



2015

China imports record crude after price crash

SHANGHAI: China imported a record amount of crude last year as oil's lowest annual average price in more than a decade spurred stockpiling and boosted demand from independent refiners.

The world's largest energy consumer increased imports last year by 8.8 per cent to a record 334 million metric tonnes, or about 6.7 million barrels a day, according to preliminary data released by the Beijing-based General Administration of Customs on Wednesday. Inbound shipments in December jumped to 33.19 million tonnes, while oil product exports rose to 4.32 million metric tonnes, both also records.

Exploiting price fall

China has exploited a plunge in crude prices by easing rules to allow private refiners, known as tea-pots, to import crude and by boosting shipments to fill emergency stockpiles. The nation's overseas purchases may rise to 370 million metric tonnes this year, surpassing estimated United States imports of about 363 million tonnes, according to Li Li, a research director with ICIS China, an industry researcher. "China's crude appetite will continue to be driven by a boom in tea-pot imports this year and the filling of strategic reserve sites amid multi-year low prices," Li Li said by phone from Guangzhou. "In the meantime, US dependency on oil imports will gradually decline with higher domestic output."

China may start four additional strategic petroleum reserves this year as part of a plan to stockpile enough oil to cover 100 days worth of net imports by 2020 and thirteen independent refiners have been granted import quotas totaling a combined 55 million tonnes, or 18 per cent of the nation's annual imports. - Bloomberg News

GCC can diversify revenue sources without taxation

In an 18-point plan developed for a GCC government, Oxford Strategic Consulting identified non-tax revenue sources with the potential to generate 10 per cent to the GDP

Times News Service

MUSCAT: It is possible to diversify government revenues without taxation even in the face of the significant drop in domestic energy prices, research by Oxford Strategic Consulting for major Gulf Cooperation Council (GCC) governments has found.

Given the volatility and unpredictability of oil prices, the primary economic strategy for all GCC countries is to diversify government income and reduce dependency on oil and gas revenues.

However, introducing taxation in the GCC region may prove a hard pill to swallow for citizens whose economic, political and social lives are based on a tax-free, subsidised and levy-free way of life.

In an 18-point plan developed for one particular GCC government, Oxford identified non-tax revenue sources with the potential to generate at least 10 per cent to the gross domestic product (GDP).



DIVERSIFICATION: Given the volatility and unpredictability of oil prices, the primary economic strategy for all Gulf Cooperation Council (GCC) countries is to diversify government income and reduce dependency on oil and gas revenues. - File picture

One of these innovative revenue sources is maximising government revenues, such as state-owned enterprises (SOEs) and pension funds, which are currently untapped and could produce a huge rate of return.

National workforce

Oxford has also suggested better utilising and deploying the national workforce in creative ways to not only generate government revenue but also to support other objectives such as increasing entrepreneurialism and private sector employment.

This is feasible given that GCC

governments are, on the whole, the favoured employer for nationals and often have an excess of human resources.

Another revenue source is increasing the willingness and ability of citizens to contribute to the national economy using 'nudge' motivational techniques as used by the UK government's Behavioural Insights Unit.

Creating new revenue generating ventures in areas where effective service impacts the well-being of the population or where it could compete effectively with the private sector, Oxford says.

The consulting agency says that

this is more desirable than selling overseas investments and privatising state assets, both of which provide only 'one-off' revenue whilst losing long-term income.

New ventures

Oxford has also recommended minimising cost in new ventures. As many resource-rich governments are embarking on massive infrastructure projects for national development, there is great potential for increasing revenue and reducing risk.

Oxford's research demonstrates that there are previously unconsidered solutions to help balance

government revenues whilst also maintaining economic and social stability. Every GCC state and other resource-dependent economies need to act now before it is too late to adopt these innovative solutions.

Oxford Strategic Consulting is an Oxford- and GCC-based consultancy that specialises in building human capital across the GCC and Europe.

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BUSINESS STRATEGY



NEW CONNECTIONS: The team said they were able to leverage existing links and create new connections with associations representing some of the key industries for Oman's 2020 economic diversification strategy. - Supplied picture

Drive to promote Oman convention centre in Canada

Times News Service

MUSCAT: International promotional campaign of the Oman Convention & Exhibition Centre (OCEC) continued in 2016 by participation in the Professional Convention Management Association (PCMA) convening leaders held in Vancouver, Canada.

During this event, the OCEC team connected with key decision-makers and meeting planners and shared the possibilities of Oman as an emerging destination and the OCEC as the region's business events hub.

"The OCEC has a unique partnership with PCMA and the development of strong relationships with professional associations is one of the cornerstones of our business development plan," said Trevor McCartney, the OCEC general manager.

"We were able to leverage existing links and create new connections with associations representing some of the key industries for Oman's 2020 economic diversification strategy. It was also a great opportunity to update the PCMA Oman International Advisory Board on the final preparations for our fast approaching launch in September 2016," he added.

The OCEC general manager said that there is a great deal of interest in the business events industry in Oman as a country and the OCEC as a venue.

According to McCartney, various elements prompting that

interest include the centre's phenomenal facilities, the Sultanate's outstanding natural assets, as well as the incredible wealth of intellectual capital in a variety of sectors and the opportunities of knowledge exchange it offers.

Global convention

Richard L. Baltimore III, adviser to the Omran Board of Directors, the Sultanate's master developer of the OCEC, commented, "Networking among this prime concentration of over 4,000 senior international business meeting industry leaders afforded a prime opportunity to introduce and promote the Sultanate of Oman as a serious contender within the growing global convention and business events industry."

"Although less well known than some other established destinations, I found both North American and other attendees to be very receptive to representations about the historical richness and uniqueness of Oman and its people. Indeed, the OCEC will herald a wide range of new opportunities and serve as an ideal vehicle to showcase the Sultanate's immense intellectual capital, while acting as a catalyst to promote economic growth, research innovation and entrepreneurship," he said.

In addition to various meetings with industry representatives from around the world, the OCEC team met Arne Sorenson, president and chief executive officer of Marriott International.

AGREEMENT

PDO joins hands with Oman Society of Contractors to create job opportunities

Times News Service

MUSCAT: Petroleum Development Oman (PDO) has signed a cooperation agreement with the Oman Society of Contractors (OSC). The agreement is part of PDO's national objectives programme to create sustainable employment and training opportunities for Omani jobseekers.

It was signed by Raoul Restucci, PDO managing director, and Shahswar Al Balushi, chief executive officer of Oman Society of Contractors. Under the terms of the Memorandum of Understanding (MoU), both parties will cooperate to promote Omanisation through training and direct employment in the construction sector.

PDO's national objective programme, which aims to create 7,000 job opportunities in the private sector for young Omanis each year through to 2020, will work with OSC to identify the areas for collaboration and exchange experiences.

PDO will also work with its contractor Apex E-Commerce to support OSC in training and employment through the 'Mujeed' initiative which matches qualified and experienced jobseekers with both public and private sector vacancies free of charge.

"PDO is committed to providing jobs and training opportunities for young Omanis across a broad range of trades and skills that will benefit the individuals and their families as well as generating sustainable long-term economic benefits for



PARTNERS IN PROGRESS: The cooperation agreement was signed by Raoul Restucci, PDO managing director, and Shahswar Al Balushi, chief executive officer of Oman Society of Contractors. - Supplied picture

the Sultanate. This is a further example of our commitment in action and we look forward to working with the OSC to deliver this important programme for the construction industry," said Restucci.

Al Balushi stated that the MoU is a live demonstration of cross-sector collaboration as well as client contractor partnership.

"A competent and skillful local workforce is a great asset for everyone. We will be working with PDO to identify the appropriate develop-

ment of young Omanis in fields that suit their career aspirations and sector requirements," he noted.

National objective

"This is a continuous national objective that requires our dedication and commitment. The best way to address the present challenges is to build appropriate capacity and a talent pool that is committed and productive. The private sector needs to be proactive and should join forces to resolve their chal-

lenges," the official added.

Since 2011, PDO's national objectives programme has generated more than 20,000 job and training opportunities with its contractors for Omanis in the oil and gas industry as well as construction focusing on areas such as civil, mechanical and electrical engineering trades. This has been achieved working closely alongside partners including the Ministry of Manpower, PDO contractors, and local training institutes.

Investment Manager Vision Investment Services Co. (S.A.O.C)	VISION REAL ECONOMY GCC FUND	VISION Emerging GCC Fund	VISION Emerging Oman Fund	
	Vision Al Khair GCC Fund	Real Economy Fund	GCC Fund	Oman Fund
NAV Date	12/01/2016	12/01/2016	12/01/2016	13/01/2016
NAV per Unit	0.851	1.202	0.896	1.000
Inception	16/05/2013	14/04/2010	19/05/2005	06/08/2007
Dividends paid till date	5%	29%	31%	17.5%
Bonus units till date	5%	-	60%	-
*Since Inception performance	-6.70%	48.66%	84.14%	15.02%

* Adjusted for bonus & dividends, assuming dividends are reinvested.