



Under Patronage of Ministry of Commerce and Industry

Destination

# OMAN



Your Gateway  
to Middle East and Africa



Coordinated by :

**"Investors' meet on 18<sup>th</sup>  
Januray 2018 - Thursday  
at Shagrila Bar Al Jissah"**



College of  
Banking and Financial Studies



Muscat Chapter of the Institute  
of Chartered Accountants of India

## About the Event

This forum titled 'Destination Oman | Your Gateway to Middle East and Africa' is being organized to create awareness in India about the highly rewarding potential investment opportunities in Oman. The forum is being held under the kind patronage of HE Dr. Ali Bin Masoud Al Sunaidi, the Minister of Commerce and Industry of the Sultanate of Oman with the support of Indian Embassy in Muscat. The forum is being coordinated by Muscat Chapter of the Institute of Chartered Accountants of India (ICAI) and College of Banking and Financial Studies (CBFS).

The forum would connect the Free Zones, Special Economic Zones and Industrial Estates Authority of Oman with specially invited potential Indian investors. This forum specifically targets the energy intensive industries namely cement production and metal smelting and metal upstream and downstream industries and would attempt to capitalize on the additional availability of gas at competitive prices in Oman, business friendly regulatory environment and world class infrastructure.

The forum would also attempt to attract Indian investments in oil and gas downstream activities with specific focus on highlighting the strategic location of Oman and sultanate's potential to develop itself into Oil and Gas transit hub of the middle east.

We are also working to organize a Road Show by Omani Free Zones in Indian cities of New Delhi and Mumbai for which support from Indian Government would be sought through Indian Embassy in Oman. This forum would be the follow up of the Road Show.



## About the Joint Coordinators of the Event

### **A. Muscat Chapter of The Institute of Chartered Accountants of India (ICAI)**

The Institute of Chartered Accountants of India (ICAI) is world's second largest body of Chartered Accountants in the world. ICAI was established by a legislation of Indian Parliament in the year 1949 and has more than 270,000 members worldwide. ICAI functions under the administrative control of the Ministry of Corporate Affairs, Government of India

Muscat Chapter of ICAI is a non-profit group of Indian Chartered Accountants resident and employed in Oman. The Chapter has been established under a Memorandum of Understanding (MOU) between ICAI New Delhi and CBFS. This MOU for ICAI Chapter establishment in Oman has been specifically approved by the Indian Council of Ministers. Chapter activities are usually restricted only to organizing academic learning events however the Chapter members are coordinating this forum to promote Indian investment in Oman using their network with their peers back in India who occupy decision making positions in Indian corporates.

### **B. College of Banking and Financial Studies (CBFS)**

The College of Banking and Financial Studies (CBFS) is a government organization established by a Royal Decree in 1983 with the objectives of educating and training bankers and encouraging research in Banking and Financial subjects. It is under the juristic supervision of the Central Bank of Oman (CBO) and is supported by the commercial banks operating in the Sultanate. CBFS sponsors ICAI Muscat Chapter in Oman.



## Why Oman

### A. Ample Supply of Natural Gas at very competitive prices

- Reliable supply of high quality natural gas and additional gas supplies from new gas discovery from block 61 (khazzan field) which is being developed by British Petroleum (BP) . This field will produce an additional 1.5 billion cubic feet of gas per day. This gas can be made available for energy intensive industries at very competitive prices. Currently only 1.6% of total natural gas produced or imported in Oman is used by industrial projects as fuel.
- Currently natural gas is supplied at a price of \$ 3 per mmbtu in Oman by state owned Oman Gas Company which is much lower than the prevailing gas prices in India where most of gas is consumed by power plants as fuel or as feedstock by fertilizer producers.
- Oman is already connected by a gas pipeline with Qatar which holds world's third largest proven gas reserves sufficient to supply gas for the next 135 years at current production level. Qatar is also part of GCC block which Oman is a member of.
- A gas pipeline is also proposed between Iran to Sohar city of Oman which also has its own port and free Zone. This which will further boost gas supply to Oman for industrial consumption. Iran holds world's largest proven gas reserve sufficient to last atleast 176 years at current production level.
- Gas availability from Qatar and Iran will ensure ample availability of natural gas for industrial consumption. Government intends to use maximum possible available gas for domestic consumption in future.
- Gas prices offered to industries are much lower than the gas prices in Asia and gas allocation for new industries is not a problem due to recent new discoveries and more gas will start flowing from Khazzan field by the end of 2017 itself.
- Uninterrupted electricity supply with installed capacity much more than the actual demand. Several new power projects are proposed in close proximity to the industrial zones that will almost double existing electricity production in the near future.

## **B. No Personal Income Tax in Oman and Corporate Tax Holiday upto 25 Years in Free zones**

There is no personal income tax , no import or export duty no sales tax or excise duty. A very simplified Corporate income tax at a flat rate of 15% but tax holiday extending even upto 25 years can be granted for units set up in Free zones;

## **C. No Import or Export Duty or VAT**

There is no import or export duties in Free Zones. Oman also have a Free Trade Agreement with the United States of America ( USA) under which many items exported from Oman do not attract any customs duty in the USA.

## **D. 100% Foreign Ownership and Unrestricted Repatriation of Profits and Capital**

Free Zones in Oman permit 100% foreign ownership. There is unrestricted convertibility of currency and unhindered repatriation of profits and capital.

## **E. Large Limestone and Gypsum Deposits close to Free Zones | Ideal for Cement Plants**

Oman has large deposits of very high quality Limestone and Gypsum which is already being mined and exported to India in large quantities. Coupled with ample availability of natural gas, this has potential to convert Oman into a cement production hub for Indian companies looking for global footprint with special attention and ambitions to capture African market. Africa is witnessing highest rate of urbanization and its demand for cement is expected to increase exponentially.

## **F. Ample Natural Gas and strategic location | Ideal for Metal Smelters and Metal Downstream Industries**

Oman's strategic location is also ideal for metal smelting plants where globally available raw materials, at highly competitive prices, can be imported and processed in its world class industrial free zones and re-exported back specially to Africa, middle east and the rest of the world. Oman also has its own large deposits of metal ore including copper, zinc, silver and gold.



## Special Economic Zone, Free Zones with Integrated Ports

### A. Duqm Special Economic Zones and Duqm Port

Omani Government has invested close to \$ 2 billion in developing Duqm Special Economic Zone (DSEZ) area with world class infrastructure. It hosts own sea port and a new airport. DSEZ is fast developing into an Oil and Gas Transit Hub with upcoming large refinery and crude storage facility that can store 200 million barrels of crude, the largest in the region, is also being constructed at Duqm. Indian Oil and Gas companies can source crude from Oman and from other oil rich countries in the middle east region and can store it in Oman. They can re-export it back to global markets either in crude or refined form specially to Africa which sources most of its requirement in the form of refined petroleum products. Indian Companies may also set up refineries at the strategically located Free zones of Oman and cater to the world.

A \$ 7 billion refinery with 230,000 bpd capacity is being built at Duqm. DSEZ has already attracted more than \$10 billion worth of global investments.

### B. Sohar Port and Free Zone

Sohar Port and Free Zone also sits at a strategic location and would be the landfall point at Oman for the proposed Iran –Oman gas pipeline bringing Iranian Gas to Oman. The City hosts the main Omani port handling most of the imports and exports in and out of Oman. Sohar Port and Free zone has already attracted more than \$25 billion of global investments till now. It also hosts a refinery with a capacity of 120,000 bpd which will soon be increased to 180,000 bpd. Sohar has also got its own new airport. Currently there are six Ferrochrome smelters under construction in Sohar Free Zone.

### C. Salalah Port and Salalah Free Zone

Salalah hosts a Free zone and a port which caters to the southern part of Oman. This Free Zone and Port is strategically located very close to the promising African market. It currently hosts large petrochemical processing companies in addition to various manufacturing units. Many new industrial units are also proposed. The Free zone and port is also situated very close to a dedicated state of art Salalah Port which is also logistically connected to mines producing best quality high calcium content limestone and gypsum in addition to other minerals , a large quantity of which is currently exported to India from Salalah Port.

