

BRIEFS

Impact of royalty hike in third quarter, says Oman Chromite

**MUSCAT:** Oman Chromite said that the financial implication of a recent government decision to raise royalty to 10 per cent from 5 per cent will be clear in the third quarter results, after realising actual sales for the period. The Public Authority for Mining raised royalty-with effect from July 1, 2015. The company management is working on the required adjustments on the budgets, according to a disclosure posted on MSM website.

Galfar bags tender to upgrade plant

**MUSCAT:** Galfar Engineering and Contracting Company has bagged a tender to upgrade Duqm desalination plant from the Rural Areas Electricity Company. The value of the contract is OMR729,970 and it will be completed within one year.

Treasury bills worth OMR60m allotted by CBO

**MUSCAT:** A tender of Government Treasury Bills, issue number 546, was held at the Central Bank of Oman (CBO) this week. The total value of the allotted Treasury bills amounted to OMR60 million for a maturity period of 364 days from June 17, 2015 to June 15, 2016. The average accepted price reached 99.573 for every OMR100 while the minimum accepted price arrived at 99.400 per OMR100. The average discount rate and the average yield reached 0.42867 per cent and 0.43095 per cent respectively. Treasury Bills are short-term highly secured financial instruments issued by the CBO on behalf of the government, which helps the licensed commercial banks to gainfully invest their surplus funds with added advantage of ready liquidity through discounting and repurchase facilities (Repo) offered by CBO. The interest rate on the Repo operations with CBO is 1 per cent for the period from 17 June to June 23, while the discount rate on the Treasury Bills Discounting Facility with CBO is 1.35 per cent for the same period. - Times News Service/ONA

Oman, Japan expected to ink investment agreement

Expected in the second quarter of this year, the agreement will boost bilateral trade by attracting more and more Japanese investments, says the ambassador

ELHAM POURMOHAMMADI  
elham@timesofoman.com

**MUSCAT:** Oman and Japan will witness a significant growth in bilateral trade and investment with the signing of an investment agreement between the two countries, which is expected in the second quarter of this year, said Japan's ambassador to the Sultanate. "The signing of the Japan-Oman Investment Agreement is expected to boost bilateral trade by attracting increased Japanese investment as a result of minimised conditions for investment in Oman as well as setting clear rules for cases of deterioration in the investment environment," ambassador George Hiseada told *Times of Oman* in an exclusive interview.

Investment protection

The ambassador believes that the already strong economic ties between Japan and Oman, which are built upon a solid foundation of a 'trusted trade partnership', will benefit from this agreement that focuses on protecting the investment and investors.

"The agreement ensures the investors in the contracting parties will not be treated less favourably than those in the other contracting party. Investors should also not be treated less favourably than those from non-contracting parties," said Hiseada.

He said the agreement sets rules that neither contracting par-



**UPBEAT:** George Hiseada, Japan's ambassador to Oman, believes that the already strong economic ties between Japan and Oman will benefit from this agreement. - O. K. MOHAMMAD ALI/Times of Oman

ty shall expropriate or nationalise investments in its area of investors of the other contracting party except for a public purpose.

"This would apply to taxation measures as well, to avoid the abuse of the right of taxation by the authorities concerned," he said, adding that the agreement also sets rules of compensation, namely that the compensation should be paid without delay and shall include interest at a commercially reasonable rate.

Types of agreements

According to the ambassador, there are two types of bilateral investment agreements which Japan has with other countries.

"The first mainly focuses on protecting the investment and investors. The second is to protect the investment and investors and at the same time liberalise investment between each country. The Japan-Oman Investment Agreement will be similar to the former," Hiseada noted.

In total, Japan has 21 investment agreements and 13 economic partnership agreements (EPA) in effect. In addition to these, five Investment agreements and one EPA have recently been signed, and are expected to come into effect soon. The Middle Eastern and African countries which presently have investment agreements with Japan in effect are Egypt, Iraq, Kuwait, Turkey and Mozambique. An investment agreement with Saudi Arabia has already been signed.

Double taxation

The ambassador said that the Japan-Oman Investment Agreement will follow on from the signing of the Japan-Oman Tax Agreement, which entered into force on September 1, 2014. The tax agreement adjusts the taxation rights between Japan and Oman to avoid international double taxation arising from economic and human exchanges, added Hiseada.

"Reflecting the strengthened economic relations between the two countries, and to promote mutual investment, this agreement clarifies the limit of withholding tax rates imposed by the source state on dividends, interest and royalties. The agreement is expected to further strengthen the economic relations and human exchanges between Japan and Oman, and contribute to the prevention of fiscal evasion," the ambassador stated.

Key points

The ambassador explained that key points of the agreement include the clarification of taxable scope in the source country on business profit resulting from the business activities of enterprises, reduction of taxation on investment income in the source country to 5 per cent dividends (10 per cent shareholding requirement) and 10 per cent others, interest exemption for the government etc and 10 per cent others, and 10 per cent royalties.

The agreement also involves a

framework for ensuring smooth dispute resolution on tax matters between the tax authorities of the two countries, and provisions to implement the exchange of information regarding tax matters between Japan and Oman's tax authorities.

Current trade value

Asked about the value of annual trade between Japan and Oman, Hiseada said that it stood at around \$7.34 billion in 2014. "In 2014, imports from Oman to Japan were around \$3.84 billion and exports from Japan to Oman were around \$3.50 billion," he added.

Commenting on the main imports and exports, the ambassador stated, "Japan is one of Oman's largest importers of oil and natural gas, but we also import vegetables, aluminum, and fishery products, like cuttlefish or white fish fillet, from Oman."

One Japanese trading company is involved in the export of Omani green beans to Japan, he said, adding, "In winter, 90 per cent of fresh green beans on our supermarket shelves are labelled 'From Oman'."

Automobile, auto parts

Hiseada further noted that more than 90 per cent of Japan's exports to Oman are automobile and auto parts, expressing delight at the fact that he sees so many off-road, four-wheel drive vehicles, such as Toyota, Nissan, Mitsubishi, Isuzu and Subaru in different parts of the Sultanate.

He added that Japanese state-of-the-art, reliable machinery and electronic appliances are also in demand in Oman.

Hiseada also explained how the value of annual trade between the two countries has changed compared to previous years.

According to him, exports from Japan to Oman were around \$2.96 billion in 2012, \$3.13 billion in 2013, and \$3.50 billion in 2014. Imports from Oman to Japan were around \$5.60 billion in 2012, \$5.63 billion in 2013 and \$3.84 billion in 2014.

The Japanese ambassador said that 90 per cent of imports from Oman to Japan are crude oil and LNG, and in 2014, the volume dropped by around 30 per cent.

"According to reports from Japanese research centers and think

tanks, this drop is mainly due to the weak yen, which has pushed up the cost of imports," he noted.

Eco-friendly initiatives

"In addition, the number of 'eco-friendly' vehicles in Japan, which require less gasoline, is on the rise. Japan is depending more on thermal power generation rather than nuclear power following the Great East Japan Earthquake in 2011. Thermal power plants use LNG for electricity generation, but according to a report, LNG imports for these did not increase in 2014 and remained almost at the same level as 2013," he added.

The ambassador says that there is huge potential for further cooperation between the two friendly countries.

Untapped potential

"The Japan-Oman economic relationship has been advanced in recent years with the diversification of Oman's economy, presenting opportunities for Japanese companies to participate in a wider range of economic activities," he said. Infrastructure development is one of the areas where Oman and Japan can cooperate given the growth of this sector in Oman and Japan's extensive experience in this area, he noted.

Japan's major achievements in this field include an urban transportation system, which the country has itself developed from the north to the south of Japan, with a world-class reliable, safe and punctual operating system.

"Oman may experience similar growth issues that Japan did, such as environmental protection, energy conservation, and treatment for diseases related to modern lifestyle. As Japan struggled in the past to resolve these issues, and subsequently developed successful high technologies and systems, we can share our experiences in areas such as eco-friendly plant technology, for example waste heat reuse, and our medical check-up scheme for diabetes and metabolic syndrome," Hiseada said.

HAVE YOUR SAY

Send us your comments at  
facebook.com/timesofoman  
blog.timesofoman.com  
haveyoursay@timesofoman.com

SHIFTING FOCUS

Dubai's financial hub to shift focus

**DUBAI:** The Dubai International Financial Centre (DIFC) spent the first 10 years of its existence looking to banks in the West. It's planning to spend the next decade looking East.

DIFC, as the tax-free business park is called, became the Middle East's biggest financial hub by attracting the regional offices of western banks such as Goldman Sachs and Citigroup. The 110-acre center is now seeking to triple the number of its financial firms to 1,000 by 2024, relying mainly on Asian and African institutions using Dubai as a hub to expand, Governor Essa Kazim said in the city last week.

The centre is pivoting East as the Western banking industry grapples with rising capital requirements, regulatory scrutiny and fines and slower growth in the aftermath of the global financial crisis. HSBC last week announced plans to cut 25,000 jobs globally and sell businesses in

Brazil and Turkey, while Standard Chartered and Deutsche Bank have both replaced their leadership this year.

Financial crisis

"The western financial institutions are in retreat since the financial crisis, so if you are going to have growth it has to come from the East," from Asia and Africa, Nasser Saidi, an adviser and former chief economist at the DIFC, said by phone. "You have to be the hub for emerging markets."

DIFC, set up in 2004, is also aiming to increase overall workforce to 50,000 from 17,860 and boost assets under management to \$250 billion from \$10.4 billion.

Half the new growth is expected to come from financial institutions from developing countries using Dubai as a gateway to tap markets in South Asia, the Middle East and Africa, which has a combined gross domestic product of \$7.9 trillion. - Bloomberg News

SEND US YOUR VIEWS AND COMMENTS  
editor@timesofoman.com  
webeditor@timesofoman.com

FOR RENT  
HIGH QUALITY COMMERCIAL OFFICE SPACE / OMR 8 PER SQM  
Wattayah, Muscat

Grade A commercial office space for rent, ideally located with easy access to and from Muscat Expressway and Sultan Qaboos Highway.  
For further details contact  
John Fernandes  
T: +968 9553 1827  
E: john.fernandes@cluttons.com

Units starting from 500 sqm  
Commercial toilets & fully equipped pantry  
24 hr security & maintenance  
Dedicated on-site building management  
Suspended ceilings  
Central air conditioning  
Fully finished spaces with tiled flooring  
Ref. CZWA

cluttons.com

WWICS GOLDEN OPPORTUNITY TO DO BUSINESS & SETTLE IN USA, CANADA, EUROPE, UK, AUSTRALIA, & NEW ZEALAND

Various Permanent Residency Options Available Under The Business Immigration Programs For Business Persons & Professionals Having Management Experience  
Get US Green Card Under US EB-5 Visa/ L1 Visa  
Immigrate to Canada Under Federal & Provincial Nominee Programs  
Immigrate to Europe Under Hungary Business Immigration Program  
Business Immigration Opportunities in Australia, UK & New Zealand

WALK-IN FOR FREE COUNSELING ON ALL WORKING DAYS FROM 10AM - 6PM AT WWICS OFFICE SUNDAY CLOSED  
FOR BOOKING CALL: 9722 9481






Get Direct Citizenship / Passport Through Safe Investment in Various European & Caribbean Countries

Desender Sandhu & Parvinder Sandhu, St. Directors are members of ICCAC  
WWICS/ Its Staff/ Associates are Members of CAIAC, ACC, PHDCI, CIA, FICCI, KICG, CMA, APNIC, IACC & MARRA

WORLDWIDE IMMIGRATION CONSULTANCY SERVICES  
WORLD'S LARGEST IMMIGRATION GROUP  
1st Floor, Office #21, United Travel Building, Opp. Lama Polyclinic & Bishara Establishment, Ruwi CBD, Muscat, Oman.  
Ph: +968 24792800, 24700040, Fax: 24795800  
Email: muscat@wwicsgroup.com | Website: www.wwicsgroup.com

apollo  
MOHD ASSULAIMY AUTO PARTS CENTRE Contact: 24816774

Industrial, Agricultural, Fork Lift and Solid Tyres  
MOHD ASSULAIMY AUTO PARTS CENTRE Contact: 24816774

 Investment Manager Vision Investment Services Co. (S.A.O.C)	 VISION AL KHAIIR GCC FUND	 VISION REAL ECONOMY GCC FUND	 VISION GCC FUND	 VISION OMAN FUND
	Vision Al Khair GCC Fund	Real Economy Fund	GCC Fund	Oman Fund
NAV Date	14/06/2015	14/06/2015	14/06/2015	15/06/2015
NAV per Unit	1.205	1.649	1.295	1.198
Dividends paid till date	5%	29%	31%	17.5%
Bonus units till date	5%	-	60%	-
*Since Inception performance	31.97%	103.97%	166.03%	37.82%
* Adjusted for bonus & dividends, assuming dividends are reinvested.				
P.O. Box 712, Al Hamra, P.C. 131, Sultanate of Oman. Phone: +968 24725000, Fax: +968 24726010 Email: vision@investvis.com, Website: www.investvis.com				