



Canadian Agriculture and Agri-Food
Exporter's Guide to Opportunities
in the Middle East:
OMAN



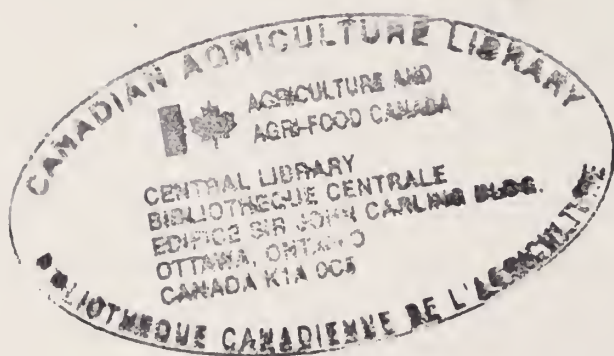
382.09710553
C212
1997
c.3



Agriculture and
Agri-Food Canada

Agriculture et
Agroalimentaire Canada

Canada



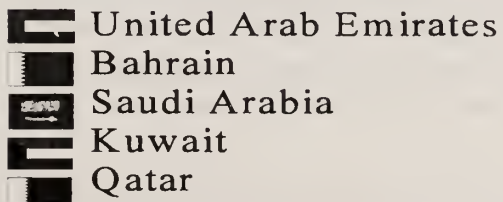


**Canadian Business Development International
Presents:**

**Canadian Agriculture and Agri-Food
Exporter's Guide to Opportunities
in the Middle East:
OMAN**



OTHER AVAILABLE COUNTRIES IN THE STUDY



Canadian Business Development International (CBDI) has been contracted by the Market Industry Services Branch of Agriculture and Agri-Food Canada to provide an overview of the export opportunities and general guidelines for Canadian exporters of agriculture and agri-food products in the following 10 countries in the Middle East:

- | | |
|-----------------|-------------------------|
| 1) Saudi Arabia | 2) United Arab Emirates |
| 3) Bahrain | 4) Kuwait |
| 5) Oman | 6) Qatar |
| 7) Jordan | 8) Lebanon |
| 9) Syria | 10) Yemen |

The studies of the other nine countries are available from Agriculture and Agri-Food Canada. All reports are available in English and French.

The study is a collection of the best available government and private sector information from Canada and abroad. It is designed to provide the reader with a fully compiled and referenced single source for all of this material as well as a detailed analysis of secondary import and export statistics provided by Statistics Canada and the World Trade Database.

The information contained in this document has been reviewed by trade and commodity experts at Agriculture and Agri-Food Canada, Department of Foreign Affairs and International Trade, and Canada's posts in the countries, and has met with their approval.

For a comprehensive list of the sources used by CBDI and a directory of contacts for further information please see the Bibliographical Index and Contact Information sections at the end of the report.

EXECUTIVE SUMMARY

INTRODUCTION:

The Agriculture and Agri-Food Exporter's Guide to Opportunities in the Middle East is designed to provide the reader with a single source reference manual on the key elements and opportunities for exporting to ten countries in the Middle East. It is intended for use by Canadian agri-food exporters. Trade Commissioners and other government officials will also find it a useful source document for information requests.

This study is in a modular format, such that each country profile can act as stand-alone documents, detailing the relevant information for potential Canadian exporters.

The statistical data included in this document has been provided by Statistics Canada (for Canadian exports) and the World Trade Database (for country imports). Due to the time and recording differentials inherent in the two databases, Canadian export statistics are provided in Canadian dollars, up to 1995; whereas country import statistics are only available in US dollars up to 1994. This standard is consistent throughout the document.

POTENTIAL OPPORTUNITIES:

The Middle East is generally an arid region with limited land available for agricultural production. Irrigation methods are used, however, countries (specifically Saudi Arabia) are finding it more difficult to drill for fresh and usable water, resulting in a further reduction of productive capabilities. As such, the region tends to import a large amount of agriculture and agri-food products to support consumption demands. These imports range from US\$140 million (Qatar in 1994) to US\$4.1 billion (Saudi Arabia in 1994). Thus it is clear that the Middle East offers immense potential for Canadian agri-food exporters.

Key opportunities include:

- ◆ **Processed Food and Products: (HIGH)** There are extensive opportunities for value-added products in all ten countries covered by this study, however, Saudi Arabia, the UAE and Kuwait offer the best potential for growth.
- ◆ **Special Crops: (HIGH)** Canadian exports of special crops to the region have been increasing steadily over the past several years, with new opportunities emerging in chick peas and other pulses. Key markets are: the UAE, Saudi Arabia, Kuwait, and Syria.
- ◆ **Beverages: (HIGH)** Since most countries in the Middle East are predominantly Muslim, there is a high demand for non-alcoholic beverages. Canadian fruit and vegetable juices, carbonated flavoured water, and mineral water have the potential to do very well in the region. Bahrain, and the UAE in particular, offer a great deal of potential for alcoholic beverages as well.
- ◆ **Grains and Oilseeds: (HIGH)** Although Canadian exports of grains and oilseeds have tended to be either erratic or declining, there are significant opportunities for barley, wheat, canola oil and niche products in many countries, most notably Saudi Arabia and the UAE.
- ◆ **Eggs and Poultry: (MEDIUM)** There are promising opportunities for egg-type and broiler-type breeding chicks in Saudi Arabia, the UAE, Bahrain, and Yemen. As well, since pork is not consumed in most of the countries, poultry meat is generally a staple.
- ◆ **Livestock and Other Animal Products: (MEDIUM)** Despite rigorous import regulations, the Middle East is a large import market for live animals and meat products. Strong potential exists in the UAE, Saudi Arabia, Jordan, and Syria.

GENERAL CONSTRAINTS:

Many North American's perceive the Middle East to be too complicated a market to enter, despite the significant opportunities that await determined exporters. Although there are very real constraints to dealing with the Middle East, they are easily overcome with the right approach. Some of the more notable difficulties include:

- ◆ **Transportation Costs:** Due to the long distances, there are considerable costs involved in exporting goods to the Middle East. Furthermore, containerization is often a problem. Since Canada does not import enough products that require refrigerated or ventilated containers, exporters often find it costly to bring these specialized containers up from the US.
 - *Although these are real constraints, Canadian exporters may consider consolidating shipments to the Middle East to reduce costs and avoid partially empty containers from increasing shipping costs.*
- ◆ **Language and Cultural Barriers:** Unlike exporting to the US or Europe, the Middle East is a dramatically different environment in which to operate. There are very specific ways to conduct business which may seem foreign to many Canadian exporters.
 - *These barriers are easily overcome with frequent visits to the region. Also important is the selection of a good agent who can bridge the gap in culture and language for the exporter*
- ◆ **Strict Regulations:** The Middle East has a number of regulations that make exporting to the region complex and cumbersome. Most notably are the strict halal requirements for animal products and bilingual (and other) labelling requirements and production and expiry dates for all goods.
 - *The Canadian embassies in the region can help exporters understand and comply with these regulations, as well as assist in the selection of a good agent who will also help. This document also explains a number of the requirements for exporting to the region.*

It should also be noted that Canadian producers have an inherent advantage in meeting the labelling demands of the region, since they are already accustomed to printing bilingual labels for domestic use.

MARKETING TIPS:

Below are some suggestions for marketing Canadian products to the Middle East:

- ◆ If possible, visit the region. Face-to-face contact can be the difference between marketing success and failure. Bring product samples (where applicable) and be prepared to discuss price.
- ◆ Consider participating in major food shows in the area; for example, the Gulf Food Show in Dubai, UAE is an excellent way to meet potential customers from throughout the region and beyond.
- ◆ Eye-catching designs, logos, and colours that identify the product as Canadian may boost sales.
- ◆ Be ready to assist with shipping. If necessary, be ready to recommend a shipping company or directly arrange shipment and provide shipping costs.
- ◆ Be prepared to discuss marketing and advertising strategies. Gulf importers, in particular, are increasingly looking for advertising advice and assistance, especially with new-to-market products.
- ◆ Be aware that many importers will request exclusive agency agreements with suppliers. In many cases, local laws make it difficult to terminate an agency agreement, even with due cause. Thus selecting a good agent is particularly important.

REGIONAL INFORMATION

MARKETING:

The Middle East is a dynamic and diverse region with differences in the way business is conducted both within and between the various countries. However, there are some general rules for marketing products in the region.

- ◆ Face to face contact can significantly increase the chances of establishing successful business relations.
- ◆ Maintaining that relationship through frequent communications is equally important for success.
- ◆ The countries in the region are mostly cash markets, with substantial revenues from oil resources.
- ◆ Many of the countries have young populations, implying higher disposable income and expected growth in the future.
- ◆ The Gulf countries in particular have highly advanced agriculture and agri-food markets that tend to be very price competitive.
- ◆ The region has a strong knowledge and growing desire for Western products.

Key points to stress when selling products are:

- ◆ competitive price;
- ◆ Canadian origin; and
- ◆ the high-quality of the products.

Considerable emphasis should be placed on the role of these countries as possible markets for re-export of Canadian products. The port of Dubai in the United Arab Emirates (UAE) in particular, is a major re-export market, serving markets in other Gulf countries, Pakistan, Iran, and countries of the former Soviet Union (FSU). The Dubai World Trade Centre reported that Dubai imports approximately 70% of the UAE's consumable items, worth US\$1.9 billion per year. Around 70% of these imports are then re-exported. Approximately 20% of these re-exported goods go to Iran, which is Dubai's largest re-export market. Dubai's re-exports to FSU countries were US\$405 million in 1995, 27% of which was comprised of agricultural and agri-food products (not including equipment and chemical fertilizers). Azerbaijan is the leading market in the FSU for these re-exported goods.

Each country has specific, and often complex marketing regulations, such as labelling requirements and best before dates, that potential Canadian exporters should examine carefully before bringing their products to the region. For example, in Bahrain, baby food has an 18 month expiry period compared with a 12 month period in the UAE or Saudi Arabia. This example serves to highlight the importance of verifying each country's regulations before any sales are made. The Trade Annex that accompanies each country profile provides the details of many of these regulations.

It is strongly recommended by Migra's Canadian Exporters Guide (1995) that the term "**Persian Gulf**" should not be used on goods, documents, or letters for some destinations in this region. Anything so marked might be confiscated and destroyed by the Arab authorities. The term "**Arabian Gulf**" should be used.

PRICING:

Generally, it is recognized that shipping adds considerably to the cost of items manufactured in Canada, which can face stiff competition from Far Eastern and European suppliers. Thus pricing of products, particularly processed or semi-processed foods and beverages is particularly important. Many of the countries in the region are very price competitive markets, however, high Canadian quality goes a long way.

Moreover, exporters should consider the option of consolidating shipments of various products in order to reduce the burden of transportation costs, thereby making products more price competitive when they reach the markets.

Some of the countries in the region have strict policies with respect to pricing, while others have general norms that are followed by most exporters. Pricing policies are listed in the Annexes for each country.

RESTRICTED IMPORTS:

All imported beef and poultry products require a health certificate from the country of origin and a halal slaughter certificate issued by an approved Islamic centre in the country of origin ("halal" slaughter refers to animal slaughter performed according to Islamic law).

TRADE ARRANGEMENTS:

Gulf Cooperation Council (GCC):

The Gulf Cooperation Council (GCC) consists of six member countries (Saudi Arabia, the United Arab Emirates, Kuwait, Bahrain, Qatar, and Oman). The GCC controls half of the proven oil reserves outside the former Soviet Union, and accounts for about 40% of all the oil moving in international trade. Created in 1981, the GCC tried to maintain the balance of power in the Gulf by strengthening multilateral cooperation in security and economic matters. The presidency of the GCC rotates yearly among the rulers of the member countries. The GCC is headquartered in Riyadh, Saudi Arabia.

As far as trade is concerned, the GCC is a loose confederation which serves only as a policy-coordinating forum for its members. It cannot impose trade policies upon its member states, thus each is free to pass and enforce its own trade laws.

In recent years there has been growing cooperation among GCC members on certain issues, such as:

- ◆ establishing standards;
- ◆ setting tariff ranges; and
- ◆ intellectual property protection.

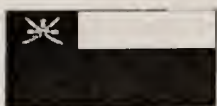
There is also consideration being given to forming a customs union. Renewed work on a free trade area between the GCC and the EU is also pushing the six member states to closer coordination.

Arab Cooperation Council (ACC):

Jordan, Yemen, Egypt, and Iraq signed an agreement in February 1989, joining the countries in a new Arab economic bloc called the Arab Cooperation Council (ACC). The new community was designed to create a common market and encourage investment in joint projects. The goals of the association are to achieve economic integration in all production centres and coordinate the many areas including the economy, residence, travel, finance, industry, agriculture, transport, and communications.

Arab League Boycott of Israel

In 1994, the Arab League boycott of Israel was partially lifted. The original boycott was initiated in 1959 and stated that all products coming directly from Israel, through Israel, or containing inputs from Israel were banned from all Arab League countries. Moreover, trade with countries that also traded with Israel was restricted. The 1994 partial alleviation of the ban left only the primary ban on Israeli products intact.



OMAN

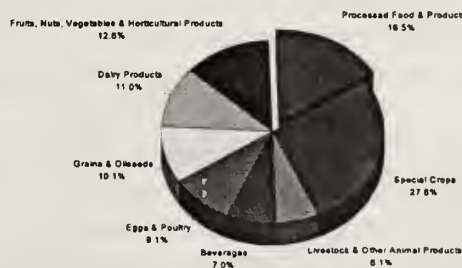


Official Name	Sultanate of Oman
Head of State	Sultan Qaboos Bin Saeed al-Saeed
Minister of Agriculture	Sheikh Mohamed Bin Abdullah Bin Zaher Al Hanani
Language	Arabic, English, Baluchi, Urdu and Indian Dialects
Population (1995)	2 million
Currency	Omani Rial (OR)
Real GDP Growth (1995)	4.7%
Gross Domestic Product (1995 Per Capita)	\$4,680
Consumer Price Inflation (1995)	1.0%
External Debt (1995)	\$2.7 billion
Principle Growth Sectors	Liquified Natural Gas (LNG) Fishing and Tourism
Total Country Exports (1995)	\$6.13 billion
Total Country Imports (1995)	\$4.26 billion
Agri-Food Imports from the World (1994)	US\$733.9 million
Agri-Food Imports from Canada (1995)	CDN\$988,000

Canada's Agricultural Exports to Oman 1995



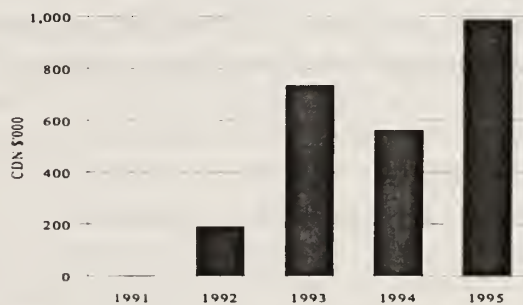
Oman's Agricultural Imports 1994



CANADA'S AGRICULTURAL EXPORTS TO OMAN

StatsCan : IN CDN \$'000	1991	1992	1993	1994	1995
Grains & Oilseeds	0	0	0	0	0
Livestock & Animal Products	0	0	0	0	0
Special Crops	0	177	676	559	838
Fruits, Nuts, & Vegetables	0	0	0	0	0
Dairy Products	0	0	0	0	0
Eggs & Poultry	0	0	0	0	0
Processed Food and Products	0	14	60	5	145
Beverages	0	0	0	0	4
TOTAL EXPORTS	0	191	736	563	988

Canada's Agricultural Exports to Oman 1991 - 1995

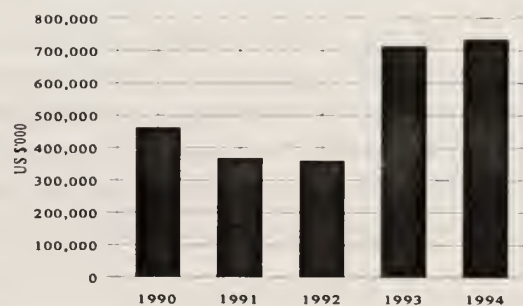


* Import and export totals may not match the sum of the commodities due to grouping and rounding procedures.

OMAN'S TOTAL AGRICULTURAL IMPORTS

WTDB : IN US \$'000	1990	1991	1992	1993	1994
Grains & Oilseeds	91,669	77,416	53,082	79,247	73,764
Livestock & Animal Products	31,904	30,235	30,740	33,988	44,788
Special Crops	30,161	67,700	72,385	198,719	202,821
Fruits, Nuts, & Vegetables	85,142	6,903	8,968	98,275	92,195
Dairy Products	60,879	62,708	70,479	79,671	80,962
Eggs & Poultry	39,910	32,656	23,886	61,491	66,857
Processed Food and Products	90,977	68,470	75,553	109,742	121,000
Beverages	32,095	22,460	24,920	51,826	51,524
TOTAL IMPORTS	462,737	368,548	360,013	712,959	733,911

Oman's Agricultural Imports From the World 1990 - 1995



BACKGROUND INFORMATION

Political Economy:

Oman has a population of about two million people. The majority (75%) are Omani citizens, and the balance are expatriates, primarily from India and Pakistan. Recent estimates place approximately 50% to 60% of the population under the age of 18. Oman also has one of the fastest growing populations in the region, with average family sizes in the interior of the country of 6-7 people. Incomes and purchasing power amongst the majority of Omanis are relatively low compared to other countries in the region, however Oman continues to import considerable amounts of agri-food products each year.

Oman recently released its five-year economic plan (1996-2000), placing a special emphasis on job creation, privatization, and the reduction of government spending. A primary focus of the plan seeks to address Oman's growing population which is expected to double by the year 2010. This dramatic population increase will coincide with the decline of Oman's oil reserves which currently account for 85% of export earnings, 80% of government revenues, and 40% of the country's GDP. The government is also proposing a new tax law that will encourage Omani companies to permit foreign stockholders.

Oman's central location in relation to the Middle East and the Far East has made it a historical trading centre, although this is not as much the case today. With an established economic infrastructure and excellent educational facilities, the Sultanate of Oman is working to diversify its economy and increase job opportunities for its highly educated citizens.

Agriculture in Oman:

Oman has a modest agricultural sector that contributes about 2% to GDP. Principal crops include dates, alfalfa, limes, tomatoes, eggplants, carrots, and bananas. Existing agricultural farms are being jeopardized by increased salinity of the water table. The government is trying to come to terms with its agricultural problems and seems to be serious about improving agricultural conditions and obtaining self-sufficiency in food production. Agriculture is already heavily subsidized by the government and the country depends on imported food products.

These factors may present a potential opportunity for the export of Canadian expertise and technology to Oman, in the areas of irrigation systems, and dry-land farming.

Agricultural Trade in Oman:

The size of the market makes it difficult to ship large quantities of any particular food product. Consolidation of containers in Canada can be an important means of breaking into the market. As in the case elsewhere in the Gulf Region, a good sales agent is essential. Oman, and primarily the capital Muscat, should be approached as a part of a regional market. The use of Dubai as a central location point with shipments broken down and re-exported to Oman should be considered. This is especially relevant in view of a trade contact's estimate that about half of Oman's total food imports arrive via Dubai.

Although a member of the GCC, the import regulations are specifically Omani. Note that regulations related to expiry dates are different from other countries in the region. Products are often shipped to Muscat after being rejected in Dubai, for example. Any Canadian exporter interested in the market should become familiar with these differences.

EXISTING OPPORTUNITIES:

PROCESSED FOOD AND PRODUCTS

Market Characteristics:

Oman imported US\$121 million worth of processed food and products in 1994; up from US\$90 million in 1990.

- ◆ Bakery product imports increased from US\$5 million in 1990 to US\$8.3 million in 1994.
- ◆ Imports of chocolate confectionery increased from US\$5.7 million in 1990 to US\$11.4 million in 1994.
- ◆ The largest import item in this category, miscellaneous edible preparations, grew almost US\$10 million to reach US\$25 million in 1994.

Oman offers a very competitive market for value-added processed food products.

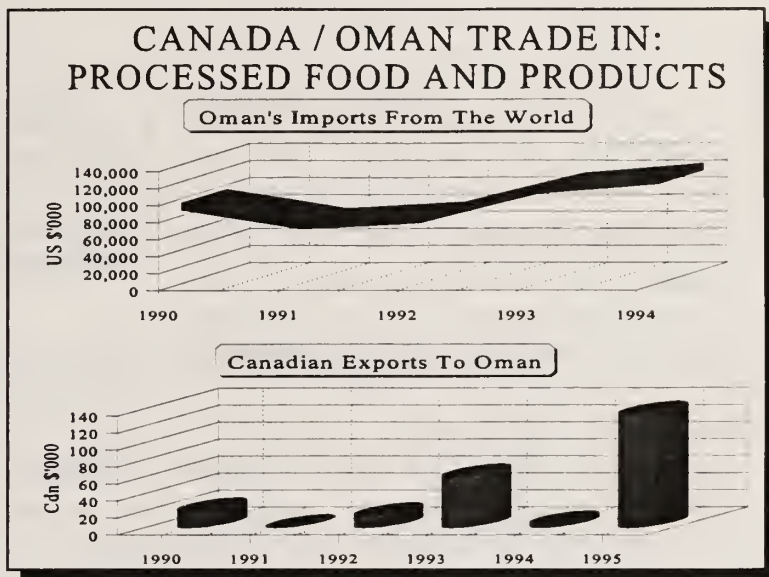
Competition amongst supermarkets is severe and margins are tight. Price wars and promotions have become common as stores try to attract and keep customers. Stores carry a good range of easily recognizable products and brands.

Export Opportunities:

Canadian exports of processed food and products to Oman have increased from \$19,000 in 1990 to \$133,000 in 1995. These exports are comprised primarily of sugar confectionery, specifically chewing gum, and french fries.

Constraints & Competitors:

Principal competitors in this market include the US, the EU, and other Middle Eastern countries.



SPECIAL CROPS

Market Characteristics:

Oman's imports of special crops have increased dramatically, from US\$30 million in 1990 to US\$203 million in 1994. The majority of this increase comes from cigarettes which jumped US\$150 million to US\$197 million in 1994.

- ◆ Pulses imports have fluctuated slightly, but remain at US\$3.5 million in 1994, the same level as 1990.
- ◆ Oman's imports of dried and dehydrated vegetables increased from US\$57,000 in 1990 to over US\$1.3 million in 1994.

Export Opportunities:

Canadian exports of special crops to Oman are comprised entirely of tobacco products.

These exports have grown from \$0 between 1988 and 1991 to over \$838,000 in 1995.

Constraints & Competitors:

The largest supplier of cigarettes to Oman is the United Arab Emirates (UAE), likely due to re-export through Dubai, with 1994 sales of US\$160 million, accounting for 81% of the import market. The US and EU (specifically the UK) are the next largest supplier, with 1994 sales of US\$18.9 million and US\$13.4 million respectively.

The UAE is also the largest supplier of pulses to Oman, with 1994 exports of US\$2.9 million.



ANNEX A: MARKETING INFORMATION

Distribution Structure in the Gulf (Excluding Saudi):

In general, the region's food retail sector is vertically integrated. In addition to their retail operations, the major supermarket chains also are importers, wholesalers and food distributors. Many of the largest companies also have catering, ship chandler and export divisions and are affiliated with local food processing firms. Several retailers are the sole agents for major brand names which they sell in their own stores and, also, distribute to competitor supermarkets. Finally, a few supermarket companies also operate internationally well-known fast food franchises.

Retail Structure in the Gulf (Excluding Saudi):

The region's food retail sector is highly competitive. There are approximately 24 major food retail companies in the region, all of which are expanding their operations. In addition, there are thousands of smaller, mom and pop outlets vying for a part of the Gulf region's relatively small customer base. According to trade contacts, heightened competition has forced profit margins down and many small store owners out of business.

An increasing number of retailers are charging for prime end-aisle space in their supermarkets. The current fee for an endcap is reportedly about \$270/month. Shelf space charges are not yet as prevalent, but many stores require local suppliers to stock and maintain their own shelf space. It is also common practice for retailers to request promotional assistance or price reductions, directly or in the form of free products.

Most of the major supermarket chains in the Gulf region are family owned. The exceptions are the consumer cooperative societies, which are member-owned and may receive substantial government assistance in the form of building and operating subsidies, and three corporately owned companies, Continent, Prisunic and Spinneys. Because the Gulf region has a relatively small population base, local supermarket chains are smaller than European and North America-based chains in terms of number of outlets, sales volume and annual turnover. On average, local companies own 3-4 outlets, with the range running from 1-9.

Supermarkets:

Until recently, supermarket chains in the Gulf region tended to be single-country operations. Competition and improved transportation and communications facilities, however, have convinced most major players to expand from their traditional base-country into other GCC markets.

Cooperatives:

In Oman, the influence of consumer cooperatives is negligible.

Competition:

Canadian firms interested in the Omani market face a variety of competitors. For much of its modern history, Oman has had very close ties with Britain. Although these ties are still strong, they are gradually weakening, and the US is becoming a more significant player in this market.

ANNEX B: TRADE REGULATIONS

Import Licensing:

Licenses are required for imports. Special licenses are required for alcoholic beverages.

Imports of a few commodities are prohibited for reasons of health, security, or public policy. Also, seasonal bans are imposed on the importation of fruits and vegetables that are grown locally.

Customs Tariff:

- Customs duties of 5% of CIF (Cost, Insurance, Freight) value are charged for most goods. The CIF valuation means that tariffs are charged on the full cost of the goods including transportation and insurance fees.
- Certain essential consumer goods and other items are exempted from customs duty. Examples include meat, edible fruits and vegetables, rice, sugar, seeds, fertilizers, live plants, agricultural implements, tea and various foodstuffs.
- Special duties apply to:
 - alcoholic beverages, tobacco, and pork products (100%); and
 - bananas and potatoes (25%).

With a few exceptions, goods produced in other GCC countries enter duty free if accompanied by certificates of origin.

Labelling Requirements:

Imported goods should be labelled in Arabic and English, although some English-labelled items are sold in the market.

The Ministry of Commerce and Industry requires that the following appear on the labels of all foodstuffs, including water:

- Date of manufacture;
- Date of expiry;
- Place of manufacture; and
- Type of foodstuff (ie. ingredients).

The use of Islamic religious symbols or sayings on packages should be avoided.

Halal Export Requirements for Oman:

Eligible/ineligible Products:

Eligible Products:

- Federally inspected fresh/frozen meat and meat products are eligible for export to Oman. Pork products are permitted if identified on the label.
- Federally inspected fresh/frozen poultry and poultry products are eligible for export to Oman.

Slaughter Requirements:

Ritual Islamic Halal Slaughter requirements apply.

Labelling Requirements:

Fresh/frozen meat and poultry: In addition to the labelling features mandatory in North America, precut and packaged meat and poultry must bear the following features (in print):

- Production (slaughter or freezing) and expiration dates. Spell out or abbreviate name of month. (Example: Jan. or January 1996). Calendar strips preprinted on label allowing designation of calendar dates with the literal translation are in frequent use.
- Metric net weight. At present, there are no restrictions regarding net weight tolerances.
- Country of origin.
- Statement that product has been slaughtered according to Islamic principles.
- Bilingual labels. The Arabic language must be one of the languages used for declaration.

Oman permits entry of pork products, but all pork products, including lard, must be identified on label.

Handling/storage Requirements:

Oman requires that instructions for consumers concerning storage, preparation and other special handling requirements accompany all shipments.

Other Requirements:

Consignee: Product must be consigned directly to Oman.

Expiration Period:

- *Frozen beef:* No fixed expiration time. 12 months is suggested as a reasonable expiration date.
- *Frozen poultry:* 12 months.

ANNEX C: LOGISTICS

Infrastructure in Oman:

Twenty years of oil revenues have enabled Oman to build a modern infrastructure. The country enjoys modern roadways to all major urban areas and population centres. Communications, utilities and other services are also well-developed and widely available: the telephone system is quick and reliable. Oman's ports are modern and able to handle containerized shipping, although berths are sometimes in high demand.

Entry and Warehousing:

Oman has no provisions for the temporary entry of goods.

Key Ports of Entry:

Mina' Qabus, Mina' Raysut, Mina' al Fahl are the principal ports in Oman.

Port Development:

Oman's centrality in relation to the Far East, Africa, and the countries of the former Soviet Union give it a strategic trade advantage. Also, Oman's location outside of the Gulf cuts down on shipping time for traders and provides a safe environment. In efforts to make Oman the "gateway" to the Gulf, the government of Oman and Sea-Land Service Inc. of Charlotte, North Carolina, signed a memorandum of understanding (MOU) concerning the development of a new container port at Mina Raysut, Salalah, in the region of Dhofar in the south of Oman. Under the MOU, Sea-Land will receive the concession rights to run the port for 30 years. The project involves the construction of a state-of-the-art container port facility capable of handling the largest container vessels. There have been discussions of eventually making the site a free trade zone.

Shipping Restrictions:

Goods exported to Oman must be insured by an Omani company. Thus companies supplying to an Omani agent will quote for cost plus freight only, instead of the more common Cost, Insurance, and Freight (CIF).

Free Trade Zones:

Although there have been government discussion about establishing free trade zones in Oman, none have been established so far.

Importer/Agency Agreements:

Government regulations require most companies trading in Oman to have a local agent. In special cases, such as when the government has directly approached a foreign firm, this rule is waived. If an agent is an individual, he must be an Omani. If the agent is a company, it must be at least 51% Omani-owned.

Agency agreements must be approved by the Oman Chamber of Commerce and Industry (OCCI) and registered with the Registrar of Agents and Commercial Agencies of the Ministry of Commerce and Industry. The practical effect of this law on a foreign supplier is that the Ministry of Commerce and Industry may prohibit the importation of goods and merchandise of suppliers who do not have an independent commercial agent registered in Oman. The agency contract must be exclusive.

BIBLIOGRAPHICAL INDEX - OMAN

BACKGROUND INFORMATION:

Department of Foreign Affairs & International Trade

- “Doing Business in the Middle East” (September, 1996)

Agriculture and Agri-Food Canada

- “Agri-Food Overview of the Gulf States” (1996)

United States Department of Agriculture - Foreign Agricultural Service (USDA/FAS)

- Attache Reports
- Food Market Report

These information products provide a comprehensive review of the country's agricultural production characteristics, trade policies, and market issues. They are a valuable tool for any exporter in assessing the opportunities for agricultural exports to a given country or region. These reports (and others) can be accessed electronically via the Internet at:

<http://ffas.usda.gov/ffas/markres.html>.

United States National Trade Databank

- International Trade Administration - “Country Commercial Guide”

The “Country Commercial Guides” offer the reader a broad analysis of the political/economic make-up of a country as well as a review of the economic trends and outlook for a number of industrial sectors.

EXPORT OPPORTUNITIES:

United States Department of Agriculture - Foreign Agricultural Service (USDA/FAS):

- Attache Reports

Statistics Canada

- Canadian Export Statistics (1988 - 1995)

World Trade Database

- Oman's Import Statistics from the World (1990 - 1994)

ANNEXES:

Arab World Online (AWO)

One of the most used sites for this study, Arab World Online is an information source with direct access to virtually every aspect of the Arab world. AWO is a joint-venture between the National U.S.-Arab Chamber of Commerce (NUSACC) and Multitasking Online. This site provides general overviews on all the countries in the Study, as well as detailed marketing, trade, and logistics information. Notably, the **Halal Requirements** section of Annex B is taken directly from this site. It can be accessed via the Internet at: <http://www.awo.net>.

Arab Net

Arab Net is a web site that compiles a great deal of the relevant country and regional information available on the Internet into one, easy to use, site. It can be accessed at: <http://www.arab.net>.

Dun & Bradstreet Exporter's Encyclopaedia (1995)

This is the single most often cited information product used in the Annexes. It provides a detailed guide to trade and logistical information for all of the countries in the study, as well as a variety of other useful information for exporters interested in the region.

Migra's Canadian Exporter's Guide.

One of the few private sector Canadian sources available, this guide offers some very detailed documentation requirements for the countries in the region.

CONTACT INFORMATION - OMAN



Ron P. Guirguis, Vice President - Operations
Canadian Business Development International
 7a Beverley Avenue, Ottawa, ON, Canada K1Y 1M7
 Tel: (613) 729-3552 Fax: (613) 729-5270
 E-Mail: rpg_cbdi@netcom.ca

CANADIAN GOVERNMENT

AGRICULTURE AND AGRI-FOOD CANADA - OTTAWA

<i>General Information</i>		Fax: (613) 759-7506	E-Mail
John Smiley	Senior Int'l Marketing Officer	Tel: (613) 759-7632	smileyj@em.agr.ca
<i>Trade Evaluation</i>		Fax: (613) 759-7505	E-Mail
Dr. Jim deGraaf	Deputy Director (TEAD)	Tel: (613) 759-7644	jdegraaf@em.agr.ca
<i>Grains & Oilseeds</i>		Fax: (613) 759-7499	E-Mail
Gerry Umbach	Commodity Officer	Tel: (613) 759-7700	umbachg@em.agr.ca
<i>Food Bureau</i>			E-Mail
Jane Teeter	Acting Asst. Dep. Director	Tel: (613) 759-7619	teeterj@em.agr.ca
<i>Commodity Specialists</i>		Fax: (613) 957-1527	E-Mail
Gilles Lavoie	Director General (AISD)	Tel: (613) 957-3008	lavoieg@em.agr.ca

DEPARTMENT OF FOREIGN AFFAIRS & INTERNATIONAL TRADE - OTTAWA

<i>OMAN</i>		Fax: (613) 944-7431	E-Mail
Richard Clynick	Trade Commissioner	Tel: (613) 944-5984	n/a

CANADIAN EMBASSY - KUWAIT

<i>KUWAIT CITY</i>	<i>Responsible for Oman</i>	Fax: (011-965) 256-4167
Normand Guerin	Commercial Counsellor	Tel: (011-965) 256-3025

OMANI GOVERNMENT

Ministry of Agriculture and Fisheries

P.O. Box 467,
Postal Code 113, Muscat
Tel: (011-968) 696-300
Fax: (011-968) 696-444

Ministry of Foreign Affairs

P.O. Box 252,
Postal Code 113, Muscat
Tel: (011-968) 699-500
Fax: (011-968) 696-141

Ministry of Commerce and Industry

P.O. Box 550,
Postal Code 113, Muscat
Tel: (011-968) 799-500
Fax: (011-968) 794-238

Ministry of Information

P.O. Box 600,
Postal Code 113, Muscat
Tel: (011-968) 603-888
Fax: (011-968) 697-676

INDUSTRY ASSOCIATIONS AND CHAMBERS

Canada - Arab Business Council

Suite 1160, 55 Metcalfe Street,
Ottawa, Ontario, Canada
K1P 6N4
Tel: (613) 238-4000
Fax: (613) 238-7643

Oman Chamber of Commerce and Industry

P.O. Box 1400,
Postal Code 112, Ruwi
Tel: (011-968) 707-674
Fax: (011-968) 708-497

CAL/BCA OTTAWA K1A 0C5



3 9073 00159684 2

