

**Don't litter  
a beautiful country  
like OMAN.**

Ensure  
proper disposal  
of garbage.

# MARKET

## BUSINESS & FINANCE



WWW.TIMESOFOMAN.COM  
SUNDAY, JUNE 21, 2015



SCAN THIS  
QR CODE TO  
INSTANTLY  
LAUNCH  
THE VIDEO

**DIGEST VIDEO**  
Top stories in one minute  
with our new daily Digest



+968 22 033 112  
+968 9410 36 43  
rental@ttcoman.com

# Power Rental Solutions

Generators ,Welding Machines, Diesel Air-Compressors, Fuel Management,  
Mobile Light Tower, Load Testing / repair & maintenance, Jack hammers, Rotators

**Quality Equipment.**



Generators



Load Testing



Welding Machines



Repair & Maintenance



Compressors



★ On Site...  
★ On Demand...  
★ On Time...

# Phoenix Power retail investors allotted minimum 3,000 shares

Oman's market regulator Capital Market Authority has approved the share allotment on Thursday

**A E JAMES**  
businesseditor@timesofoman.com

**MUSCAT:** Phoenix Power, which floated an initial public offering of OMR56.3 million, has allotted a minimum of 3,000 shares and 8.57 per cent of additional shares applied by retail or first

category investors.

Oman's market regulator Capital Market Authority (CMA) approved the share allotment on Thursday, after taking into consideration the interest of small investors who constitute a large chunk of investors.

As far as the second category or institutional investors are concerned, the allotment is merely 2.52 per cent of applied shares, according to the stock market regulator Capital Market Authority (CMA).

As many as 49,096 investors — 48,727 retail investors and 369 institutional investors — received allotment.

Sayyid Hamid bin Sultan Al Bussaidi, acting chief executive officer of CMA, said that the demand for shares exceeded the offer by 18 times. The CMA considered the allocation of shares issue in such a way to provide small investors with good number of shares.

"CMA encourages all investors to focus on long-term investment and not to opt for quick exit to get the maximum benefit when the issuer has the ability to utilise revenues of the IPO in investment activities that will contribute to the growth of national economy and generate good yields."

Refund of excess application money of the issue, which closed one-month subscription on June 8, will start on June 21 and the shares will be listed on June 22.

The primary issue was divided into two categories, on the basis of size of subscription. As many as 65 per cent was reserved for the first category, who apply for shares between 1,000 and 600,000, while the second category was institutions and high-net worth individuals who apply for shares between 600,100 and 51,191,000.

The share offer was available for both Omanis and foreign residents. The minimum allotment of

shares for retail investors is aimed at providing them opportunities to enter the stock market and gain from their investment.

The Phoenix Power IPO resulted in a growth in number of new investors on the Muscat Securities Market (MSM).

The heavy oversubscription shows the trust of investors in Omani bourse.

As the largest power plant in Oman, Phoenix Power's power capacity of 2,000 megawatt represents 27.8 per cent of the main interconnected system. The \$1.6 billion-independent power project has a 15-year power purchase agreement with a government entity, which will expire in 2029.



**ROBUST DEMAND:** Phoenix Power IPO resulted in a growth in number of new investors on the Muscat Securities Market. — Supplied picture

**HAVE YOUR SAY**  
Send us your comments at  
facebook.com/timesofoman  
blog.timesofoman.com  
haveyoursay@timesofoman.com

## SME SUPPORT JAPAN INITIATIVE

# 'Japanese small businesses can offer a lot to Omani firms'

**ELHAM POURMOHAMMADI**  
elham@timesofoman.com

**MUSCAT:** Japanese small and medium enterprises (SMEs) with world-class technology and craftsmanship have a lot to offer to Omani companies and the initiative by SME Support Japan can help them establish partnership, says Japan's ambassador to the Sultanate.

"The Japanese semi-governmental organisation 'SME Support Japan' has launched a website called 'J-GoodTech' which is a business matching site that showcases outstanding Japanese craftsmanship SMEs to overseas SMEs," Ambassador George Hiseaeda told the *Times of Oman* in an exclusive interview.

He encouraged Omanis SMEs to learn more about Japanese firms through the website and find opportunities to work together.

Hiseaeda added, "Not many Japanese SMEs are aware of the excellence of many Omani companies. Oman's Public Authority for Investment Promotion and Export Development (Ithraa) held the 'Oman Japan Investment Forum' in Tokyo last year which helped to increase awareness of the Sultanate's investment climate in general."

### Visa facilitation

Asked if any visa initiative is being developed to promote trade between the two countries, the ambassador said, "We are presently working on a visa facilitation initiative in accordance with the joint communiqué issued between Japan and Oman following the official visit of the Japanese prime minister to Oman in 2014, which states that both sides have decided to continue discussions on visa exemption between the two countries for diplomatic and official passport holders."

Commenting on Japanese companies active in the Sultanate, Hiseaeda said that there are currently thirteen Japanese companies operating in Oman.

"Six of them are major business houses and play a central



George Hiseaeda, Japan's ambassador to the Sultanate. — Picture by O.K. Mohammed Ali/Times of Oman

role in Japan-Oman economic co-operation through their participation in wide-ranging economic activities, including general trading, shipping and investment," he said, adding that there are no Omani companies in Japan at present.

### Joint investment firms

According to him, there are presently two joint investment companies between Japan and Oman in the field of construction, namely Kobe Steel Sohar Project Construction & Co. LLC and Mitsubishi Heavy Industries Fertiliser Project Contracting Construction Co. LLC.

### Direct investments

Asked about the total value of the investments made by Japan in Oman, the ambassador said, "In 2014, direct investment from Japan to Oman in finance and insurance as well as general machinery amounted to around 0.1 billion yen. I am optimistic that the signing of the bilateral investment agreement anticipated in 2015 will see this figure rise."

Hiseaeda also said that attractive incentives are being offered

to foreign investors keen to make investments in Japan.

### Incentives

"The Japan External Trade Organisation (JETRO), a semi-governmental organisation which works to promote mutual trade and investment between Japan and the rest of the world, offers appealing incentives to foreign investors such as support measures which include tax breaks and patent fee exemption, in order to motivate global companies to locate their R&D facilities or regional headquarters in Japan," he noted.

The JETRO office in Dubai is responsible for Oman, he said, adding that the embassy regularly forwards enquiries there from Omani businesses interested in Japan and Japanese products, and JETRO are delighted to assist further.

### Projects

Asked about the projects that Japanese companies have implemented in Oman, Hiseaeda noted a long list of projects, which shows Oman's confidence in the high quality of products and services offered by Japanese firms. **>B4**

OMAN'S  
NO. 1 MOTOR INSURER\*  
IS CELEBRATING ITS  
30TH  
BIRTHDAY...

...AND THE GIFTS ARE FOR YOU

**FREE UAE & AAA coverage<sup>#</sup>**

**FREE dealer repairs<sup>6</sup>**

**30 customers WIN their premium back<sup>®</sup>**

**30 customers to WALK-IN & WIN shopping vouchers<sup>5</sup>**

**DOUBLE CHANCE to WIN for renewal & high-value customers<sup>7</sup>**

Visit your nearest branch or call today.

Al Khoudh: 24542325	Bahla: 25420883	Buraimi: 25657121	Ibri: 25688266	Khasab: 26730958	Opp. Airport: 24521161	Ruwai: 24766809	Salalah: 23290136
Al Khuwair: 24489092	Barka: 26884803	Ibra: 25571713	Izki: 25341686	Nizwa: 25411878	Qurm: 24665114	Saham: 26857670	Sohar: 26842173

Promotion Period: 17/6/2015 to 16/8/2015. Winners will be chosen through a raffle draw on 1/9/2015. \*by Net Written Premiums - As per CMA data 2014. \*The Free UAE insurance cover and AAA card assistance offer is valid on the purchase of personal comprehensive motor insurance sales for individuals only with sum insured of RO 8000/- or more and age 30 or more. For UAE, only the insurance cover is complimentary and the customers will have to pay for the Orange card. AAA card assistance is valid for Oman only. <sup>1</sup> Free dealer repair is valid only on personal saloon / 4WD comprehensive motor insurance for Toyota, Lexus, Kia, Hyundai, Chevrolet, Cadillac, Subaru, SsangYong and Chevy vehicles under special schemes. <sup>2</sup> Winners can get their full premium back or a maximum of RO 500/- whichever is lower. <sup>3</sup> For 'Walk-in and Win Shopping Vouchers' Draw a quote must be taken and the quote number has to be written in the coupon provided with correct phone numbers. <sup>4</sup> Double chance to win is for the renewal / existing customers of Al Ahlia Insurance Co and new high-value customers who have a sum insured of RO 12000/- or more. The renewal of these customers should fall within the promotion period only. Renewal / high-value customers will be given 2 coupons for every RO 30/- of premium paid. Other customers will be given 1 coupon for every RO 30/- of premium paid. Company motor fleets, rent-a-cars, leased vehicles, taxis, driving school vehicles, all commercial vehicles / sales under special schemes / broker sales / border sales / auto dealership tie-ups are excluded from this offer. Conditions apply. For more details contact Al Ahlia Insurance Co.



# MARKET

NEW APPOINTMENTS

## State General Reserve Fund fills two executive positions



Mulham Al Jarf. — Supplied picture



Abdullah Al Harthy. — Supplied picture

Times News Service

**MUSCAT:** State General Reserve Fund (SGRF) announces two appointment to key leadership positions in investment and finance units, which both are reporting directly to the executive president. Mulham Al Jarf has been named as chief investment officer to lead SGRF's investment activities of both public and private markets including real estates, and assets management. Prior to joining SGRF, Mulham was the Deputy CEO of Oman Oil Company (OOC) since 2004 where he was responsible for

overseeing the Group's Strategic Business Units. During his career with OOC, he held several leadership roles and positions including legal counsel and head of project and structured finance. He brings a wide range of experience in commerce, international business, and finance in the energy sector locally and internationally. He holds a Bachelor of Business Administration from Marymount University, USA and earned a postgraduate Diploma in Law from The College of Law, UK in 1998. He is also a Barrister-at-Law of the Bar of England and Wales

and a member of The Honourable Society of Gray's Inn, UK. Additionally, SGRF has promoted Abdullah Al Harthy to the position of Chief Financial Officer (CFO) to lead SGRF's finance and investment performance activities. With his new role, Al Harthy will be also responsible for overseeing the Business Strategy, and the Information Technology. With over 14 years of career with SGRF, Al Harthy occupied several positions in the investment, and the business strategy departments. In 2010, he headed the Business Strategy unit which devel-

oped the fund's asset allocation framework, build economic research capabilities in addition to managing internal and external portfolio mandates. From 2005, he has been engaged in many initiatives which aimed at setting up investment platforms including joint ventures in Vietnam and Brunei. Al Harthy holds Master of Business Administration (MBA) from IMD Business School, Switzerland and Bachelor degree in Finance from Sultan Qaboos University in 2001. He is a Chartered Financial Analyst (CFA) since 2004, and a member of the CFA Institute.

# EU and Greece's creditors pursue weekend diplomacy



With markets closed, the weekend gives negotiators trying to avert a Greek exit from the euro some room to lay out a road map for what will be a high-stakes week with an emergency summit of EU chiefs slated on Monday

for what will be a high-stakes week with an emergency summit of EU chiefs on Monday. The clock is running down on a June 30 deadline to make payments and work out a new deal amid disagreements on pensions, sales tax and a deficit target. German Chancellor Angela Merkel and her French counterpart, Francois Hollande, spoke by phone on Friday. As leaders of the two biggest economies in the 19-nation euro bloc, they've presented a united front against Greek Prime Minister Alexis Tsipras, who has spent his five months in power trying to roll back the austerity policies underpinning the country's bailout. "I want to say very clearly on expectations, that the summit meeting on Monday can only be a decision-making summit if a basis for making decisions is there," Merkel said at a Christian Democratic party event in Berlin.



Greek Prime Minister Alexis Tsipras. — Reuters

dizzing rates. About 1.85 billion euros was withdrawn in the last two days alone, according to a person familiar with the matter. **At sea** "We are in the midst of great turbulence," Tsipras said in St. Petersburg. "But we are a nation of seafarers, who know how to deal with storms, and aren't afraid to sail to distant oceans, to uncharted waters, in search of a safe harbor." The 40-year-old leader, contending with hard-liners in his Syriza party who don't want him to capitulate to creditors' demands, has escalated the rhetoric in search of a better deal. He is expected to speak by phone with Juncker. After their meeting on Thursday ended in frustration, European finance ministers will convene again Monday, before the summit of leaders that could determine the future of the euro zone and Greece's place in it. Fatigue has set in and expectations have been tempered after months of brinkmanship and inconclusive discussions. Greek Finance Minister Yanis Varoufakis, in an opinion piece published Saturday by The Irish Times, blamed his European counterparts for showing no willingness Thursday to consider his "well thought-out" proposals.

— Bloomberg News

**LUXEMBOURG:** European Union (EU) leaders and Greece's creditors headed into a flurry of behind-the-scenes weekend diplomacy before high-level meetings to unlock aid for the nation flirting with default. With markets closed, the weekend gives negotiators trying to avert a Greek exit from the euro some room to lay out a road map

**Last chances** Greece is running out of last chances. The euro-area bailout expires at the end of the month and that's when about 1.5 billion euros (\$1.7 billion) is owed to the International Monetary Fund (IMF). With its finances in tatters, it's unclear how long Greece can hold out against the conditions attached to a fresh infusion of rescue loans.

European Union President Donald Tusk discussed what awaits Greece with European Central Bank chief Mario Draghi, IMF head Christine Lagarde and EU Commission President Jean-Claude Juncker. Those institutions control the purse strings. Flying back from a visit to Russian President Vladimir Putin, Tsipras will hunker down in Ath-

ens with his closest advisers to come up with a game plan. His country was given a few more days of financial breathing space from the ECB, which Friday increased again the maximum amount of emergency funding Greek banks can access. On Monday, the ECB will revisit that emergency funding as deposits continue to flee Greek banks at

STOCK TRENDS

'Boring' banks a safe haven in scary world

**LONDON:** When fears of a Greek default are mounting, stock markets are jittery at multi-year highs, and the world's biggest economy is preparing to hike interest rates, the idea of taking refuge in bank stocks might appear to be a hard sell. Yet that's exactly what some investors and brokers are recommending, on the basis that the sector is cheap, has been scrubbed cleaner post-crisis and may be able to pass on higher rate costs to clients in an improving economy. "With some of the classic safe havens like precious metals and less risky stocks providing little protection, we believe investors should consider some less obvious places," BlackRock Global Chief Investment Strategist Russ Koes-terich told clients last week.

**Potential beneficiary** "One is the financial sector, with banks a potential beneficiary of higher rates." It would not be the first time investors have picked up banks again since the financial crisis, though eye-popping fines have left some with burnt fingers. But Citi research suggests that European banks' annual litigation provisions are expected to fall by more than half this year. And meanwhile valuations suggest banks are the only bargains left. The banking sector is still cheap relative to others: global banks trade on a price-to-earnings ratio of around 12 and a price-to-book ratio of around 1, one of the lowest-rated sectors. Big European names like Deutsche Bank, Credit Suisse and HSBC are even cheaper. There's also a lot of optimism among investors about the arrival of new management at Deutsche Bank, Credit Suisse and Standard Chartered. Banks have regularly been pitched as restructuring plays; the hope this time is for more aggressive changes, whether on capital or business lines.

**Caveats** There are caveats, of course. Atlantic Equities analyst Chris Wheeler said a rise in rates was only good if it was gradual and if income from loan-books got more of an upward jump than payouts to depositors. This would tend to benefit strong retail or corporate lenders rather than pure investment banks. And while trading desks may cheer volatility as it drives volumes, parts of the fixed-income business may be squeezed. "Higher volatility should support higher sales and trading revenues and rising bond yields are generally good for banks, especially ones that have a low loan-to-deposit ratio," said Kinner Lakhani, analyst at Citi. "But not all banks will be affected in the same way...credit trading may also be negatively impacted." Lenders themselves appear relatively sanguine. Bank of America Chief Financial Officer Bruce Thompson told an investor conference that rising rates were "neutral to actually a positive" but said that fixed-income credit was an area that tended to "not be as robust" in a rising rate environment.

Analysis by Barclays on a sum-of-the-parts basis, or what each bank's business line is worth on a standalone view, suggests that the sector's cheapness can be justified - especially for big banks. - Reuters

**CORPORATE DEPOSITS**

**SECURED INVESTMENTS WITH GUARANTEED RETURNS**

Head Office: 94037827 / 24839999

Hatat Complex: 96096201 / 24564994

Barka: 97309510 / 26882788

Sohar: 96096173 / 26845939

Nizwa: 95154475 / 25414420

Salalah: 97163065 / 23296288

**Brokerage**  
Experience + Analysis + Quality = Successful Investment

Contact us for buying & Selling Shares  
24822335 / 333 or 99104985  
E-mail: mohammad@fincorp.org  
nabil@fincorp.org

Funds managed by Fincorp	NAV date	NAV (Per Unit)	Adjusted NAV (per unit)	Returns Since Inception	Date of Inception
Majan Capital Fund	17/06/2015	1.378	2.680	168.00%	18/08/1995
Fincorp Al Amal Fund	17/06/2015	1.089	1.977	93.82%	03/10/2004

P.o. Box 782, Postal Code: 131, Sultanate of Oman, Ph. No. 24822300, Fax: 24822390  
E-mail : sameer@fincorp.org , Website : www.fincorp.org

BILATERAL TRADE

## 'Japanese firms awarded many major contracts'

According to him, in recognition of Japan's excellence in engineering technology and world-class work schedule management practice, a number of Japanese companies have been awarded the engineering contracts of major industrial and infrastructure projects, including LNG trains in Sur, a refinery and chemical fertiliser plant in Sohar, and desalination plants in Ghubrah and Barka. **Kobe Steel** One such project is the iron direct reduction plant in Sohar, which was built by Japanese steel company Kobe Steel for the first time in the world with the most advanced environmental engineering technology to save electricity. Japanese firms are also involved in Oman's water and electricity sectors. Sojitz Corporation and Shikoku Electric Power Corporation were awarded the Barka 3 and Sohar 2 IPPs, which achieved full commercial operations in April 2012. Both plants have a capacity of 744 MW, so the projects have added almost 1,500 MW of power to Oman's current capacity of circa 4,500 MW. In 2011, two of Japan's major general trading firms Marubeni and Chubu Electric Power Company won the contract for Sur IPP in north-eastern Oman, which generates 2 GW of electricity and accounts for around 30 per cent of Oman's total electricity generation capacity and an investment of approximately \$1.6 billion. In 2012, Sumitomo Corporation was awarded another con-

tract for the 190,000 cubic metres per day Al Ghubrah IWP, near the capital Muscat, which will supply much of Muscat's total water demand and significantly contribute to the steeply growing water demand in the city. State-of-the-art Japanese reverse osmosis technology will be used in this new plant. Mitsui Corporation, which has a subordinate company called Mitsui E&P Middle East (MEPME) that is investing in upstream projects in Oman, also recently won the contract of Salalah 2 IPP in April 2015. Acquiring the current plant in Salalah owned by the Dhofar Company, which generates 273 MW, Mitsui will operate two plants which will generate 673 MW in total. Reputed for the most advanced shipbuilding technologies, Japanese shipyards have been awarded a contract to build a number of vessels for Oman Shipping Company (OSC). Five LNG tankers owned by OSC have been built by Japanese shipyards, in addition to a number of tankers which include very large crude carriers. In addition, several Japanese companies have entered into joint ownership of the fleet of OSC vessels, holding substantial shares in all LNG tankers and others. Among them, Mitsui OSK Line has been working closely with OSC since its inception, playing an active role in all areas of the shipping industry of Oman, including OSC corporate management, operation of the fleet of vessels, and crew training.