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KHASAB JOURNAL

Sightseeing in Oman? You Mustn't Miss the Smugglers

By OTTO POHL
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KHASAB, Oman - The Iranians come at daybreak, buzzing across the green water in small boats packed with goats. They deliver their livestock to Omani traders, idle away the hot midday hours and, as darkness sets in, return to Iran, this time loaded with cigarettes, tea and clothing.

Aside from the starkly beautiful rocky fjords, tourist attractions are scarce on this remote tip of the Arabian Peninsula. Watching the Iranian smugglers come and go is about the best local travel operators can muster.

"We do it as part of the city tour," said Abdul Khalique Ahmed, the managing director of Khasab Travel and Tours. "People like to see the smugglers."

The boats speed across the Strait of Hormuz, the narrow shipping lane that connects the Persian Gulf to the Arabian Sea and beyond. About 15 percent of the world's oil passes through this vitally strategic sea lane, closely guarded by the United States military.

But the goat and cigarette trade, running perpendicular to the oil tankers, is the only commerce the locals care about. It is said to represent over half of the economy here on the Musandam peninsula, a small outpost of Oman north of the United Arab Emirates. The trade is illegal in Iran but legal in Oman, which means that the Omani government collects taxes and grants de facto visas to the Iranians, as long as they do not stray far from the port or stay overnight.

The smuggling started after Iran closed its borders after the 1979 revolution, and exploded after the end of the Iran-Iraq war in 1988. Trade grew further after completion of the first paved road from Khasab to the United Arab Emirates in 1997.

These days, however, traders like Abdullah Sadani, a 33-year-old Iranian, complain that reform in Iran is ruining business. An import deal that Iran signed with international cigarette companies in 2002 has decimated that trade, which was by far the largest and most lucrative. Between 50 and 80 boats currently make the crossing each day, perhaps a quarter of the number two years ago, merchants say. Mr. Sadani

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On the first stage of the smuggling circuit in Khasab, goats are shipped from Iran for sale. The boats later return to Iran with goods like cigarettes.

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earns only a few dollars a day, while a large load of cigarettes could have made him up to \$30 a few years ago.

Sitting in a cafe near the port, Mr. Sadani, grizzled by sun, cigarettes and several days of beard growth, explained that despite the lower pay, this was the only way he could support his wife and four children back in the Iranian port of Bandar-e Kong.

Over the years, he said, he has been robbed by pirates, shot at by the police and occasionally forced to dump his cargo overboard to avoid arrest. Once, when his outboard motor broke down, he drifted for five days without food or water amid the cargo ships, oil tankers and naval vessels that ply the Persian Gulf.

Problems with the Iranian authorities are solved in time-honored fashion. "Baksheesh," Mr. Sadani said emphatically, using the Persian word for tip or bribe while making a circular motion with his hand over his head.

A translator interpreted the gesture. "Baksheesh makes the world go round."

Like other traders, Mr. Sadani carries a cellphone with two SIM card phone chips, one for Iran and one for Oman. He switches chips halfway through the journey, so spotters on the Iranian side can easily reach him on his return trip to warn him of police activity.

Cigarettes are still smuggled to avoid the taxes the Iranians levy on the newly legal trade, but other products, including tea, clothing, soft drinks and even electronics, have gained importance. Goods worth \$250,000 to \$500,000 cross the strait each day, in the estimation of Munavvar Shuaib, a manager at Abdul Fatah Mohamad Noor Trading in the center of Khasab's small marketplace. At the height of trade, two or three years ago, volumes were up to five times that.

Even at that reduced level, it is an enormous amount of business to the roughly 30,000 Omanis who live in the region. And for young men like Hassan al-Kumzari, 22, smuggling is clearly the option of choice. Dressed in the traditional flowing white gown and white cap, he oversees a fleet of 10 trucks that shuttle his goats from the dusty port to Ras Al Khaimah, the northernmost city in the United Arab Emirates, and then returns with goods destined for Iran.

He used to help his father, a fisherman, until he learned about the traders in the port of Khasab. He says his father is proud of his new line of work.

"My son is doing something better than just smelling of fish," Mr. Kumzari said, summarizing his father's reasoning.

He buys about 300 goats a day, paying 10 Omani rials, about \$26, for each one, and reselling them at a 50 percent markup in the United Arab Emirates. He then ships back whatever his business partners in Iran need that afternoon. He estimates that for a good month he can clear as much as \$10,000.

Mr. Kumzari said he still longed for the stability of a government job, but they were not hiring. As he described his workday, which consists largely of supervising others for a few hours and making a few phone calls, he stopped, as if suddenly struck by a revelation.

"It is already like a government job," he said, "but with goats."

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Smuggling that is illegal in Iran is legal in Khasab, a port in Oman.

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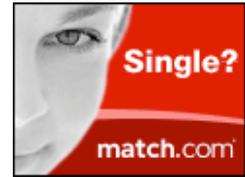
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