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# OMAN DAILY Observer

Editor-in-Chief  
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Inside

Pakistan may lift ban on YouTube  
26 killed in terror attack on Burkina hotel  
UK stopped 600 from entering Syria



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## OMAN Greetings conveyed to Guatemala

**GUATEMALA:** Dr Khalid bin Saïd al Jaradi, Sultanate's accredited Ambassador to Brazil, took part in the inauguration of Jimmy Morales as the new President of Guatemala. On the sidelines of the inauguration ceremony, the Sultanate's ambassador conveyed the greetings and congratulations of His Majesty Sultan Qaboos to the Guatemalan president along with his wishes of success to him and further progress to the friendly people of Guatemala. **REPORT ON P2**

## REGION

### Taiwan opposition wins presidency

**TAIPEI:** Taiwan's independence-leaning opposition leader Tsai Ing-wen won a convincing victory in presidential elections on Saturday and pledged to maintain peace with China, which warned it would oppose any move towards independence. Tsai, leader of the Democratic Progressive Party, will be thrust into one of Asia's toughest and most dangerous jobs, with China pointing hundreds of missiles at the island it claims, decades after losing Nationalists fled from Mao Zedong's Communists to Taiwan in the Chinese civil war in 1949. Tsai said she would establish "consistent and sustainable" relations with China. **REPORT ON P6**

## EUROPE

### Merkel allies oppose refugee policy

**BERLIN:** A prominent ally of Germany's Angela Merkel threatened on Saturday to take her government to court over its 'open door' refugee policy as political pressure grows for the chancellor to reduce the number of new arrivals. Bavarian state premier Horst Seehofer said he would send the federal government a written request within the next two weeks to restore 'orderly conditions' at the nation's borders, through which one million migrants and refugees passed last year alone. **REPORT ON P15**

## INSIDESTORIES



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**WEATHER TODAY**

MUSCAT MAX: 29°C MIN: 19°C	SALALAH MAX: 27°C MIN: 20°C	NIZWA MAX: 24°C MIN: 12°C
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SUNRISE 06.51 AM

**PRAYER TIMINGS**

FAJR: 05:32	DHUHR: 12:22
ASR: 15:26	MAGHRIB: 17:47
ISHA: 19:01	

# NEW LAW TO ATTRACT MORE INVESTMENTS

**BETTER CLIMATE:** Amendments to draft Foreign Investment Law announced

**MUSCAT:** The Ministry of Commerce and Industry has announced amendments to the draft Foreign Investment Law namely revocation of the mandatory registration licence, the requirements for general local ownership and the minimum investment value of RO 150,000.



The ministry said that the bill clarifies the organisational responsibilities regarding foreign investments and provides further openness for investment, adding that the ministry will be the entity responsible for the implementation of the new investment law which would improve the investment climate in line with international norms.

The draft law is aimed at achieving certain goals by replacing the existing Foreign Investment Capital Law with clear regulations which are concordant with international standards that also reflect the Sultanate's international obligations (International Trade Organization, bilateral agreements and GCC agreements). The ministry said that the licensing general requirements will be in place and the government will hold the prerogatives of enlisting the investment areas which are ensuring for foreign investors as well as allowing the fundamental rights of investors in line with international regulations.

The ministry said that the draft investment law will contribute to the transfer of incentives to the private tax system law after a comprehensive review will remove the provisions relating to the incentives of the investment law while continuing to apply the system.

The current incentives will be in force pending the completion of the process till the adoption of the law. Meanwhile, Hilal bin Hamad al Hassani, CEO of the Public Establishment for Industrial Estates (PEIE), said that plans are to expand the presence of industrial estates in various governorates of the Sultanate.

**44** The existing 900 projects in the industrial zones in the Sultanate employ more than 15,000 citizens, and there are 242 projects under construction, which will be providing 12,000 jobs, of which 4,500 for the citizens

HILAL BIN HAMAD AL HASSANI  
CEO OF PEIE

Speaking to Oman News Agency (ONA), he said that work is currently under way in coordination with various government agencies, especially the Ministry of Housing, to complete the allocation of lands for PEIE in the wilayats of Thamarat, Al Madhahil and Shimas, in addition to Marmul and Qarn Al Alam, as they are currently being studied in collaboration with the Ministry of Oil and Gas and Petroleum Development Oman. He added that work is ongoing for the development of the existing industrial estates in the wilayats of Sur and Al Buraimi.

He said that PEIE has proposed certain locations to the Ministry of Housing in the wilayats of Suwaïq and Al Musannah, and requested to expand some of the existing estates in Raysut, Nizwa and Samayil.

TURN TO P5

## 80% OF BATINAH EXPRESSWAY FIRST PHASE READY



**MUSCAT:** The work on the first phase of the Al Batinah Expressway project is progressing well with 80 per cent completion. The first phase involves construction of a bridge at Wadi Al Lajal. An 18-km portion of the 45.5-km long first phase of the road was opened to traffic, while the work is under way on the second phase of the expressway from the Al Ouqda village in the Wilayat of Barka to Wadi Al Hamali village in the Wilayat of Al Rustaq, which covers a total length of 43 km. The 27.5-km-long Al Batinah Expressway has 3.75 metre-wide four lanes on each side and it is one of the strategic projects being implemented by the Ministry of Transport and Communications.

## Global firms keen on waterfront project

STAFF REPORTER  
MUSCAT

Jan. 16: Oman Tourism Development Company (Omran) has boosted resources for dedicated investor relations taskforce to tap additional interest from private sector investors for the Port Sultan Qaboos Waterfront Project.

Omran investor relations unit is already in advanced stages of negotiations with a number of private sector entities, state-related entities and investment funds, and have reported high levels of interest from Omrani and international private sector investors, developers and the banking community, who are keen to partner and participate in the new project.

Omran is set to establish a new company to develop the Port Sultan Qaboos Waterfront Project, with 51 per cent owned by Omran, and the remaining 49 per cent taken up by pension and investment funds, together with private sector investors.

Omran has also received expressions of interest from leading global hotel operators to manage one of the seven iconic waterfront hotels (five, four and three star hotels), including The Address (Emarat), Mandarin Oriental Hotel Group, Hyatt, Viceroy Hotels and Resorts, Hilton Hotels & Resorts, Taj Hotels Resorts and Palaces, Banyan Tree Luxury Hotels and Resorts, Chedi and Four Seasons. Salah al Ghazali, Chief Investment Officer, Omran, said: "In this era of low interest rates, and low returns on more traditional investments, investors are looking for new markets and avenues to provide healthy and secure sustainable and recurring returns. Following the recent announcement of the project, we've been very heartened by the strong expressions of interest shown by prominent local investors."

TURN TO P2

## GOODWILL GESTURES

### Iran and US free prisoners as end of sanctions nears

**VIENNA/TEHRAN:** Iran freed five Americans including a Washington Post reporter on Saturday as the two countries staged a series of goodwill gestures ahead of the expected announcement of the lifting of international sanctions against Tehran under a nuclear deal.

US President Barack Obama pardoned three Iranian-Americans charged for sanctions violations and US officials said four others would be released, in a thaw in relations between the two nations that has shaped the Middle East since Iran's Islamic Revolution of 1979.

The ending of sanctions would bring the Middle Eastern country of 80 million people back to the global economic stage after several years away, and increase Iranian influence in a region torn by sectarian strife.

The International Atomic Energy Agency was expected to announce in Vienna that Tehran had complied with a deal reached last year to curb its nuclear programme in return for the lifting of sanctions imposed by the United States, United Nations and European Union.

Ahead of that announcement, Iran is releasing five Americans and the United States is freeing seven Iranians charged with sanctions violations, in what US officials described as a humanitarian gesture.

Among the Americans being freed are Washington Post reporter Jason Rezaian and Christian pastor Saeed Abedini, while Iranian news media said seven Iranians held for violating sanctions would be freed.

Iranian Foreign Minister Javad Zarif and US Secretary of State John Kerry, who developed a close rapport during months of unprecedented talks hammering out last year's deal, met in a Vienna hotel before the expected sanctions announcement. "Implementation day" of the nuclear is a turning point in the hostility between Tehran and Washington, and is a prize for both Obama and Iranian President Hassan Rouhani.

SEE ALSO P13

## Call to have rational behaviour to protect dolphins

# Swimming with dolphins in Salalah

KAUSHALENDRA SINGH  
SALALAH

Jan. 16: A new trend of swimming with dolphins is catching up in Salalah. The trend is catching up so fast that some tour operators have already included this into their tour packages and offering it to tourists.

This is an old fact that a large number of dolphins are available in the sea near Salalah and there are tour operators who take tourists and local residents for dolphin watching in small boats.

But this new phenomenon of 'swimming with dolphins' is quite new and people are naturally attracted to experience it, particularly those who are coming to Salalah from cool European countries where not many dolphins are available so close to the beaches like Salalah.



A new trend of swimming with dolphins is catching up.

This new hot destination is Hasik, around 180 km from Salalah. Some tour operators are selling this package as 'once in lifetime experience' and an 'absolute adventure of a lifetime'.

'swimming with dolphins' in his package wants this practice to be regulated and not more than 10 people be allowed to swim along with the dolphins at one time.

Yousuf Mohammed al Shanfar, General Manager of Around the Ocean, wants some regulation from the authorities to make some arrangements so that the dolphins do not get scared and move away to other locations.

"It has happened at some other locations that due to extreme human activities the dolphins moved to other locations and the tour operators, who take tourists for dolphin watching, do not get dolphins easily for them. If we have something, we should use it rationally rather than exhausting it," he said.

TURN TO P3

## Swimming with dolphins in Salalah decried



FROM PAGE 1

Yousaf also recommended that one person should not be given more than 10 minutes to swim with the dolphins under qualified divers and asked for some arrangements to protect the dolphins from people who gather at the beaches just for fun and hit the dolphins with stones etc.

Anissa Kirch of National Tours Oman, however, is totally against this practice. "During the last week there were rumours in Salalah about a place where people can swim with dolphins. I went with some friends to find out if it is true or not. We found the place in Hasik, and it is indeed possible to swim with them. They are very close to the beach."

"Unfortunately the way we see it, it causes a lot of problems that people get to know about it. The companies bringing tourists to the dolphins should tell the guests not to feed them. It will cause problems for the environment, the dolphins, and also other animals like sharks may come. The population will

not be naturally healthy as they do not have privacy and enough freedom," she said.

She said the tourism should be sustainable.

If the dolphins are available so close to the beaches, it is good for us, tour operators, to take our tourists there instead of allowing them to swim with the wild dolphins.

"We as a tourism company feel responsible for these things. It is good if you want to make it a place for tourist attraction because it is awesome to see them playing and hunting there, but we cannot support the swimming, feeding and hurting of the dolphins," she said emphatically.

She cited some drive going on in many parts of the world where there are campaigns going on to save the dolphins from too much of human interaction.

As an appeal to everyone she said, "Respect the environment, love the nature with the wild animals, and protect the last miracles of this world. We already have destroyed enough."

Financial policies associated with the budget appear to go in the right direction

## State Budget has ensured better allocation, expenditure control

MUSCAT: Plunge of oil prices by nearly 70 per cent during the last 18 months and the non-encouraging indicators about oil price re-hike forced a number of countries to take certain measures to rectify their financial conditions, according to Mustafa Ruwais, an international economist.

He said in an analysis by Oman News Agency (ONA) that the rectification and improvement of financial conditions may not be implemented in a sharp manner but rather should be introduced gradually in proportion with the volume of reserves of each state.

Mustafa Ruwais added that 2016 budget of the Sultanate focused on enhancing efficiency and reducing expenditure, especially the government cannot afford to continue providing the same incentives that have been provided throughout the period from 2011 to 2014. These incentives created an average of 3.8 per cent burden on the Sultanate's GDP.

The financial policies associated with 2016 budget appear to go in the right direction as they will result in increasing tax revenues, limiting expenditure, especially on fuel subsidy and identifying the top priorities for development expenditure.

The tax revenues (one of the non-oil revenues) of the Sultanate in 2013 was 5.5 per cent, the biggest compared to the other GCC countries. Still, this rate is the lowest compared to other oil-exporting countries, such as Indonesia and Mexico, which levy



**“Till 2014, the government expenditure trajectory on all elements, such as wages, subsidy and defence has been going upward, therefore containing such expenditure is considered a wise policy.”**

MUSTAFA RUWAIS  
International economist

double the tax as in Oman.

He also said that the government will revise the tax exemptions and expand the tax base by levying added value and production tax, in addition to property and individual income tax.

Mustafa Ruwais affirmed that the decision to lift fuel subsidy is a step in the right direction because fuel energy exacerbates the financial imbalance and encourage excess consumption.

"Till 2014, the government expenditure trajectory on all elements, such as wages, subsidy and defence has been going upward, therefore containing such expenditure is considered a wise policy, he continued.

Updating the budget system, which is assisted by the World Bank, ushers well in terms of ensuring proper allocation of resources and

efficiency of such allocation, he furthered.

Mustafa Ruwais said, "While the measures taken to rectify the financial conditions in the Sultanate are inevitable, still they are not enough to reduce reliance on oil revenues. The Sultanate, thus needs to introduce structural improvements in some fields, such as education, labour market, civil service and privatisation. It also needs to improve the business environment to enhance the growth of the private sector and ensure economic diversification.

"The main aim of privatisation is to ensure better efficiency and performance of the state-owned companies. From the theoretical point of view, there is no difference between private and public companies as they both operate in a competitive and liberal market. Still practical experience show that

the private companies perform better than public companies", he continued.

"One of the main aims of privatisation is to eliminate (or at least reduce) the direct and indirect subsidy which burdens the state budget allocated to public companies. Moreover, the government needs to have a more comprehensive approach that include all companies that should be privatised. The approach should have a well-defined and clear timeline for implementation. Currently there are 60 companies, a number of them have the largest part of investments: most of which in oil and transport sector. The other companies are relatively small and distributed onto a number of activities.

The financial expert said that ranking of the Sultanate in business environment, especially on the World Competitiveness Report, shows that the Sultanate's rank has been downgraded by 29 positions during three years. The Sultanate's ranking at the Doing Business Report was also downgraded by 10 positions. This shows that there is a dire need to take active measures to address this situation.

"The oil price decline may be an opportunity for the government to introduce deeper structural and financial reforms. The government may also need to separate between the public budget and the fluctuation of oil prices. It also needs to create a proper balance between the roles of private and public sectors", he concluded.—ONA