



**Women's Foreign Policy Group
Embassy Series Event
The Residence of Ambassador Hunaina Al-Mughairy
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Washington, DC**

H.E. Hunaina Al-Mughairy
Ambassador of Oman

Ambassador Al-Mughairy: Good evening ladies and gentlemen. It is indeed an honor and great pleasure to be here today with you. First I would like to express my profound thanks and appreciation to Ms. Patricia Ellis for organizing this event.

My speech this evening will be in 2 parts. First, I will speak about the role of women in the Arab World. And then I will continue to talk about the US-Oman Free Trade Agreement, which was signed by President George Bush on September 26, 2006.

What I find important is to acknowledge our achievements in light of the foundations constructed by women in our Arab societies for the past several centuries. It is not as if Arab women did nothing until the late 20th and 21st centuries. In countries and economies where daily survival for many was a challenge, women have held together the social fabric of family, served in the labor force, and inspired efforts to maintain our most cherished cultural traditions while at the same time nurturing the seeds that today have started to grow and bloom in the form of equal education, opportunity and contributions to the advancement of our cultures and societies.

The Arab world covers more than 10% of the world's land area, with a population of over 250 million people. One cannot look at the Arab world as a single monolithic community either in terms of endowments or in human development achievements. If we take a look at the status of Arab women and their social and political achievements, we see a complex picture across the Arab world.

Literacy among Arab women is more than 40% today compared to only 20% in 1970. Some countries like Jordan have already exceeded 80% literacy among women. Enrolment rate of Arab women in primary and secondary education has more than doubled from 30% in 1970 to over 65% in 1996. In secondary education, women enrolment rate is higher than that for men in Algeria, Bahrain, Jordan, Kuwait, Lebanon, Qatar, Tunisia, and the UAE. Women attending college has become an ordinary feature of every Arab society. Arab women now have the same educational opportunities as men in most countries.¹

¹ <http://www.ilo.org/public/english/bureau/inst/papers/publ/basma/#publ>

Since the dawn of the national renaissance in 1970, His Majesty Sultan Qaboos has repeatedly stated that Oman's crucial resource is its people. He has specifically recognized the need for support of women's roles in our society by stating: "The education of girls is never absent from our mind, since women form half of our society"

In many Arab countries there are equal job opportunities for both genders. Job applications from men and women with the same qualifications are treated equally in evaluating new appointments.

Political participation of women is progressively improving in the Arab world. Some Arab countries recognized women's political rights relatively early, Syria in 1949, Lebanon in 1952, Egypt in 1956, and Tunisia in 1957. It is worth noting that Turkey, a Muslim but not Arab country recognized women's right to vote in 1930 and the right to be elected in 1934, ahead of many European countries. Today, in the cabinet of many Arab states women ministers are becoming common. The 1995 UN Conference on Women adopted a target that women should occupy 30% of parliamentary seats. Egypt and Jordan have made an effort to appoint more women to national legislatures and high-level government positions.² In 2003 the Omani government granted a ministerial rank and appointed a woman as President of the General Organization for Traditional Craft Industries (a non cabinet post). A year later, the ministerial portfolios for Higher Education, Tourism and Social Development were assigned to women. Currently Oman boasts three female cabinet ministers, one non-cabinet minister and one female undersecretary.

In 2002, two women were appointed for the first time as members of the Omani Municipal Council which, is a policy making body for the Capital Municipality. Similarly, women have served in the Omani Business Men's Council since its inception in 1999.

- All members of GCC countries, with one exception, have female cabinet ministers.
- Oman is the first Arab country to appoint a woman ambassador to the United States and I am the first and only Arab woman ambassador in Washington.
- Women own one of the most successful enterprises in the Middle East and North Africa region
- Women investors manage investments worth more than \$35 billion in the Gulf region.
- One third of Oman civil servants are women, and 13% hold senior position
- Saudi women control approximately \$6 billion in untapped bank reserves.

Ten Arab countries, including Oman, have signed and nine have ratified the Convention on "All Forms of Discrimination Against Women". It should be noted that Oman was committed to women's rights and empowerment and had implemented the principles of most of the articles of the Convention long before it became a signatory.

Let me now move to the second part of my speech, which is the Free Trade Agreement.

The path leading up to the negotiation and conclusion of the Oman-US FTA connects with all the key issues relating to the modernization and globalization of Oman's economy, and indeed also to similar issues facing many of our friends and neighbors.

² <http://www.ilo.org/public/english/bureau/inst/papers/publcs/basma/#publ>

For decades, our economies have been based on energy resources. In Oman, when His Majesty Sultan Qaboos succeeded way back in 1970, one of his first observations was that our economy needed to be diversified and modernized if Oman and its citizens were to become active participants in the global economy.

As any government minister from an emerging market will tell you, talking about diversification and development and actually implementing programs to achieve these ends are two very different things. It requires the commitment of huge resources, often in the context of a struggling economy. It requires a very keen eye to keep the horizon in focus. It requires an incredible amount of perseverance and patience. And last but not least it requires rock hard dedication to a set of key social and economic principles, regardless of the transient political and economic challenges of the time.

In one very important sense the first step on Oman's path to the FTA with the U.S. dates right back to 1833, when we were one of the first Arab states to engage in diplomatic relations with United States. More recently, our accession to the WTO in 2000 and the creation of the Gulf Cooperation Council Customs Union in 2003 were important precursors. And our Trade and Investment Facilitation Agreement with the U.S. served as the actual springboard from which the FTA negotiations began in 2005.

For Oman, our trade relations with the U.S. have been really very small in absolute dollar values. In 2005, the U.S. exported \$593 million worth of goods to Oman – which was an 80% increase from 2004. In the same year, Oman exported \$555 million in goods (including agricultural products) to the U.S. This was an increase of about 33% from 2004. This is a good performance in percentage growth but negligible in terms of our mutual overall trade volumes. And foreign direct investment from the U.S. into Oman has also been relatively small – amounting to only \$438 million in 2005.

It is on the investment side that we in Oman are hopeful that the FTA will make the greatest contribution to our economic modernization program. In recognition of the room for improvement in our bilateral commercial relations, His Majesty Sultan Qaboos charged our government with the responsibility of concluding an FTA with the United States. He recognized that in order for Oman to reach its economic diversification goals, we had to globalize our economy, which would serve as a driving force to upgrade the skills of our workers, and to create more jobs through private sector investment.

As you may know, Oman is a middle-income economy with significant oil and gas resources. We know these resources will not last forever. Or for instance they may not continue to have the value they currently enjoy, as alternative energy resources become more viable commercially. So we have embarked on an aggressive economic program called 'Vision 2020' that seeks to reduce our reliance on hydrocarbons for our economic well being. We plan to drop the oil sector's share of our GDP from what is now approximately 40% to 9% by the year 2020, and to increase the share of the non oil sector from 7.5% to 29%.

The second great economic challenge is posed by our demographics. The Population Reference Bureau of the Arab World estimates that the population of Oman will have doubled between 1996 and 2010. Of this population, 55% are currently between the ages of 15 and 64

and represent a huge job creation challenge. It is interesting to note that in the age range of 0 to 14 years our population is evenly split between males and females, also indicating a significant change in the gender availability for employment in the not too distant future.

The challenges I have just noted we hope will be met, at least in part, by the new opportunities fostered by the FTA. If the truth be told, Oman did not primarily pursue the FTA for the export expansion that it might offer. That could be a useful benefit. But the main purpose for the FTA, from Oman's perspective, will be the new investment and attendant know-how and economic diversification that we hope FTA status will bring.

Oman is already the venue for some mega projects, such as the Dow Chemical petrochemical project, and the multinational LNG facility now approaching completion. These are wonderful additions to our economy but in order to maximize the multiplier effect that will create the necessary second and third tier suppliers and community support businesses radiating from such projects, Oman needs to show the U.S. and the world that our investment climate is world-class. How better to provide that proof than by being one of only 11 countries undertaking the rigorous requirements of a U.S. bilateral FTA. Add this new legal/business friendly endorsement by the U.S. to a quality of life standard that ranks as one of the best in the region and the package becomes compelling in its attraction for foreign investors.

We do not believe our expectations are misplaced. Many economists list several positive long-term effects that can result from a FTA. They include:

- Increased efficiency of domestic production as producers face new competition with the removal of tariff barriers,
- Economies of scale and consequent reduction in costs and prices as domestic producers enjoy an expanded market for their goods,
- Increased foreign investment from outside the FTA as firms seek to locate operations within the borders of the FTA to take advantage of its liberalized access to a major new market.

For Oman, the last point is significant given our regional location. Many countries familiar and comfortable with our culture and society will begin to see Oman as the preferred venue for production for export to the U.S.

I applaud the United States for its interest and efforts to promote free and fair commercial relations with my country, in this case through a bilateral free trade agreement. Such agreements foster so much more than just increased trade and investment. That is just the stone thrown in the pond. The ripple effects that such agreements have on societies are profound and long lasting. It is my sincere hope that the United States will continue its leadership in expanding economic relations among the nations of the world. It is a policy and a promise that is truly a unique and positive American contribution to global development.

Thank you for your kind attention.