OMAN

TRADE SUMMARY

U.S. goods exports in 2014 were $2.0 billion, up 28.2 percent from the previous year. Oman is currently the 66th largest export market for U.S. goods Corresponding U.S. imports from Oman were $975 million, down 4.6 percent. The U.S. goods trade surplus with Oman was $1.0 billion in 2014, an increase of $490 million from 2013.

The United States-Oman Free Trade Agreement

Upon entry into force of the United States-Oman Free Trade Agreement (FTA) in January 2009, Oman provided immediate duty-free access on virtually all industrial and consumer products. It will phase out tariffs on the remaining handful of products by 2019. On entry into force, Oman also provided immediate duty-free access for U.S. agricultural products on 87 percent of its agricultural tariff lines. Oman will phase out tariffs on the remaining agricultural products by 2019.

TECHNICAL BARRIERS TO TRADE / SANITARY AND PHYTOSANITARY BARRIERS

Technical Barriers to Trade

In December 2013, the six Member States of the Gulf Cooperation Council (GCC), working through the Gulf Standards Organization, issued regulations on the GCC Regional Conformity Assessment Scheme and GCC "G" Mark in an effort to "unify conformity marking and facilitate the control process of the common market for the GCC Members, and to clarify requirements of manufacturers." U.S. and GCC officials are discussing concerns about consistency of interpretation and implementation of these regulations across all six GCC Member States, as well as the relationship between national conformity assessment requirements and the GCC regulations, with a view to avoiding unnecessary duplication.

Sanitary and Phytosanitary Barriers

GCC Member States have notified the WTO Committee on Sanitary and Phytosanitary (SPS) Measures of their intention to implement a new "GCC Guide for Control on Imported Foods" by June 2015. As currently drafted, stakeholders have raised concerns that the requirements outlined in the Guide will impede trade beyond the extent necessary to protect human or animal health. The requirements also will impose burdensome and disproportionate demands regarding requirements for certification or forms of recognition or acceptance of foreign food safety systems. The Guide as currently drafted does not provide scientific justification for requiring exporting government officials to certify and attest to statements that are inconsistent with guidelines established by the Codex Alimentarius and the World Organization for Animal Health. The United States has raised specific concerns about the Guide and has requested that GCC Member States delay entry into force of the Guide until food safety experts have an opportunity to discuss these concerns.

IMPORT POLICIES

Import Licenses

Companies that import goods into Oman must register with the Ministry of Commerce and Industry. Importation of certain classes of goods, such as poultry and their derivative products, livestock and alcohol, as well as firearms, narcotics, and explosives, require a special license. Media imports are subject to review for potentially offensive content and may be subject to censorship.

Customs

A significant number of private sector stakeholders report that Omani authorities continue to deny FTA duty rates for U.S.-origin goods under certain circumstances, including for goods that arrive in Oman by land via the United Arab Emirates, goods that do not list Oman as the final destination on accompanying documentation, and goods that do not have a U.S. country of origin marking. Stakeholders report that Omani officials do not demonstrate that claims for preferential tariff treatment fail to comply with any requirement under the FTA, nor provide a written determination when denying such claims, and will not release goods – even with a surety – unless or until customs duties are paid when there remains a question of whether the goods are eligible for FTA duty rates. Since Omani officials do not issue a written determination when denying a claim for preferential tariff treatment, importers are not able to request independent administrative or judicial review of such decisions. Omani officials have declined to provide copies of the customs rules or regulations related to their decisions that outline procedures for customs entry consistent with the FTA.

GOVERNMENT PROCUREMENT

The FTA requires covered entities in Oman to conduct procurements covered by the agreement in a fair, transparent and nondiscriminatory manner. Though not codified, Oman has developed an In Country Value (ICV) initiative which currently provides a 10 percent price preference for government procurement contracts in the oil and gas sector that contain a high content of local goods or services, including direct employment of Omani nationals. Oman is reportedly expanding this initiative to the award of government procurement contracts in other sectors as well. The United States is monitoring the implementation of the ICV initiative to ensure that all covered procurements are undertaken in a manner consistent with its FTA obligations.

For most major tenders, Oman invites bids from international firms or firms pre-selected by project consultants. Suppliers are requested to be present at the opening of tenders, and interested persons may view the process on the Tender Board's website. Some U.S. companies report that tenders' costs can increase dramatically when award decisions are delayed, sometimes for years, or the tendering is reopened with modified specifications and – typically – short deadlines. Oman has censured U.S. companies for seeking outside financiers for projects during the tender process, citing disclosure of government-protected information.

Oman is an observer to the WTO Committee on Government Procurement. Although Oman committed to initiate negotiations for accession to the Agreement on Government Procurement when it became a WTO Member in 2001, it has not yet begun these negotiations.

INTELLECTUAL PROPERTY RIGHTS PROTECTION

Oman was not listed in the 2014 Special 301 Report. As part of its FTA obligations, Oman revised its IPR laws and regulations and acceded to several international IPR treaties. While IPR laws in Oman are generally enforced, cases of online piracy remain common. In 2013, cases of counterfeit automotive parts and other consumer products affecting health and safety were vigorously prosecuted, but U.S. companies experienced difficulty in obtaining enforcement actions by responsible agencies.

In 2014, Saudi Arabia, Bahrain, and Qatar approved the GCC Trademark Law. Kuwait, Oman and the United Arab Emirates are expected to approve the law in 2015, after which implementing regulations will be issued. As the six GCC Member States explore further harmonization of their intellectual property rights (IPR) regimes, the United States will continue to engage with GCC institutions and the Member States and to provide technical cooperation on IPR policy and practice.

SERVICES

Banking

Foreign banks may be registered either as a branch of a foreign bank, or must be a subsidiary of an Omani bank. Subsidiaries are registered as local Omani companies and require an Omani owner and/or investors.

Oman does not permit offshore banking.

Legal Services

By a 2009 decree from the Ministry of Justice, non-Omani attorneys, including U.S. attorneys practicing in Oman, are prohibited from appearing in courts of first instance.

Brokerage Services

Ministerial Decision 5/2010 and announcements by the Royal Oman Police Customs limit customs brokerage services to Omani nationals.

INVESTMENT BARRIERS

U.S. companies remain concerned about rules governing the acquisition of property in Oman. Although U.S. investors are permitted to purchase freehold property in a few designated residential developments, businesses must adhere to more restrictive guidelines when acquiring real estate for commercial purposes. With the exception of certain tourism-related property agreements, only enterprises with at least 51 percent Omani shareholding are permitted to own real estate for the purpose of establishing an administrative office, warehouse or showroom, or staff accommodation or other building with a similar purpose. Other enterprises, including foreign majority-owned businesses, must seek “usufruct” rights, which enable enterprises to exploit, develop, and use land granted by a third party.