



DELEGATION FOR RELATIONS WITH THE ARAB PENINSULA

6th EP/Oman Interparliamentary Meeting

20-22 February 2011

Report from Ms Angelika Niebler, Chair of the European Parliament Delegation for relations with the Arab Peninsula

Introduction

Oman is a country which has experienced steady development during the 40 years of reign of Sultan Qaboos ibn Said al-Said. In terms of economic development and social modernisation, Oman has taken important strides becoming the country with the fastest rate of development as measured by the Human Development Index (UNDP). The Omani Government pursues investment-friendly policies and the business climate is generally considered welcoming to foreign businesses.

The opening of the political system, however, has been more gradual with the power entrenched firmly in the hands of the Sultan. The Majlis al-Shura, the second chamber of the Omani Parliament is elected by universal suffrage but it only plays a consultative role in the Omani political structure. Political parties are illegal and the freedom of association is restricted. All the members of the upper chamber, the Majlis al-Dawla, are appointed by the Sultan. The Sultan is considered favourable to gradual opening of civil society and stronger representation of women in politics. On 13 March, as a response to weeks of public protest, the most serious civil unrest in the four decades of reign, Sultan Qaboos granted more legislative and regulatory powers to the Council of Oman. He appointed a technical committee to draft a new law to effect the Council of Oman's transition to a legislative body.

The next elections to the Majlis al-Shura and the appointments to the Majlis al-Dawla are expected to take place in the second semester of 2011.

During the visit to Muscat the delegation could acquaint itself with the situation in the country and meet various stakeholders in the Omani society and politics. The 6th interparliamentary meeting held with the delegation from the Majlis al-Shura led by one of its deputy chairmen was the highlight of the three-day intensive mission. A wide range of issues e.g. environmental issues, the economic situation in Oman and the situation in the region were discussed with the members of the Omani Parliament in an open and frank manner.

Sunday 20 February 2011

Briefing with the Mr Luigi Narbone, Head of the EU Delegation accredited to the Sultanate of Oman

The delegation held an exchange of views with Ambassador Narbone on the situation in Oman and the region after the public uprisings in Tunisia and Egypt. At the time of the delegation visit, the public uprisings in Sana'a continued with demonstrators demanding a prompt change of regime. In Bahrain, the Shi'a majority were asking for a profound reform of the political system. Even in Oman there had been peaceful demonstrations asking for the Sultan to intervene against corruption and to introduce social reforms just on the day before the delegation's arrival in Muscat. In other countries of the region, notably in Saudi-Arabia, one could feel growing nervousness and concern. It had been reported that the Saudi Armed Forces were getting ready to intervene in case the instability in the Gulf region became untenable.

The populations of the countries of the region are very young and many of these youngsters are urban, well educated and well connected, e.g. via social networks on the Internet. Ambassador Narbone briefed the delegation on the actions of the EU to the opening of the societies in terms of academic exchange programmes (Erasmus Mundus) and support to civil society organisations.

The strategic position of Oman: its close relations with Iran, Oman's integration with the other five countries of the Gulf Cooperation Council were also discussed. Oman has wished to maintain a degree of autonomy and has opted out from the GCC monetary union. It was noted that EU-GCC economic relations have been intensifying under the Economic Cooperation Agreement of 1989 and the EU-GCC Joint Action Programme but a Free Trade Agreement which is under negotiations for the last 20 years would open avenues for trade diversification (in particular on the part of GCC) and with that support GCC governments in their strides to diversify their industrial and service structures. Newly established industries and service providers in GCC countries could profit from the huge markets in the EU. Moreover, EU and GCC have become important investment partners for each other. More EU investment in GCC countries would support the transfer of technology in areas such as, renewable energy, transport, tourism mining (e.g. gold, nickel and silver) and health care needed in the restructuring of economic structures.

Interparliamentary Meeting at the Omani Majlis al-Shura (Consultative Council)



The Omani delegation was chaired by Mr Nasser al-Maawali, Deputy Chairman¹, and included four other members: Dr Rasheed al-Hirebi, Chair of the Economic Committee; Mr Ahmed al-Shihi, member of the Bureau, Dr Fuad Jaafar; and Mr Khamis al-Suleimi.

The Consultative Council (Majlis al-Shura) is composed of 84 members (of the minimum age of 30) elected by universal suffrage (since 2002) for four-year term, renewable once. The Sultan appoints its chairman. This office is currently held by Sheikh Ahmed bin Mohammed al Issa'ee. The Consultative Council gives its opinion on draft laws, and only has very limited powers to propose legislation. No female candidate got elected in the 2007 elections. As political parties are illegal in Oman, the distribution of seats in the Majlis al-Shura follows the tribal and to a lesser extent religious lines.

This was the sixth time an interparliamentary meeting between the European and Omani parliaments. The EP delegation underlined the importance of representative democracy and explained that the EU was founded on double representation with democratically elected governments represented by 27 ministers in the Council and the European Parliament directly elected by EU citizens.

The current status of the Majlis al-Shura resembles that of the ECSC Common Assembly established in 1952 with no legislative powers. The EP delegation stated that the direct election of the Majlis al-Shura has been the right step towards a more representative parliament and more democracy in Oman and welcomed electoral reform for the next

¹ On 17 March 2011, the Majlis al-Shura elected two new deputy chairmen: Abdullah Khalifa Bin Khamis al-Majali and Yunis Bin Sabeel Bin Isa al-Balushi. Ahmed Bin Muhammad Alesai continues as the Chairman of the Majlis al-Shura

elections (scheduled for later this year) making the registration process easier and to increase the transparency of the voting procedure.

The EP delegation informed the members of the Majlis of the particular interest of the EP in the GCC countries and of the adoption by the Foreign Affairs Committee of a report on EU-GCC relations which would be submitted to the Plenary in March.

Energy and environment issues

Oman's economy is heavily dependent on oil revenues which ensure a comfortable positive trade balance (€ 3.8 billion in 2009) and the accumulation of foreign reserves (€8.5 billion in 2009). Oil started to be commercially produced in forty years ago under the impulsion of Sultan Qaboos, who used its income to invest in an economic development based on both the public and private sectors. Nevertheless, the expected rarefaction of resources (currently known reserves will be exhausted within 15 years) and the fluctuations in oil prices have convinced Oman to engage into a development programme, "Vision 2020", in order to promote privatisation, diversification and foreign investment. The programme notably seeks to develop other industries such as natural and liquefied gas production, metal manufacturing and petrochemicals, but also such areas as tourism, information technology and higher education.

The members of the Omani delegation underlined the importance of promoting the use of solar energy and other renewable sources alongside the development of electricity generation by using natural gas. They said that climate change was a serious concern for Oman and environmental aspects were on the top of the agenda of the Omani Government.

The EP delegation reminded the Omani interlocutors of the EU's dependence on imported energy and stressed the importance of energy efficiency, renewable energies and smart grids. It also commended the environmental policies of Oman and wished for more cooperation in the field of renewable energies between Oman and the EU

Economic issues

The Omani delegates informed the EP delegation the ambitious eighth five-year development plan (2011-15) published in January which foresees a four-fold increase in expenditure on ongoing and new projects of diversification of economy:

- Construction of airports of Muscat and Salahah and several commercial and fishing ports
- Tourism development projects² and construction of an Oman cultural complex
- Development of enhanced oil recovery techniques
- Development of human resources: a 50% increase in government spending on education³ and a 90% increase on health.
- Development of economic free-zones in Sohar (aluminium, steel, cement and petrochemical industries and trading & logistics) and Salahah (petrochemical industry)

² Potentials for the development of tourism are enormous and eco-tourism and adventure tourism are promoted actively as alternatives to more conventional types.

³ Over 100 new schools are to be constructed and 1,000 grants are foreseen for post-graduate studies abroad.

- Development of the financial sector and infrastructure (roads and water supply system).

EU investors have a great interest in establishing themselves in the GCC market and the Omani delegates wished to encourage the participation of EU companies in the large construction projects listed above and in research & development projects

Regional issues

Based on the notion that Iran and the southern shore of the Gulf share an interest in securing the highly strategic Strait of Hormuz⁴, Oman has maintained good relations with Iran even after the Islamic Revolution, when the new Iranian leaders became number one enemies of the US (Oman's main military partner) and of the Gulf monarchs.

More lately, carefully avoiding any military confrontation or any tension in the region Oman has joined its GCC allies in supporting the efforts of the P5+1⁵ on the nuclear issue in Iran but at the same time it has concluded a memorandum of understanding on security cooperation with it in August 2010.

The Omani delegation warned against any military intervention in dealing with the "Iranian nuclear problem" and defended the right of Iran to use nuclear energy for peaceful purposes. They pointed out that the EU and the US were applying double standards to the nuclear proliferation issue as it was widely known that Israel is a nuclear power but no-one seems to be preoccupied about the potential danger it poses. The EP delegation affirmed the right of every nation to opt for using nuclear energy but at the same time it should allow nuclear power stations to be subject to international control.

On other regional issues, the Omani delegates urged for continued international involvement in Iraq to help the factions overcome their mutual mistrust. They supported the Arab Peace Initiative and regretted the US veto in the UN Security Council against a resolution condemning the construction of Israeli settlements in the Occupied Palestinian territories. They also regretted that the western powers apply double standards and do not put enough pressure on the Israel government. The EP delegation reminded that the EU is the most important donor to the Palestinian National Authority and that it supports the Arab Peace Initiative. It also reminded that the EU considers Israeli settlements in the OPT illegal and all EU Member States represented in the UN SC had supported the draft resolution. It also informed its Omani counterpart that the EP has postponed the approval of two proposals for deeper cooperation between the EU and Israel due to the lack of progress in the Middle East Peace Process.

Finally, both delegations agreed that the public uprisings in Tunisia and Egypt were expressions of citizens who were fed up with repression of fundamental freedoms and who were now demanding freedom and dignity.

⁴ The Strait is 34 km (21 miles) wide. Some 40% of the world's crude oil supply passes through it.

⁵ The group consists of the five permanent members of the UN Security Council and Germany.

The EP delegation thanked the Vice-President for the hospitality offered by the Majlis al-Shura and invited a delegation of Majlis al-Shura to the European Parliament in 2012 for the 7th interparliamentary meeting.



Ministry of Foreign Affairs, meeting with H.E. Ambassador Talib Bin Miran al-Reisi, Head of economic Affairs

The delegation held an extensive exchange of views with Ambassador al-Reisi and other officials from the Omani Foreign Ministry on Oman's Relations with the EU.

Oman played a highly constructive role in the negotiations for the EU-GCC FTA during its Presidency. Today, it appears that the only outstanding issue in the negotiations for a FTA is the prohibition of export duties, which seems to be a problem for Saudi Arabia. Today, GCC countries do not levy duties on their exports. However, the EU has consistently included in all its FTAs provisions to ban the introduction of export duties and cannot thus accept to leave export duties outside of the FTA as requested by GCC. Disciplines on export duties are necessary also because of WTO rules (Free Trade Agreements have to provide for the substantial liberalisation of both imports and exports)

Meeting with Haider A. Dawood, member of the Board of the Oman Journalists Association (OJA)

The government operates the main television (2) and radio (3) broadcasters. Three privately owned stations were launched in 2004 (Private Radio and Television Companies Law) but their output is mostly limited to music. The occasional news bulletins simply pick up reports provided by the Oman News Agency. There are more than 20 publications, including dailies and weeklies. Even privately owned newspapers receive state subsidies and come under strong political pressure. Their editorial line is rarely critical of the government.

Omanis have no difficulty in watching foreign television on satellite and the use of satellite receivers is permitted. Stations from Saudi Arabia, the UAE and Yemen may be picked up. Pan-Arab TV channels, al-Jazeera (الجزيرة) and al-'Arabiyya (العربية) have each their audience. No foreign media has a permanent bureau in the country.

Article 29 of the 1996 Basic Law declares the rights of all Omanis to free speech, declaring, "Freedom of opinion and expression whether spoken, written, or in other forms, is guaranteed within the limits of the law"; however, restrictions exist in practice.

The Committee to Protect Journalists states that press freedom in Oman is either nonexistent or heavily constrained. Reporters without Borders perceives "noticeable problems" with press freedom in Oman. The ranking of Oman in the Worldwide Press Freedom Index 2010 fell to the 124th position.

The press refrains from criticising the Sultan or his policies. Editorials are supportive of government views. There is little in-depth reporting on domestic issues. The law prohibits criticism of the sultan in any form or medium. Although criticism of government officials is tolerated, it never really gets media coverage. The current law applying to the media is the 1984 Press and Publication Law. It allows censorship of all domestic and foreign publications on all matters deemed to be politically, culturally, or sexually offensive. Journalists also practice self-censorship. The state grants the licenses to journalists and it can withdraw them at any time simply on the basis of an administrative ruling. Further, access to news and information can be problematic. Journalists often rely on news compiled by the official news agency on some issues and publications, whether state-run or private, have to be approved by the authorities to be printed. The information ministry is quick to censor any publication or report, national or international, viewed as too damaging to "the culture and morals of the country". Journalists labeled as overly critical towards the government can have great difficulty doing their job, including finding a media willing to hire them, despite denials by the authorities of the existence of any actual blacklist.

There were 1.2 million internet users by June 2010. Online journalists and writers exercise a strong degree of self-censorship. Due to high fees and technical challenges internet access is restricted. Authorities closely monitor blogs and also post advertisements warning users against posting certain types of information.

The EP delegation stressed the importance of freedom of expression and of the media, and free access to information, notably via internet and noted that the central role of the social

media and internet in disseminating information on the public uprisings in the Arab world had changed the media landscape for good.

The Omani Journalists Association was formally inaugurated in March 2006. It comprises of both Omani and expatriate media representatives. The OJA's goals include raising awareness of issues facing the media, organizing training and seminars, and connecting Omani journalists to their international colleagues. The OJA is closely affiliated with the government and representatives of the Sultan.

Meeting with H.E. Mr. Sayed Humood Bin Faisal al-Busaidi, Minister of Environment and Climate Affairs

Minister al-Busaidi opened the meeting by emphasising that environment was on the top of the Omani political agenda and that his ministry had to give an environmental assessment on all construction and industrial projects before they can be carried out. He underlined that business interests had to subject to environmental considerations and he said that thanks to a close cooperation with the Ministry of Education and environmental NGOs the public awareness of environment had risen considerably in Oman in the past few years. He also thanked the EU for having organised a seminar on waste management in the GCC countries which was very much compatible with the Omani environmental policy agenda.

The EP delegation recognised the enormous challenge of maintaining an adequate supply of water for agricultural and domestic use due to limited availability of renewable water resources, problems caused by the salination of soil. Maintaining an adequate supply of water for agricultural and domestic use is Oman's most pressing environmental problem. The nation has only 1 km³ of renewable water resources, with 94% used in farming and 2% for industrial activity. Only 30% of all rural dwellers have pure drinking water. Both drought and limited rainfall contribute to shortages in the nation's water supply. The nation's soil has shown increased levels of salinity. The Minister told the delegation that main source of fresh water in Oman was desalination of sea water

It also learned about the measures taken to protect coastal areas against the danger of pollution by important oil tanker traffic through the Strait of Hormuz and Gulf of Oman. Pollution of beaches and other coastal areas by oil tanker traffic through the Strait of Hormuz and Gulf of Oman is also a persistent problem. Although Oman has not experienced any major pollution of its coastline, it has responded to a number of marine emergencies in the waters surrounding its territories in the recent past and it is well equipped in terms of spill clean-up equipment, coordination of actions (with the Oman Royal Armed Forces) and detailed contingency plans.

Oman considers the preservation of the rich and unique flora and fauna and protection of endangered species of animals or plants are objectives on their own merit but also as part of development of ecologically sustainable tourism. Oman has codified strict laws to protect wildlife from being hunted and prevent encroachment on the natural habitat of rare species by establishing 15 nature reserves. As ecotourism has become one of the fastest growing sectors of the tourism industry with an annual growth of 10-15% worldwide, Oman is well placed to take advantage of the boom.

The Minister informed the EP delegation of the effects of the climate change on Oman, especially as a major challenge to sustainable coastal zone management. Oman welcomes EU expertise in the field of climate change. More than 50% of the Omani population live along the coastline in Muscat and the Batinah region. At the same time, the CO₂ emissions of Oman have increased with the economic boom (by $\frac{3}{4}$ in the course of the 1990s) and it

is estimated that the per capita CO₂ emissions of Oman represent roughly double the world average.

The EP delegation commended the efforts taken by the Omani government in this field and stressed the importance of citizens' education and awareness-raising. It also put forward the possibilities offered by the EU Research Framework Programme and expressed its wish that the EU should respond positively to Oman's willingness to cooperate more closely with the EU in areas of environmental protection, waste management, water and sewage management, training and development of human resources.

Meeting with Mr. Maqbool Bin Ali Bin Sultan, Minister of Commerce on Trade issues between the EU and the Gulf Cooperation Council

EU-GCC economic relations have been intensifying continuously since 1980 and this in the absence of a Free Trade Agreement (which is under negotiations for the last 20 years). This should not lead to the conclusion that the existing Economic Cooperation Agreement of 1989 and the EU-GCC Joint Action Programme are already sufficient bi-regional instruments to deepen relations further.

The EP delegation underlined that European Parliament supports a prompt conclusion of the negotiations for a Free Trade Agreement. It would open avenues for trade diversification (in particular on the part of GCC) and with that support GCC governments in their strides to diversify their industrial and service structures. Newly established industries and service providers in GCC countries could profit from the huge markets in the EU.

The delegation said the Parliament would support any move to reactivate the FTA negotiations and encourages the parties to take on the only open issue which is the prohibition of export duties. A FTA - eventually supported by a subsequent EU-GCC investment agreement - would contribute to intensifying our already close economic ties.

The minister encouraged more EU investment in GCC countries to support the transfer of technology in areas such as, renewable energy, transport, tourism and health care needed in the restructuring of economic structures.

Visit to Sultan Qaboos University (SQU) and meeting with Dr Hamad Sulaiman al-Salmi, Dr Said Ali al-Yahyaee and Prof. Amer Ali al-Rawas, deputy vice chancellors, Dr Mona Fahad al-Said, assistant to Vice Chancellor for external cooperation

The EP delegation presented compliments for important contribution of the Sultan Qaboos University, the only public university in the country, to the development of the Omani society, which is a very young society.⁶ Oman realises that investment in students and research is an investment in the future of the country. The SQU participates actively in Erasmus Mundus Programme

Education and science are areas of particular interest for the EU to further develop with Oman. There are great potentials in academic cooperation between Oman and the 27

⁶ The median age of Omani citizens is about 24 years: male: 25½ years; female: 22 years (2010 est.)

Member States. The delegation would like to see even more Omani students enrol in higher education in Europe in the future.

The Sultan-Qaboos University (SQU), was established in 1986 on an initiative launched by Sultan Qaboos on the National Day in 1980. The design and construction of the campus was carried out with great attention to the accommodation of the physical, intellectual, and spiritual needs of students, faculty and staff and it reflects traditional Omani and Islamic architecture. The traditional separation of gender is respected as well by separate access to and seating in classrooms. HE, Dr. Rawya bint Saud Al-Busaidiah, Minister of Higher Education is the Chair of the current University council. The university has 9 colleges (year of establishment): Medicine and Health Sciences (1986); Engineering (1986); Agriculture and Marine Sciences (1986); Education (1986); Science (1986); Arts and Social Sciences (1987); Commerce and Economics (1993); Law (2006); and Nursing (2008).

There are currently about 15,000 students enrolled in the establishment. More than half of these students are women; the ration of female to male tertiary enrolment is up to 115% in 2008. In the academic year 2007/08, most of the students were enrolled in a bachelor cycle (91.1 %), only 3% in a post-diploma-cycle, 6% in a Master-cycle and 2% in a PhD-programme. In the superior cycles most of the courses are taught in English.

Future prospects for development

The SQU's Academic Research Council and its nine research centres e.g. on biotechnology, communication and information technologies; earthquake monitoring, environment, oil and gas, Omani studies, and water, publish scientific publications.

International cooperation

The University manifests a strong interest in promoting international collaboration and encourages academic exchange.

It has an Office of External Cooperation charged with developing its strategies and communication. It has concluded a number of cooperation agreements with renowned universities offering opportunities to faculty, researcher, and intern & student exchange.

The EP delegation expressed a strong wish that these exchanges between Oman and the EU be further developed.

Meeting with Tawasul

This meeting offered an interesting opportunity to discuss the recent upsurge of democratic movements in the Arab world and its repercussions on Oman with representatives of a major non-governmental organization.

Tawasul was established in 2008. It is a non-profit-making organisation which is operational in Oman with internationally recognised standards but aware of the local particularities. It is considered the primary catalyst for an effective empowerment of Civil Society organisations in Oman. It works on partnerships between the public and private sectors and the civil society. As the first national, independent and private think-tank in Oman, it provides policy

research papers related to Human Development goals of the country to civil society organisations and leaders in the country.

Tawasul promotes human rights in many different fields. The main activities are:

- Capacity building, advocacy and leadership projects for civil society organizations and leaders. These workshops are designed and delivered upon Tawasul's assessment of the mixed level skills within the civil society in Oman.⁷
- Organising national discussion sessions, debates and seminars on key issues pertaining to human development and public participation in order to raise awareness of a certain issue, preferably gathering civil society, public and private sectors.
- Publishing of e-newsletter in Arabic and English on key issues of human and cultural development.
- Providing a networking platform for the civil society organisations by designing, implementing and supervising social responsibility and sustainability projects for the private sector and institutions interested in social investment and engagement with civil society organisations.
- Publishing policy research papers on priority areas chosen by Tawasul in consultation with its Omani interlocutors and researchers or based on Tawasul's own judgment. They are meant to objectively highlight an issue from a policy making and practical perspective taking into consideration 'local particularities' and Human Development goals.

The European Union Delegation in Riyadh has launched the Chaillot Human Rights Prize in close cooperation with Member States Embassies to highlight positive developments in the area of Human Rights promotion in the GCC region. It rewards activities, campaigns and actions by charitable associations, institutions, civil society groups, individuals, private and public entities involved in the promotion of Human Rights activities or awareness in the Gulf. In 2010 Tawasul won the second prize and €3,000⁸ for its 18 months programme "Women on Elections" dealing with the rights of women. It is aimed at providing the female participants with capacities and to prepare them for the next Shura Council elections this year.⁹

⁷ Tawasul's forthcoming events cover topics as "The Seminar on Human Development Based Approach", "Symposium on Effective Society-Media-Majlis Cooperation for Development". From July 2009 to December 2010, 30 activities had taken place, with approximately 573 people and 97 associations in several areas trained.

⁸ The Multi-Purpose Cooperative of Women in Qassim and the Kuwait Lawyers Association were the co-winners of the first prize of 9,000 Euros.

⁹ It has also been promoted for its work with Civil Society and Social Responsibility with the Intilaaqah Awards 2010 from Shell and the Arabia Corporate Social Responsibility Awards.

Meeting with the National Human Rights Commission

The delegation held an exchange of views with Jihan Abdullah al-Lamki, Journalists' Association; Deena Hamza al-Asfaar, Omani Women's Association, Association for the Blind and Association of Early Intervention for Children with Special Needs; Saud al-Jabri, General Association of Omani Trade Unions; and Rasheed al-Huraibi from the Secretariat General of the NHRC.

The National Human Rights Commission was established by a Royal Decree in 2008 as a focal point of links with international and Arab human rights organisations. It supervises the situation of the human rights protection in Oman, participates in the revision of laws and proposes each year a plan for awareness-raising activities. The Commission Board has 14 members, 6 of whom represent various government ministries with an interest in human rights questions. It has a privileged direct contact with the Sultan.

The more than 80 Omani trade unions are members of the Commission through the General Association of Omani Trade Unions. The delegation was informed of the measures taken to protect female workers and employees from discrimination and to empower them to gain more political and financial independence.

Even if areas of discrimination persist, Oman stands out as a model for other countries in the Gulf. All present laws and regulations in Oman give equal opportunities to women in trade, labour, civil service and social insurance. Women's rights advancement suffers from the overall denial of freedom of association and expression. Women face legal discrimination and are afforded unequal rights under Oman's personal status law which governs matters of the Muslim family such as inheritance, marriage, divorce, and child custody. Allegations of spousal abuse and domestic violence are not uncommon and women depend on protection by their families. Oman is one of the few remaining members of the United Nations that has not yet ratified the UN Convention on the Elimination of All Forms of Discrimination Against Women (CEDAW). Members of the Commission assured that the examination of Oman signing this convention was ongoing.

Meeting with H.E Dr Yahia Bin Mahfoz Almunziri, President of the State Council and other members of the State Council

The Council of State is composed of 71 members (of the minimum age of 40), mainly former ministers and high state and military officials as well as other prominent members of the Omani society and business community appointed by the Sultan. It prepares studies, presents proposals on technical issues (investment, political and administrative processes) and gives its recommendations on draft laws to the Council of Ministers. There are currently 14 female members in the state council. Given that the Sultan has appointed himself all the members of the State Council it is generally agreed view that it has a lot of influence in the formulation of legal texts.



Economic development of Oman was the main subject of the discussions with the Delegation from the State Council. As of 2010, Oman implements a reformed corporate tax regime with a 12% flat corporate income tax rate on all foreign companies levelling the playing field and removing the discrepancies between local & GCC companies and foreign branches and companies. Provisions for improving tax administration and collection are also envisaged in the new regime. Some administrative obstacles remain in the licensing of business activities.

According to the tightened rules of the so-called Omanisation programme the public sector should reach the rate of 95% and the private sector the rate of 75% of Omani nationals of the labour force in the long run. Most Omani nationals active in the labour market are employed by the public sector but the government tries to create more employment opportunities for

them in the private sector. Simultaneously the government looks to reduce the proportion of expatriates in Oman to about 15% of the overall population by 2020.

Meeting with Dr Abdullah M. al-Sarmi, Under Secretary of State, Ministry of Higher education

Oman maintains a high level of public spending on education (4% of GDP in 2006 and 7.7% of total government expenditure in 2008) Moreover, the ambitious eighth five-year development plan (2011-15) foresees a four-fold increase in national government spending on education. Among GCC countries it is inferior only to Saudi Arabia. Investment in education is an investment in the future of the country, presence of a large number of highly-skilled labour constitutes a strong advantage towards the competitors. In this respect it would be important to further develop university programmes at Master's and Doctorate levels.

The opening of the educational system in 1999 led to a large number of new private institutes. All of them, nevertheless, maintain an academic cooperation with an acknowledged foreign university. There are five private universities (Sohar University; Nizwa University; Dhofar University; the Arab Open University; and the German University of Technology (GU Tech)), with 23,500 students and six public technical colleges plus several public and private institutes of cooperative education. In addition, Oman's ministry of Manpower maintain the Higher College of Technology in Muscat and seven colleges of technology in different parts of the country (vocational training). The Ministry of Health runs a number of health institutes and the Ministry of Awqaf and Religious Affairs runs Institute of Shari'a Sciences. The College of Banking and Financial Studies belongs to the Central Bank of Oman.

Oman's economic situation has improved immensely in the past decades and the better high education provides a solid basis for sustained development. If the Omani government wishes to attain its goals of more Omani nationals engaged in the private sector and to further diversify the economy, it is important to further strengthen the presence of women in the labour market. The Omani legal system welcomes foreign investment and the government encourages it especially in the fields of higher education and information technologies. The Sultanate offers scholarships for bachelor's degree courses provided to young Omanis whose families receive social security payments. 1,000 grants are foreseen to post-graduate studies abroad.

Priority fields in the development of higher education are engineering, medicine and nursing.

Meeting with Mr. Khalil Bin Abdullah Al Khanji, Chairman of Oman Chamber of Commerce

The meeting offered a possibility to exchange views on the development of the business sector in Oman and the participation of European enterprises in the Omani economy. The development of the tourism sector and the status of foreign investors (there are still some restrictions) were of a particular interest for the delegation.

The Chamber of Commerce was established in 1973 and is a member of the Federation of Gulf Chambers of Commerce. It has some 150,000 members and the membership is obligatory to all businesses.

Omani Centre for Investment Promotion and Export Development, established in 1997, is a state agency promoting investments from abroad to Oman. Oman has also many investments in Europe, principally via sovereign funds in Central and Eastern Europe. The representatives of the Chamber of Commerce mentioned the importance of food security (rice, wheat, sugar and dairy products) were cooperation with EU countries was wished.

The representatives of the Chamber of Commerce stated that there was need for skilled and semi-skilled labour in Oman. The employment of the young generation is not only an economic issue but a key to social stability in Oman and sustainable development of the country. As a problem they mentioned that the supply of university and college graduates did not match the demand and a closer coordination between the businesses and the planning of higher education.

Press Conference

The Delegation held a press conference where it issued a press release. The conference was well attended and the visit of the Delegation was widely covered both by the written and the electronic media in Oman.

Conclusions and recommendations

- Enhanced Support to Civil Society: The delegation appreciated the processes of political opening and socio-economic modernisation in Oman and welcomed the role of emerging civil society in this development. The EU should support the work of NGOs promoting the empowerment and the active participation of women and young people.
- More cooperation in research and higher education: Oman has gone a long way in developing its educational standards and research but future progress in these fields is a key to the advancement of the Omani society. Concrete research partnership, joint projects for further exchange of students and faculty in the framework of Erasmus Mundus and beyond should be further developed.
- Partnership in environmental issues: Environmental issues are on the top of the political agenda in Oman. The EU should offer active partnership with Oman in the sustainable management of resources, waste management and development of renewable energies.
- Active monitoring of the democratisation process: Right after the visit of the Delegation, in late February and early March, Oman experienced a wave of public protests asking for more equitable economic and social policies and a more open political system. The Sultan responded by promising new employment opportunities in the public sector, a minimum wage, an unemployment benefit scheme, and measures against corruption. He made a major reshuffle of government ministers. Further steps to open the political system and to cede more power to the Parliament, especially the elected Majlis al-Shura have been announced but not yet implemented. The reforms suggest that Oman could be on the path to a democratisation similar to Kuwait, which has a parliament that has legislative and regulatory powers. These developments that would be beneficial for Oman should be carefully monitored and encouraged.
- Consolidation of the parliamentary administration in Oman: It is foreseen that competences of the Omani Parliament will be increased in the near future. The EP should support this process by offering training and advice to the administrations of the two Chambers. The period of parliamentary recess before the elections scheduled for the second semester this year is particularly prone for this kind of action.
- Accrued EU presence in Oman and other GCC states: Last but not least, the Delegation is convinced that the EU should develop a more ambitious policy, a strategic partnership with the GCC countries and devote more resources to the region e.g. by opening new diplomatic missions in the GCC countries. The profile of the EU should be raised and the Union's actions should become visible in a wide range of fields of cooperation. With more presence on the ground it would be possible to lead a more effective political dialogue between the EU and the countries of the GCC.



ЕВРОПЕЙСКИ ПАРЛАМЕНТ PARLAMENTO EUROPEO EVROPSKÝ PARLAMENT EUROPA-PARLAMENTET
EUROPÄISCHES PARLAMENT EUROOPA PARLAMENT ΕΥΡΩΠΑΪΚΟ ΚΟΙΝΟΒΟΥΛΙΟ EUROPEAN PARLIAMENT
PARLEMENT EUROPÉEN PARLAIMINT NA HEORPA PARLAMENTO EUROPEO EIROPAS PARLAMENTS
EUROPOS PARLAMENTAS EURÓPAI PARLAMENT IL-PARLAMENT EWROPEW EUROPEES PARLEMENT
PARLAMENT EUROPEJSKI PARLAMENTO EUROPEU PARLAMENTUL EUROPEAN
EURÓPSKY PARLAMENT EVROPSKI PARLAMENT EUROOPAN PARLAMENTTI EUROPAPARLAMENTET

Press Release

Muscat, 22 February 2011

Oman is a country which is progressing very well. This is the impression the European Parliament's Delegation for relations with the Arab Peninsula chaired by Ms Angelika Niebler got when visiting the country. It notes important progress in many fields, a result of the consistent and step-by-step reform policies carried out by the Omani Government. In preparing a solid basis for the country's sustainable development, Oman is investing heavily in the development of human resources, education of its young people, improvement of the health sector, protection of environment and diversification of the economy.

The Delegation met with a delegation of members of the Omani Majlis al-Shura chaired by Vice-President Nasser bin Hilal al-Maawali at the 6th EP-Oman Interparliamentary Meeting. The two delegations held a fruitful and frank exchange of views on a wide variety of subjects of mutual interest such as the socio-economic development of Oman, environmental protection and climate change, regional security questions and the recent events in the Middle East and North Africa. At the end of the meeting, Ms Niebler invited the delegation from the Omani Majlis al-Shura to the next (7th) interparliamentary meeting to be held in the European Parliament in 2012.

During its visit, the Delegation also held meetings at the Omani ministries for foreign affairs and higher education as well as the Sultan Qaboos University, the National Human Rights Commission and Oman Chamber of Commerce, and met with H.E. Sayed Humood Bin Faisal al-Busaidi, Minister of Environment and Climate Change, H.E. Maqbool Bin Ali Bin Sultan, Minister of Commerce and H.E. Yahia Bin Mahfoz Al-Munziri, President of Majlis al-Dawla together with a number of its Members. The delegation also held talks with representatives of the Omani civil society: the Journalists' Association and TAWASUL.

The EP Delegation for relations with the Arab Peninsula supports and encourages processes of political opening and socio-economic modernisation in Oman and welcomes the growing role of civil society organisations in the reform process. The delegation encourages the active participation of women and young people in particular in this work.

The Delegation notes with great interest that education and development of human resources are national priorities in Oman. Investment in students and research is an investment in the future of the country. The delegation sees a great potential in deeper

cooperation between Oman and the European Union in the fields of higher education, vocational training and scientific research. It expresses its wish to develop concrete research partnerships, joint projects for the further exchange of students and faculty between Oman and the EU. Oman is an active participant in the EU's Erasmus Mundus programme which aims to facilitate student exchange.

The Delegation also welcomes the fact that the Omani government places environmental protection and climate change high on its agenda. It learned about effective measures taken to manage scarce water resources and coastal zones to supervise the construction policy and to raise awareness on environmental issues among Omani citizens.

The Delegation notes the active and constructive role of Oman in regional integration in the Arab Peninsula within the framework of the Gulf Cooperation Council (GCC) and its mediating and stabilising position in the volatile Gulf region.

Regarding the EU-GCC relations, the Delegation supports a prompt conclusion of the negotiations for a Free Trade Agreement, but at the same time it is convinced that the EU should develop a more ambitious policy, a strategic partnership with the GCC countries and devote more resources to the region e.g. by opening new diplomatic missions in the GCC countries to help raise the profile of the EU, to facilitate political dialogue and to make the Union's actions more effective and visible in a wide range of fields such as higher education, scientific research, environmental protection, sustainable management of resources and renewable energies.

The delegation was composed of 7 Members of the European Parliament:

Ms Angelika Niebler (EPP, Germany)*, Chair of the Delegation, Mr Holger Krahmer (ALDE, Germany), Vice-Chair, Mr Paul Rübige (EPP, Austria), Ms Tokia Saïfi (EPP, France), Ms Jutta Steinruck (S&D, Germany), Mr Jacek Włosowicz (ECR, Poland), Mr Slavi Binev (NI, Bulgaria).

* EPP (European People's Party in the European Parliament), S&D (Group of the Progressive Alliance of Socialists & Democrats in the European Parliament), ALDE (Alliance of Liberals and Democrats for Europe), ECR (European Conservatives and Reformists), NI (Non-attached)



DELEGATION FOR RELATIONS WITH THE ARAB PENINSULA

6th EP/Oman Interparliamentary Meeting

19-23 February 2011

PROGRAMME

Saturday 19 February 2011

Muscat

Individual Arrivals from Europe to Muscat Airport

Check in at hotel

Crowne Plaza Hotel

Muscat



+968 246 606 60



+968 246 606 00

Sunday 20 February 2011

Muscat

- 08.00 Breakfast briefing with the Mr Narbone, Head of the EU Delegation accredited to the Sultanate of Oman
- 10.00 Interparliamentary Meeting at the Omani Majlis al-Shura
- 11.30 Ministry of Foreign Affairs, meeting with H.E. Ambassador Talib Bin Miran Alreisi head of economic Affairs
- 13.30 Official Lunch hosted by H.E. Vice-president of Majlis al-Shura at Hotel Bur al Jissa
- 16.00 Meeting with Haider A. Dawood, member of the Board of the Oman Journalists Association (OJA)

Monday 21 February 2011**Muscat**

- 10.00 Meeting with H.E. Mr. Sayed Humood Bin Faisal Al Busaidi, Minister of Environment and Climate Affairs
- 11.30 Meeting with Mr. Maqbool Bin Ali Bin Sultan, Minister of Commerce
- 13:00 Meeting with H.E. Dr Ali Al-Bemani; Vice-chancellor of Sultan Qaboos University (SQU)
- 16.00 Meeting with Tawasul
- 17.00 Visit of Museum Bait Alzobair

Tuesday 22 February 2011**Muscat**

- 09.00 Meeting with the Human Rights Committee
- 10.00 Meeting with H.E Dr Yahia Bin Mahfoz Almunziri, Head of State Ministers
- 12.00 Meeting with H.E. Rawya bint Saud al-Busaidi, Minister of Higher education
- 13.30 Meeting with Mr. Khalil Bin Abdullah Al Khanji, Chairman of Oman Chamber of Commerce
- 14.45 Lunch with EU MS Ambassadors hosted by the German Ambassador (restricted to MEPs)
- 17.00 Press Conference at *Crowne Plaza Hotel*

Wednesday 23 February 2011**Muscat**

Departure to Europe

EUROPEAN PARLIAMENT

DELEGATION FOR RELATIONS WITH THE ARAB PENINSULA

6TH EP/OMAN INTERPARLIAMENTARY MEETING

MUSCAT, 19 - 23 FEBRUARY 2011

LIST OF PARTICIPANTS

Members (7)

Ms Angelika NIEBLER, Chair
Mr Paul RÜBIG
Ms Tokia SAÏFI
Ms Jutta STEINRUCK
Mr Holger KRAHMER
Mr Jacek WLOSOWICZ
Mr Slavi BINEV

Group

EPP
EPP
EPP
S&D
ALDE
ECR
NI

Country

Germany
Austria
France
Germany
Germany
Poland
Bulgaria

EPP
S&D
ALDE
ECR
NI

European People's Party in the European Parliament
Group of the Progressive Alliance of Socialists & Democrats in the European Parliament
Alliance of Liberals and Democrats for Europe
European Conservatives and Reformists
Non-attached

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Ms Nicole DEVOS

Administrator, Policy Department
Administrative Assistant

Political groups (3)

Mr Mauro BELARDINELLI
Ms Radostina MUTAFCHIEVA
Mr Manlio MASSEI

EPP political advisor
S&D political advisor
NI political advisor

Interpreters (10)

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Ms Melpomeni KONSTANTINIDI
Ms Nahed LARSEN ABOU-ZEKRY
Ms Cordula WERLE
Mr Daniel PASHLEY
Mr Thomas JAYES
Mr Wojciech SKRZYPCZAK
Ms Anna GAZDZINSKA
Ms Chirin HLAL
Mr Mohamed ASSI

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