

For Six Month Period Ending March 31, 2006
(Insert date)

I - REGISTRANT

1. (a) Name of Registrant

(b) Registration No.

Baker Donelson Bearman Caldwell & Berkowitz

5678

(c) Business Address(es) of Registrant

555 Eleventh Street, N.W., 6th Floor, Washington, DC 20004

2. Has there been a change in the information previously furnished in connection with the following:

(a) If an individual:

(1) Residence address

Yes ☐

No ☐

(2) Citizenship

Yes ☐

No ☐

(3) Occupation

Yes ☐

No ☐

(b) If an organization:

(1) Name

Yes ☐

No ☒

(2) Ownership or control

Yes ☐

No ☒

(3) Branch offices

Yes ☐

No ☒

(c) Explain fully all changes, if any, indicated in items (a) and (b) above.

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IF THE REGISTRANT IS AN INDIVIDUAL, OMIT RESPONSE TO ITEMS 3, 4, AND 5(a).

3. If you have previously filed Exhibit C¹, state whether any changes therein have occurred during this 6 month reporting period.

Yes ☐

No ☒

If yes, have you filed an amendment to the Exhibit C?

Yes ☐

No ☐

If no, please attach the required amendment.

¹ The Exhibit C, for which no printed form is provided, consists of a true copy of the charter, articles of incorporation, association, and by laws of a registrant that is an organization. (a waiver of the requirement to file an Exhibit C may be obtained for good cause upon written application to the Assistant Attorney General, Criminal Division, Internal Security Section, U.S. Department of Justice, Washington, D.C. 20530.)

4. (a) Have any persons ceased acting as partners, officers, directors or similar officials of the registrant during this 6 month reporting period? Yes ☒ No ☐

If yes, furnish the following information:

Name	Position	Date Connection Ended
William Reed	Member, Board of Directors	October 2005
Harold Kushner	Member, Board of Directors	October 2005

- (b) Have any persons become partners, officers, directors or similar officials during this 6 month reporting period? Yes ☒ No ☐

If yes, furnish the following information:

Name	Residence Address	Citizenship	Position	Date Assumed
Roy Cheatwood	New Orleans, LA	American	Member, Bd/Directors	October 2005
Denise Killebrew	Birmingham, AL	American	Member, Bd/Directors	October 2005
Steven Trent	Johnson City, TN	American	Member, Bd/Directors	October 2005

5. (a) Has any person named in item 4(b) rendered services directly in furtherance of the interests of any foreign principal? Yes ☐ No ☒

If yes, identify each such person and describe his service.

- (b) Have any employee or individuals, who have filed a short form registration statement, terminated their employment or connection with the registrant during this 6 month reporting? Yes ☐ No ☒

If yes, furnish the following information:

Name	Position or connection	Date terminated
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- (c) During this six month reporting period, has the registrant hired as employees or in any other capacity, any persons who rendered or will render services to the registrant directly in furtherance of the interests of any foreign principal(s) in other than a clerical or secretarial, or in a related or similar capacity? Yes ☐ No ☒

If yes, furnish the following information:

Name	Residence Address	Citizenship	Position	Date Assumed
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6. Have short form registration statements been filed by all of the persons named in Items 5(a) and 5(c) of the supplemental statement? Yes ☐ No ☐ NOT APPLICABLE

If no, list names of persons who have not filed the required statement.

II - FOREIGN PRINCIPAL

7. Has your connection with any foreign principal ended during this 6 month reporting period?

Yes ☐No ☒

If yes, furnish the following information:

Name of foreign principal

Date of termination

8. Have you acquired any new foreign principal² during this 6 month reporting period?

Yes ☐No ☒

If yes, furnish following information:

Name and address of foreign principal

Date acquired

9. In addition to those named in Items 7 and 8, if any, list foreign principals² whom you continued to represent during the 6 month reporting period.

Sultanate of Oman, Ministry of Commerce and Industry

10. **EXHIBITS A AND B**

(a) Have you filed for each of the newly acquired foreign principals in Item 8 the following:

Exhibit A³Yes ☐No ☐

NOT APPLICABLE

Exhibit B⁴Yes ☐No ☐

If no, please attach the required exhibit.

(b) Have there been any changes in the Exhibits A and B previously filed for any foreign principal whom you represented during this six month period?

Yes ☐No ☐

If yes, have you filed an amendment to these exhibits?

Yes ☐No ☐

If no, please attach the required amendment.

² The term "foreign principal" includes, in addition to those defined in section 1(b) of the Act, an individual organization any of whose activities are directly or indirectly supervised, directed, controlled, financed, or subsidized in whole or in major part by a foreign government, foreign political party, foreign organization or foreign individual. (See Rule 100(a) (9)). A registrant who represents more than one foreign principal is required to list in the statements he files under the Act only those principals for whom he is not entitled to claim exemption under Section 3 of the Act. (See Rule 208.)

³ The Exhibit A, which is filed on form CRM-157 (Formerly OBD-67) sets forth the information required to be disclosed concerning each foreign principal.

⁴ The Exhibit B, which is filed on Form CRM-155 (Formerly OBD-65) sets forth the information concerning the agreement or understanding between the registrant and the foreign principal.

III - ACTIVITIES

11. During this 6 month reporting period, have you engaged in any activities for or rendered any services to any foreign principal named in Items 7, 8, and 9 of this statement? Yes ☒ No ☐

If yes, identify each such foreign principal and describe in full detail your activities and services:

Sultanate of Oman, Ministry of Commerce and Industry

See Response to Item 12.

Liaison work with the U.S. Trade Representative's Office and the Department of Treasury, as well as with Members of the Senate Finance Committee and the House Ways and Means Committee.

12. During this 6 month reporting period, have you on behalf of any foreign principal engaged in political activity⁵ as defined below? Yes ☒ No ☐

If yes, identify each such foreign principal and describe in full detail all such political activity, indicating, among other things, the relations, interests and policies sought to be influenced and the means employed to achieve this purpose. If the registrant arranged, sponsored or delivered speeches, lectures or radio and TV broadcasts, give details as to dates, places, of delivery, names of speakers and subject matter.

For each working day in the period subject to this report, Baker Donelson held telephone conversations or conducted email correspondence with the Office of the U.S. Trade Representative, Mr. Jason Buntin, regarding the status of the U.S.-Oman Free Trade Agreement negotiations. Also included from time to time, was Mr. Justin McCarthy of the U.S. Trade Representative's office.

Meetings listed in ATTACHMENT A were to seek support for Congressional approval of the U.S.-Oman Free Trade Agreement.

13. In addition to the above described activities, if any, have you engaged in activity on your own behalf which benefits any or all of your foreign principals? Yes ☐ No ☒

If yes, describe fully.

⁵ The term "political activities" means any activity that the person engaging in believes will, or that the person intends to, in any way influence any agency or official of the Government of the United States or any section of the public within the United States with reference to formulating, adopting or changing the domestic or foreign policies of the United States or with reference to political or public interests, policies, or relations of a government, a foreign country or a foreign political party.

IV - FINANCIAL INFORMATION**14. (a) RECEIPTS-MONIES**

During this 6 month reporting period, have you received from any foreign principal named in Items 7, 8, and 9 of this statement, or from any other source, for or in the interests of any such foreign principal, any contributions, income or money either as compensation or otherwise? Yes ☒ No ☐

If no, explain why.

If yes, set forth below in the required detail and separately for each foreign principal an account of such monies⁶

Date	From Whom	Purpose	Amount
11/22/2005	Sultanate of Oman	Legal representation	\$44,000
12/13/2005	Sultanate of Oman	Legal representation	\$22,000
12/19/2005	Sultanate of Oman	Legal representation	\$22,000
12/21/2005	Sultanate of Oman	Legal representation	\$22,000
1/03/2006	Sultanate of Oman	Legal representation	\$22,000
3/16/2006	Sultanate of Oman	Legal representation	\$21,968
			\$153,968
			Total

(b) RECEIPTS - FUND RAISING CAMPAIGN

During this 6 month reporting period, have you received, as part of a fund raising campaign⁷, any money on behalf of any foreign principal named in items 7, 8, and 9 of this statement? Yes ☐ No ☒

If yes, have you filed an Exhibit D to your registration? Yes ☐ No ☒

If yes, indicate the date the Exhibit D was filed. Date _____

(c) RECEIPTS-THINGS OF VALUE

During this 6 month reporting period, have you received any thing of value⁹ other than money from any foreign principal named in Items 7, 8, and 9 of this statement, or from any other source, for or in the interests of any such foreign principal? Yes ☐ No ☒

If yes, furnish the following information:

Name of foreign principal	Date received	Description of thing of value	Purpose
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^{6, 7} A registrant is required to file an Exhibit D if he collects or receives contributions, loans, money, or other things of value for a foreign principal, as part of a fund raising campaign. (See Rule 201(e).)

⁸ An Exhibit D, for which no printed form is provided, sets forth an account of money collected or received as a result of a fund raising campaign and transmitted for a foreign principal.

⁹ Things of value include but are not limited to gifts, interest free loans, expense free travel, favored stock purchases, exclusive rights, favored treatment over competitors, "kickbacks," and the like.

15. (a) DISBURSEMENTS-MONIES

During this 6 month reporting period, have you

(1) disbursed or expended monies in connection with activity on behalf of any foreign principal named in Items 7, 8, and 9 of this statement? Yes ☒ No ☐(2) transmitted monies to any such foreign principal? Yes ☐ No ☒

If no, explain in full detail why there were no disbursements made on behalf of any foreign principal.

If yes, set forth below in the required detail and separately for each foreign principal an account of such monies, including monies transmitted, if any, to each foreign principal.

Date	To Whom	Purpose	Amount
10/01/2005 thru 3/31/2006	Baker Donelson	Cab Fare	\$111.00
		Client Meals	\$243.99
		Filing Fee	\$305.00
		Long Distance	\$230.98
		Miscellaneous	\$584.00
		Facsimile	\$238.00
		Photocopies	\$821.00
		Postage	\$218.82
		Shipping	\$90.34
		Staff Overtime	\$1,825.18
		Travel	\$1,132.60

\$5,800.91

Total

(b) DISBURSEMENTS-THINGS OF VALUE

During this 6 month reporting period, have you disposed of anything of value¹⁰ other than money in furtherance of or in connection with activities on behalf of any foreign principal named in Items 7, 8, and 9 of this statement?

Yes ☐No ☒

If yes, furnish the following information:

Date disposed	Name of person to whom given	On behalf of what foreign principal	Description of thing of value	Purpose
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(c) DISBURSEMENTS-POLITICAL CONTRIBUTIONS

During this 6 month reporting period, have you from your own funds and on your own behalf either directly or through any other person, made any contributions of money or other things of value¹¹ in connection with an election to any political office, or in connection with any primary election, convention, or caucus held to select candidates for political office?

Yes ☐No ☒

If yes, furnish the following information:

Date	Amount or thing of value	Name of political organization	Name of candidate
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^{10, 11} Things of value include but are not limited to gifts, interest free loans, expense free travel, favored stock purchases, exclusive rights, favored treatment over competitors, "kickbacks" and the like.

V - INFORMATIONAL MATERIALS

16. During this 6 month reporting period, did you prepare, disseminate or cause to be disseminated any informational materials¹²?
 Yes ☒ No ☐

IF YES, RESPOND TO THE REMAINING ITEMS IN SECTION V.

17. Identify each such foreign principal.

Sultanate of Oman, Ministry of Commerce and Industry

18. During this 6 month reporting period, has any foreign principal established a budget or allocated a specified sum of money to finance your activities in preparing or disseminating informational materials? Yes ☐ No ☒

If yes, identify each such foreign principal, specify amount, and indicate for what period of time.

19. During this 6 month reporting period, did your activities in preparing, disseminating or causing the dissemination of informational materials include the use of any of the following:

☐ Radio or TV
broadcasts

☐ Magazine or
newspaper
articles

☐ Motion picture films

☒ Letters or telegrams

☐ Advertising
campaigns

☐ Press releases

☒ Pamphlets or other
publications

☐ Lectures or speeches

☒ Other (specify) Internet

20. During this 6 month reporting period, did you disseminate or cause to be disseminated informational materials among any of the following groups:

☒ Public Officials

☒ Newspapers

☐ Libraries

☒ Legislators

☐ Editors

☐ Educational institutions

☒ Government agencies

☒ Civic groups or associations

☐ Nationality groups

☐ Other (specify) _____

21. What language was used in the informational materials:

☒ English

☐ Other (specify) _____

22. Did you file with the Registration Unit, U.S. Department of Justice a copy of each item of such informational materials disseminated or caused to be disseminated during this 6 month reporting period? Yes ☐ No ☒

23. Did you label each item of such informational materials with the statement required by Section 4(b) of the Act?

Yes ☒

No ☐

¹² The term informational materials includes any oral, visual, graphic, written, or pictorial information or matter of any kind, including that published by means of advertising, books, periodicals, newspapers, lectures, broadcasts, motion pictures, or any means or instrumentality of interstate or foreign commerce or otherwise. Informational materials disseminated by an agent of a foreign principal as part of an activity in itself exempt from registration, or an activity which by itself would not require registration, need not be filed pursuant to Section 4(b) of the Act.

VI--EXECUTION

In accordance with 28 U.S.C. § 1746, the undersigned swear(s) or affirm(s) under penalty of perjury that he/she has (they have) read the information set forth in this registration statement and the attached exhibits and that he/she is (they are) familiar with the contents thereof and that such contents are in their entirety true and accurate to the best of his/her (their) knowledge and belief, except that the undersigned make(s) no representation as to truth or accuracy of the information contained in the attached Short Form Registration Statement(s), if any, insofar as such information is not within his/her (their) personal knowledge.

(Date of signature)

4/26/06

(Type or print name under each signature¹³)Charles R. Johnston
Charles R. Johnston

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¹³ This statement shall be signed by the individual agent, if the registrant is an individual, or by a majority of those partners, officers, directors or persons performing similar functions, if the registrant is an organization, except that the organization can, by power of attorney, authorize one or more individuals to execute this statement on its behalf.

Title



U.S. Department of Justice

Criminal Division

Washington, DC 20530

THIS FORM IS TO BE AN OFFICIAL ATTACHMENT TO YOUR CURRENT SUPPLEMENTAL STATEMENT -
PLEASE EXECUTE IN TRIPLICATE

SHORT-FORM REGISTRATION INFORMATION SHEET

SECTION A

The Department records list active short-form registration statements for the following persons of your organization filed on the date indicated by each name. If a person is not still functioning in the same capacity directly on behalf of the foreign principal, please show the date of termination.

Short Form List for Registrant: Baker Donelson Bearman Caldwell & Berkowitz, PC

Last Name	First Name and Other Names	Registration Date	Termination Date	Role
Edelman	Doreen M.	03/31/2005		
Johnston	Charles R.	03/31/2005		
Kinney	John H.	03/31/2005		
Montgomery	George Cranwell	03/31/2005		

ATTACHMENT A
(Response to Items #11 and #12)

Meetings:

Tuesday, Feb. 7, 2006:

Congressman Weller
Congressman Tanner
Congressman McDermott

Wednesday, Feb. 8, 2006:

Congressman Chandler
Congressman Shaw
Congressman Ryan
Congresswoman Hart

Thursday, Feb. 9, 2006:

Congressman Levin
Congressman Lantos
Bill Evans; Trade Admin Staff Asst. for Congressman John Linder
Tim Reif & Julie Herwig; Democratic Staff, Trade Subcommittee of the House Ways and Means Committee
Angella Ellard & Steve Schrage; Republican staff, Trade Subcommittee of the House Ways and Means Committee.

Tuesday, Feb. 14, 2006:

David Johansen & Claudia Bridgeport; International Trade Counsel - Republicans - Senate Finance Committee
Congressman Issa
Congressman Lewis (D-GA)
Congressman Becarra
Chairman Thomas, Angela Ellard & Steve Schrage

Wednesday, Feb. 15, 2006:

Congressman Rangel and Tim Reif
Congresswoman Tubbs-Jones
Congressman Brady
Congressman Meeks
Congressman Lewis (R-KY)

Thursday, Feb. 16, 2006:

Congressman Jefferson
Congresswoman Johnson
Congressman Larson
Congressman Cardin
Congressman Herger
Congressman English

Thursday, Feb. 23, 2006:

John Dennis; Staff for Senator Bingaman

Friday, Feb. 24, 2006:

Parker Pugh; Staff for Senator Lott

Monday, March 6, 2006:

Senator Grassley

Thursday, March 9, 2006:

Congressman Ackerman

Tuesday, March 14, 2006:

Senator Crapo

EXHIBITS TO SUPPLEMENTAL STATEMENT

(V-16)

GEORGE CRANWELL MONTGOMERY
Direct Dial: (202) 508-3418
Direct Fax: (202) 220-2218
E-Mail Address: cmontgomery@bakerdonelson.com

March 8, 2006

The Honorable Robert M. Kimmitt
Deputy Secretary of the Treasury
1500 Pennsylvania Avenue, NW
Washington, DC 20220

Dear Mr. Secretary:

We are advising Oman with respect to its negotiation of a Free Trade Agreement with the United States. As you know, that agreement is now before the Congress and the first hearing occurred on Monday of this week in the Senate Finance Committee.

In addition to the usual FTA-related concerns about labor issues voiced by Democrats in the House Ways and Means Committee, there have also been questions as to whether Oman participates in the Arab boycott of Israel. Oman does not participate in any aspect of the boycott and has not done so since 1994. The allegation has been difficult to dispel, however, and at least some of the difficulty can be attributed to a notice issued by the Treasury Department's International Tax Counsel in the Office of the Assistant Secretary for Tax Policy. That notice, appearing in 69 F.R. 75604 (December 17, 2004) states that Oman "may require participation in, or cooperation with" the boycott. This notice, we are advised, comes from dated anecdotal evidence and is no longer founded upon the actual policies or practices of the Oman government. Moreover, we are concerned that the Department may reissue this finding in the near future.

Oman is understandably frustrated with the persistence of the allegation, particularly since some of it stems from an official United States Government document. In an effort to lay the issue to rest, Oman has reiterated its policy with respect to the boycott in the attached note delivered to our embassy in Muscat. Both the Department of State and USTR maintain that Oman does not participate in the boycott and Deputy US Trade Representative Susan Schwab expressed that view in response to a question at the Senate hearing on Monday. Would it not be possible to persuade the Office for Tax Policy to drop this erroneous and needless irritant in the otherwise excellent relationship between the two countries?

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Additional information is available at the United States Department of Justice.*

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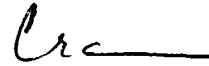
The Honorable Robert M. Kimmitt

March 8, 2006

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With appreciation and very best wishes,

Sincerely,

A handwritten signature in black ink, appearing to be "Cr" followed by a long horizontal line.

Attachment

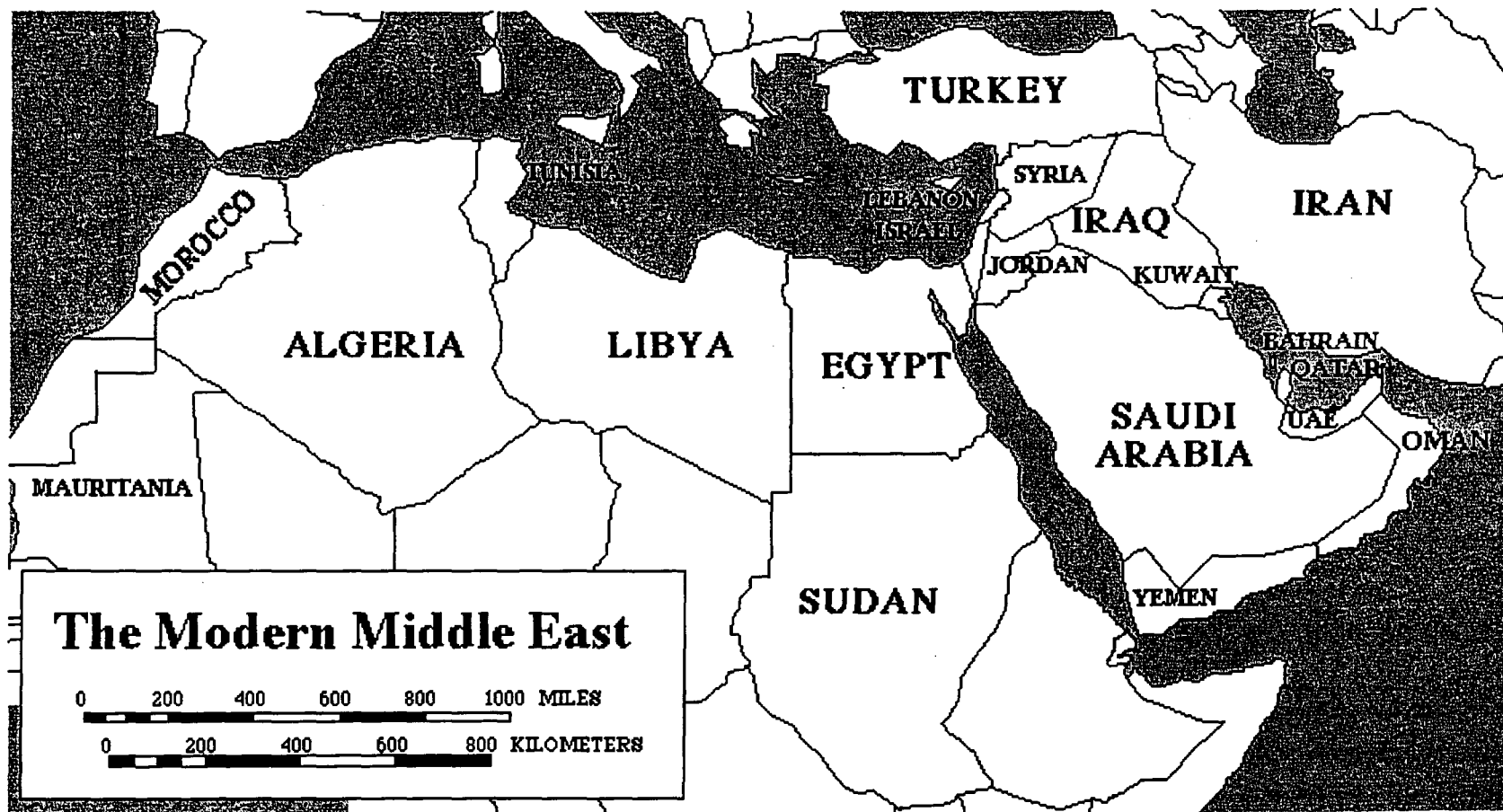
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Additional information is available at the United States Department of Justice.*

U.S.-Oman Free Trade Agreement

Background Materials

*BAKER, DONELSON, BEARMAN, CALDWELL & BERKOWITZ IS A REGISTERED FOREIGN AGENT ON
BEHALF OF THE SULTANATE OF OMAN. ADDITIONAL INFORMATION IS AVAILABLE AT THE UNITED
STATES DEPARTMENT OF JUSTICE.*

BAKER DONELSON BEARMAN CALDWELL & BERKOWITZ, PC
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PHONE: 202.508.3400
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OMAN: AN OVERVIEW

The Sultanate of Oman and the United States have completed the negotiations of the Free Trade Agreement under the umbrella of the Middle East Free Trade Initiative. The passage of the Agreement now rests with the US Congress. This paper is intended to provide an overview of Oman - its history and its relationship with the US - with the hope that it will provide a context within which you can assess the Agreement on its own merits.

EARLY HISTORY

Oman is an ancient country strategically located in the southeastern quarter of the Arabian Peninsula. It has a coastline that includes the Musandam Peninsula jutting into the Straits of Hormuz and running 1700 kilometers along the Indian Ocean to its border with Yemen. From the biblical trade in spices to the medieval flourishing of trade between East and West, Oman has sat astride and has been the centerpiece of one of the world's greatest trade routes. For that reason alone, two major world powers, Persia and Portugal, have sought, and briefly achieved, control of Oman. In modern times, particularly given the instability and conflict in much of the region, the importance of the location of a stable Oman has not diminished.

With the Indian Ocean on one side and barren sands on the other, Oman through the centuries has looked more to the sea and beyond rather than back into the peninsula. By the 9th Century, Omani merchants and seamen were trading with China and points in between. By the 19th Century, Oman had a navy that dominated the Indian Ocean and a trading empire that included significant portions of the Indian Ocean periphery. And in 1833, Oman became one of the first Arab states to sign a treaty (of Amity and Commerce) with the then young United States of America. By 1870, however, the empire had come apart and Oman largely withdrew from the world stage for the better part of a century.

MODERN OMAN

Oman reemerged in 1970 with the accession of Sultan Qaboos bin Said al Said, who considered his first responsibility to be the defeat of a Soviet supported insurgency in the southern part of the country. That took about five years, and when it was done, his next priority became the economic and social development of Oman, a country with few schools or hospitals, almost no paved roads, and little of the civil or governmental infrastructure that typify the modern world. Today, a scant thirty years later, Oman is a vibrant and well-developed 21st Century country and it has become so without sacrificing the culture and heritage of its historic past. These past thirty years have accurately been called the "Renaissance" of Oman.

In recent years, a mature Omani economy has shown steady but not exorbitant growth. There is a stable securities market, a large middle class, and working women are well-integrated in both the public and private sectors. But because the economy is still largely dependent on finite reserves of oil and natural gas, Oman is acutely aware of the need vigorously to pursue its program of economic diversification. Accordingly, the past few years have seen significant industrial development and enlargement of the port in the northern city of Sohar, and there is a program to expand the capacity of the traditional commercial port in Muscat. In the south, near Salalah, a world-class container terminal is in its third and final stage of construction. Built to recapture Oman's historic entrepot role, it will be the largest transshipment center between Rotterdam and Singapore. As adjuncts to the terminal, there are also plans to improve the airport in Salalah to accommodate trans-modal shipping and to develop a free trade zone near the port.

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GOVERNMENT

Oman is a monarchy and Sultan Qaboos is the latest of a family that has governed Oman since early in the 18th Century. He is advised by the Council of Ministers and the Council of Oman, a bicameral legislature. The State Council, or upper house, is appointed by the Sultan. The Consultative Council, or lower house, is elected every three years and each of Oman's electoral districts have at least one member. All Omani citizens over the age of 21 have the right to vote and stand for election to the Consultative Council.

This system was codified in 1996 with the enactment of "The Basic Statute of the State." In the form of a constitution, the Statute delineates the fundamental freedoms of the people of Oman as well as the powers and structure of the government.

FOREIGN POLICY

Over the past three decades, Oman has had two fundamental guiding principles in its foreign policy. The first was to achieve and maintain stable relationships with its neighbors. This led in the 70's to a treaty with Iran defining the sea boundaries between Iran and Oman and establishing their respective responsibilities in the shared Strait of Hormuz. In the 80's and early 90's, it led to the settlement of boundary disputes with all its neighbors. And with the fall of the Shah of Iran in 1979, Oman played a leading role in the formation of the Gulf Cooperation Council to counter the threat of radicalism in the region. The second principle is the determination to have an independent voice in the affairs of the region and the world. This is intrinsic to the character of Oman - an ancient seafaring nation that looked out to the world; a people who are their own sect of Islam, which is characterized by moderation and tolerance for and understanding of the views of others.

Oman's record with regard to Israel is a perfect illustration of its ability to think and act independently. Sultan Qaboos has long believed and publicly stated that the only solution to the Israeli-Palestinian problem is a negotiated peace acceptable to both parties. When President Sadat went to Jerusalem and later negotiated the Camp David Peace Agreements, he had the full support of the Sultan (and Oman was one of three members of the Arab League and the only Arab state on the peninsula not to break relations with Egypt). In 1994, following informal diplomatic discussions with Israel, Oman was the host for a meeting of the Arab-Israeli working group on water resources. After further discussions with Israel, including visits to Muscat by both Prime Minister Rabin and Foreign Minister Peres, the two states exchanged commercial representatives. When there is promise of progress in the peace talks, that dialogue can be expected to resume.

OMAN AND THE UNITED STATES

Oman's formal relationship with the United States is of far longer duration but is no less of a hallmark of independence. It formally began in 1833 with a Treaty of Commerce and Amity, signed by Sultan Said al Said and President Andrew Jackson.

With the fall of the Shah in Iran, and the Soviet Union's invasion and occupation of Afghanistan, Oman's historically strategic location became even more important. Sultan Qaboos recognized that the combination of Oman's location and the unique ability of the United States to project power would enhance the security and stability of the region. The result of that recognition was the negotiation that led in 1980 to the first ever written security agreement between an Arab nation and the United States - the Oman-US Facilities Access Agreement. The agreement provides for greatly enhanced security cooperation and planning between the two countries. That cooperation has included consultation on emerging threats, the extensive improvement of Omani military facilities, the prepositioning of US war materiel in Oman,

and US use of certain Omani military facilities in a crisis. Ironically, the agreement was bitterly opposed throughout the region.

In the early stages the agreement allowed, through a multiplicity of joint and multilateral military exercises, the US Central Command and US naval forces in the Indian Ocean to develop and refine their ability rapidly to deploy to the region in response to an emerging crisis. This ability was first tested in the late 80's with the US commitment to escort and protect reflagged Kuwaiti tankers. Logistic support through Oman, R&R visits for US ships in Omani ports, P-3 surveillance patrols from and emergency diversions of 7th Fleet aircraft to Omani airfields were all critical components of the success of the mission.

But the real test came on the 2nd of August, 1990. As the US and its allies began to deploy troops to forestall the very real possibility of an Iraqi movement from Kuwait into Saudi Arabia, much, if not most, of the logistic support of this effort came from the prepositioned war materiel based in Oman. And as Desert Shield evolved into Desert Storm, Oman's cooperation in the continued use of its facilities and, its own contribution of forces to the alliance that freed Kuwait demonstrated the strategic importance of the Oman-US Access Agreement. It continues to be so demonstrated to this day with its hosting of US troops involved in Iraqi Freedom.

Oman has a population of 3 million people (July 2005) Its GDP is approximately that of the state of Rhode Island based on data from the Department of Commerce for the year 2004.

Oman: Fact Statements

1. U.S.-Omani Relationship

In the first half of the 19th century, the Sultanate was the first Arab country to establish diplomatic contact with the United States. Oman and the United States have had a cordial and productive relationship since 1833, when Oman became one of the first Arab states to sign a treaty of Amity and Commerce with the United States. They have had formal diplomatic relations since that time, with the U.S. Embassy opening in Muscat in 1972.

2. Oman in the War on Terrorism

Oman has been central to the war on terrorism. Oman adopted new money laundering and other financial laws to prevent terrorism organizations from raising or laundering money in Oman, including the use of surveillance systems to identify unusual financial transactions. Oman has also frozen assets of individuals suspected of having links to terrorism. Furthermore, Oman has expressed interest in participating in the United States Container Security Initiative, which allows for U.S. inspectors in Oman to monitor cargo bound for the United States.

Baker, Donelson, Bearman, Caldwell & Berkowitz is a registered foreign agent on behalf of the Sultanate of Oman. Additional information is available at the United States Department of Justice.

Sultan Qaboos has publicly stood with the U.S. in condemning terrorism and violence. On numerous occasions, he has spoken out against those who would use terror or the religion of Islam to oppose the peace process or violently oppose stable governments.

3. U.S.-Oman FTA and the promotion of U.S. foreign policy and military goals in the region

The Oman FTA is a critical step in implementing the 9/11 Commission's recommendation to promote economic prosperity in the region by liberalizing trade and investment. The U.S. government has announced the goal of working toward a Middle East Free Trade Area (MEFTA) by 2013 through cooperation with the Gulf Cooperation Council (GCC) in which Oman is a key member.

4. The FTA and diversification of Oman's economy

Oman's economy has been transformed from a modest economic base that depended on exports of raw materials such as dates, dried limes, fish, and leather into a modern and integrated structure, which has enabled it to achieve one of the world's highest growth rates. A key to this success has been careful use of oil revenues for infrastructure projects, together with development of its non-oil sector. Manufacturing is concentrated at six industrial zones with over 120 factories (in a country with only 3 million people).

To achieve the long-range goal of establishing a viable non-oil sector, Oman realizes it needs to participate in a larger, global market that goes beyond the opportunities offered by trade among the six countries of the Gulf Cooperation Council. Hence, Oman's aggressive and high-quality accession to the WTO in 2000 and this FTA with the United States.

5. The FTA, sale of U.S. goods in Oman, and foreign direct investment

Oman's high quality accession to the WTO in 2000 and its recent willingness to use objective, transparent standards in the insurance and banking sectors demonstrates the country's commitment to trade liberalization that is considered critical to U.S. goals to expand global markets. Oman's imports from the United States from January-October 2005 were \$432.1 million, a 23.6% increase from the previous year. Oman's yearly imports from the United States increased from \$322.4 million in 2003 to \$330.1 million 2004. This is evidence of a general trend of increasing U.S. imports during and after free trade negotiations. Certainly with a bilateral FTA in force and effect these numbers will continue to grow.

Oman expects that its FTA will result in the success of the Jordanian Agreement. Jordan's yearly imports from the United States increased from \$316.9 million in 2000 to \$551.5 million in 2004. Jordan's yearly exports to the United States rose from \$73.3

million in 2003 to \$109.3 billion in 2004. Although official statistics on foreign direct investment (FDI) are not publicly available, the UNCTAD's world development report 2003 estimates FDI inflows into Jordan at \$787 million, \$100 million and \$56 million for 2000, 2001, and 2002 respectively. Because of the FTA, Oman will be able to diversify its exports, increase our services sectors, and expand employment. The results will be further unification of the region in economic prosperity. Increased prosperity will bring social education and a greater understanding of the world environment.

6. Respect for workers' rights and ILO standards

In 1994 Oman became a member of the International Labor Organization (ILO) and has satisfied various labor-related accession requirements for membership in the WTO. Oman is committed to building on progress made in enacting its comprehensive labor code in 2003. Oman has agreed to make changes in its labor code to comply with ILO standards. It recognizes the right to collective bargaining and it has adopted a law that legalized trade unions. According to the ILO, there is no issues of child labor or forced labor in Oman.

7. Response to claims made by AFL-CIO

The AFL-CIO leveled criticisms against Oman at the beginning of the FTA negotiations. Unfortunately, the AFL-CIO criticisms were

based on the 1970s labor protections in Oman. Now, 30 years later, Oman has modernized its labor conditions and adopted a new Labor Law in 2003. The government created a Ministry of Social Development and a Ministry of Manpower to specifically oversee labor-management relations in 2002. Then, in 2003, Oman adopted its first comprehensive labor law that grants workers the right of association and allows them to pursue labor disputes in court. The 2003 Labor Law eliminated any prohibitions on the right to strike. Strikes and other methods of collective bargaining are now taking place freely in Oman.

8. Foreign workers' benefits, rights, and duties

Half of Oman's workers are foreigners. Labor benefits are available to all workers in Oman.

There is no forced labor in Oman. Article 12 of the Basic Law prohibits forced labor in Oman, which applies both domestic and foreign workers. Omani law also prohibits foreign workers below the age of 21 from entering Oman to work. The ILO has not indicated that there has been even a single instance of forced labor in Oman. Even the camel jockey issue has been cleared by the ILO. All camel jockeys and camel owners are Omanis and all camel jockeys must be 18 years-of-age or older.

9. Preservation of the environment

Oman has long been sensitive to the environment. It is a signatory to a range of international and regional accords for the protection of the atmosphere (including the Kyoto Protocol), hazardous substances, the marine environment, and nuclear safety. Oman accepts the environmental consultation mechanism in the FTA. Oman was the first country in the Middle East to establish a full-fledged Ministry of Environment. Furthermore, His Majesty the Sultan of Oman, has funded and promoted an international award on environment called the "Sultan Qaboos Prize for Environmental Preservation" which is administered by UNESCO.

10. Intellectual property rights in Oman

As part of its WTO accession, Oman adopted derogations to the GCC patent law to comply with obligations under the Agreement on Trade-Related Aspects of Intellectual Property Rights (TRIPS). Oman received positive comments from the US government and US industry in the 2005 Foreign Trade Barriers report and in the February 2006 ITC publication just released analyzing the effects of the Oman FTA on US industry sectors including its protections for intellectual property rights. Oman has joined the World Intellectual Property Organization (WIPO) and asked WIPO to register Oman as a signatory to the Paris and Berne Conventions on intellectual property protection. Oman has also joined the Patent Cooperation

Treaty to avoid delays in granting patents. The Pharmaceutical Researchers and Manufacturers of America (PhRMA) testified before the U.S. government's inter-agency Trade Policy Staff Committee in support of the U.S.-Oman FTA.

11. U.S. foreign direct investment

Oman offers an excellent investment opportunity for United States companies. Oman's political stability, modern infrastructure, large middle class, and stable securities market make it conducive to foreign investment opportunities. Currently, there are over 90 United States companies doing business in Oman. Major investments have been made by Dow Chemical, Alcan, and Occidental Petroleum. Construction projects are being performed by such U.S. companies as Bechtel. And service providers like AIG are operating profitably in Oman.

12. Women

Oman is the first of any Arab nation to have a female ambassador to the United States. In addition, Oman has three women in its Cabinet.

13. Workers' strikes

The 1972 ban on strikes was repealed in Oman. Workers in Oman have the right to strike and exercise it often. According to recent

statistics, there were 33 strikes in 2004, representing almost 6,000 workers. Workers in 17 companies held strikes in the disciplines of construction, services, tailoring, and industrial activities. All the strikes were resolved through a mediation processes held by the Ministry and through consultations between the companies and the workers.

14. Labor unions

Workers (foreign or Omani) in any establishment may form representative committees (labor unions) to protect their interests and to defend their legally prescribed rights. To date, 24 worker representative committees have been established. It is important to note the size Omani companies when assessing the issue of labor unions. There are 55 companies with more than 500 employees, and only 19 companies with more than 1,000 employees.

15. Forced labor and human trafficking

Oman has ratified and abides by the two fundamental ILO conventions on forced labor. The latest observations received from the ILO indicated that the ILO is no longer concerned about camel jockeys, forced labor, or human trafficking in Oman.

16. Child labor

Oman has already ratified both ILO conventions on child labor. All measures are taken to ensure that the necessary provisions are in place to avoid any violation of the conventions against the worst forms of child labor. No actual case regarding the worst forms of child labor has been recorded in Oman. This may be because all children in Oman receive free education, health services, and social protection. Additionally, Omani law mandates that no person below the age of 21 years old may enter Oman for the purposes of obtaining employment.

17. The Arab League Boycott

Oman's record with regard to Israel is a perfect illustration of its ability to think and act independently. In 1994 Oman stopped supporting the secondary boycott barring trade with companies doing business with Israel. In January 1996, Oman ended boycott enforcement and established reciprocal trade arrangements with Israel. Oman does not have any laws supporting either the primary, secondary, or tertiary boycott and the government does not participate in any aspect of the boycott.



Trade Facts

Office of the United States Trade Representative
January 24, 2006

www.ustr.gov

United States - Oman Free Trade Agreement FTA Supports Oman's Labor Reforms

- As in other recent U.S. free trade agreements, the United States - Oman FTA contains provisions reaffirming the Parties' commitments as members of the International Labor Organization (ILO), and pledging the effective enforcement of domestic labor laws that provide for internationally recognized worker rights. An Annex to the Labor Chapter creates a cooperative mechanism to upgrade labor standards.
- Oman passed a new labor law in 2003 (Royal Decree No. 35), allowing for the creation of worker representative committees for the first time.
- The 2003 decree details procedures for dispute resolution and removes a 1973 prohibition on strikes.
- The provisions of the new labor law apply equally to women and prohibit the dismissal of women during pregnancy or maternity leave.
- Significantly, the protections of the labor law apply equally to foreign workers. Foreign workers must be at least 21 years of age to obtain a work permit in Oman. Both nationals and non-nationals may belong to the worker representative committees and participate in the leadership.
- Regarding collective bargaining, the new law allows the committees to represent workers in *"all matters that relate to their affairs"* and for workers and employers to *"enter into agreements...the terms of which are more beneficial than the terms provided for in [the] law."* The law also provides for the settlement of labor disputes through bargaining and consultation between workers and employers. The government of Oman is currently working with the ILO on additional regulations to ensure that the implementation of collective bargaining provisions is consistent with international labor standards.
- The new law provides that representatives of the workers' committees shall form a "main" representative committee, which is a national organization, and may represent workers in local, regional, and international conferences.
- Oman ratified ILO Conventions 29 on forced labor in 1998 and 182 on the worst forms of child labor in 2001, and, in July 2005, ratified Conventions 105 on the abolition of forced labor and 138 on the minimum age of employment. Oman also ratified the UN Protocol to Prevent, Suppress, and Punish Trafficking in Persons, Especially Women and Children in July 2005.
- In April 2003, the Government raised the minimum age of employment from 13 to 15 years to conform with international standards. Primary school education for children, including foreign children, is free and universally accessible.

Oman's 2003 law permits workers in any establishment to form a representational committee through a secret ballot election, with the goal of taking care of their employment interests and defending their workplace rights. To date, 24 worker representative committees have been established in Oman.

- The Government of Oman recognizes the need to continue making progress on labor rights, and is seeking assistance from the ILO to raise awareness and educate workers about their rights, and to establish new worker representative committees.

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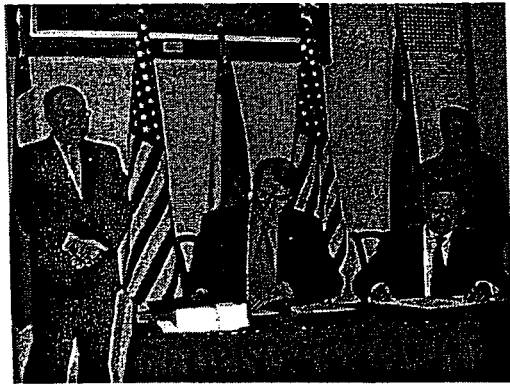
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United States and Oman Sign Free Trade Agreement

**5th FTA in Middle East Strengthens Cooperation and Commerce in the Region,
Offers Opportunity for Greater Prosperity**

WASHINGTON – U.S. Trade Representative Rob Portman and Omani Minister of Commerce and Industry Maqbool bin Ali Sultan today signed the U.S.-Oman Free Trade Agreement, a comprehensive agreement that will eliminate tariffs and barriers and expand trade between both countries. Oman is the fifth Middle Eastern country to have negotiated an FTA with the United States, and advances the President's vision for a Middle East Free Trade Area (MEFTA).



"This is a good day for the people of Oman and the United States. With our signatures today, we cement our long-standing friendship and growing commercial ties, and create new economic opportunities for both of our countries," said Ambassador Portman. "This agreement also helps the advancement of economic and political freedom in the region. For decades, Oman and the United States have shared a desire for peace, stability and economic opportunity in the Middle East. Today we take an important new step in our partnership."

On the first day this agreement goes into effect, 100 percent of consumer and industrial products and 87 percent of agricultural tariff lines will be duty free. Oman will provide substantial market access across its entire services regime, provide a secure, predictable legal framework for U.S. investors operating in Oman, provide for effective enforcement of labor and environmental laws, and protect intellectual property.

In 2004, U.S. goods exports to Oman totaled \$330 million. This new trade opening will expand opportunities for exports of machinery, automobiles, optic and medical instruments and electrical machinery, and agricultural products such as vegetable oils, and sugars, sweeteners, and beverage bases.

"We began talks only last spring and concluded them by October of last year," said Portman. "This is a sign of Oman's enthusiasm for open trade and free markets. We welcome that spirit and we are pleased to have Oman as a partner in our efforts to raise living standards and promote peace through trade."

"The FTA with Oman builds on our existing agreements with Israel, Jordan, Morocco and Bahrain. We are also negotiating an FTA with the United Arab Emirates and have signed eight Trade and Investment Framework Agreements (TIFA) with Middle East nations," continued Portman. "These are important steps on the path to implementing the President's initiative to create a U.S.-Middle East Free Trade Area by 2013. Our efforts will advance economic growth and democracy in the Middle East – an area of almost 350 million people and a \$70 billion trading relationship with the United States."

"We look forward to working with Congress and building bipartisan support for the U.S.-Oman Free Trade Agreement early this year" said Portman.

BACKGROUND

U.S.-Oman Free Trade Agreement

Two-way goods trade between the United States and Oman was \$748 million in 2004. U.S. goods exports to Oman in 2004 totaled \$330 million, including machinery, automobiles, optic and medical instruments, and electrical machinery. U.S. exports of agricultural products to Oman in 2004 totaled \$20 million, including vegetable oils, and sugars, sweeteners, and beverage bases. The stock of U.S. foreign direct investment in Oman in 2003 was \$358 million.

Oman's accession to the World Trade Organization in 2000 and the July 2004 U.S.-Oman bilateral Trade and Investment Framework Agreement (TIFA) paved the way for a robust economic dialogue on promoting closer economic ties, freer trade, greater openness, a stronger investment climate, and economic reforms. Oman does not apply the Arab League boycott of Israel nor does it have any law establishing the primary, secondary or tertiary boycott of Israel.

On November 15, 2004, the Administration notified Congressional leaders of its intent to negotiate an FTA with Oman, an important step on the path to fulfilling the President's vision of developing economic growth and democracy in the Middle East. After a 90-day period for consultations between the Administration and the Congress, the United States and Oman launched negotiations in Muscat, Oman on March 12, 2005, and concluded the negotiations in October. President Bush formally notified Congress of his plan to sign an FTA with Oman on October 17, 2005. The draft text was made available to the public on October 18 – two-and-a-half weeks after conclusion of the negotiations.

U.S. Trade Agenda

The United States is aggressively working to open markets globally, regionally, and bilaterally and to expand American opportunities in overseas markets. The Bush Administration has completed FTAs with thirteen countries – Chile, Singapore, Costa Rica, the Dominican Republic, El Salvador, Guatemala, Honduras, Nicaragua, Australia, Morocco, Bahrain, Peru and now Oman. Negotiations are under way with eleven more countries: United Arab Emirates, Panama, Colombia, Ecuador, Thailand, and the five nations of the Southern African Customs Union (SACU). New and pending FTA partners, taken together,

would constitute America's third largest export market and the sixth largest economy in the world.

Middle East Free Trade Initiative (MEFTA)

In May 2003, the President proposed a plan of graduated steps for Middle Eastern nations to increase trade and investment with the United States and others in the world economy. The first step is to work closely with peaceful nations that want to become members of the World Trade Organization (WTO) in order to expedite their accession. As these countries implement domestic reform agendas, institute the rule of law, protect property rights (including intellectual property), and create a foundation for openness and economic growth, the United States takes a series of graduated steps with these countries tailored to their individual level of development.

The U.S. is expanding and deepening our economic ties through comprehensive FTAs, Trade and Investment Framework Agreements (TIFAs), and Bilateral Investment Treaties (BITs), and will enhance the Generalized System of Preferences (GSP) program for eligible countries. In the Middle East, this Administration has concluded three FTAs, Morocco, Bahrain and now Oman; ratified a third, with Jordan; is currently negotiating another, with the United Arab Emirates; and signed eight TIFAs with Middle East nations. Furthermore, our free trade agreements in the Middle East carry out the recommendation in the 'The 9/11 Commission Report' urging the United States to "encourage development, more open societies and opportunities for people to improve the lives of their families," by strengthening trade relations with the region.

Reference from The 9/11 Commission Report

The 9/11 Commission Report
Pages 378-379
Issued July 22, 2004

The U.S. government has announced the goal of working toward a Middle East Free Trade Area, or MEFTA, by 2013. The United States has been seeking comprehensive free trade agreements (FTAs) with the Middle Eastern nations most firmly on the path to reform. The U.S.-Israeli FTA was enacted in 1985, and Congress implemented an FTA with Jordan in 2001. Both agreements have expanded trade and investment, thereby supporting domestic economic reform. In 2004, new FTAs were signed with Morocco and Bahrain, and are awaiting congressional approval. These models are drawing the interest of their neighbors. Muslim countries can become full participants in the rules-based global trading system, as the United States considers lowering the trade barriers with the poorest Arab nations.

Recommendation: A comprehensive U.S. strategy to counter terrorism should include economic policies that encourage development, more open societies, and opportunities for people to improve the lives of their families and to enhance prospects for their children's future.

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The Sunday Times

January 29, 2006

AA Gill in Oman: The turban warrior

Oman is much more than a vast, empty desert. It is a family-friendly oasis of culture, adventure and Arab hospitality and it remains untouched by the troubles elsewhere in the Middle East.
By A A Gill

The relationship between Christian western Europe and the Arabs has been one of the most complex and pyrotechnically hysterical international love affairs. It's been marked by both avid adoration and cringing distaste. The communities that have sifted a hard, elegant living from the undulating sand have fascinated and repelled the West.

Arabs live on the edge of our old world in an older one. They inhabit the edge of our imaginations and are the antithesis of the secure Europe of mud-and-brick road signs, wet weather, wool, sausages and a grand, decadent, fleshy culture. Out of the Arabian desert rode a ferocious aestheticism, the whirlwind of Islam, the fury of prophets, a cruel absolutism and the implacable belief in a religion of iron practicality and brass nerve. They made a civilisation of infinite, hard-edged abstracts. But there is also immense hospitality and the highest forms of moral masculine etiquette: bravery, loyalty, self-respect, self-restraint and harsh fatalism.

Images of Arabs and the desert salt western art. In the 19th century, pictures of palm trees and belly dancers outnumbered thatched cottages and milkmaids on the walls of the Royal Academy. There were burgeoning schools of Arabists. And in the chilly foreign offices of dark Europe, young men would look out of lachrymose windows and imagine the keening, shadowless sands with a desperate yearning from Richard Burton, the translator of The Perfumed Garden and one of the first westerners to travel to Mecca, and Edward FitzGerald, whose translation of Omar Khayyam's Rubaiyat is still one of the most reprinted and recited poems in English, to T E Lawrence and his Seven Pillars and Wilfred Thesiger wandering in the empty quarter and the multitude of overheated young remittance men who escaped the social straitjacket of home to relax in souks and marbled halls.

The desert nomad has seemed the paragon of manliness. He represents what we must once have been: lawless, a wanderer following his flocks, responsible only to his family, governed by an unwritten law of steely formality guarded by a spring-loaded temper, never forgiving, never forgetting, bowing to nothing less than God and the crescent moon. We are going through one of our periodical rows

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with the Arab world. So it seems like a good time to go and visit Arabia and take the kids. I don't mean that facetiously. The more I travel, the more I am convinced that the search for sybaritic indulgence is morally prolapsed. It's a demi-sinful waste of privilege and opportunity. Travel should question, not confirm. It should excite, not relax. So I took Flora, 14, and Ali, 12, to Oman for half-term.

Half-terms are a bore break, too short for a serious trip and too long to be given over to cinemas, interactive museums, Pizza Express and Legoland. I wanted somewhere that was a doable travel time, but that when we arrived would be radical, different and exciting without being dangerous. There needed to be lots of things to do, but most importantly, I wanted the children to see something worth seeing and to question our society's growing fear of foreigners, particularly Muslims and Arabs.

Family holidays are precious: the opportunities between toddling bucket and spade and the gap year are numbered. I probably only have a couple of years left when Flora will want to be seen out with me. I want my kids to travel well when they travel on their own. I want them to go with optimism and purpose. Oman isn't one of those hasty, exit-strategy nations made up of colonial patches and desperation. Neither is it just a collection of oil wells with a hankering to look like Singapore on the Gulf, whose highest aspiration is to be a holiday resort for footballers, drunk expats and Hello! shoots.

Oman is an ancient kingdom that was once an empire that included Zanzibar and the Swahili coast of Africa as well as ports in Persia. The Omanis were famous sailors and traders who imported ivory, gold, precious stones and traded slaves from Africa. At home in the Arabian Sea they had the beds for the finest natural pearls. For a century and a half they have had a particularly close relationship with the British. First as a stabilising force in the Arabian Sea when the protection of trade with India was vital, then with a stream of idealistic young men who wanted to go outward bound, and finally, 30-odd years ago, the British covertly facilitated a coup that put the present incumbent on the throne at the expense of his father.

The capital, Muscat, is a modern and attractive city when compared with the neighbouring metropolises of Dubai and Abu Dhabi. But the ancient capital is Nizwah, a market with a fort and a winding souk. We arrived there in the middle of a cattle market in Ramadan. Markets are a worldwide fundamental. All societies have organised somewhere to trade in public. They all have that comforting, bartering, capitalist familiarity, but they are also an unfakable indicator of the style and emotion of a country.

The cattle market at Nizwa was crowded, loud and hand-waving, but fundamentally considerate. All the men wore dishdashes and characteristic embroidered caps which are carefully creased and dimpled. The women wear a selection of billowing abayas that are all-enveloping; most, but not all, are veiled. Their burqas are open and see-through, not the ferocious, medieval structures or shrouds of some cultures. The Bedouin are believers but they're not political fanatics. There's a lot of bargaining but nobody loses their temper it's too hot and everyone's thirsty and hungry, not least the sagging animals. Small boys drag reluctant sheep and truculent goats into the back of Toyota pick-ups. They'll be fattened for the great feast of the new moon. Toyotas are the real iron workhorses of the developing

world. We pass a camel that's been folded into the back of a pick-up. Its haughty face is held high, eyes closed as if pretending not to notice the ignominy of being bussed in the back of a metal box.

In the shade of fruit trees, traders sell bottles of desert honey that ranges from straw-coloured to mahogany, depending on which tiny, hardy flower the wild bees have made their garden. In the souk, kiosks sell dusty metal jewellery, the silver ankle bracelets and earrings of Bedouin brides. I pick up a necklace of trade beads that has in it Venetian glass, Baltic amber and Chinese jade along with the thick imperial Hapsburg silver coins that were the international currency of herdsmen who had no knowledge of banks. Their silver content is the same as their face value. There are also racks of the curved knives that are the masculine motif for Omani men. Their handles are carved from horn, a depressing amount of which originally graced rhinos.

The great forts that dot the trade routes and wadis of Oman are thick-walled, mud-bricked organic edifices that were the basis of clan thuggery and dynastic intrigue. I particularly like one where the comfortable guest quarters were stuffed with concealed holes for hiding eavesdroppers and where the treads of stairs could be removed at night to break the ankles of anyone who decided to go visiting. It's very Arab to welcome all and trust none. In the basement were the stores for dates. The walls stained black, the sugar syrup would run out of long channels and be bottled as a preservative, and boiled to pour from the battlements on enemies.

Oman is a devoutly observant country, and travelling through Ramadan, the children had to learn to be particularly considerate of other people's effort and to be careful not to eat or drink conspicuously in front of those who can't. Not that they would ever be denied or confronted. Fasting is to make Muslims strong; the fact that we eat and drink shows that we're weak. Without exception everyone we meet is polite, helpful and courteous. There is no undercurrent of the anger or resentment that has infected so much of the Middle East. I want the children to see that this is what's normal for Muslims, not the daily horror of the news.

The other more prosaic reason I chose to come to Oman is the surprising variety of environments that you can travel through in a couple of days. It's not like the Gulf states where it's either air-conditioned tinted glass or wind-blown baked scrub. Here the oasis wadis have a miraculous beauty. Fresh, cold water frets down from high mountains through beautiful waterfalls into narrow canyons, and causes dense emerald patches of intense coolness.

From a distance in the desert they look unbelievably inviting. Farmers dig intricate waterways and little canals that are full of self-important frogs. On the banks, herons stand regarding their reflections with insouciantly cocked heads. I caught sight of the flashing iridescent turquoise of an Egyptian roller. Normally it's difficult to get the kids to walk anywhere, but these wadis are so entrancing that they dash on ahead. There's magic here like the drawings in bedtime stories; these are places of enchantment, the secret homes of djinns and genies, flying carpets and three wishes. We swam in the still water through the green shadows while small fish nibbled our toes.

Oman's mountains are stark and impressive. New roads double and

redouble up their precipitous heights. On the very roof of Oman there is an astonishing and ancient market garden stepped over what they say is the second deepest canyon in the world, after Colorado's grand one. Up here they grow fruit and roses; there are thousands of rose bushes for perfume. Arabs like their smells deep, rich and opulent. Flowers have been planted here for thousands of years.

Beneath us in the dead fall of the valley, huge eagles twist and hang. Back down at sea level the coast is an empty strip of clean, white sand that stretches for 5 kilometres, a beach on which we see nobody. The Indian Ocean lunges at the shore and behind us mountains shiver in the heat haze. It's as fine a beach as you'll find six hours from Slough. Further down the coast, towering with gantries and spires and shining, curling ducts steaming with a raw purpose is a natural-gas station.

Oman, like the rest of Arabia, has harvested the bounty of combustible prehistoric shrimps. But it doesn't seem to have turned into one of those warped, repressive and decadent countries of the petroleum age. The money, it's true, supports an absolute royal family and a top-down largesse and philanthropy, but the dividend seems to have been used to build an infrastructure that fits the character of the nation. It hasn't made Omanis into the spoilt, graft-phobic whingers with inflated sense of entitlement that has so softened the rest of the Gulf. Oman still feels like a country rooted in its geography, history and heritage that has a purpose beyond petrol, Ferraris and air-conditioned Starbucks.

One of the things that have all but vanished in Oman is its great sea power. The dhows that sailed the length of Africa are now only made in one shipyard. Their curved prows and elaborate fo'c'sles lean in lazy decrepitude on the shore. And the last artisans who still know how to sew planks together labour slowly in boat sheds. This was the fleet that rode the high watermark of Arab achievement, taking Islam round the ancient world along with mathematics, astrology, applied arts, geometric craft, soldiers, pirates and holy men. This is the place from where Ali Baba set sail.

That night I had a surprise for the children. After dinner we drove back to the dark shore and waited for 20 minutes listening to the crashing surf. There was a flash of headlights and out of the dark people began to emerge. We all huddled round a small excitable Omani with a torch who led us out onto the sand. The ocean thudded and the shore hissed as we stumbled in the silver light, and all of a sudden there she was: one of the reasons I'd come all this way. A great greenback turtle heaved ungainly on land to dig a damp, gritty cradle for her eggs. Twenty of us crowded round while the expert lectured in fractured English, lifting her flippers and intruding his torch like a gynaecologist instructing first-year medical students. We were invited to pass round one of the heavy ping-pong eggs. It was all both intrusively voyeuristic and inexplicably tender and moving.

It's difficult to empathise with a turtle, we have so little in common but the enormous power that has dragged this creature back to this beach from across the world after five years at sea to thrust the investment of her future into the cool darkness is really memorable. We stumble and fall into the holes left by other mothers on the beach in a stream of exhaled expletives in half a dozen languages. In the torch light I can pick out the eyes of desert foxes hungry for a meal of

turtle eggs, keeping their distance from the clumsy humans. Tourists have probably done more to turn round the fortunes of turtles than anything else. On the shining tide line where phosphorescent krill sparkles like fairy rhinestones, there are half a dozen little clockwork hatchlings manically working their way to the relative safety of the surf.

Next morning at breakfast, beside the cornflakes is a bowl of orphan turtles who have walked towards the wrong light. Oman is a desert kingdom and the Sahara is the point here. It's the beginning and the end. If you think deserts are big, dusty spaces with nothing in them, then there's still plenty to see and do in Oman but it's a bit like going to Aspen without the snow. On the other hand, if you think that deserts are wonders full of awe-defining emptiness, then this is the desert's desert.

We drove out into the red sand to spend a night with the Bedouin and their absolute hospitality. There is a ritual exchange of greeting, praising God and then asking for news: the reply is always good news. The rule is that it is either good news or no news. To be the bringer of bad news would be unlucky and make you a very bad guest.

People will tell you that the best thing to do in deserts is to scramble across them on quad bikes and 4x4 trucks, or to slide down them on sandboards or tea trays. Don't listen. This is not being in the desert, it is simply being all over it. The best way to see the Sahara is from a camel. Children love camels; grown-ups can abide camels; camels hate everyone. And better than a camel is your own feet.

The best thing is to climb a dune at sunset, sit and watch the colours change and hear the wind play the curves of the limpid dunes and be aware of that still, small voice of calm. The song of the desert. The Bedouin share dinner and sing and dance, and we dance back and giggle and clap in the skittering firelight. They have lived much like this, tending their sheep and goats, breeding camels, pigeons and chickens and searching for water for thousands of years. In the darkness the handsome faces are lit up by the ghostly light of their mobile phones. We make our beds out on the desert, lying side by side on the cooling sand. We all stare up at the unsullied, pristine sky, the milky way, our solar system, the distant stars. You have no idea how much is hidden from you by progress. How much hides behind a veil of our own reflective glory. Lying in the Sahara with your children, watching for shooting stars, is one of the great unexpected and unadvertised pleasures of a half-term break.

How to get there

A A Gill went to Oman with Original Travel, tel: 020 7978 7333; www.originaltravel.co.uk. Safaris start from £835, including flights with Gulf Air and a three-night safari based on four people in a 4x4, B&B accommodation, full board with the Bedouin. Additional nights from £70 per person per night.

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