73	5.0	5.0	0.0
55	Man-made staple fibres	109	5.0	5.0	0.0
56	Wadding, felt and non-wovens; special yarns; twine, cordage, ropes and cables and articles thereof	43	5.0	5.0	0.0
57	Carpets and other textile floor coverings	49	5.0	5.0	0.0
58	Special woven fabrics; tufted textile fabrics; lace; tapestries; trimmings; embroidery	41	5.0	5.0	0.0
59	Impregnated, coated, covered or laminated textile fabrics; textile articles of a kind suitable for industrial use	36	5.0	5.0	0.0
60	Knitted or crocheted fabrics	43	5.0	5.0	0.0

HS	Description	No. of lines	Average (%)	Range (%)	Share of duty-free lines (%)
61	Articles of apparel and clothing accessories, knitted or crocheted	106	5.0	5.0	0.0
62	Articles of apparel and clothing accessories, not knitted or crocheted	148	5.0	5.0	0.0
63	Other made up textile articles; sets; worn clothing and worn textile articles; rags	91	5.0	5.0	0.0
64	Footwear, gaiters and the like; parts of such articles	33	5.0	5.0	0.0
65	Headgear and parts thereof	22	5.0	5.0	0.0
66	Umbrellas, sun umbrellas, walking-sticks, seat-sticks, whips, riding-crops and parts thereof	8	5.0	5.0	0.0
67	Prepared feathers and down and articles made of feathers or of down; artificial flowers; articles of human hair	11	5.0	5.0	0.0
68	Articles of stone, plaster, cement, asbestos, mica or similar materials	95	5.0	5.0	0.0
69	Ceramic products	45	5.0	5.0	0.0
70	Glass and glassware	89	4.8	0-5	3.4
71	Natural or cultured pearls, precious or semi-precious stones, precious metals, metals clad with precious metal, and articles thereof; imitation jewellery; coin	65	3.2	0-5	35.4
72	Iron and steel	183	5.0	5.0	0.0
73	Articles of iron or steel	182	5.0	5.0	0.0
74	Copper and articles thereof	60	5.0	5.0	0.0
75	Nickel and articles thereof	23	5.0	5.0	0.0
76	Aluminium and articles thereof	62	5.0	5.0	0.0
78	Lead and articles thereof	8	5.0	5.0	0.0
79	Zinc and articles thereof	23	5.0	5.0	0.0
80	Tin and articles thereof	9	5.0	5.0	0.0
81	Other base metals; cermets; articles thereof	52	5.0	5.0	0.0
82	Tools, implements, cutlery, spoons and forks, of base metal; parts thereof of base metal	73	5.0	5.0	0.0
83	Miscellaneous articles of base metal	62	5.0	5.0	0.0
84	Nuclear reactors, boilers, machinery and mechanical appliances; parts thereof	614	4.2	0-5	16.3
85	Electrical machinery and equipment and parts thereof; sound recorders and reproducers, television image and sound recorders and reproducers, and parts and accessories of such articles	333	3.3	0-5	34.5
86	Railway or tramway locomotives, rolling-stock and parts thereof; railway or tramway track fixtures and fittings and parts thereof; mechanical (including electro-mechanical) traffic signalling equipment of all kinds	23	5.0	5.0	0.0
87	Vehicles other than railway or tramway rolling-stock, and parts and accessories thereof	183	4.9	0-5	1.6
88	Aircraft, spacecraft, and parts thereof	15	2.7	0-5	46.7
89	Ships, boats and floating structures	24	1.5	0-5	70.8
90	Optical, photographic, cinematographic, measuring, checking, precision, medical or surgical instruments and apparatus; parts and accessories thereof	207	4.1	0-5	18.4
91	Clocks and watches and parts thereof	53	5.0	5.0	0.0
92	Musical instruments; parts and accessories of such articles	26	5.0	5.0	0.0

HS	Description	No. of lines	Average (%)	Range (%)	Share of duty-free lines (%)
93	Arms and ammunition; parts and accessories thereof	23	5.0	5.0	0.0
94	Furniture; bedding, mattresses, mattress supports, cushions and similar stuffed furnishings; lamps and lighting fittings, not elsewhere specified or included; illuminated signs, illuminated name-plates	102	5.0	5.0	0.0
95	Toys, games and sports requisites; parts and accessories thereof	37	5.0	5.0	0.0
96	Miscellaneous manufactured articles	73	5.0	5.0	0.0
97	Works of art, collectors' pieces and antiques	11	5.0	5.0	0.0

Note: Calculations of averages are based on national tariff line level (HS 8-digit).

Source: WTO Secretariat estimates, based on data provided by the authorities.

Table A4.1 Summary of Oman's specific commitments in services

Sector or subsector	Modes of supply			
	Cross-border supply	Consumption abroad	Commer-cial presence	Presence of natural persons
	Market access / National treatment			
1. Business services				
A. Professional services				
Legal services	NL/NL	NL/NL	NL/NL	Uex/Uex
Accounting, auditing and bookkeeping services	NL/NL	NL/NL	NL/NL	Uex/Uex
Taxation services	NL/NL	NL/NL	NL/NL	Uex/Uex
Architectural services	NL/NL	NL/NL	NL/NL	Uex/Uex
Engineering services	NL/NL	NL/NL	NL/NL	Uex/Uex
Integrated Engineering services	NL/NL	NL/NL	NL/NL	Uex/Uex
Urban planning and landscape architectural services	NL/NL	NL/NL	NL/NL	Uex/Uex
Medical and dental services	NL/NL	NL/NL	NL/NL	Uex/Uex
Veterinary services	NL/NL	NL/NL	NL/NL	Uex/Uex
B. Computer and related services				
Consultancy services related to the installation of computer hardware	NL/NL	NL/NL	NL03/NL	Uex/Uex
Software implementation services	NL/NL	NL/NL	NL03/NL	Uex/Uex
Data processing services	NL/NL	NL/NL	NL03/NL	Uex/Uex
Data base services	NL/NL	NL/NL	NL03/NL	Uex/Uex
Other	NL/NL	NL/NL	NL03/NL	Uex/Uex
C. Research and development services				
R&D services on natural sciences	NL/NL	NL/NL	NL/NL	Uex/Uex
R&D services on social sciences and humanities	NL/NL	NL/NL	NL/NL	Uex/Uex
Interdisciplinary R&D services	NL/NL	NL/NL	NL/NL	Uex/Uex
F. Other business services				
Advertising	NL/NL	NL/NL	NL/NL	Uex/Uex
Market research	NL/NL	NL/NL	NL/NL	Uex/Uex
Management consulting	NL/NL	NL/NL	NL/NL	Uex/Uex
Services related to management consulting	NL/NL	NL/NL	NL/NL	Uex/Uex
Technical testing and analysis service	NL/NL	NL/NL	NL/NL	Uex/Uex
Services incidental to agriculture, hunting and forestry	NL/NL	NL/NL	NL/NL	Uex/Uex
Services incidental to fishing	NL/NL	NL/NL	NL/NL	Uex/Uex
Services incidental to mining including oilfield drilling	NL/NL	NL/NL	NL/NL	Uex/Uex
Services incidental to manufacturing	NL/NL	NL/NL	NL/NL	Uex/Uex
Services incidental to energy distribution	NL/NL	NL/NL	NL/NL	Uex/Uex
Related scientific and technical consulting services	NL/NL	NL/NL	NL/NL	Uex/Uex
Maintenance and repair of equipment (excluding maritime vessels, aircrafts or other transport equipment)	NL/NL	NL/NL	NL/NL	Uex/Uex
Building cleaning	NL/NL	NL/NL	OP/NL	Uex/Uex
Packaging	NL/NL	NL/NL	OP/NL	Uex/Uex
Convention	NL/NL	NL/NL	NL/NL	Uex/Uex
2. Communication services				
B. Courier services	NL/NL	NL/NL	NL03/NL	Uex/Uex
C. Telecommunication services				
Voice telephone services	NL04/ NL	NL/NL	OP/NL	Uex/Uex
Packet-switched data transmission	NL04/	NL/NL	OP/NL	Uex/Uex

Sector or subsector	Modes of supply			
	Cross-border supply	Consumption abroad	Commer-cial presence	Presence of natural persons
services	NL			
Circuit-switched data transmission services	NL04/ NL	NL/NL	OP/NL	Uex/Uex
Telex and telegraph services	NL03/ NL	NL/NL	OP/NL	Uex/Uex
Facsimile services	NL04/ NL	NL/NL	OP/NL	Uex/Uex
Mobile/cellular services (analogue/digital,personal communication, paging, and mobile data services)	NL03/ NL	NL/NL	OP/NL	Uex/Uex
Payphone and calling card services	OP/NL	NL/NL	OP/NL	Uex/Uex
Private leased circuit services (data and internet)	NL03/ NL	NL/NL	OP/NL	Uex/Uex
Electronic mail	NL01/ NL	NL/NL	OP/NL	Uex/Uex
Voice mail	NL01/ NL	NL/NL	OP/NL	Uex/Uex
Online information and data-base retrieval	NL01/ NL	NL/NL	OP/NL	Uex/Uex
Electronic data interchange	NL01/ NL	NL/NL	OP/NL	Uex/Uex
Enhanced/value-added facsimile services	NL01/ NL	NL/NL	OP/NL	Uex/Uex
Code and protocol conversion	NL01/ NL	NL/NL	OP/NL	Uex/Uex
Online information and/or data processing (including transaction processing)	NL01/ NL	NL/NL	OP/NL	Uex/Uex
D. Audiovisual services				
Motion picture and videotape distribution services	NL/NL	NL/NL	OP/NL	Uex/Uex
Cinema ownership and operation	NL/NL	NL/NL	OP/NL	Uex/Uex
3. Construction and related engineering services				
A. General construction work for buildings	NL/NL	NL/NL	NL/NL	Uex/Uex
B. General construction works-civil engineering	NL/NL	NL/NL	NL/NL	Uex/Uex
C. Installation and assembly work	NL/NL	NL/NL	NL/NL	Uex/Uex
D Building completion and finishing work	NL/NL	NL/NL	NL/NL	Uex/Uex
E. Other	NL/NL	NL/NL	NL/NL	Uex/Uex
4. Distribution services				
A. Commission agents' services	NL/NL	NL/NL	NL/NL	Uex/Uex
B. Wholesale trade services	NL/NL	NL/NL	NL/NL	Uex/Uex
C. Retailing services	NL/NL	NL/NL	NL/NL	Uex/Uex
D. Franchising	NL/NL	NL/NL	NL/NL	Uex/Uex
5. Educational services				
A. Secondary education services	NL/NL	NL/NL	NL/NL	Uex/Uex
B. Higher education services	NL/NL	NL/NL	NL/NL	Uex/Uex
C Adult education	NL/NL	NL/NL	NL/NL	Uex/Uex
D. Other education services	NL/NL	NL/NL	NL/NL	Uex/Uex
6. Environmental services				
A. Sewage services	NL/NL	NL/NL	NL/NL	Uex/Uex
B. Refuse disposal services	NL/NL	NL/NL	NL/NL	Uex/Uex
C. Sanitation and similar services				

Sector or subsector	Modes of supply			
	Cross-border supply	Consumption abroad	Commer-cial presence	Presence of natural persons
Cleaning services of exhaust gases	NL/NL	NL/NL	NL/NL	Uex/Uex
Noise abatement services	NL/NL	NL/NL	NL/NL	Uex/Uex
Nature and landscape protection services	NL/NL	NL/NL	NL/NL	Uex/Uex
D. Other	NL/NL	NL/NL	NL/NL	Uex/Uex
7. Financial services				
A All insurance and insurance-related services				
Life insurance services	NL/NL	NL/NL	NL03/NL	Uex/Uex
Non-life insurance services	NL/NL	NL/NL	NL03/NL	Uex/Uex
Reinsurance and retrocession services	NL/NL	NL/NL	NL03/NL	Uex/Uex
Insurance intermediation, e.g. brokerage and agency	NL/NL	NL/NL	OP/NL	Uex/Uex
Services auxiliary to insurance (including consultancy, actuarial, risk assessment, and claim settlement services)	NL/NL	NL/NL	OP/NL	Uex/Uex
B. Banking and other financial services				
Acceptance of deposits and other repayable funds from the public	OP/OP	NL/NL	OP/NL	Uex/Uex
Lending of all types	OP/OP	NL/NL	OP/NL	Uex/Uex
Financial leasing	OP/OP	NL/NL	OP/NL	Uex/Uex
All payments and money transmission services	OP/OP	NL/NL	OP/NL	Uex/Uex
Guarantees and commitments	OP/OP	NL/NL	OP/NL	Uex/Uex
Trading for own account or for account of customer, whether on an exchange, in an over-the-counter market or otherwise: transferable securities	OP/OP	NL/NL	OP/NL	Uex/Uex
Asset management, such as cash portfolio management, all forms of collective investment management, pensions fund management, custodial depositary and trust services	OP/OP	NL/NL	OP/NL	Uex/Uex
Settlement and clearing services for financial assets, including securities, derivative products, and other negotiable instruments	OP/OP	NL/NL	OP/NL	Uex/Uex
Advisory, intermediation and other auxiliary financial services on all the activities listed in sub-paragraphs (v) through (xv), including credit reference and analysis, investment and portfolio research and advice, advice on acquisitions and on corporate restructuring and strategy	OP/OP	NL/NL	OP/NL	Uex/Uex
Provision and transfer of financial information, and financial data processing and related software by providers of other financial services	OP/OP	NL/NL	OP/NL	Uex/Uex
8. Health and related services				
A. Hospital services	NL/NL	NL/NL	OP/NLex	Uex/Uex
9. Tourism and travel related services				
A. Hotels and restaurants	NL/NL	NL/NL	OP/NL	Uex/Uex
B. Travel agencies and tour operators services	NL/NL	NL/NL	OP/NL	Uex/Uex

Sector or subsector		Modes of supply			
		Cross-border supply	Consumption abroad	Commer-cial presence	Presence of natural persons
10.	**Transport services**				
A.	Maritime transport services				
	Passenger transportation	NL/NL	NL/NL	NL/NL	Uex/Uex
	Freight transportation	NL/NL	NL/NL	NL/NL	Uex/Uex
C.	Air transport services				
	Maintenance and repair of aircraft	NL/NL	NL/NL	OP/NL	Uex/Uex
	Sales and marketing services for air transport	NL/NL	NL/NL	OP/NL	Uex/Uex
	Computer-reservation system services	NL/NL	NL/NL	OP/NL	Uex/Uex
H.	Services auxiliary to all modes of transport				
	Freight transport agency services	NL/NL	NL/NL	NL/NL	Uex/Uex
	Cargo handling services	NL/NL	NL/NL	OP/NL	Uex/Uex
	Storage and warehouse services	NL/NL	NL/NL	OP/NL	Uex/Uex
	Other	NL/NL	NL/NL	OP/NL	Uex/Uex

NL No limitations, i.e. Oman agreed to place no constraints on the item in question.
NLex No limitations, except as provided for by Oman's horizontal commitments.
NL01 No limitations starting no later than 1 January 2001.
NL03 No limitations starting no later than 1 January 2003.
NL04 No limitations starting no later than 1 January 2004.
U Unbound, i.e. Oman made no commitments with respect to the item in question.
Uex Unbound, except as provided for by Oman's horizontal commitments.
OP Sector-specific provisions apply.

Source: WTO document WT/ACC/OMN/26/Add.2, 29 September 2000.

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