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INVESTMENT OPPORTUNITIES IN **OMAN**

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His Majesty
Sultan Haitham bin Tarik

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1. Oman Overview

1.1 Statistical Profile

Oman, formally known as the Sultanate of Oman, is a country in Western Asia.

	Area	309,500 sq. km.
	Language Spoken	Arabic
	Border shares	Saudi Arabia, The UAE and Yemen
	Population in 2023	4.93 million
	Internet Users in Oman	4.92 million <small>*Internet penetration in Oman stood at 95.2% in January 2021</small>
	Social Media Users	4.14 million
	Mobile Connections	5.72 million <small>* The number of mobile connections in Oman in January 2021 was equivalent to 110.7% of the total population</small>

Sources: Oman Government's eCensus portal, International Monetary Fund (IMF), World Bank

As a member of the World Trade Organization since 2000, Oman mostly depends on its depleting oil reserves, which produce around 45% of all government revenue. The government's diversification policy includes important elements in tourism, shipping, mining, manufacturing, and gas-based businesses.

1.2 Infrastructure

Transportation Infrastructure



- According to the Ministry of Transport, Communications, and Information Technology (MTCIT), Oman currently has more than 60,000 km road network, and new road projects in Oman for 2023 will be of more than 1,300 km.
- The Ministry issued more than 30,000 new operating cards for land transportation, 4,000 land transportation licenses, and 15,000 permits to foreign vehicles, among other services, through the “Naql” platform.

Energy Infrastructure



- Electrification to total population is 99%. Total electricity consumption in Oman has been doubled over the past 10 years.
- Electricity Production in Oman reached 2,325 GWh in Feb 2023, compared with 2,287 GWh in the previous month.
- Oman’s National Energy Strategy aims to derive 30% of electricity from renewable sources by 2030. This has been witnessed with the announcement of green hydrogen projects such as 14 GW plant powered by 25 GW of wind and solar power.

Telecommunication Infrastructure



- The Sultanate of Oman has established itself as one of the most progressive telecom sectors in the region in terms of liberalization and promotion of competition in recent years. A total of six mobile network operators cater to a population of approximately four million.
- Oman is focusing towards building ICT infrastructure which envisions providing broadband services to more than 90% of urban areas.
- The government has long-term development programs for improvement of national technical capabilities, development of critical ICT infrastructure along with enhancement of E-government services. Various U.S. based telecom firms are in talks with government for ICT development in Oman.
- The Telecommunications Regulatory Authority provides considerable oversight and policy guidance, most notably in the deployment of Oman’s 5G networks
- New opportunities lies in sub-sectors such as smart city initiatives, cybersecurity solution, drone and anti-drone solutions, disaster recovery services, space technologies, e-commerce, datacenters, IoT solutions and others.

Sources: Oman Government’s eCensus portal, International Monetary Fund (IMF), World Bank

1.3 Macroeconomic Overview

Real GDP Growth (Annual Percent Change) 2022	4.3
GDP, Current Price (Purchasing power parity, Billions of International dollars, 2022)	162
GDP per capita (PPP, US\$ dollars per capita), 2022	23,240 thousand
Inflation rate	1.9 (32.1% decline as compared to 2022)
FDI inflow	4.02 billion (2021) *Oman recorded a staggering US\$ 47.0 billion foreign direct investments amounted until the third quarter of 2022; an increase of 10.4% compared to the same period in 2021. The volume of trade exchange between the Sultanate of Oman and other countries was over US\$ 77.7 billion as of September 2022, an increase of 46.18%.
Consumption expenditure, 2021	US\$ 39.08 billion
Exports, 2021	US\$ 56.9 billion *(Crude oil (US\$ 24.2 billion), petroleum gas (US\$ 6.78 billion), refined oil (US\$ 3.93 billion), nitrogen fertilizers (US\$ 2.19 billion), and semi-finished iron (US\$ 2.14 billion) account for most of the recent exports)
Imports, 2021	US\$ 34 billion *(Refined petroleum (US\$ 2.8 billion), automobiles (US\$ 2.21 billion), iron ore (US\$ 1.72 billion), broadcasting equipment (US\$ 710 million), and gold (US\$ 624 million) are Oman's top five recent imports)

Source: International Monetary Fund (IMF), World Bank, The Observatory of Economic Complexity

1.4 Opportunity Dashboard



Source: International Monetary Fund (IMF), World Bank, Invest Oman

EDUCATION

- In 2022, Education sector contribution to GDP was 4.9% and projected to climb to 6.2% by the end of 10th Five Year Plan (2021-2025).
- The government is planning to set up more 76 new schools in different parts of the nation.
- Investor interest in private educational institutions continues to rise, with higher education likely to be the key focus for investors, both domestic and foreign.

HEALTHCARE

- The MoH is looking for investment opportunities in the pharmaceutical industry and medical supplies sector, which is one of the promising sectors in the country.
- Additional 13,000 medical professionals needed by 2040.
- At present, nation has 88 hospitals, 7000+ beds, and 487 health clinics. Bed requirement is expected to grow at 3.2% CAGR through 2022 requiring 1,100 new beds.

SPORTS

- The lab for investment in sports is highly focused to simplify the procedures for smooth investment in the sector. The idea is to come up with the initiatives, projects, and investment opportunities in the sports sector to enhance its role in supporting Oman Vision 2040.

COMMUNICATION

- Oman's Communication sector is growing faster at a growth rate of 5%, with a significant rise in the number of smartphone users and internet penetration. Further, the investments of US\$ 260 million to develop ICT infrastructure are another factor boosting the share of ICT in GDP with the help of American companies. With constant improvement in implementing 5G technology, access to multiple submarine cables, wide LTE network coverage, and construction of fiber-based networks, the country is establishing itself as an ICT hub in the Middle East.

Source: International Monetary Fund (IMF), World Bank, Ministry of Telecom

PORT

- Oman is continuously working to enhance investments in SEZ and FZs in port areas for improvement in dry dock, fisheries hub, oil tank storage, and refinery, as Oman is a country that acts as an intersection for Europe, North America, and Asia. Along with the investments, the partnerships and joint ventures of the UK, China, and other major countries-based businesses are also helping Oman boost their services related to bunkering and Carrier & Haulage. Further, the government initiatives such as tax exemption, permit to 100% foreign ownership, zero import and re-export duties, and 100% repatriation of capital and profit encourage foreign companies to invest heavily in Oman.

FOOD & BEVERAGE

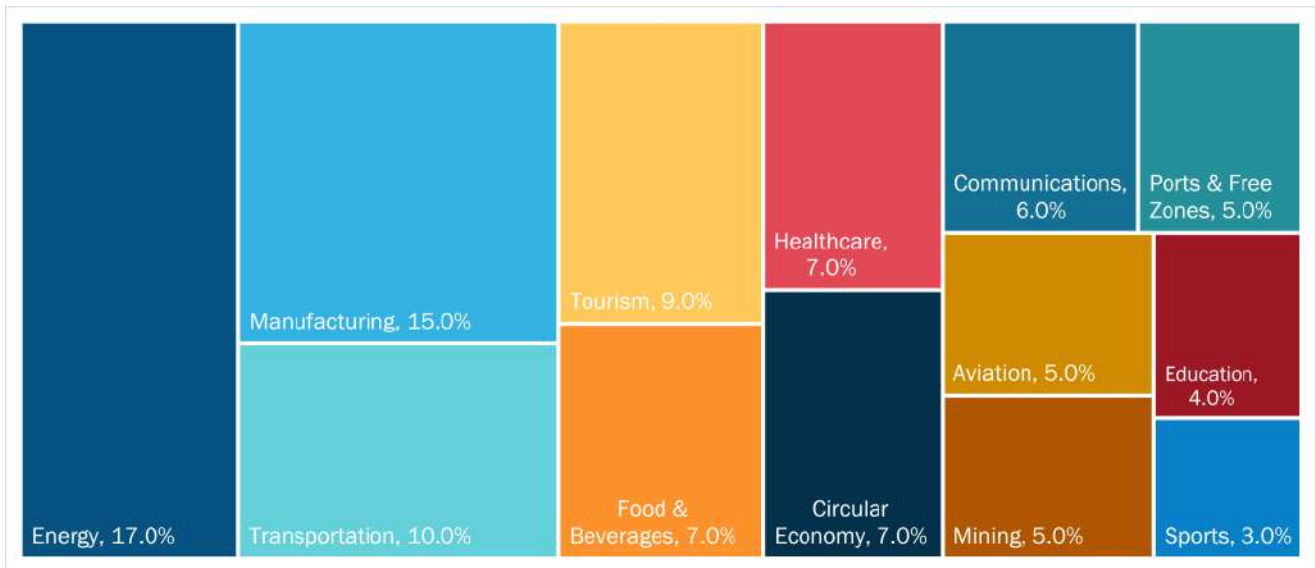
- Food & Beverage is one of the major focus areas of Oman's government as the consumption rate of Oman is higher than other GCC countries. This sector contributes a fair percentage to the GDP growth of the country. The country has planned to host an international trade exhibition for the food & hospitality industry, which will act as a networking platform for stakeholders of various services such as agriculture, catering & kitchen equipment, fisheries, restaurants & café, shopping centers, and others. With the help of MoCIIP, Oman is investing in the food sector to improve FDI in GDP.

TRANSPORTATION

- Transportation Sector contributed approx. 5% in country's GDP in 2021, and Oman is in path to increase the contribution to 14% by year 2040.
- The total number of vehicles in Oman in 2022 was 1,603,376, which has increase of 3.2 per cent compared to 2021.
- In last few years, Oman has invested in infrastructure and technology for new ports, railway and road links, as well as increased routes for domestic airline carriers to reduce congestion and enhance capacity.
- Oman's push to become a logistics hub and rank amongst the top 10 logistics centers of the globe by 2040, is offering some great investment opportunities. Oman is actively pursuing private sector investment and expertise to expand its project pipeline through joint ventures or public-private partnerships (PPPs)

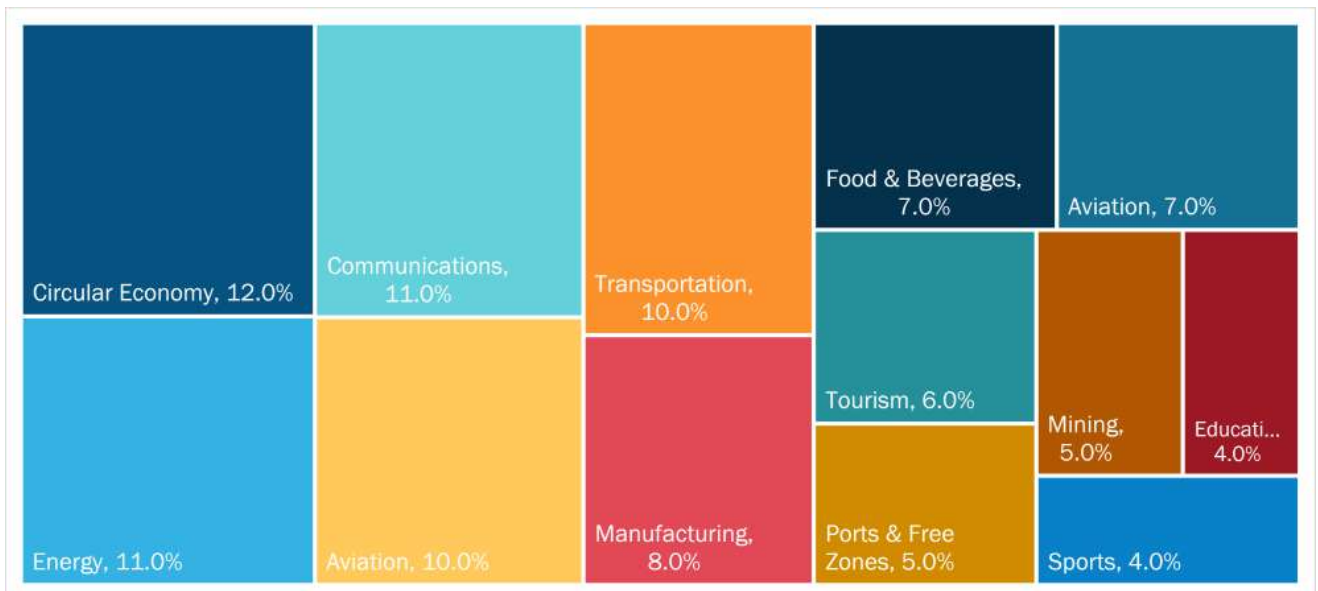
Source: International Monetary Fund (IMF), World Bank, Oman invest, Ministry of Transport

Investment Opportunity – Short Term



Note : The investment opportunities have been forecasted based on various parameters such as current GDP growth rate, share in GDP, inflation rate, sector growth, Previous and Expected FDI in each sector, Vision 2040, Specific Industry Initiatives, company offerings, and others

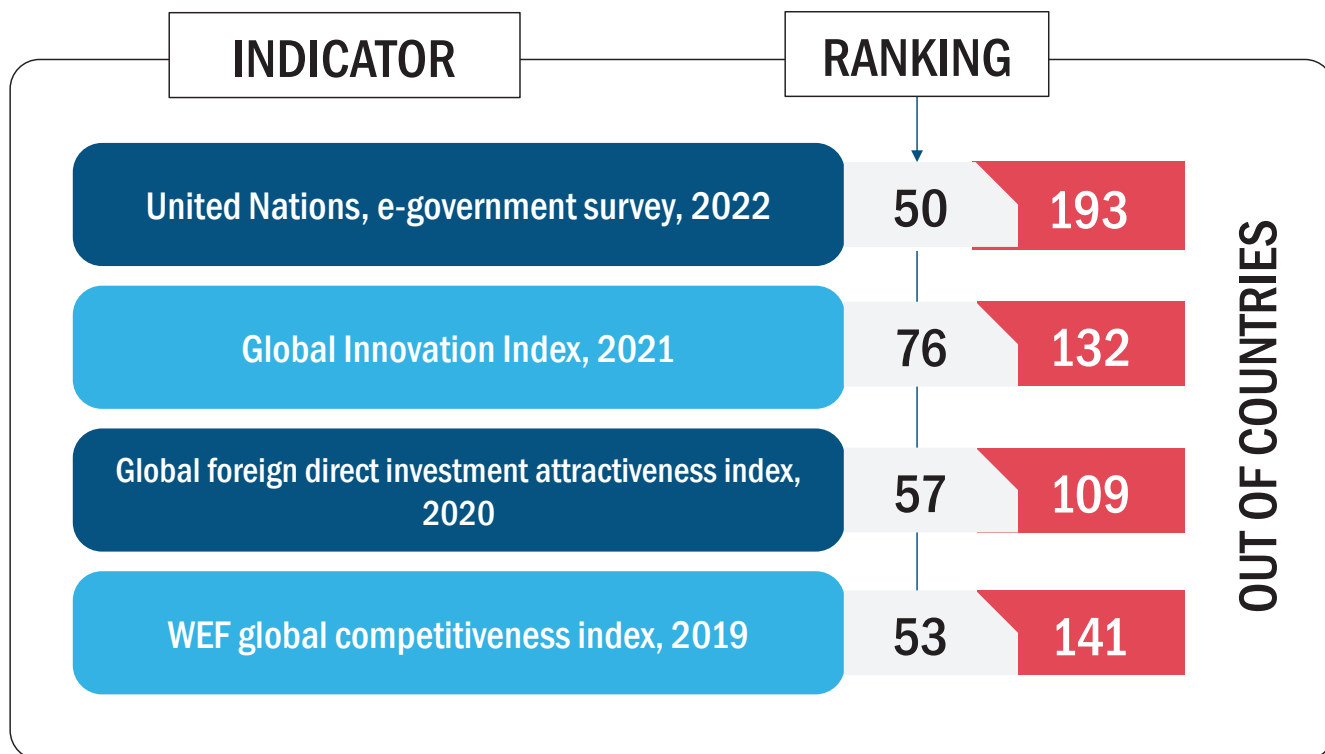
Investment Opportunity – Long Term



Note : The investment opportunities have been forecasted based on various parameters such as current GDP growth rate, share in GDP, inflation rate, sector growth, Previous and Expected FDI in each sector, Vision 2040, Specific Industry Initiatives, company offerings, and others

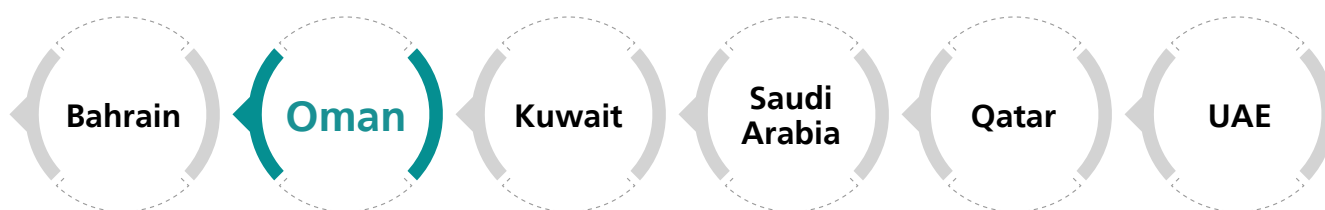
2. Oman in International Indices

2.1 Economic Competitiveness Indicators:



Source: World Economic Forum

2.1.1 Arab Competitiveness Index



Source: World Bank, Arab Monetary Fund

According to a survey by the Arab Monetary Fund, Oman was placed 5th in the Arab world in the Arab Competitiveness survey for 2022, after the UAE, Qatar, Saudi Arabia, and Kuwait, while Bahrain came 6th.

2.2 Doing Business

Establishment of any company in Oman can take only 4-6 weeks as compared to Qatar which takes 16 weeks of time and Egypt which takes 15 weeks.

Can be done in the form of:

- Limited Liability Company
- Joint Stock Company
- Branch
- Commercial Agency
- Commercial Representative Office

Company Type	Capital Requirements	Opportunity
Limited Liability Company	Foreign companies required to have Omani partner with minimum 30% shareholding to form an LLC. Minimum capital of US\$390,000 is required to register LLC company	GCC companies owned by GCC nationals can establish entity without local partner. Due to free trade agreement between US and Oman, US National can form entity without local partner
Joint Stock Company	Minimum capital requirement is US\$ 1.3 million. Minimum capital requirement for publicly held joint stock company is US\$5.2 million. 30% of shareholding should be of Omani nationals.	Foreign investment in banks and in financial institutes falls under Central Bank of Oman.
Branch	A foreign can register a branch in Oman to execute contract with government.	Special dispensation may have given for foreign companies to register a branch without a government contract if activity is deemed to be of national importance
Commercial Agency	Agency agreements are required to be registered with Ministry of Commerce and Industry under Commercial Agency Law.	Foreign companies without commercial registration can do business in Oman through commercial agents.
Commercial Representative Office	Commercial representative office in Oman can sponsor and hire employees only.	A foreign company can open commercial representative office in Oman for marketing and promotion of its products and services.

Source: Ministry of Finance

Oman VAT Tax

Businesses are allowed to collect VAT at 5% on taxable supplies, excluding Zero-rated supplies/exempt supplies.

VAT returns for all individual taxpayers are scheduled for calendar quarters ending March 31, 30 June, 30 September and 31 December. Any taxable individual can file VAT return electronically through online portal within 30 days from the end of the tax period.

2.3 Other Indices

OMAN RANKING WORLDWIDE

Oman	Sector	Ranking
Bank MUSCAT, Oman	Banking 2022	Ranked 23 in top 50 Banks of Middle East
Oman	Social Progress Index 2022	80th ranked out of 168 countries
Oman	The Expat Essential Index 2023	5th rank out of 52 global countries
Oman	Global Soft Power Index 2023	46th rank among the world wide countries
Oman	Global Connectivity Index 2022	Ranked 69th globally among 171 countries
Oman	Global Innovation Index 2022	Ranked 79th in innovation index among 132 countries globally
Oman	Global Knowledge Index 2022	Ranked 54th in knowledge index among 132 countries globally
Oman	Global Logistics Performance Index 2023	Ranked 43rd out of 139 countries globally

Source: World Bank, Global Index 2022

2.3.1 Credit Rating

With the rising market opportunities in Oman, credit rating agencies such as S&P Global, Fitch Rating are looking Oman as opportunistic economy, as the country's current rating reached BB for 2023, improvement from BB- from previous year. Similarly, Moody's has provided rating of BA3, which signifies positive growth of Oman.

Further other factors that are helping Oman economy to grow are:

- Improvement in financial position
- High oil price
- Decrease in public debt-to-GDP ratio
- Decrease in public debt risks

2.3.2 Conclusion

Oman is one of the significantly growing GCC country with a GDP growth rate of 4.3% in 2022. As per World Bank forecasts, the Saudi economy is projected to grow at 2.9%, the UAE's at 3.6%, Qatar's at 3.3%, Kuwait's at 2.7%, and Bahrain's at 3.1%. Oman has also ranked as 2nd for EU 27 suppliers.

The government's Vision 2040 development strategy aims to boost tourism, modernize agriculture, foster technology, and startup ecosystems, and establish free industrial zones. Other objectives include increasing the non-oil sector's share of total GDP to over 90 percent, relying largely on the private sector for finance and expertise, adopting public-private partnership (PPP) models, and privatizing government assets. New seaport developments, school buildings, and dialysis centers are among 50 projects Oman plans for implementation under PPP.

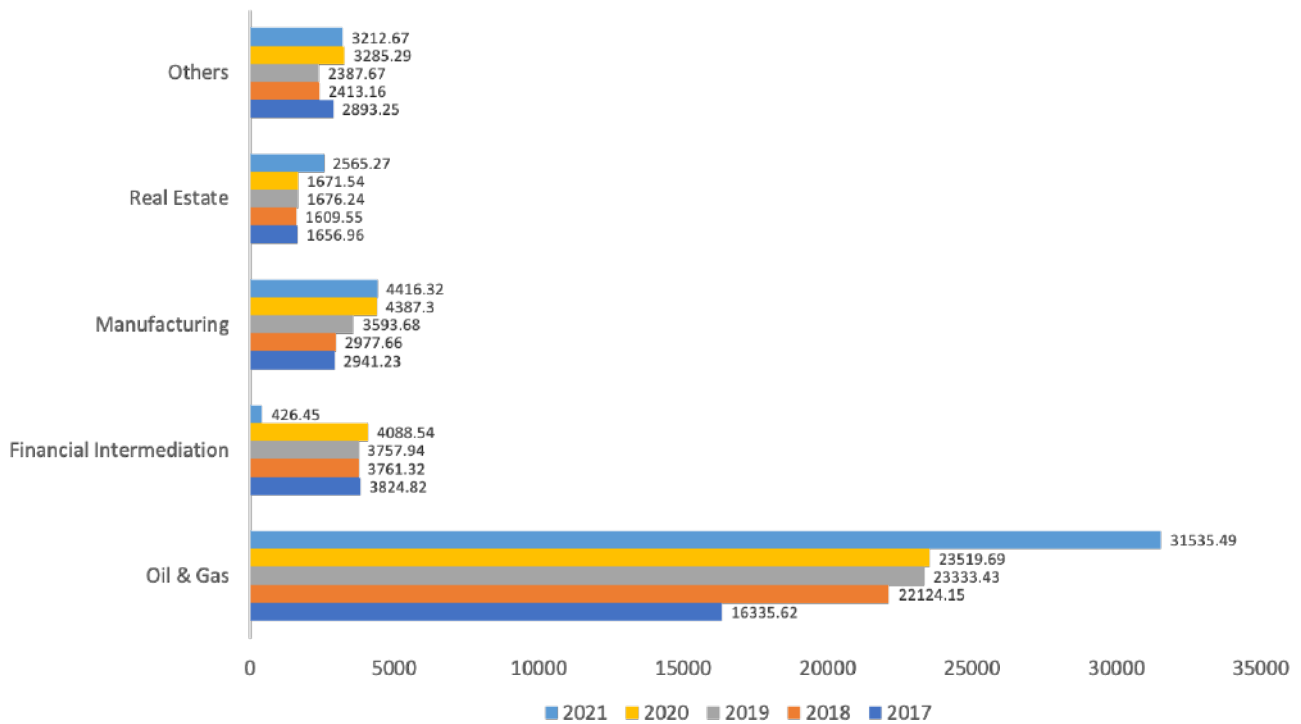
The Ministry of Commerce, Industry, and Investment Promotion (MOCIIP) has released a list of over 100 potential investment opportunities in Oman's industrial sector. Oman also aims to diversify its energy mix away from gas-fired power generation and increase its renewables capacity.

3. Overall Investments in Oman

3.1 Development of Investment Volume - Size and Growth - Sectors

The vibrant economy of Oman is receptive to foreign investments. The country remained an attractive market throughout the pandemic. In 2021, foreign direct investment (FDIs) increased by 7.7% compared to 2020. The oil & gas sector secured almost 69% of the total investments. Financial, manufacturing, and real estate were the other sectors that attracted significant FDIs.

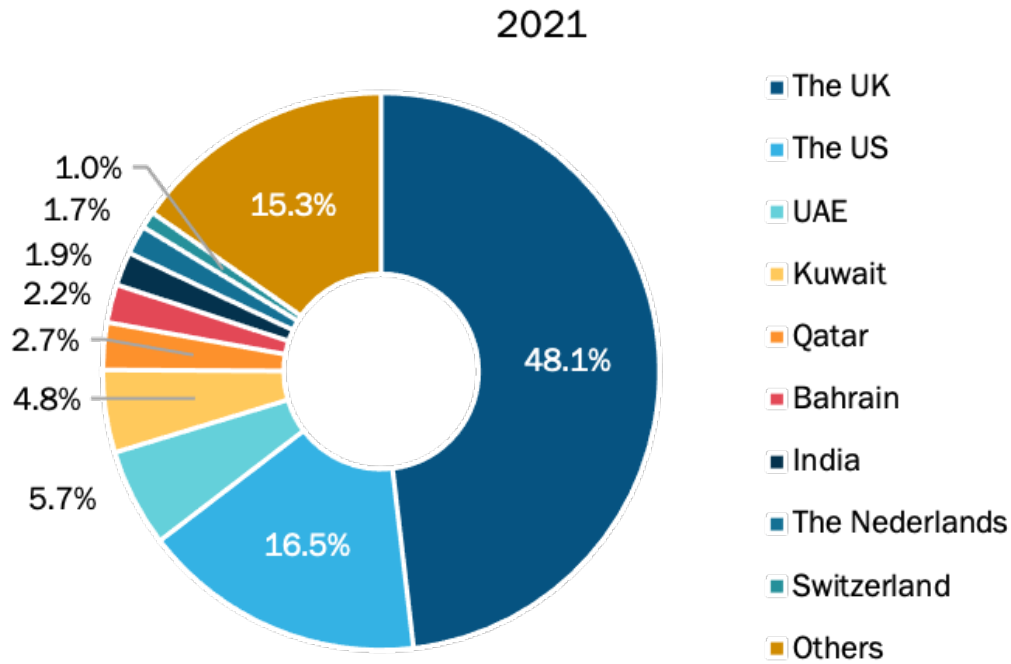
FDI in Leading Sectors (US \$ Million)



Source: National Centre For Statistics & Information, Sultanate of Oman

While the abovementioned four sectors primarily attract FDIs, other sectors can offer several new investment opportunities, as showcased later in the chapter.

The following chart showcases the shares of different countries in total FDIs in Oman:

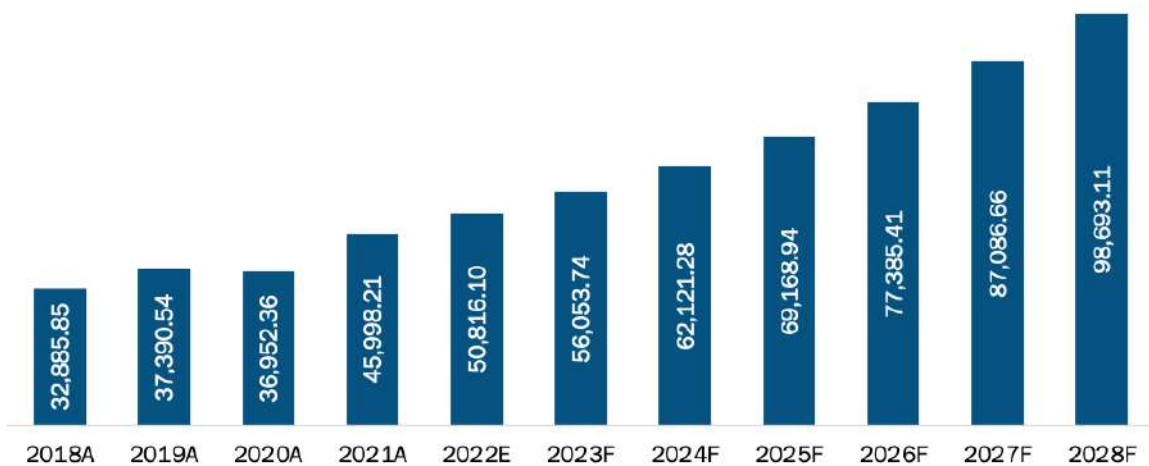


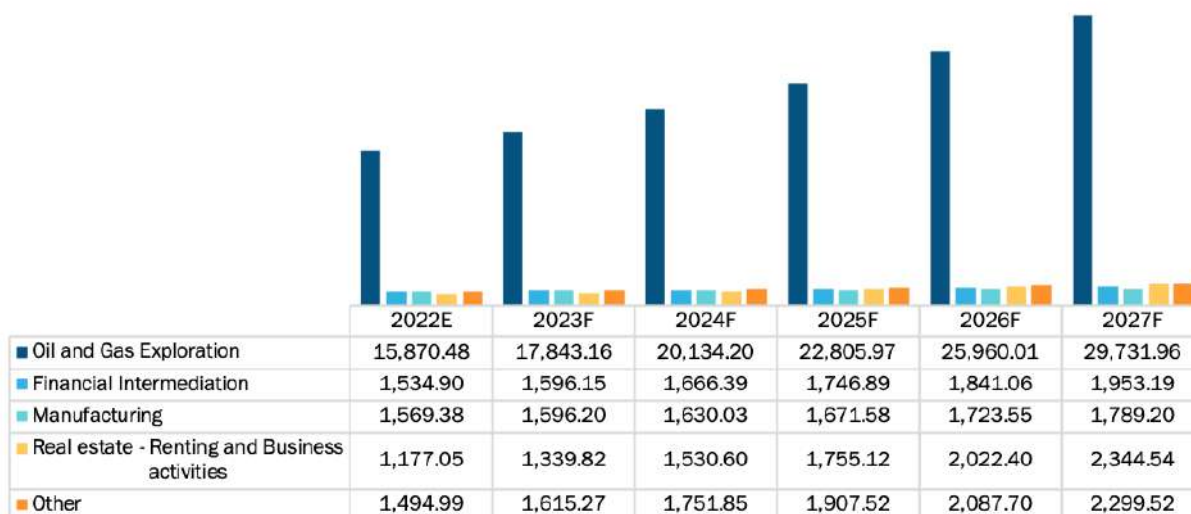
Source: National Centre For Statistics & Information, Sultanate of Oman

Oman shows a positive trend of attracting FDIs, with the volume of FDIs going up by 10.4% in the Q3 of 2022 compared with the same period in 2021.

The following chart showcases the FDI forecast for Oman:

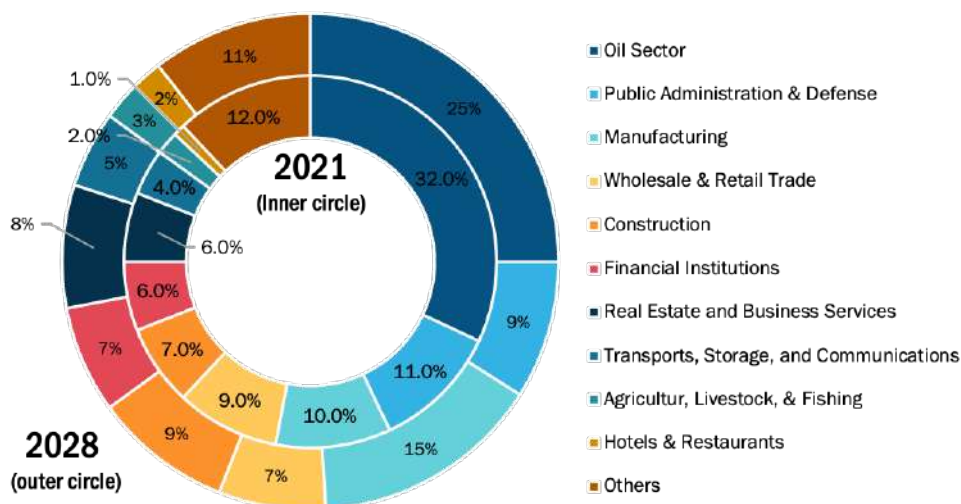
Foreign Direct Investment's Growth Forecast, 2018 - 2028 (US\$ Million)





Source: National Centre For Statistics & Information, Sultanate of Oman; A- Actual, E- Estimated, F- Forecasted
 Note : The market numbers have been forecasted based on various parameters such as current GDP growth rate, share in GDP, inflation rate, sector growth, investment in sector, vision 2040, companies offering and others

3.1.1 Oman’s GDP Contribution Forecast, By Sectors, 2021 Vs 2028 (%):



Source: Gulf Investment Corporation
 The Inner Circle represents 2021’s actual data while the outer circle represents 2028’s Forecast.
 Note : The market numbers have been forecasted based on various parameters such as current GDP growth rate, share in GDP, inflation rate, sector growth, investment in sector, vision 2040, companies offering and others

3.1.2 Highlights of Existing Investments

The following table showcases a few of the recent investments in Oman:

Year	News	Region
May 2023	The Ministry of Heritage and Tourism announced that they expect to open the first phase of the 430-hectare Oman Botanic Garden by the end of 2023. Located in Al Khoudh, it is touted to be the world's largest botanical garden. The Ministry of Heritage and Tourism plans to add the garden to the Sultanate's list of iconic landmarks, as it represents the diverse geography of Oman.	Muscat
April 2023	The Ministry of Heritage and Tourism revealed that 363 projects in the tourism sector, worth ~US\$ 6 billion, have either been completed or will be completed by 2025. The ministry banks on integrated tourism complexes, which have attracted a majority of investments in the tourism sector.	Muscat
March 2023	The Ministry of Energy and Minerals signed a mining concession agreement with a British company to extract nickel and its derivatives. This British company is the first international company to invest in Oman's mining sector in the last 25 years. The first three years of the exploration and evaluation phases are estimated to require a total investment of US\$ 25–30 million.	Muscat
February 2023	Oman and Saudi Arabia signed 13 investment memoranda of understanding (MoU) between their private and public sectors. Under this MoU, a total investment of ~US\$ 270 million was sectioned.	Muscat
November 2022	A leading US brand signed a project deal worth US\$ 4 billion with a leading Saudi Arabian real estate developer to build a real-estate complex in the outskirts of Muscat. The project would include several villas, hotels, stores, and a golf course.	Muscat
November 2022	A leading digital transformation-enabling company inaugurated the Oman Talent Hub in collaboration with the Ministry of Commerce, Industry and Investment Promotion (MoCIIP). The hub is located at the Knowledge Oasis Muscat and is expected to offer advisory and technology through a university program by using its valuable work experience across fields. The company, headquartered in Estonia, has been operating in Oman for ~10 years on public-private partnership contracts, assisting enterprises in the public sector in digitalizing services such as tax management platforms, e-census, and the Invest Easy Portal.	Muscat
September 2022	On behalf of Omani embassies worldwide, Oman Post partnered with a leading Switzerland-based visa outsourcing and technology service provider to avail attestation-related services through the latter's broad global network.	Muscat
July 2022	Two French multinational companies partnered to construct the largest solar photovoltaic (PV) farm to power a desalination plant in Sur. The power plant will be built at the Sharqiyah Desalination plant. The desalination plant supplies drinking water to more than 600,000 inhabitants of the Sharqiyah region. The 17-megawatt peak (MWp) solar project will be the first of its kind in the region and will be capable of producing 30,000 megawatt-hours (MWh) of green electricity annually. It is also expected to lower the annual CO2 emissions by 300,000 MT.	Sharqiyah South

3.1.3 Incentives and Initiatives that Encourage Investment

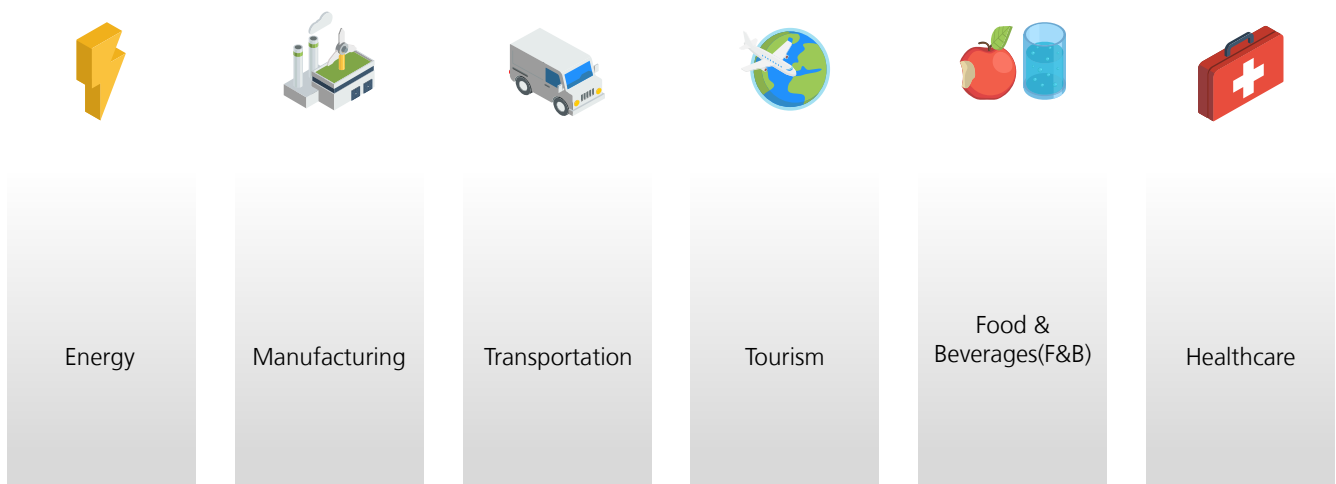
The government of Oman has taken several measures to ease the process of foreign investments, apart from existing tax breaks and custom duty exceptions. A few such steps taken to fulfill this purpose are highlighted below:



3.2 Identification of Key Investment Opportunities in Oman

3.2.1 Key Sectors with Investment Opportunities

Below is the summary of few key sectors offering great investment opportunities. All such opportunities are discussed in detail later in the report.



Note: These sectors have been explained in detail in subsequent chapters.

3.2.2 Highlights on Identified Key Sectors

ENERGY Oman plans to utilize renewable sources for meeting 35–39% of the national electricity consumption by 2040 and is seeking international partners to achieve this goal. It is also engaged in planning several renewable energy projects to achieve this target; these include the Waste to Energy Plant in Barka and Manah Solar Plant. Oman’s coastline is being used to harness wind power to generate electricity. Investments in such alternative energy sources are anticipated to significantly benefit investors owing to the increasing importance of green energy in the Sultanate.



Manufacturing

The manufacturing sector witnessed a significant rise in 2021, with a manifold increase in manufactured goods exports. The Advanced Manufacturing Research Centre (AMRC) in Oman focuses on product innovation and development to establish advanced manufacturing lines.

The digital transformation of the manufacturing sector, leading to higher output at lower costs, has aided in better production management. This transformation has further increased the sector's competitiveness, allowing Oman to compete with well-established Asian manufacturing nations, such as China and India. Investments in the manufacturing sector can be further supported by the geographic advantage of Oman, allowing the country to ship products to major markets with ease.



Transportation

Oman is investing strongly in its transportation sector as it aims to rank among the top 10 logistics centres in the world by 2040. Its strategic location on the Strait of Hormuz aids in easy connectivity with Europe, Asia, and North America. Hence, the Sultanate is strongly focusing on developing its port infrastructure. Oman is also actively encouraging investments in the private sector through joint ventures or public-private partnerships (PPPs) to expand its project pipeline. The government plans to rely on PPPs to operate the four terminals at the Port of Duqm and build ports at Khasab and Shinas in the north. The National Aviation Strategy 2030, developed in February 2023, focuses on the logistics industry through an elaborate air freight strategy designed to help domestic industries in foreign markets. Such factors and trends make the transportation sector in Oman ideal for investments.



Tourism

Boosting earnings from tourism is an economic pillar of Oman's Economic Vision 2040. The country plans to raise the GDP contribution of the tourism sector from 2.4% in 2021 to 5% by 2030 to 10% by 2040. The Sultanate has partnered with the EU to boost tourist inflow and promote cooperation by exchanging good practices in tourism sector. The expertise of the EU in sustainable tourism, alternative tourism, and adventure tourism has been leveraged to boost tourist footfalls in the country. Additionally, Oman is identifying and developing tourist spots to boost revenue.



Food & Beverages(F&B)

Oman has the smallest F&B market in the Gulf Cooperation Council (GCC). Despite this, the country recorded a better consumer demand than Kuwait and the UAE before the COVID-19 pandemic. Owing to the availability of a long coastline (providing better access to fish) and abundant animal farming, Oman has the potential to diversify the F&B sector and develop different products for export. Preserved and cooked fish, animal fat derivatives, organic seed oil, and citrus fruit peel production are a few of the areas with significant investment opportunities. The Oman Investment Authority (OIA) is proactively seeking investments in food security and fisheries and can be an ideal partner for investors interested in this sector.



Healthcare

Healthcare – A growing population in Oman indicates a rising demand for better healthcare facilities. The Sultanate has ~90 hospitals with ~7,000 beds, offering specialized and general patient care services, and the Ministry of Health bears 80% of the health expenditure of the population. As per the Ministry of Health, nearly 11 new hospitals are being constructed in Oman as of 2022, while infrastructure is being improved for improved operations at existing facilities. However, there is an urge to reduce the dependence on expatriates to provide healthcare services.

Such trends pose an excellent investment opportunity in this sector. Medical supplies, training institutions, and medical device manufacturing are among the areas that can be explored by investors.

3.3 Prospective Diversification in Oman

3.3.1 Present (2022) Product Diversification Prospect: Manufacturing

The segment describes Oman’s potential to diversify its manufacturing activities and export:

Details	Value
Current diversification (number of products)	4,320
Potential new products	4,049
Potential new products more complex than the country’s average	3,242
Potential new products more complex	80%
Export opportunity in more complex products	62%

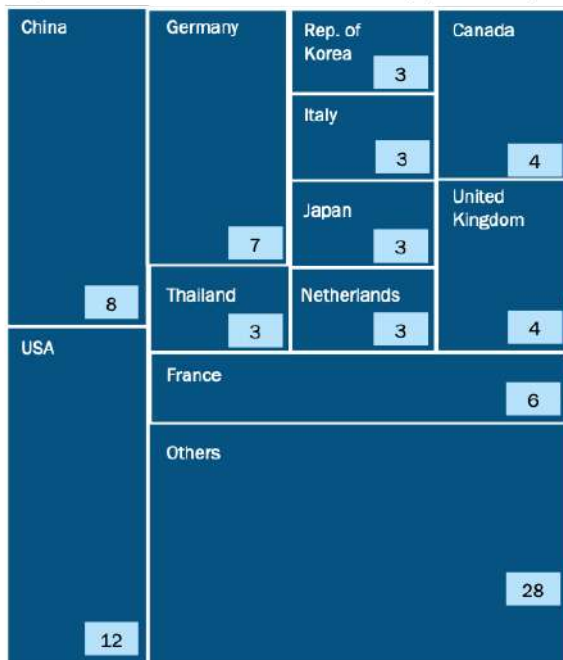
Source :United Nations Conference on Trade and Development (UNCTAD)

3.3.2 Sectors with High Potential for Diversification and Export Prospects:

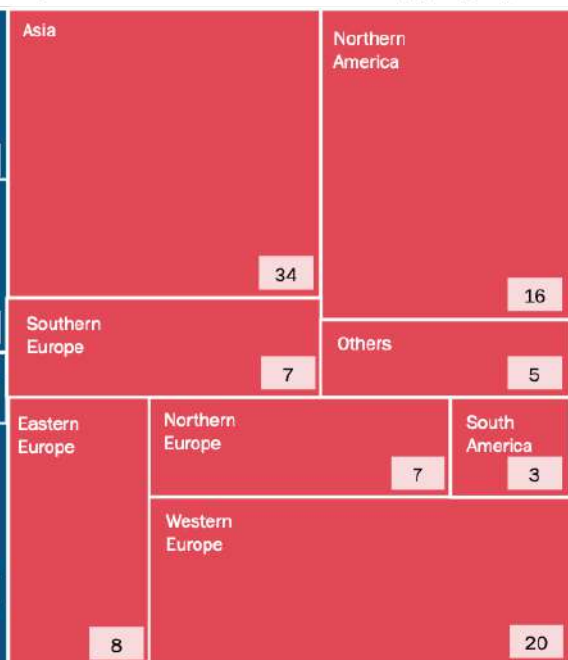
Machinery & mech appliance etc 13	Organic chemicals 9	Iron and steel 6	Vehicles other than railway, tramway 10
	Plastics and articles thereof 4	Electrical, electronic equipment 6	
		Articles of iron or steel 2	
Sum of others with smaller share 38			Optical, photo, technical, medical, etc apparatus 6
			Miscellaneous chemical products 3
			Inorganic chemicals, precious metal compound, isotopes 3

Source :United Nations Conference on Trade and Development (UNCTAD)

Top Markets for Potential New Products (By Countries)

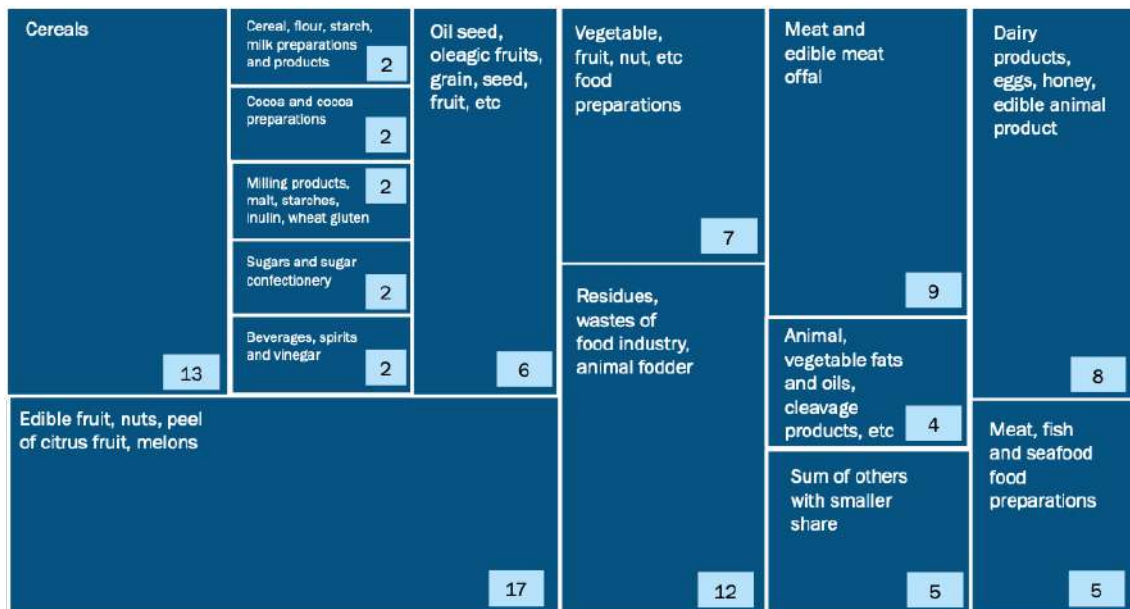


Top Markets for Potential New Products (By Region)



Source :United Nations Conference on Trade and Development (UNCTAD)

3.3.3 Potential for Diversification in Agri-Business and Export Prospects:



1 United Nations Conference on Trade and Development (UNCTAD)

Top Markets for Potential New Agri Products (By Countries) **Top Markets for Potential New Agri Products (By Region)**



Source :United Nations Conference on Trade and Development (UNCTAD)

3.3.4 Potential New Products and Probable Export Prospects:

The following table showcases a few of the recent investments in Oman:

Product	Export Opportunity (US\$ Million)	Potential Trade Partners
Inorganic Chemicals, Precious Metal Compound, Isotopes	5,039.1	UAE, China, France, Japan, South Korea, Canada, The US
Organic Chemicals	5,815.5	Singapore, China, Italy, Russia, Germany, Belgium, China, The US, India
Miscellaneous Chemical Products	4,926.8	Germany, The Netherlands, Brazil, France, Spain, China, Malaysia
Plastics and Articles Thereof	2,872.5	The UK, China, Indonesia, Japan, The Philippines, The US, Malaysia
Iron and Steel	5,614.8	The UK, Belgium, China, Indonesia, Japan, Italy, The Philippines, The US, Malaysia
Articles of Iron or Steel	2,274.1	The UK, France, Belgium, Kazakhstan, The Philippines, Zimbabwe, The US, Russia
Machinery & Mech Appliance etc	9,379.2	Canada, Germany, Hungary, Japan, UAE, The UK, France, Spain, Russia, India
Electrical, Electronic Equipment	4,988.8	Thailand, Malaysia, Hong Kong, Russia, Italy, India, Germany, Pakistan
Vehicles Other Than Railway, Tramway	20,916.9	The Philippines, Thailand, France, Spain, Russia, China, The UK, Germany
Optical, Photo, Technical, Medical, etc Apparatus	6,544.2	The US, China, The UK, Thailand, Russia, Spain, France, Brazil
Meat and Edible Meat Offal	2,221.3	Indonesia, Thailand, China, Japan, Vietnam, Hong Kong, Japan, Belgium
Dairy Products, Eggs, Honey, Edible Animal Product	1,793.9	France, The US, Germany, China, South Africa, Italy, Egypt
Edible Fruit, Nuts, Peel of Citrus Fruit, Melons	3,429.3	Italy, UAE, The US, The UK, Germany, China, Hong Kong
Cereals	3,439.5	Vietnam, Malaysia, China, Spain, Belgium, South Korea, Italy, France
Milling Products, Malt, Starches, Inulin, Wheat, Gluten	549.9	Norway, France, The Netherlands, The US, Vietnam, Germany, China, Hungary, Spain, Australia
Oil Seed, Oleagious Fruits, Grain, Seed, Fruit, etc	1,481.4	The UK, Germany, The US, China, Japan, South Korea, France, Canada, Poland
Animal, Vegetable Fats and Oils, Cleavage Products, etc	854.7	China, India, Denmark, Germany, The US, Austria, Sweden, Sri Lanka, Australia
Meat, Fish and Seafood Food Preparations	932.2	Japan, Thailand, The Netherlands, Canada, The UK, Germany, France, Italy, Colombia
Sugars and Sugar Confectionery	486.9	France, Vietnam, The US, India, Belgium, Denmark, Poland, France
Cocoa and Cocoa Preparations	619.2	Russia, Germany, France, Kuwait, Australia, The UK, Hong Kong, UAE
Cereal, Flour, Starch, Milk Preparations and Products	1,114.6	Cambodia, South Africa, China, The US, France, Belgium, Germany
Vegetable, Fruit, Nut, etc Food Preparations	1,452.8	Australia, France, Germany, The UK, Japan, Canada, The US
Beverages, Spirits and Vinegar	524.3	UAE, The UK, Germany, Russia, Botswana
Residues, Wastes of Food Industry, Animal Fodder	2,944.2	Spain, Thailand, India, Malaysia, Russia, Australia, South Korea, The Philippines

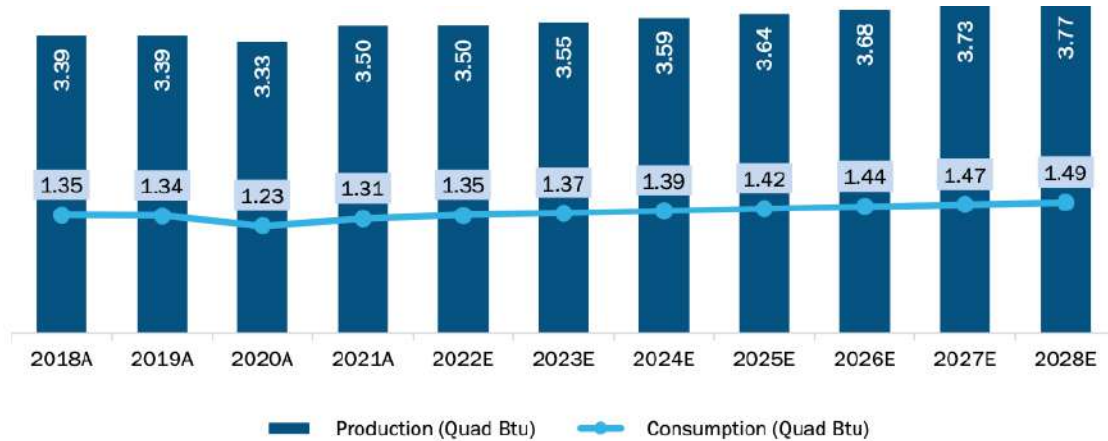
Source :United Nations Conference on Trade and Development (UNCTAD)

4. Energy Sector

4.1 Performance and Opportunities

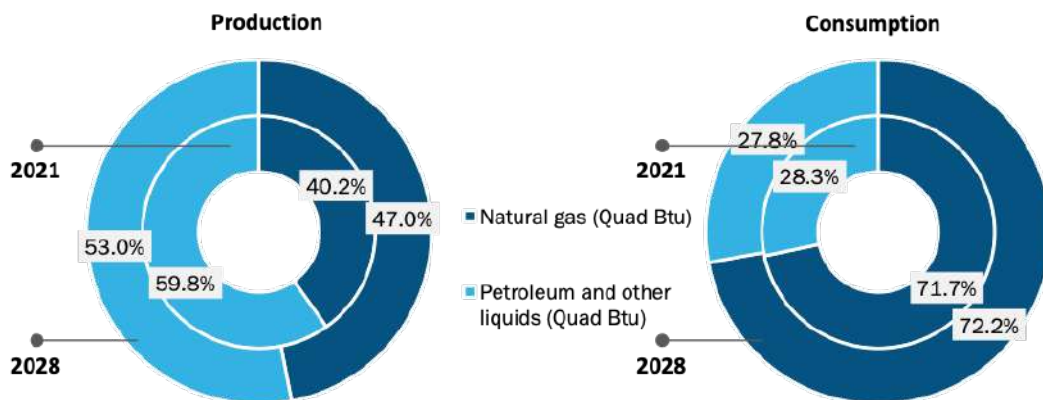
4.1.1 Facts and Figures:

Oman Primary Energy Supply Market – Revenue and Forecast to 2028 (Quad BTU)



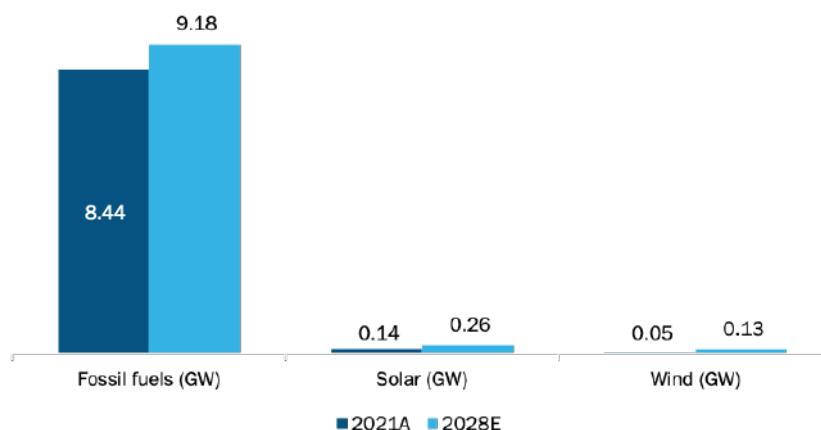
Source: EIA

Oman Primary Energy Supply Market – By Type (% Share), 2021 Vs 2028



Source: EIA; Inner circle represents 2021 and Outer Circle Represents 2028

Oman Electricity Consumption, By Energy Source, 2021 Vs 2028



Source: EIA ; A-Actual, E-Estimate

4.2 List of Active and Planned Power Projects

Project	Sub Sector	Project Value (US\$ Million)	Project Status	Completion Year
OPWP – Waste to Energy Plant in Barka	Waste to Energy	1,000	Study	2025
Tanweer – 78MW IPP in Musandam	Oil/ Gas	60	Study	2025
Tanweer – Dibba Power Station	Oil/ Gas	60	Study	2025
Madayn/Mubadrah – 100MW Solar Power Plant at Sohar Industrial City	Solar	100	Study	2025
OPWP – Dhofar Wind Farm IPP	Wind	100	Main Contract Pre-Qualification (PQ)	2026
OPWP – 200 MW Duqm Wind IPP	Wind	200	Main Contract PQ	2025
SSDC – Biomethane and Solar PV Power Generation Plant	Solar	130	Bid Evaluation	2023
OPWP – Manah Solar 2 IPP	Solar	500	Main Contract Bid	2024
OPWP – Manah Solar 1 IPP	Solar	500	Main Contract Bid	2025
Al Namaa – Poultry Meat Project: Captive Solar Power Plant 15MW	Solar	45	Bid Evaluation	2025
OPWP – 150MW Dhofar II Wind Power Plant (IPP)	Wind	150	Study	2026

Project	Sub Sector	Project Value (US\$ Million)	Project Status	Completion Year
OPWP – 200MW Dhofar III Wind Power Plant (IPP)	Wind	200	Study	2025
PDO – Qarn Alam Power Plant Phase V	Oil/Gas	20	Execution	2022
Petroleum Development Oman – 100 MW Duqm solar photovoltaic IPP	Solar	100	Study	2025
Marafiq/Tanweer – Gas-Diesel IPP 80MW	Oil/Gas	70	Execution	2022
Oman LNG – 120 MW Gas Fired Power Plant at Sur	Oil/Gas	120	Execution	2022
Tanweer – 146MW Hybrid Solar-Diesel IPP	Solar	180	Bid Evaluation	2026
PDO – Qarn Alam Co-Generation Project	Oil/Gas	115	Execution	2022
Oman Environmental Services Holding Co - Waste To Energy To Water Plant	Waste to Energy	750	FEED	2025

Source: International Trade Administration

4.3 Key Trends

According to Oman Vision 2040, Oman aims to utilize renewable energy sources for 20% of the Sultanate's electricity demand by 2030 and increase to 35–39% by 2040. The stability of energy markets is crucial for maintaining and advancing contemporary business and society. Energy is a crucial enabler of wealth and economic growth.

Green Energy Oman – The country is taking initiatives to promote Green Energy. For instance, on January 10, 2023, a British multinational oil and gas company joined the GEO consortium as an operating partner to develop the 25-gigawatt project. The GEO project was started in 2018 in collaboration with a Kuwaiti state-owned firm specializing in renewable energy investment and development, and OQ (formerly known as Oman Oil Company), the Sultanate of Oman's global integrated energy corporation. To speed up the global and Omani energy transitions, the group aims to deliver more than 1.8 million tonnes of green hydrogen annually.

With a goal of generating at least 30% of its electricity from renewable sources by 2030, Oman is seeking to increase the capacity of its electricity-generation facilities through renewable independent power projects (IPP). Since 1994, when it began operating its first IPP, Oman led the Gulf Cooperation Council (GCC) nations in the development of independent water and power plants.

In Oman, the state-owned Petroleum Development Oman (PDO), which was a pioneer in the country's large-scale solar energy projects, plans to reduce emissions by 50% from 2019 levels by 2030.

Ibri 2, Oman's largest utility-scale solar photovoltaic, independent power facility, commenced commercial operations in January 2022. The project was given to a group of Saudi and Kuwaiti companies by the Oman Power and Water Procurement Company (OPWP), for which a Beijing-based Investment Bank provided a loan of US\$ 60 million. The venture is the first renewable energy finance project for the bank in Oman and the surrounding area. Additionally, in January 2023, 250 sq. km. was allocated for solar and solar wind energy farms in Duqm SEZ. Two licences have already been granted; one is at the stage of implementing an initial 300MW plant while studies are ongoing for the other for a much larger capacity.

To meet its 2030 goals, Oman started several additional initiatives, including a wind farm in Dhofar, two solar IPPs in Manah, 11 solar-diesel hybrid facilities, and the 'Sahim' initiative, which aims to install small-scale solar panels on residential and commercial structures.

4.4 Project Highlights

North South Interconnector Project – This project is crucially important from a strategic standpoint for Oman, as the North–South Interconnector will interconnect four critical energy infrastructure networks--the networks of Petroleum Development Oman (PDO), and Rural Areas Electricity Company (Tanweer) with the Main Interconnected System (MIS), and the Dhofar Power System (DPS) -in Oman. The project, which will connect important energy infrastructure nodes over 1,000 km, will significantly boost Oman's economy and ecology. It will serve as a base for drawing Foreign Direct Investment (FDI) into regions such as Duqm because it connects Oman from north to south.

Wind 2025 – Over the next few years, Oman Power and Water Procurement Company (OPWP) intends to complete several wind energy projects as part of its commitment to help meet national diversification ambitions. While solar power is a sustainable energy source for Oman, wind power also has tremendous potential to become a substantial energy source in the Sultanate. The decision was made to develop wind power projects with varied capacities in 7 crucial locations: Sur, Jaalan Bani Bu Ali, Duqm-1, Duqm-2, Al Jazir, Shaleem, and Sadah.

This is because Oman's coastline routinely experiences high winds throughout the year. These initiatives are anticipated to improve the energy sector and strengthen the government's resolve to lower greenhouse gas emissions.

The project is now known as Wind 2025 instead of Wind 2023 due to the change of commercial operational date(COD).

Amin – The Amin Solar Project is the Sultanate of Oman’s first significant solar project, owned by Petroleum Development Oman (PDO). It is situated in Amin, in the southern region of Oman, 210 km northwest of Salalah in the PDO concession area. With a 100 MW power generation capacity, it will help reduce Oman’s reliance on gas for electricity generation and reduce CO₂ emissions by about 137,121 tons yearly. The project site spans a little over 4 km², equivalent to 480 football fields.

This is the first Independent Power Producer model that PDO employs in its operations, and the generated energy will be purchased directly from the developer. It is the result of a competitive tendering procedure and the construction of a contractual framework in accordance with previous Independent Power Producer models implemented in Oman.

Green Zone (Sahim Government + Energy Auditing and Retrofitting) – Several Omani governmental buildings, having high energy demands, offer the opportunity to include energy-efficient technology and place solar panels on the roof. As the previous Authority for Electricity Regulation combined the Sahim government program with the energy auditing and retrofitting initiative (Phase II), the program can now be implemented in government buildings. The relevant authority had conducted energy audits on several government facilities to better understand building energy consumption and potential energy-saving options. The audit results revealed that by utilizing the Energy Service Companies (ESCO) model, these buildings could save an average of 30%. The first phase of the ESCO model has been rolled-out for 14 buildings, along with the development of new renewable energy projects in Oman.

Energy is a crucial enabler of wealth and economic growth. The stability of energy markets is crucial for maintaining and advancing contemporary business and society. Oman is one of the world’s largest exporters of Oil and gas, and its national energy supply is fully generated by locally produced oil and natural gas products. As per the Oman Vision 2040, Oman aims to utilize renewable energy sources for 20% of the Sultanate’s electricity demand by 2030 and increase to 35%–39% by 2040. As per its vision to utilize the renewable energy sources for power generation, Oman has initiated several projects in recent years focusing on Wind Energy, Solar power, Solar (Independent Power Producer) IPPs and green hydrogen projects.

Several planned and ongoing Solar Power, Wind, Solar IPPs, and green hydrogen projects in Oman (Refer to the table below) is presenting potential business opportunities such as sale of products and services, research and development, technology transfer and project financing to various energy firms, local and international manufacturing firms, investment banks, private equity (PE) firms, R&D Institutes, and government organizations,

Moreover, to support the Oman’s sustainability agenda and to develop a more inclusive, sustainable, and secure Omani energy system, effective policies, private sector activity, and public–private partnership are required.

4.5 Key Takeaways

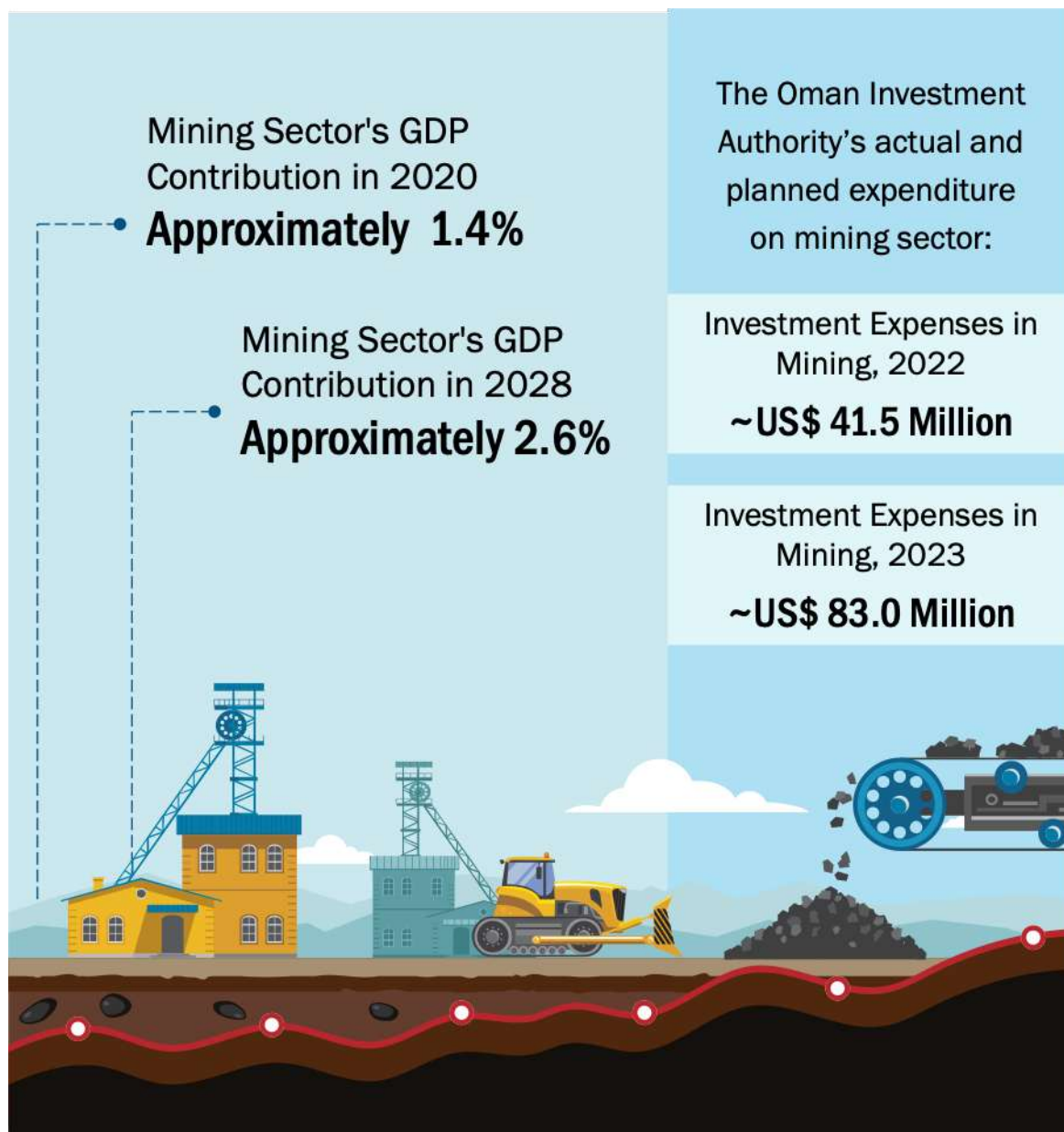
The below table showcases Oman's comparative advantage for development of renewable energy:

Solar and Wind Resource Advantage		Efficiency Targets	Comparative Advantage	Challenge
Direct Normal Irradiation (DNI) [kWh/m ² /d]	Wind Speed (m/s)			
6.2	>8	<ul style="list-style-type: none"> 2025: 10% of electricity generation through renewables 2030: Emissions down by 2% 	<ul style="list-style-type: none"> High solar and wind resources Strategic export location (Port of Duqm) Hydrogen strategy underway 	<ul style="list-style-type: none"> Evolving hydrogen strategy No carbon pricing mechanism Low energy mix diversification Dependency on fossil fuels

5. Mining Sector

5.1 Performance and Opportunities

5.1.1 Key Facts and Figures:



Source: Oman Invest Authority

Mining is one of the Omani government's focused industries for economic diversification. Oman's mining industry has piqued the interest of both foreign and domestic investors, as Oman was the first GCC producer and exporter of ferrochrome. Minerals are finite, non-renewable natural resources that are used as essential raw materials in a wide range of sectors and have the potential to make a big difference in the sustainable development goals.

As the Omani government seeks to diversify and shift its reliance from oil revenue and create jobs for Omani nationals, expansion in the mining sector is expected following the discovery of considerable quantities of minerals such as gold, copper, and rare earths. Although Oman boasts a wealth of mineral resources, its full potential has just lately been realized. Limestone (a non-metallic material with the highest purity in the world at 99.8%) and gypsum (which Oman is the world's largest exporter of) give the industry a consistent source of GDP.

5.2 Key Investment Opportunities

With the Sultanate's focus on increasing the mineral export, the mining sector can offer great growth opportunities, especially for iron and associated products. Iron mining is expected to allow the Sultanate the capability to diversify the manufacturing of various iron products. Thus it offers great investment opportunities in the mining sector.

Potential New Products and Their Export Opportunities:

Product	Sub Products	Value of Export Opportunity (US\$ Million)	Potential Trade Partners
Iron and Steel Articles of Iron or Steel	<ul style="list-style-type: none"> Hot rolled iron or non-alloy steel Flat rolled alloy steel, Cold rolled iron or non-alloy steel Hot rolled alloy steel Hot rolled iron or non-alloy steel 	5,614.8	The UK, Belgium, China, Indonesia, Japan, Italy, The Philippines, The US, Malaysia
Iron and Steel Articles of Iron or Steel	<ul style="list-style-type: none"> Non-electric heaters and parts Pipe-line submerged arc-welded steel Bridges and bridge sections Iron/steel cans Iron/non-alloy steel pipe or tubing 	2,274.1	The UK, France, Belgium, Kazakhstan, The Philippines, Zimbabwe, The US, Russia

Source: UNCTAD

5.3 Key Trends

Establishment of centralized database system—eMining Platform: The purpose of this endeavour was to determine whether the previous Public Authority for Mining (PAM) was ready to provide government online services and create a precise scope of work to transform the services. The main goal of implementing this program was to improve the delivery of government services and e-Services in PAM by reducing the government processes necessary to provide online services and enabling customer-centric government e-Services for individuals and businesses.

Focus on Innovations: The downstream industry in Oman is still in its infancy, but it has great potential to complement and advance the nation's rich and extensive mineral resource potential.

According to long-term national development objectives, the mining sector's contribution to the Omani economy is intended to encourage economic diversification while enhancing the standard of living for the country's residents. To effectively utilize the industry's potential, mining companies must overcome several obstacles, such as adjusting to increased ESG and social standards and moving toward low-carbon value chains.

The idea behind this program is to map out the raw materials needed depending on the availability of local mineral resources and market demand for imported goods versus locally produced downstream items. Additionally, the Industrial Innovation Centre (IIC) and the previous PAM worked together to choose a focal area/mineral each year successively.

The program intends to create a mining sector innovation plan that will be implemented over the following years to boost the mining sector's contribution to the national GDP. This is accomplished by investigating, creating, and implementing creative investment opportunities, along the whole mining value chain, from exploration to marketing.

By 2040, Oman plans to establish a hydrogen-based economy with annual green and blue hydrogen production of around 30GW. The government announced several gigawatt-scale green hydrogen projects, including a 14 GW facility fueled by 25 GW of wind and solar energy.

5.4 Project Highlights

Oman's mining and mineral processing industry is drawing a lot of attention from investors. This industry is one of six thrust sectors the Omani government has selected as essential to speeding its economic diversification agenda. Mineral Development Oman (MDO), the nation's mining investment and development flagship, is driving a significant portion of investment in Oman's greenfield mining sector. As a component of the Oman Investment Authority (OIA), MDO intends to open substantial portions of the Sultanate of Oman for mining investment, either independently or in collaboration with local and foreign businesses.

- The Ministry announced the Mining Bid Round 2022 in April, proposing four blocks totaling almost 9,500 sq. km. Three blocks are in the Umm al Samim desert, next to the Rub Al Khali desert, and are perfect for potash-based mining. In the eastern-central region of the country, in the Wilayat of Mahout, there is a fourth block that spans an area of 567 sq. km.

- MDO and the Ministry negotiated agreements to secure mining concessions totaling 21,480 sq. km of land. They include a variety of prospective minerals, primarily metallic strategic minerals, including copper, gold, and chromium. Eight sites are covered under the agreements, most of which are found in Al Batinah North and South, Al Dhahirah, Al Buraimi, Al Dakhiliyah, and Al Sharqiyah North and South.

In March 2023, Energy Development Oman's subsidiary Hydrogen Oman (Hydrom) signed term sheets with the owners of six green hydrogen projects totaling more than US\$ 20 billion.

Several major global players have signed term sheets for projects in Duqm and Dhofar. Hydrom anticipates that Oman would need to develop a renewable energy capacity of about 15 gigawatts, with total estimated investments of about US\$ 20 billion, including shared infrastructure.

Ghuzayn Underground Mine Development: The Ghuzayn underground mine is the largest copper discovery in Oman and the country's first advanced underground copper project. It is situated in the north of the country, in Wilayat of Khabourah, and has an estimated Joint Ore Reserves Committee (JORC) reserve of ~6.5 million MT of mineable ore. The project's goal is to recover the ore using a cutting-edge underground mining technique while maintaining harmonized HSE standards. It is predicted to take two years or fewer to become accessible, seven years to mine and become productive, and have a lifespan of at least nine years.

Gulf Potassium Potash Project: To make potassium chloride, Gulf Potassium Potash Project will collect potassium from Umm Al Samim in the Rub' Al Khali desert. Additionally, the region has a significant brine deposit, which might allow the factory to continue producing dry salt products at a rate of more than 1,000 tonnes per day for the anticipated 20-year project life. Additionally, it can create potassium chloride, which may be utilized in drilling fluids and fertilizers, with 99% purity for the oil and gas industry.

5.5 Key Takeaways

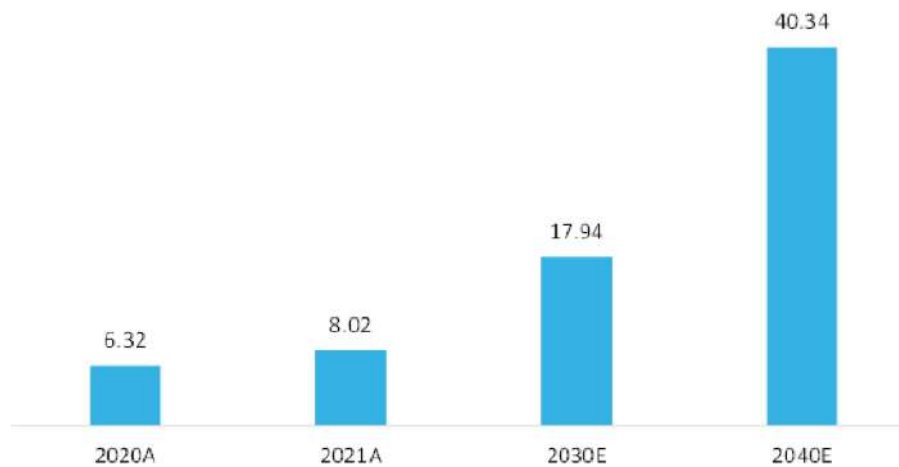
- Mining industry is one of six thrust sectors.
- MDO is driving a significant portion of investment in greenfield mining sector.
- Several major global players have signed term sheets for projects in Duqm and Dhofar
- Focus on innovations in the downstream industry.
- Mining bids announced for four new blocks.

6. Manufacturing Sector

6.1 Performance and Opportunities

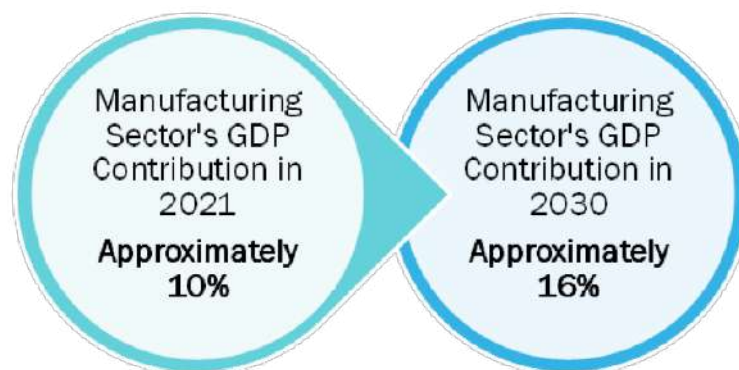
According to the Ministry of Commerce, Industry, and Investment Promotion (MoCIIP), the manufacturing sector's contribution to the Sultanate of Oman's Gross Domestic Product increased to US\$ 8.02 billion in 2021 from US\$ 6.32 billion in 2020.

Manufacturing Sector's Contribution to GDP (US\$ Billion)



Source: National Centre for Statistics & Information; A – Actual, E – Estimated

Note : The market numbers have been forecasted based on various parameters such as current GDP growth rate, share in GDP, inflation rate, sector growth, investment in sector, vision 2040, companies offering and others



Source: National Centre for Statistics & Information


During the same period, according to the National Centre for Statistics and Information, the Ministry highlighted a considerable increase in the volume of locally manufactured goods exported. Per Ministry of Commerce, Industry and Investment Promotion, despite the COVID-19 pandemic and the back-to-back global economic downturn, Oman’s industrial hubs continued to draw reassuring amounts of investment.

- Mineral products: for instance, increased by 175%, metals by 27%, chemicals by 32%, and plastics by 42% compared to trends from 2021.
- The number of Omanis employed in the industrial sector in September 2022, increased by 4.3% to 34,790, as compared to September of 2021.
- With up to 2,398 projects currently active nationwide, industrial investments reached US\$ 8,006.2 million till September 2022.

Manufacturing in one of the vital industries that contributes to Oman’s non-oil exports and provides employment to approx. 225,000 individuals. Currently, The Omani local manufacturing market is underdeveloped and more than 3/4 of the country’s services and goods demands are met through imports, which offer a lucrative opportunity to manufactures for the local market.

6.2 Key Opportunities:

Below are some of the potential Industrial manufacturing and assembly project setup opportunities in Oman:

 Copper Bars, Rods and Profiles Plant	 Steel Plant
 Cement Paper Bag Plant	 Food Technology Training, Testing & Development Centre
 Extruded Polystyrene Sheets Plant	 Dairy Products & Fruit Juice Plant
 Expanded Polystyrene Box and Sheet Plant	 Steel Casting Plant
 Heavy Duty PE Bags Plant	 Polypropylene Co-Polymer (PP- R) Pipe & Fitting
 Evaporated and Condensed Milk Plant	 Copper Cables and Wire of Refined Copper Plant
 Glazed Ceramics Plant	 Float Glass Plant
 Dates Processing and Packaging Unit	 Water Proofing Membrane Plant

Source: Invest Oman

Potential New Products and Their Export Opportunities:

Product	Sub Products	Value of Export Opportunity (US\$ Million)	Potential Trade Partners
Inorganic Chemicals, Precious Metal Compound, Isotopes	<ul style="list-style-type: none"> Aluminum Oxide Metal bases, oxides, hydroxides, peroxides Salts of oxymetallic, or peroxometallic acids Carbon Phosphoric acid and polyphosphoric acid 	5,039.1	UAE, China, France, Japan, South Korea, Canada, The US
Organic Chemicals	<ul style="list-style-type: none"> Heterocyclic compounds Heterocyclic compounds with N-hetero atoms Heterocyclic compounds with unfused pyridine ring Heterocyclic compounds with N-hetero-atoms Ethylene 	5,815.5	Singapore, China, Italy, Russia, Germany, Belgium, China, The US, India
Miscellaneous Chemical Products	<ul style="list-style-type: none"> Precious metal based catalysts Chemical element/compound wafers doped for electronic Packaged/Retail sale fungicide Packaged/Retail sale insecticide Herbicide 	4,926.8	Germany, The Netherlands, Brazil, France, Spain, China, Malaysia
Plastics and Articles Thereof	<ul style="list-style-type: none"> Polyethylene/terapthalate film/sheet Polycarbonates Floor, wall, ceiling cover Amino-resins 	2,872.5	The UK, China, Indonesia, Japan, The Philippines, The US, Malaysia
Machinery & Mech Appliance etc	<ul style="list-style-type: none"> Engines Machines and Mechanical appliances Electric motor Self-propelled work trucks Rubber or plastic welding machines Rubber or plastic working machines 	9,379.2	Canada, Germany, Hungary, Japan, UAE, The UK, France, Spain, Russia, India
Electrical, Electronic Equipment	<ul style="list-style-type: none"> Parts of ICs Carbon and graphite furnace electrodes Parts of electric accumulators 	4,988.8	Thailand, Malaysia, Hong Kong, Russia, Italy, India, Germany, Pakistan

Product	Sub Products	Value of Export Opportunity (US\$ Million)	Potential Trade Partners
	<ul style="list-style-type: none"> Domestic vacuum cleaners Electric generating sets 		
Vehicles Other Than Railway, Tramway	<ul style="list-style-type: none"> Automobiles, including gas-turbine powered variant Road tractors for semi-trailers Diesel powered trucks Diesel powered buses 	20,916.9	The Philippines, Thailand, France, Spain, Russia, China, The UK, Germany
Optical, Photo, Technical, Medical, etc Apparatus	<ul style="list-style-type: none"> Needles, catheters, cannulas Parts and accessories of optical appliances Artificial joints Electro-diagnostic apparatus Medical X-ray apparatus 	6,544.2	The US, China, The UK, Thailand, Russia, Spain, France, Brazil

6.3 Key Trends

Investing in cutting-edge technologies to reduce risk.

Over the past few years, manufacturers have increased their digital investment and hastened the adoption of emerging technologies. Companies with higher digital maturity and those who hastened their digitalization during the pandemic have demonstrated stronger resilience. Continuing to invest in cutting-edge manufacturing technologies can aid in creating the necessary agility.

Establishing variety of talent management techniques to lower voluntary departures:

Addressing the tight labor market and staff churn amid altering talent models is projected to be a top challenge for most manufacturers in 2023. Despite a record volume of new employees, job postings in the business are still hovering at all-time highs. Furthermore, layoffs and discharges are still outnumbered by voluntary separations, indicating a sizable workforce.

Adopting a comprehensive approach to smart manufacturing projects likely to open up new possibilities. The transformation of factories into smart factories is expected to continue as these initiatives are what will keep manufacturers competitive in the future. Many firms are investing in building the technological framework for their "smart factories." One out of every five producers are currently testing out basic ideas or working on a metaverse platform for their goods and services.

Corporate Social Responsibility is the main emphasis.

Manufacturers may need to carefully monitor the rapidly changing environmental, social, and governance (ESG) scene in 2023. Most organizations willingly abide by a complex web of reporting laws, rating systems, and disclosure procedures. Nevertheless, regulators worldwide are advancing toward mandating more nonfinancial statistic disclosures. Manufacturers are moving closer to achieving their ESG objectives by implementing operational changes across their value chain.

Emphasis on Local Production

To encourage local manufacturing and further support the manufacturing industry, Under the Oman Vision 2040, through “Manufacturing for Wellbeing” Oman is setting vision for its manufacturing sector, under which knowledge driven industries focused on health and environmental clusters produce goods that will enhance the welfare of peoples around the world and that will sustain diversification, innovation, and high-tech development in the Sultanate of Oman. The main objectives pursued by strategy includes:

- Diversification of Oman’s manufacturing into technology and knowledge driven activities
- Develop unique products focused on improving health and welfare of people.
- Expand Omani industry into regional and new market.
- Upgrading Oman’s manufacturing to “State of the Art” technologies
- Create an industrial innovation culture.

6.4 Project Highlights

Oman’s industrial sector is showing evidence of enhanced product innovation and development. This activity is a huge plus for Oman because it helps the country become self-sufficient while increasing exportable capabilities. However, as innovation grows, so does the demand for a research center focused on inventing new products, conducting testing, creating product prototypes, and pioneering concepts. The Advanced Manufacturing Research Centre (AMRC) project intends to construct and operate a center to leverage Oman’s present product innovation and development for the establishment of new manufacturing lines to address various difficulties confronting Oman’s manufacturing sector through AMRC’s research, studies, and relationships with foreign centers. This will boost the growth of a high-tech industrial hub in Oman focused on precision manufacturing. This project will create capital investment opportunities and strengthen Oman’s strategic relationships with international manufacturing and research centers.

The Public Establishment for Industrial Estates – Madayn manages and operates seven industrial cities across the Sultanate, the Knowledge Oasis Muscat (KO million), and Al Mazunah Free Zone.

Madayn is a part of an integrated economic system that aims to achieve global reach by building and operating sophisticated business cities in accordance with the finest worldwide practices. Madayn’s vision is to strengthen Oman’s position as a regional leader in manufacturing, ICT, innovation, and entrepreneurship.

Its mission is to attract industrial investments and provide ongoing support through regionally and globally competitive strategies, good infrastructure, value-added services, and simple governmental processes. Madayn’s objectives include attracting foreign investments and localizing national capital, stimulating the private sector to achieve long-term economic and social development, achieving environmental sustainability, and contributing to the creation of new job opportunities for national cadres.

In 2019, a prominent investment and services company inked an agreement with a prominent Omani Group to carry out a number of development projects in Madayn's industrial cities for up to US\$ 120 million.

The agreement for Engineering, Procurement, Construction, and Financing (EPCF) intends to provide full services such as offices and residences. The investment company's vision is to develop globally competitive industrial infrastructure in Madayn's industrial cities and to create the best environment for the growth of industries in Oman by attracting strategic partnerships to invest and implement diverse infrastructure development projects in Madayn's industrial cities.

2 A prominent business group is developing Liwa Plastics Industries Complex (LPIC) as a first-of-its-kind project in Oman. It will allow the government to assist the downstream plastics industry. The physical hub of the project is the existing OQ Group plant in the Sohar Industrial Port area. It is a steam cracker project that will handle light ends produced by OQ Group's Sohar Refinery and Aromatics plants while optimizing natural gas liquids collected from accessible natural gas supplies. When completed, the Group's plastics production will grow by over ~1 million MT, giving the company ~1.4 million MT of polyethylene and polypropylene production annually.

In line with the increased production levels at Sohar Aluminium Plant, Oman is looking to expand its potential as an exporter of downstream products from its aluminum-manufacturing sector. This includes, in particular, the production of alloy wheels for export to international markets such as India and America, with an export value of up to US\$ 21 million. The Sohar Aluminium Plant, located adjacent to the Alloy Wheels Manufacturing Facility, is expected to contribute 45% of the raw material required for the anticipated production.

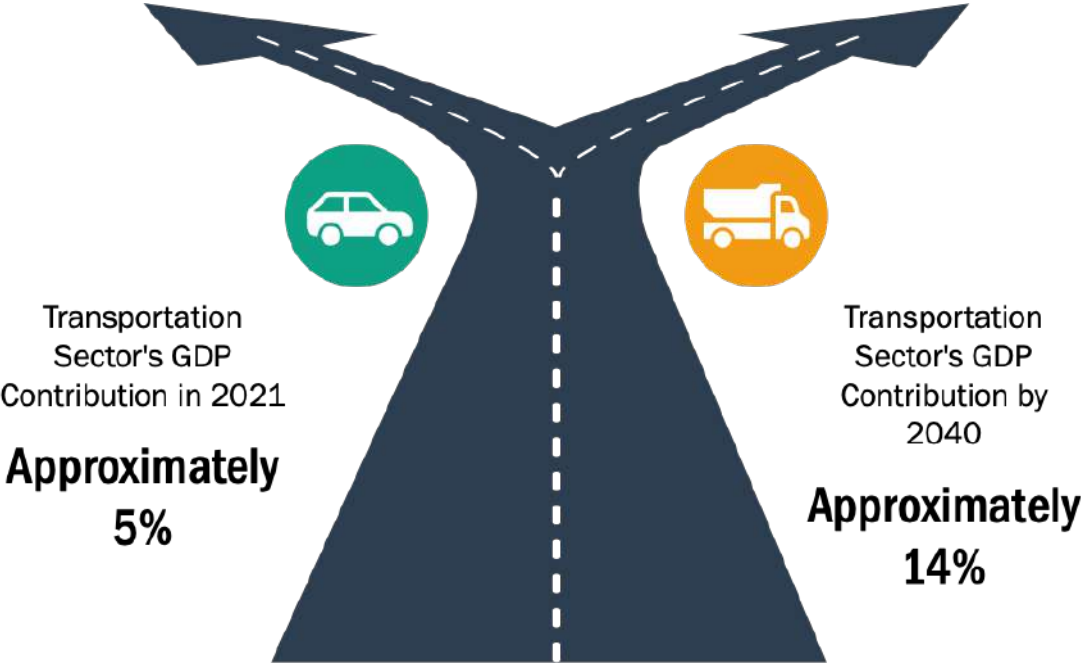
6.5 Key Takeaways

- Oman recorded considerable increase in the volume of locally manufactured goods exported in 2021
- Export of mineral products increased by 175%
- Oman's industrial hubs continued to attract large amounts of investment
- Technology adoption have increased by a large extent

7. Transportation Sector

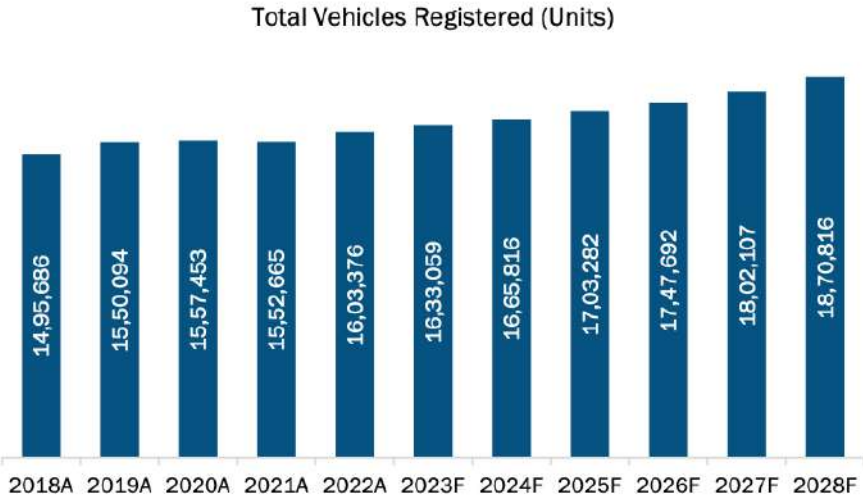
7.1 Performance and Opportunities

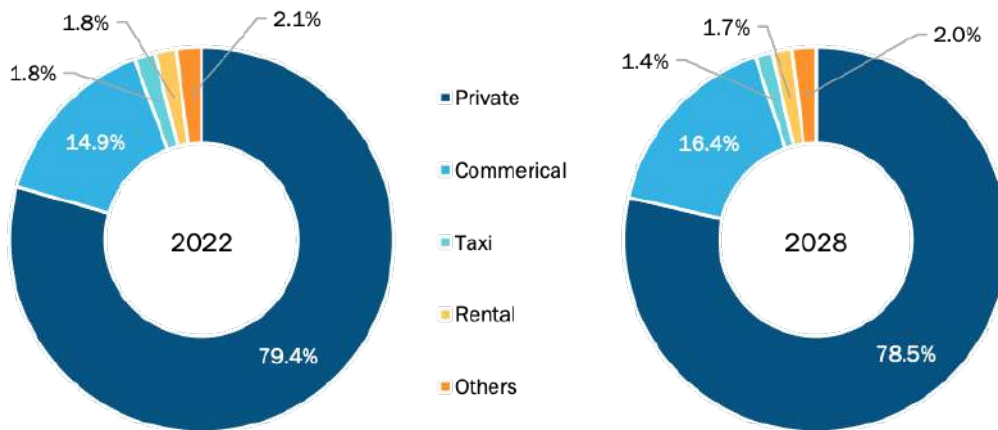
7.1.1 Key facts and Figures:



Source: European Journal of Business and Management Research

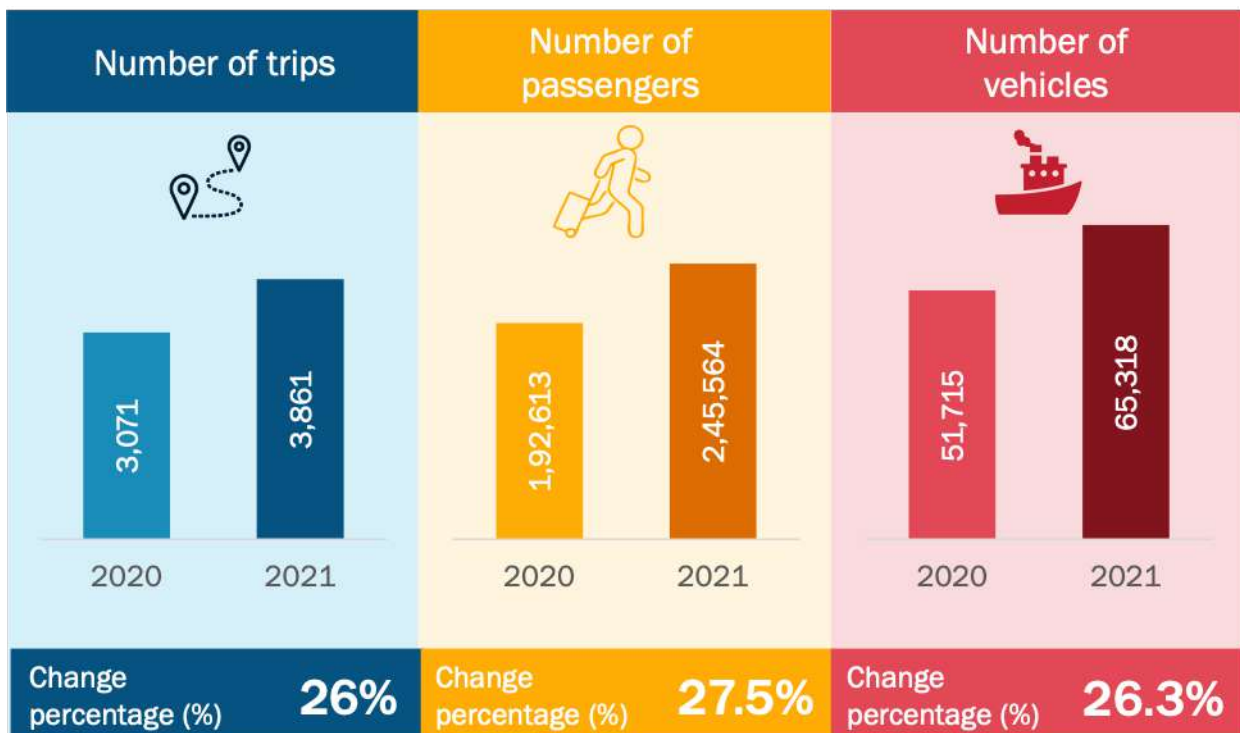
Additionally, rise in logistics is also supporting such vehicular demand, and thus offers a great investment opportunity.





Source: National Centre for Statistics and Information

Such tremendous growth provides opportunities for investment in the commercial vehicles market. The growth of logistics is expected to drive the segment's growth. Ferries constitute another important mode of transportation in the Sultanate. Some of the ferry statistics were as follows:



Source: Ministry of Transport, Communications, and Information Technology

The Oman Logistics Strategy outlines long-term goals for raising the logistics sector's share of GDP. Over the past few years, Oman has invested in infrastructure and technology for new ports and road links, as well as increased routes for domestic airline carriers to reduce congestion and enhance capacity. By 2040, Oman hopes to rank among the top 10 logistics centers in the world by utilizing its deep-water ports on the Indian Ocean and Gulf of Oman.



Source : World Bank ,Logistics performance index (LPI): Ease of arranging competitively priced shipments (1=low to 5=high)

7.2 Key Investment Areas

Transport Infrastructure The transport infrastructure sector is one of the country's fastest-expanding sectors. Ensuring road connectivity between the various FZs, tourist spots, and commercial spaces with airports, ports, and railway stations is crucial. Hence the government is focusing on improving the same, thus offering great investment opportunities. Oman is also connected to neighboring countries via road. It opened a 725 km long road from Oman to Saudi Arabia through a new border crossing in the northwest Dhahirah region of the Sultanate in December 2021. Per authorities, road facilities were developed to handle tax clearance for trade goods, visitors, and passports. The road was developed to boost tourism, logistics, manufacturing, and investments.

Railways The sector is not as well developed as other neighboring nations, but the Sultanate is increasingly investing in the growth. In September 2022, Oman Rail and UAE's state-owned Etihad Rail partnered to develop a railway network connecting Oman and the UAE by investing US\$ 3 billion. The new network will link Oman's Sohar Port to the UAE National Rail Network. In March 2023, Saudi Arabia and Oman announced a joint study for a new railway line from Duqm in western Oman to Saudi Arabia's Riyadh. In May 2023, UAE-Oman Rail Network signed an MoU with one of the world's largest mining companies. The MoU was concerned with checking the feasibility of transporting iron ore and its derivatives via rail between Oman and the UAE to connect the mining company's industrial complex in Sohar Port and FZ to its planned industrial complex in the UAE. Such factors offer great investment opportunities in the railway sector.

Logistics Oman's push to become a logistics hub and rank amongst the top 10 logistics centers of the globe offers great investment opportunities. It can range from vehicles and logistical software to security screening devices and employment agencies dedicated to logistics. Oman is progressively looking forward to the private and international sectors for FDI in logistics and logistical services and aims to develop new projects through joint ventures.

7.3 Opportunities

Oman is rising from the financial difficulties that forced it to postpone significant infrastructure projects in 2022, and it is keen on developing its logistics industry as it can play a critical role for several businesses in the sultanate. The industry is competitive presently and is led by multinational companies to smaller national freight forwarders. Oman's strategic location on the Strait of Hormuz and its deep-water ports in the Indian Ocean and Gulf of Oman outside the Strait are key attractive features. Oman is aiming to –

- Increase the supply of human resources across the public and private logistics industry – an opportunity for job board and recruitment service providers to invest.
- Leverage technology as a disruptive enabler – an opportunity for the technology-based solution and service providers to invest.
- Promote operational efficiencies to develop an integrated logistics business environment – an opportunity for logistic service providers to invest.

For instance, the Port of Duqm and the SEZ Authority for Duqm aggressively seek international investment to assist in expansion. In addition to the vast array of construction projects, Duqm focuses on infrastructure development for sewage treatment, drainage, water desalination, power plants, buildings, telecommunication services, and landscaping. Such developments are aimed at developing the infrastructure for a world-class logistics base.

7.4 Key Trends

A leading Omani logistics service provider constructed its first brand-new ship at the dry dock in Duqm in July 2021, which also offers ship repair and maintenance services. In Duqm, Saudi Arabia is planning to create an industrial zone. The Duqm refinery project provides opportunities for logistics and transportation. The two developed ports of Oman—Sohar and Salalah—also offer significant potential. The free zone in Sohar has spearheaded the development of downstream industry in Oman. The industrial zone is attempting to draw in more manufacturing and distribution operations. The biggest oil refinery in operation in Oman is in Sohar.

Salalah is strategically located at the crossroads of East-West shipping, with weekly links to and from the US East Coast. Its port comprises a container terminal with seven berths with draughts of up to 18 m and a general cargo terminal with 12 berths with draughts of up to 16 m, with facilities to handle the world's largest container vessels, as well as bulk cargo, bunkering, and warehousing.

Oman is actively pursuing private sector investment and expertise to expand its project pipeline through joint ventures or public-private partnerships (PPPs). The government will also rely on PPPs to operate the four terminals at the Port of Duqm for containers, general cargo, bulk products, and liquids, as well as in the building of ports at Khasab and Shinas in the north.

Increased government funding supports investments in infrastructure and cutting-edge technologies for modernizing ports, airport facilities, and new road connectivity. To increase productivity and lower logistical costs, connecting the national rail network to the GCC rail network is given top priority. The main source of revenue for the region's freight forwarding and transportation businesses is likely to continue to trade with

the GCC, Asia, and Europe. Mineral fuels and oil distillation by-products remain the main exports, while manufactured goods and agricultural products are the main imports. Ocean transport dominates all cargo activity in Oman, with Sohar and Salalah Ports handling most of the country's cargo. Port Sohar has been set aside for the government's effort to handle ocean-related issues.

7.5 Project Highlights

Oman's seven commercial ports are all state-owned. Sohar in the north, Duqm in the center of the country's coastline, and Salalah in the south are all deep-water ports. All three deep-water ports are operated under concessions by joint ventures of the government and international private corporations, and they link to 86 ports in 40 countries.

The important port town of Duqm, located on the Indian Ocean midway between Muscat and Salalah, is Oman's flagship development project.

Duqm now has a modern port, a naval station, a dry dock, a fisheries hub, an industrial free zone, hotels, electricity and desalination facilities, an oil tank storage facility, and a nearly finished refinery. The government also intends to construct a rail line to transfer mineral resources from the Shweimiyah area to the rest of the country.

In 2022, Oman approved the start of a code-share service between leading UAE-based airlines and US airlines as part of its plan to increase routes and designations. Oman Air, the national carrier of the Sultanate, and a Qatari airline signed a codeshare agreement in 2021, enabling Doha-based flights to the US. Also, Oman's low-cost carriers increased the number of their regional routes. In March 2018, Muscat International Airport in Oman became operational.

The passenger terminal at Duqm Airport opened in September 2018, intending to incorporate regional and international routes. Oman's Salalah and Sur airports also serve international destinations.

7.6 Key Takeaways



8. Aviation Sector

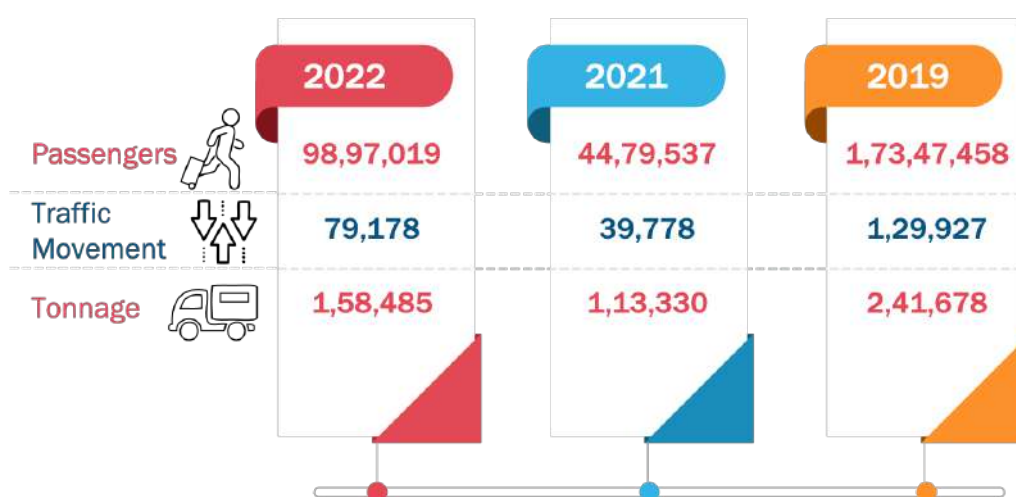
8.1 Performance and Opportunities

8.1.1 Key facts and Figures:

- Revenue in the flights segment is projected to reach US\$ 288.70 million in 2023 and it is expected to reach an estimated value of US\$ 305.30 Million by the end of 2027.
- Air travel user penetration in Oman is around 16.1% in 2023 and is expected to hit 16.3% by 2027.
- The average revenue per user (ARPU) is expected to account for around US\$ 0.39 k in 2023.
- In terms of commercial flight revenues, around 88% of total revenue is expected to be generated by online platform sales by the end of 2027.
- In 2022, one of the major airports of Oman (Muscat International Airport), witnessed a significant increase in the number of flights arriving and departing by 111.6% in 2022 that accounted for 54,165 flights which carried 6,744,565 passengers, compared to 25,592 flights in 2021, which carried 2,784,037 passengers respectively.

Note : The market numbers have been forecasted based on various parameters such as current GDP growth rate, share in GDP, inflation rate, sector growth, investment in sector, vision 2040, companies offering and others

Previous year's growth and impact on Air Traffic/Passengers/Tonnage

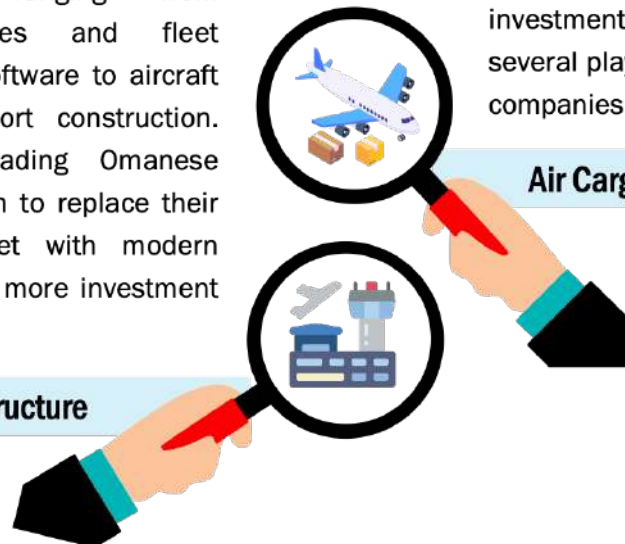


Source : Oman Airports

8.2 Key Investment Areas

The sultanates' focus on revamping the aviation sector of the nation offers great investment opportunities ranging from ground vehicles and fleet management software to aircraft parts and airport construction. Additionally, leading Omanese airline's decision to replace their narrowbody fleet with modern airplanes offers more investment opportunities .

Airport Infrastructure



Oman plans to boost air cargo throughput volumes to 0.78 million MT per annum by 2030, and to 1.5 million MT per annum by 2040, as part of the National Cargo Strategy. It offers great investment opportunities for several players, including logistics companies and cargo movers.

Oman is the perfect place for companies interested in expanding and developing markets in the Middle East, Africa, and Asia. Oman provides people and businesses with an exceptional place to live, work, invest, and visit, including headquarters and back offices, manufacturing, logistics, fisheries, tourism, and mining. In comparison to 2021, the aviation industry had a discernible growth in the volume of passengers, freight, and flights into and out of the country. Air traffic through Muscat International Airport increased significantly in 2022 by 87% as the number of flights reached 76,392. Moreover, 8,602,000 passengers passed through the airport, representing a 129% increase in total passengers, while freight traffic increased by 34%.

The Civil Aviation Authority reported that US\$ 76.91 was the total revenue generated in 2022, an increase of US\$ 28.21 million and a 58% rise over the previous year. The expense rate also saw an increase of US\$ 0.24 million, representing 1% compared to 2021.

Revenue Generated (US\$ Million)



8.3 Key Trends

In February 2023, The National Aviation Strategy 2030 was announced by the Ministry of Transport to boost Oman's economy through the Sultanate's aviation sector, which will significantly and directly increase the country's GDP.

The National Aviation Strategy 2030 also emphasizes increasing and improving airport efficiency to keep up with the anticipated expansion in passenger traffic. To maximize the economic return, this will account for the size of the operations now and in the future and be coordinated with the creation of airport cities.

The strategy also focuses on the logistics industry through a thorough air freight strategy designed to help domestic industries abroad and maintain air freight market share. Additionally, a regional center for logistics services for international businesses will be built.

This will increase the amount of freight passing through the Sultanate's airports through various methods, such as marketing the industry, allocating free zones to airport cities, improving customs efficiency, and the accessibility of ports of entry.

8.4 Project Highlights

Among the major projects envisioned for execution as a part of National Aviation Strategy 2030, Muscat Airport City is a new Airport City, which is divided into five main sections: In addition to aviation equipment, office spaces, an integrated service delivery station, and public facilities that are available to serve airport users, the Muscat Airport Free Zone covers an area of 3.3 million sq. m and is home to light industries and storage activities for air freight, e-commerce, manufacturing, and product packaging.

The air freight building at Muscat Airport is part of the 200,000 sq. m logistics gateways, which is a space set aside for logistics and air freight services. Business Portal, a mixed-use development with a floor area of more than 1.1 million sq. m, has offices for airlines and other associated businesses.

A doorway for aviation in the city of Muscat Airport, which spans 166 thousand sq. m and houses both the passengers' terminal and the site of the former air freight buildings.

A specialist emergency hospital serving the sector in compliance with international aviation safety rules, as well as supporting social services, will be housed in this portal along with aviation, cultural, and social activities. Through additional investments and collaboration with the national economic sectors that helped create the aviation sector ecosystem in the past, the project is currently being developed. The 192,000 sq. m hospitality portal houses offices for travel agencies, duty-free retailers, and hospitality will be given to the business community and SMEs.

Two Oman-based airlines have separately revealed new and returning summer 2023 destinations in February 2023. One airline is concentrating on reopening lines, while the other announced plans to make its maiden foray into the Kazakhstan market. Starting on July 2023, the latter plans to offer weekly flights between Almaty (ALA) and Muscat (MCT). The 2,787-km (1,505-nm) service will be the only nonstop link between Oman and Kazakhstan. This airline started operating flights to Mashhad (MHD), which is now its third location in the Islamic Republic after Shiraz and Tehran.

Flights between MCT and MHD have been scheduled weekly since February 2023. In comparison to 2022, the first airline's summer 2023 schedule shows a 60% increase in the number of flights from its hub in Muscat. In addition, starting in August, the airline will offer 12 weekly flights to India's Lucknow (LKO) and five weekly flights to Thiruvananthapuram (TRV).

8.5 Key Takeaways

- Geographic location make's Oman gateway to the Middle East, Africa, and Asia
- Focus on Aviation sector led to growth of freight transport, passengers, and revenue
- National Aviation Strategy 2030 guiding development and advancement of the sector
- Vision to become logistics hub also promoting growth of aviation sector

9. Tourism Sector

9.1 Performance and Opportunities

9.1.1 Key Facts & Figures

Oman's 2040 Tourism Strategy

The MoT unveiled its 2040 strategy which will see investments of around USD 51.9 bn and certain of more than half a million jobs.

Hotel Market Size:

- 2020-US\$ 86 mn
- 2027- US\$ 250 mn
- CAGR (2023-2027)- 6%


Oman three to five-star hotel revenue recorded a rise by **49.9%** at the end of **March 2023**

By **2040**, it is expected that tourism sector will create **500,000** jobs. In **2023**, total number of direct and indirect jobs are around **90,000**.

Dhofar's hotel room share will rise from **12.6% to 23.8%** by 2040.

The nation expects at least 12mn international and domestic tourists in 2040.

By investing **US\$ 51 billion**, the target number of visitors will rise to **11.7 million** by 2040. This investment will bring in more than **US\$ 9.5 billion** annually from tourists.



Source: Invest Oman

9.2 Key Investment Areas

Integrated Tourism Complexes- Oman is investing heavily in its tourism sector, with 12 integrated tourism complexes currently being implemented, including the Al Mouj project, Barr al Jissah Resort, and the Mandarin Oriental Residences. These complexes have a total investment value of ~US\$ 8.0 billion, with ~US\$ 2.77 billion to be invested in the 2021-2025 period. Additionally, preparations are underway for another package of integrated tourism complexes in Muscat, Musandam, and South Sharqiyah, of an estimated value of ~US\$ 6.5 billion.

There are also qualitative and multi-use projects under development, including the Oman Botanic Garden, the Village Project, and the Salalah Gardens project. Furthermore, a number of projects are currently under plans at Hallaniyat and Dimaniyat Islands with an estimated investment cost of ~US\$ 350 by 2025. The total investment in tourism projects in Oman is worth ~US\$ 5.9 billion, with integrated tourism complexes representing the largest volume of investments at US\$ 10 billion in 12 complexes.

Hotel Projects- Oman's hotel industry is seeing a lot of investment, with 127 new hotel projects currently being implemented, including the Avani Muscat Hotel, DusitD2 Naseem Resort Jabal Akhdar, IntercityHotel Muscat, and Jumeirah Muscat Bay. These projects have a total investment of ~US\$ 880 million, including 14 hotel projects with an investment of more than RO5mn per project totalling about ~US\$ 600 million in investments. Additionally, 113 hotels with an investment of less than ~US\$ 13 million per project are being implemented at a cost of ~US\$ 260 million, of which 15 projects are being implemented on government land and 98 on private land. The sector saw development of 124 hotels between 2021 to 2022 with a total investment of ~US\$ 360 million.

Development of domestic tourism- Oman is investing in various tourism development projects, including 24 domestic tourism development projects being implemented by the governorates at a cost of ~US\$ 43 million, 14 projects to develop and invest in heritage sites and historical monuments at a cost of ~US\$ 36 million, and eight projects to renovate museums and private heritage houses at a cost of ~US\$ 44,000.

Additionally, six projects worth ~US\$ 1.2 million are being undertaken to establish exhibition halls in castles and forts. Preparations are also underway to invest ~US\$ 5 million in 34 historical landmarks to facilitate opportunities for small and medium enterprises.

Oman's ancient heritage reflects the strong bond that connects Omanis to their land and community. It is showcased through architecture, arts, handmade crafting, customs, traditions, and activities such as horse racing, camel racing, and bullfights. The Omani government has paid great attention to maintaining its tangible and intangible cultural heritage since the commencement of the modern Omani Renaissance in

1970 because the government believes in the importance of heritage as one of the essential components of the Omani identity.

The Sultanate's membership in the Culture and Heritage Committee of UNESCO aids in protecting such heritage. In August 2020, by Royal Decree 109/2020, the Public Authority for Craft Industries' responsibilities were transferred to the Ministry of Heritage and Tourism. Hence, the latter oversees the preservation and development of Oman's culture and heritage.

Increasing tourism earnings is one of the economic pillars of Oman's 2040 Economic Vision. Per the summary of meeting held between Oman's Ministry of Heritage & Tourism and EU on 27 October 2022, Oman plans to raise it to 5% by 2030 and 10% by 2040 from the 2.4% contribution the tourist sector made to the GDP in 2021.



Source: Ministry of Heritage & Tourism

The MENA area, and Oman in particular, had an up to 80% decline in visitor numbers from 2019 to 2021 due to the onset of COVID-19 pandemic. However, the Sultanate is improving in tourism, with about 2.9 million tourists in 2022, which is only 16% away from 2019 figures of 3.5 million tourists. Oman should be able to surpass these 3.5 million incoming tourists it had in 2019 by 2023 and 2024.

Oman's inclusion in the larger international, GCC, and Indian Ocean rim tourism sectors presents a chance for market expansion. –

One of the top themes of shared interest for the EU and Oman during the 2019 EU-Oman Sectoral Dialogue on Trade, Investment, and Economic Policies, hosted within the framework of the EU-Oman Cooperation Arrangement, was to develop the Omani tourism sector further and help in the achievement of these targets.

EU cooperation with Oman in the tourism domain offers several opportunities owing to the extensive EU experience and policies aiming to maintain Europe's standing as a leading market while maximizing the sector's contribution to growth and employment and promoting cooperation through exchanging good practices.

The European Commission is working on several projects to broaden and enhance the selection of tourism-related goods and services, including sustainable tourism, alternative tourism, adventure tourism, etc. The EU's expertise in this area is beneficial to Oman.

9.3 Key Trends

A global travel convention, which was hosted by Oman from March 4 to 7, 2023, focused on improving cooperation and communication between foreign luxury travel and tourist companies and their Omani counterparts. The aim was to increase awareness and boost tourism.

This was made possible by deploying creative communication techniques by tourism service providers to forge enduring connections and share knowledge. The convention, which was organized by Oman and represented by the Ministry of Heritage and Tourism, was attended by up to 200 experts in the field of luxury travel from other nations.

This attracted major tourism companies and institutions specializing in luxury, entertainment and adventure tourism, aiming to promote Oman's tourism.

9.4 Project Highlights

In February 2023, a leading Omani tourism development company announced the soft opening of an 1,800-metre dual zipline project in the Governorate of Musandam's Wilayat of Khasab. This project is part of an integrated adventure hub that aims to provide tourists with one-of-a-kind experiences that blend adventure and exploration. The first activity offered by the Oman Adventure Centre, which is being created as part of a broader development strategy for the region, is an exciting zipline project.

The Musandam Governorate will be able to diversify its tourism sector with this plan by offering a wide range of high-quality products and experiences. This will allow it to maximize its potential and promote itself as a key regional tourism attraction.

The company, in collaboration with the Musandam Governor's Office, developed and implemented the zipline project, which had been funded by the Ministry of Heritage and Tourism. In addition to the zipline

project, they are creating many hiking and mountain bike paths in the Musandam Governorate, including installing informational and guiding signboards that exceed all safety and security criteria.

The Ministry is striving to investigate investment prospects in the Musandam Governorate's tourist sector in collaboration with all partners to make it an investment of choice destination within the tourism sector.

Given the distinctiveness of the Governorate of Musandam's physical, ecological, and cultural components, it provides a perfect venue to achieve its goal of enriching the adventure tourism sector in Oman.

In 2022, the Ministry of Heritage and Tourism signed seven legal contracts for various tourism projects. The usufruct pacts were made to encourage investment in the tourism industry and to meet the demand for hotel rooms and other infrastructure in that industry.

In January 2023, press reports suggested that the contract for design, procurement, and construction of Muscat, Al Seeb-based Oman Cultural Complex (OCC) project, will be awarded in Q2 of 2023 by Oman's Ministry of Culture, Sports and Youth. According to Oman Tender Board, 20 companies have submitted the bid. The complex will be set up on 73,000 sq. m of area and host landscaped gardens, an open cultural plaza, and water features. Additionally, the National Theatre, the National Library, and the National Archives will be hosted in the four buildings framing the central square within the complex. A 1,000-seat primary auditorium and a 250-seat secondary auditorium will be built for the National Theatre.

In January 2023, a leading Omani tourism development company inaugurated a unique 'Walk In' creative art gallery at the Oman Convention and Exhibition Centre (OCEC). It was part of the Group's 2021 envisioned 'Creatourism' program to promote Oman's rich and diverse art, culture, and heritage. This was the first permanent platform of the program and will showcase the works of prominent Omani artists. The 'Creatourism' program was launched in September 2021 to encourage and support aspiring Omani artists and entrepreneurs specialized in the field of arts to showcase their talents. The initiative allowed artists to employ their skills and capabilities to operate shops, manage exhibitions, and organize artistic and cultural activities in various tourist facilities.

In the Wilayat of Mirbat in the Dhofar Governorate, there is a notable four-star hotel. This hotel will have a variety of eateries and 100 hotel rooms. Five tourist camps are also scheduled to open in the North Al Sharqiyah Governorate's Wilayat of Bidiya. These camps are anticipated to include 149 hotel rooms overall, on-site dining options, and recreational amenities.

Other contracts cover establishing projects in the Al Dakhiliyah Governorate's Al Jabal Al Akhdhar, including a restaurant, a glass walkway, outdoor seating, and a children's play area.

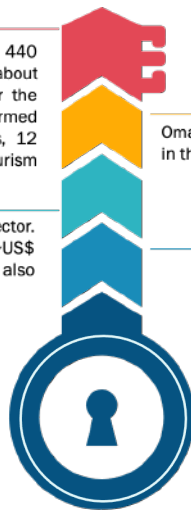
9.5 Key Takeaways

The Ministry of Heritage and Tourism in Oman has over 440 diversified investment projects, with a total investment of about ~US\$ 7.0 billion in implemented and planned projects for the period of 2021-2025. Out of this, ~US\$ 6 billion are confirmed investments. These projects include 363 tourism projects, 12 integrated tourism complexes, 24 projects of domestic tourism development, 124 hotel establishments, and more.

Joint ventures will drive investments in Oman's tourism sector. Omran has partnered with Majid Al Futtaim to develop the ~US\$ 12.9 billion new mixed-use development Madinat Al Irfan, also known as the "City of the Future."

Oman's National Tourism Strategy aims to create 500,000 jobs in the tourism sector by 2040

Oman Tourism Development Company (Omran) will oversee several high-profile tourism projects, including the Yeti Sustainable Tourism City, a 1.5mn m2 waterfront complex, the 5-star Alila Hinu Bay Hotel in Mirbat, Dhofar, the Naseem Hotel in Al Jabal Al Akhdar, and the Hay Al Sharq tourism complex. Omran is responsible for developing and asset managing distinctive hotels and resorts, entering into development partnerships with local and foreign developers and investors to create new tourism and mixed-use master planned communities.

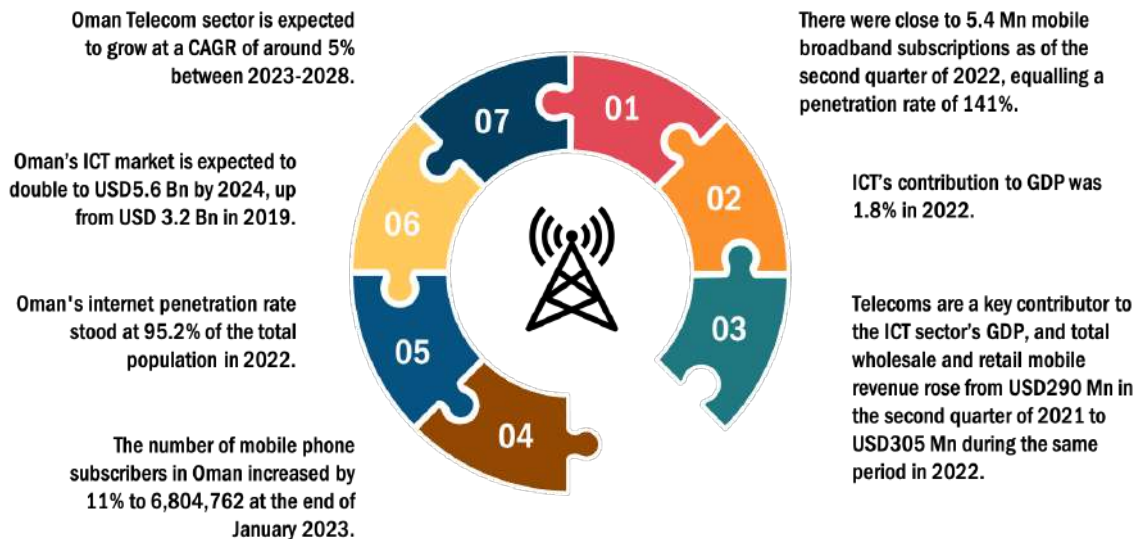


Vision 2040 in Oman aims to improve the process of planning, development, and investment by creating a geographic database and an electronic planning system that includes platforms for tourism land management, monitoring and follow-ups, and investor support. The goal is to create a digital link between travel and tourism service providers and commercial trade partners in key target markets to stimulate business opportunities.

10. Communications Sector

10.1 Performance and Opportunities

10.1.1 Communication Sector Facts & Figures



Source: Invest Oman

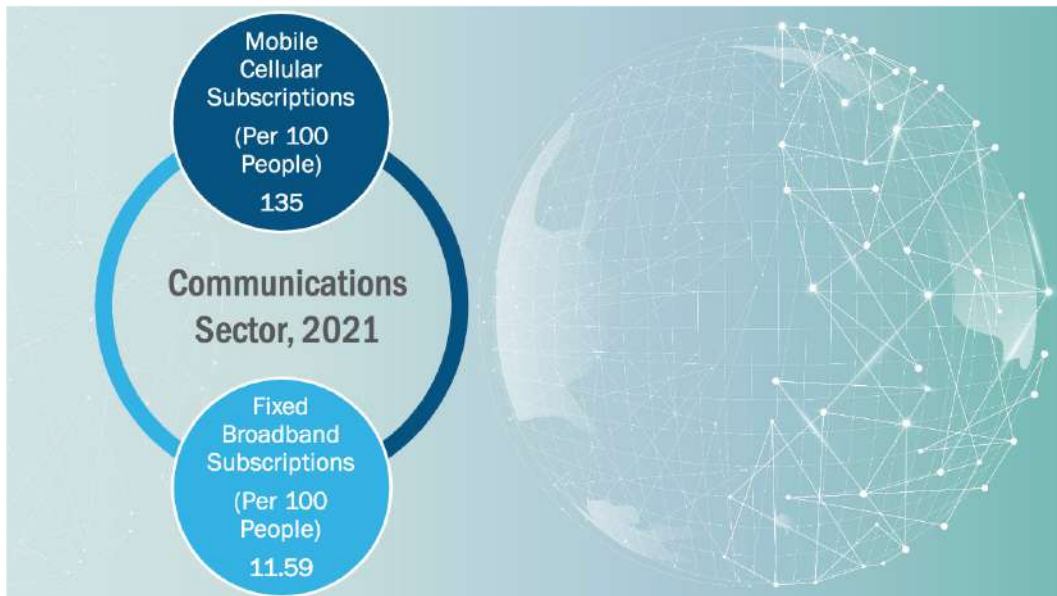
10.2 Key Investment Opportunity

Oman is investing over ~US\$ 260 million in strategic projects and initiatives to develop a new economic sector focused on ICT. The authorities are aiming to jumpstart the growth of this sector in the Sultanate. Below are the key initiatives and investment areas-

Hardware, Software, Services, and Enablers- The 11 initiatives include 28 projects, including 15 primary projects and 13 secondary projects. These projects are expected to attract an investment of ~US\$ 269 million by 2023. The lab outlined the potential investments in areas i.e., manufacturing of smart meters, IoT devices, and other communication devices. The lab also highlighted the potential in various technologies such as cybersecurity, AI and others.

Domestic Downstream Space- The MTCIP has released a long-term National Space Policy that has identified 14 projects and investment opportunities to develop a domestic downstream space industry. These initiatives are aimed at international investors and technology partners and focus on establishing or enabling the following in Oman: Space Cloud Partnership, Satellite ground station hub, Direct receiving station, National Space Data Platform, End user applications booster program (Sandbox), Center of Excellence for space applications, Cubesat project, Space Accelerator, National space observatory, World Space Conference, Satellite R&D programme, National Satcom Initiative, Regional Satnav augmentation system, and Launch site partnership.

Favorable demographics combined with growing smartphone usage will drive data demand. Due to the growing young population, Oman has a favorable demographic profile. Increasing smartphone usage, particularly among younger people, will stimulate demand for data services and increase use of social media and OTT platforms. Thus, increased data demand provides comfort in an oversaturated mobile market since it will drive mobile business profits for Omani telecom providers.



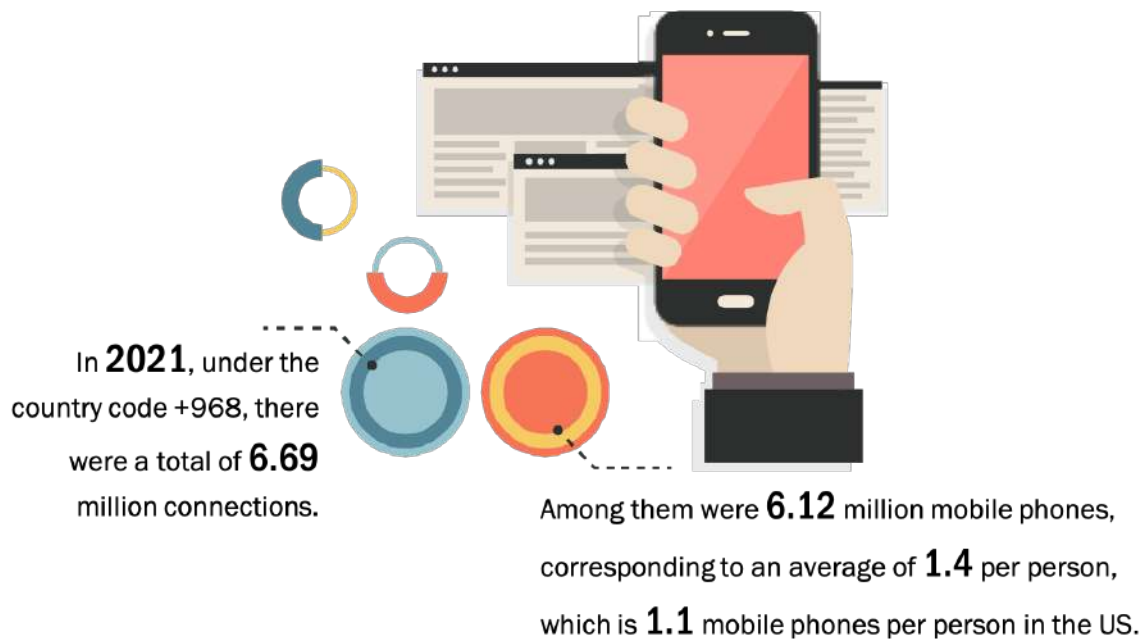
Source: World Bank

Alongside Oman's expanding 5G network, 5G Fixed Wireless Access (FWA), which offers fixed internet services, has shown significant growth in 2022. As a result, the operators aim to make substantial investments to build the 5G network, which will increase fixed-line business revenue.

Additionally, businesses are preparing for Fiber To The Home (FTTH) expansion to take advantage of the expanding prospects in Oman's untapped fixed-line market.

The post-paid mobile category offers adequate space for all participants. In contrast to the prepaid segment, where telecom operators must compete for existing customers in a stagnant market, the post-paid segment provides a lucrative opportunity for existing and new entrant operators to increase their respective market share by offering bundle services at affordable prices. This is due to Oman's shallow penetration level of 29.4% in the post-paid market.

The development of telecommunications in Oman is almost equivalent to the US. In 2021, under the country code +968, there were a total of 6.69 million connections. Among them were 6.12 million mobile phones, corresponding to an average of 1.4 per person, which is 1.1 mobile phones per person in the US.



Source: WorldData

10.3 Key Trends

Training and workforce development: Oman has stated plans to establish an excellence center with a particular emphasis on mentorship and support for SMEs and is looking to collaborate with international technology organizations.

E-government services: The MTCIT oversees initiatives to expand e-government services and operates the government network and cloud.

Data centers: In keeping with the Digital Oman Strategy, businesses are shifting to the cloud, opening up the potential for establishing data centers. Oman Data Park is a joint venture between a private sector business and the state-owned telecommunications corporation Omantel.

Services for disaster recovery: Oman expects to invest ~US\$ 65 million from the public and private sectors to become a fully-fledged center for such services. The Omani government chose disaster recovery services as a field for growth.

Security incident management, managed security services, cybercrime analysis, and consultation are the main areas of concentration for Oman's planned cybersecurity industry.

The Oman National Computer Emergency Readiness Team, a task force that protects governmental institutions from cyber dangers, includes Oman's first cyber-security center facility.

Internet of Things (IoT), artificial intelligence, and blockchain projects are being launched as part of the

smart cities project, managed by the SaS Centre for Entrepreneurship Centre under MTCIT. A leading telecommunications company helps government clients build smart city projects and offers ICT solutions, such as blockchain technology and call center services in the cloud. A leading University created an Internet of Things laboratory and a communication and information research center to implement initiatives such as smart cities and a remote monitoring and diagnosis healthcare system.

The central bank of Oman is creating its own cryptocurrency and open financial services. The Capital Markets Authority, Oman's financial regulator, requested bids from businesses in January 2022 to assist in creating a regulatory framework for virtual assets. Oman has additionally stated an interest in developing the capacity to establish Bitcoin data mining facilities.

Developing and putting into action Oman's first satellite communications project is the responsibility of Space Communications Technology, a fully government-owned company that was founded by the Omani government. In addition to an arrangement to deploy tiny satellites to low Earth orbit, a first for Oman, the government and an American company inked a Memorandum of Understanding in January 2022 to work together on Oman's first voyage to deep space.

10.4 Project Highlights

The upgrading of national technological capabilities, the creation of crucial ICT infrastructure, and the improvement of e-government services are all outlined in Oman's long-term growth strategy, Vision 2040. The government has prioritized ICT development, and the industry is poised for expansion in the coming years. ICT development in Oman is being led by a number of American businesses.

The Ministry of Transport, Communications, and Information Technology (MTCIT) manages e-government programs and national IT infrastructure projects. Most notably, in the rollout of Oman's 5G networks, the Telecommunications Regulatory Authority offers extensive monitoring and regulatory guidance. The Oman Technology Fund has invested in regional businesses that have created online marketplace, auction, and education platforms, among others.

The two main telecommunications companies in Oman are an Omani firm and a Qatari firm. In 2022, a third operator from the UK joined the industry. The price-sensitive market in Oman has boosted the appeal of inexpensive choices from other suppliers, and telecom companies have shown a willingness to broaden their 5G business alliances.

Through its National Broadband Strategy, which aims to provide broadband access to more than 90% of metropolitan areas by 2030 with a penetration rate of 75% overall, Oman is constructing the ICT infrastructure to close the digital divide.

The incumbent Omani telco and its rival Qatari company held a duopoly over Oman's mobile market for

many years. The third network in the Sultanate will be run by the UK based telecom operator. A tower leasing agreement inked in 2020 with a leading Omani tower company allowed the new operator to increase its coverage.

Modern mobile technology in Oman includes extensive 3G and LTE network coverage. Omantel debuted commercial 5G services in February 2021. A Qatari company and a Swedish company have a five-year framework agreement for developing a 5G platform across the former's ten markets, including Oman. Despite Oman's low fixed broadband infrastructure penetration, the country's Vision 2040 program is constructing fiber-based networks to raise it.

With access to multiple submarine cables, including the 2Africa submarine cable, which is expected to be made available in 2023–2024, Oman has also established itself as a significant communications hub in the Middle East.

The 9,800-km Oman Australia Cable, which has branched out to Djibouti, is completed. Significantly more bandwidth will be made available by this new infrastructure.

10.5 Key Takeaways

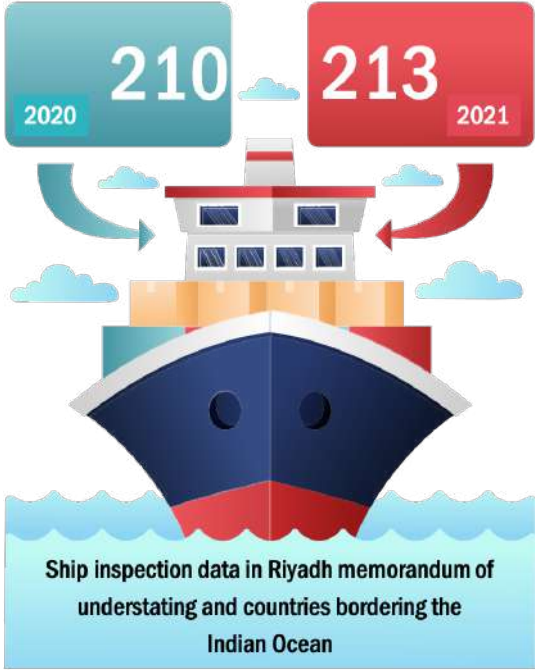
- Key opportunities in Oman's ICT sector include ICT training, 5G networks and the expansion of fiber networks, e-health, e-learning, cloud computing and data centres, disaster recovery services, cybersecurity, smart city initiatives, blockchain, IoT, AI, and space technologies.
- Oman Vision 2040 aims to enhance national technical capabilities, construct vital ICT infrastructure, and improve e-Government services. The government has prioritized the development of ICT, and the sector is well-positioned for growth. The focus on creating a smart society powered by smart IT infrastructure is driving significant investment.

11. Ports & Free Zones Sector

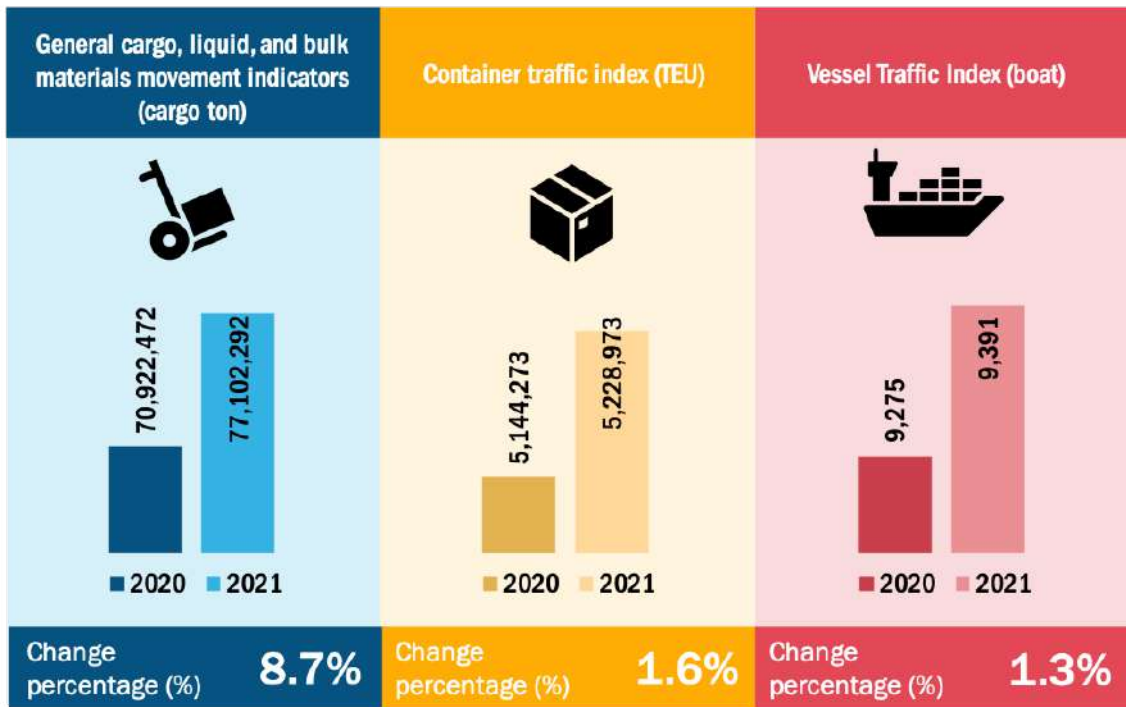
11.1 Performance and Opportunities

11.1.1 Key Facts and Figures:

	Loading (Tonnes per minute)	Discharging (Tonnes per minute)	Average waiting to load duration (hours)	Average waiting to discharge duration (hours)
Oman	16	20	80	52



Sources: Public Authority for Special Economic Zones and Free Zones, Oman Vision 2040 Implementation Follow-up Unit's Economic Diversification Report, 2020



Source: Ministry of Transport, Communications, and Information Technology

Oman actively encourages investment in several free zones (FZs) and special economic zones (SEZs). Royal Decree 56/2002 provides a general legal framework for developing free zones. The port town of Duqm has the latest FZ in the country and is crucial to Oman’s evolving business landscape. It also has a naval base, dry dock, fisheries hub, oil tank storage terminal, and refinery. All commercial ports in Oman are state-owned. The country has three deep-water ports: Salalah in the south, Duqm at the center, and Sohar in the north. The ports operate through joint ventures between foreign private companies and the government to connect 86 ports across 40 countries. The Salalah port was ranked 6th in 2020 by the Container Port Performance Index (CPPI) conducted by the World Bank and a leading research firm. Additionally, World Bank ranked Oman 24th in 2021, based on number of dry bulk carrier arrivals for loading.

Hence, strategic location and increasing port infrastructure can offer great investment opportunities.

11.2 Key Investment Areas

Port Community System – Oman's logistics-enabled economy credentials must be supported through its ports' modernization. The port community system is one such solution that has become necessary for port development since it enables a secure and intelligent means of communication between the port community's various public and private stakeholders. The sultanate is developing a National Ports Community System, which can offer a great investment opportunity. The National Programme for Enhancing Economic Diversification first proposed such a system in 2017, and a Request for Qualifications (RFQ) was sought in 2020. Oman's requirement would be similar to India's PCS1x or the LOGINK in China. Investors should ensure that their solution adheres to International Maritime Organization (IMO) FAL Convention.

Cranes and Machinery – Due to the increasing importance of Oman as a trading route, the ports have witnessed a significant rise in ship visits. In the last quarter of 2022, the Port of Salalah increased its container handling capacity by installing three mobile jib cranes and sixteen gantry cranes for the general cargo berth. Hence such expansion can offer great investment opportunities for manufacturers of port machinery. In November 2021, a leading Irish container crane company was awarded the contract to supply twelve rubber tire gantry (RTG) and four ship to shore (STS) cranes for the Port of Duqm. The cranes were ordered since they will permit the commercial gateway to handle even the largest container vessels.

Carrier Haulage – Ports and FZs in Oman have been collaboratively launching new shipping lines to enhance the attractiveness of Oman as an investment destination. In November 2022, the port of Salalah partnered with a leading Danish shipping and logistics company to launch a multimodal goods transport service from the Al-Mazyouna FZ to China via Yemen. The agreement was made to secure customs clearances and bonded trucking services for carrier haulage to Salalah and Al-Mazyouna FZs and to support the growth of SMEs in Oman.

Bunkering – Omani ports are being upgraded to allow refueling services for ships visiting the port or traveling in the route. In July 2022, the Port of Salalah and a UAE-based subsidiary of a UK-based petroleum company entered a partnership to supply ships with high-quality bunkering. The latter stationed its commercial vessel in the port in June 2022 and supplied fuel through land tankers, pipelines, and ship-to-ship transportation. As trading in these ports increases, there can be increased opportunities for investment in bunkering services.

11.3 Key Trends

Oman is in the ideal location, at the intersection of the markets in Europe, Asia, and North America, and thus offers several advantages for setting up a business in the FZs. It has a prime location, a modern business law framework, a business-friendly environment, respect for free markets, contract sanctity, and respect for property rights. The Public Authority for Special Economic Zones and Free Zones was established in August 2020 to boost investment and development of free zones by Royal Decree No 105/2020. It was formed to oversee the SEZs at Salalah, Al Mazunah, Duqm, Sohar, and any other SEZs or FZs. Advantages of SEZ are:



Source: Ministry of Transport, Communications, and Information Technology

Advantages of Each FZ

FZ	Target Industry	Offerings	Other Advantages
Salalah Free Zone	<ul style="list-style-type: none"> Chemicals Materials Processing Manufacturing Assembly Logistics 	<ul style="list-style-type: none"> Income tax exemption for up to 30 years Full exemption of customs duties No minimum capital Full foreign ownership 10% Omanisation rate 	<ul style="list-style-type: none"> Competitive labor costs Well-developed utilities and infrastructure
Sohar Free Zone	<ul style="list-style-type: none"> Metal and steel Food Logistics 	<ul style="list-style-type: none"> Tax exemption for up to 25 years Full exemption of customs duties on goods imported. Full foreign ownership 	<ul style="list-style-type: none"> Close proximity to Sohar Industrial Estate and the Port of Sohar
Al Mazunah Free Zone (AMFZ)	<ul style="list-style-type: none"> Trading Light industry Assistant services 	<ul style="list-style-type: none"> Income tax exemption for up to 30 years Full exemption of customs duties No minimum capital Full foreign ownership 10% Omanisation rate 	<ul style="list-style-type: none"> Easy access to the Yemeni market Competitive labor costs Yemeni nationals can work in the zone without visas or work permits
Duqm Special Economic Zone (DSEZ)	<ul style="list-style-type: none"> Storage and Logistics Industrial Tourism Fisheries Education Pharmaceuticals Renewable Energy Real Estate 	<ul style="list-style-type: none"> Income tax exemption for up to 30 years; renewable for a further 30 years No currency restrictions Full exemption of customs duties No minimum capital Full foreign ownership 100% repatriation of capital and profit allowed. Usufruct agreements up to 50 years, which can be renewed thereafter 	<ul style="list-style-type: none"> Prime geographical location Proximity to global shipping lanes

The Port of Duqm and the Special Economic Zone Authority for Duqm aggressively seek international investment to expand financially. Hence Duqm is focusing on developing reliable infrastructure for sewage treatment, drainage, water desalination, power plants, buildings, telecommunication services, and landscaping.

11.4 Project Highlights

In February 2022, the Port of Duqm, developed in partnership with one of Europe’s prominent ports, was officially opened. It is a greenfield project and is part of the newly developed FZ. The FZ offers strategic advantages for businesses since it was designed as an integrated, multimodal logistics center with a road network, a railway system, an airport, and maritime links through the port. The port’s strategic location can offer an alternate route to the Strait of Hormuz, and hence can attract cargo ships heading for oil and gas concession areas and major inland projects within Oman. The project includes four automated cranes, with a capacity of up to ~60 MT, to transport containers from ships to the commercial berth and back. It also includes 12 bridge yard cranes with up to ~41 MT capacity.

3 Ongoing Port Related Projects and Expected Advantages/Opportunities:

Project	Expected Advantages/Opportunities
Oman Container Lines Expansion [Ongoing]	Enhance competitiveness, offer additional business opportunities, and create new jobs
Establishment of National Port Community System [Ongoing]	Faster customs clearance, better communication between different parties involved, and less requirement for manual intervention
Development of Suwayq Port for Commercial Activities [Ongoing]	Offer additional investment opportunities, enhance partnership with private sector, improve logistical infrastructure, and create new jobs
Development of Shinas Port for Commercial Activities [Ongoing]	Offer additional investment opportunities, enhance partnership with private sector, improve logistical infrastructure, and create new jobs
Development of Khasab Port for Commercial Activities [Ongoing]	Offer additional investment opportunities, enhance partnership with private sector, improve logistical infrastructure, and create new jobs

Source: Oman Vision 2040 Implementation Follow-up Unit’s Economic Diversification Report, 2020

11.5 Key Takeaways:

FZ	Salalah	Sohar	Duqm	Jafza	Al-Mazyunah
Suggested Investments	Industrial, Manufacturing, Logistics, R&D	Steel manufacturing, Trade & logistics, petrochemicals, oil & gas	Mixed-use, tourism, healthcare, real-estate, logistics	Warehousing, showrooms, industrial, petrochemicals, banking, trade & logistics	Warehousing, industrial, food processing
Advantage	Close to Yemen; near Salalah port.	Near Sohar Industrial Port; 180 km away from Dubai	Close to the Al Duqm International Airport and Duqm Port	Far western end of Dubai, UAE; close to Jebel Ali Port and Al Maktoum International Airport	4 km from the border with Yemen
Proximity of seaport	5 km	10 km	9 km	10 km	260 km
Proximity of airport	18 km	25 km	20 km	23 km	260 km

12. Food & Beverages Sector

12.1 Performance and Opportunities

Oman Food & Beverage Sector Facts and Figures

- Revenue earned from Oman’s food & beverage sector was US\$ 1.4 billion in 2021 and is expected to grow by US\$ 1.7 billion by 2025.
- In 2021, the number of leading pizza company’s food chain outlets in Oman reached 41 outlets. This has been witnessed with the rising investment by global brands in the food sector of Oman.
- Oman is expected to witness the fastest growth in food consumption in the GCC region, with an annual rate of 4.2% between 2020 and 2025. Packaged food sold in Oman was valued at US\$ 2.5 billion in 2022 and is expected to reach US\$ 3.1 billion with a CAGR of 18%.
- Oman’s fruit and vegetable market was US\$ 1.45 billion in 2022 and is expected to grow to US\$ 2.10 billion by 2028 at a CAGR of 6.5%. There has been a shift from traditional products to organic products, which has enhanced vegetable production in the country.

Note : The market numbers have been forecasted based on various parameters such as current GDP growth rate, share in GDP, inflation rate, sector growth, investment in sector, vision 2040, companies offering and others

Below are some of the potential Food & Beverage Sector project setup opportunities in Oman:

- | | |
|---|--|
|  Shrimp Farming (Awrab) |  -White-legged shrimp farming - Al Jazer |
|  Duqm - Value-Added Seafood Processing Facility (ISFC) |  Oyster Farming – Muscat |
|  Abalone Farming (Sharbathat) |  Fish Food Production Plant – Muscat |
|  Al Jazir - Pacific white Shrimp |  Commercial fishing for squid - Omani Seas |
|  Shrimp Farming (Ras Madrasah) |  Investment -Fattening tuna with floating cages -Qurayat |
|  Shrimp Farming (Ras Sareq) |  For Sale - Commercial fishing for small pelagic fish company - Al Duqm |
|  Sea Cucumber Farming - Al Wasta |  For Sale -Shrimp farming in horns and Khoima co - Jalan Bani Bu Hassan and Jalan Bani Bu Ali |
|  Fanar Fishing fleet Management opportunity - Omani Seas |  For Sale - Quafer fish farming Co. - Quray |
|  -Shrimp farming - Ber Al Hakman | |

12.2 Key Investment Area

The Ministry of Commerce, Industry and Investment Promotion (MoCIIP) in Oman has introduced investment opportunities in the food sector, which exceed ~US\$ 33.65 million. The investment opportunities include value-added fish industries products, the centre for training, testing and developing food technology, dairy industries, and date processing and packaging. The aim is to enhance national income and stimulate economic growth.

Fish Industry- MoCIIP in Oman has introduced investment opportunities in the food sector, including a value-added fish industries products manufacturing facility to be established in the Special Economic Zone at Duqm on a land area of 1,000 square metres, with an investment of ~US\$ 11 million and an investment revenue of 13.9%. Another investment opportunity is the centre for training, testing and developing food technology, which will be set up in the Governorate of Muscat on an area of more than 20,000 square metres at an investment of US\$ 10 million to address the food safety and monitoring system gaps.

Dairy Industry- The Ministry introduced investment opportunities in the food sector, including establishing a new unit for evaporating and condensing milk. The proposed unit will have an Omani trademark and will be set up on an area of 8,000 square metres at the free zone in Sohar, with an investment of US\$ 7.8 million and an investment revenue of 14.1%.

Date Processing and Packaging- The Ministry has introduced investment opportunities in the food sector, including the setting up of a new production facility for processing and packing dates for the commercial and retail food sectors. The unit will have an investment of ~US\$ 5.4 million and an investment revenue of 17.4%.

Food & beverage is one of the Omani government's focused industries for economic diversification. In 2019, the country hosted an international trade exhibition, Food & Hospitality Oman. The exhibition served as a networking and business platform for industry and company stakeholders to introduce the newest services and products in the food & beverage, fisheries, agriculture, catering & kitchen equipment, food processing technologies, hotel supplies & equipment, and restaurant & café segments. ¹According to the report published by Food & Hospitality Oman authority, the rise in food consumption is projected to grow at 4.5% yearly from 3.9 million MT in 2021.

Aligned with the Oman Vision 2040 of boosting the food & hospitality sector, the international trade exhibition provides industry leaders and professionals an ideal platform to connect in person and discover new business opportunities. The next international trade exhibition will be held in September 2023 in Muscat, Oman.

Key Insights of International Trade Exhibition, Food & Hospitality Oman1:

Top Line Figures for 2018 Edition	Top Line Figures for 2019 Edition	Top Line Figures for 2022 Edition
6,400 Gross exhibition space (sqm)	5,000 Gross exhibition space (sqm)	5,000 Gross exhibition space (sqm)
400+ Brands	600+ Brands	150+ Brands
20 Representing countries	20 Representing countries	20 Representing countries
5,218 Total trade visitors	3,500 Total trade visitors	5,500 Total trade visitors

The adjunct picture depicts the various attendees of the event. According to the World Bank, food, beverages, and tobacco in Oman was reported at 7.1% (percent of value added in manufacturing) in 2020. Despite being the smallest F&B market in the Gulf Cooperation Council (GCC), Oman fared marginally better than Kuwait and the UAE on the back of growth in consumer demand in the run up to the pandemic. Fundamentally, Oman does not claim strong market forces to bolster the food & beverage segment. While the market is relatively small, government initiatives in 2019 were focused on economic recovery.



In 2019, the GCC consumed 42.9 million MT of food products, with a yearly consumption of 733.6 kg per person. Oman witnessed an increase in share to total food consumption from 7.2% to 10.0% between 2014 and 2019.

Further, Qatar and Oman’s per capita food consumption remained higher than the average food consumption in the GCC. In 2019, among the individual nations, Oman recorded the highest per capita consumption at 930.8 kg in the region.

12.3 Key Trends

The food & hospitality industry significantly influences Oman's GDP growth and development.

According to the GCC Food Industry Survey, Oman is anticipated to observe the fastest growth in food consumption in the GCC region, with an annualized rate of 4.2% between 2020 and 2025. The Ministry of Agriculture, Fisheries Wealth, and Water Resources aims to strengthen the position of the Sultanate of Oman as the most competitive center in the region and contribute effectively to ensuring the promotion of food security regionally and globally according to international specifications and standards for food safety and food quality. The food and hospitality sector in Oman is in line with government initiatives and Oman's vision for 2040.

The presence of international F&B brands in Oman is comparatively weak compared to other GCC countries. In the future, retail supply is anticipated to grow moderately in line with Vision 2040. Oman is still committed to growing the food & beverage sector post-pandemic, particularly through its 2040 Tourism Strategy. This strategy seeks to drive US\$ 51 billion of investment, mainly in the private sector, attracting ~12 million international and domestic tourists and generating more than half a million jobs over the following two decades. The strategy will, ideally, impact broader spending habits and the food & beverage sector.

Compared to the UAE and Kuwait, Oman fared marginally better on the back of growth in consumer demand in 2019. For most providers, Oman is not a focus market, and performance has a limited impact on their portfolio.

However, the government's focus on infrastructure development and tourism may create opportunities for the food & beverage market players in the medium term.

12.4 Project Highlights

In May 2023, a large shopping destination in Oman, announced its plans to expand its F&B offerings with the addition of sixteen novel dining experiences. At present, the shopping destination is home to ~42 food and & beverage outlets and provides numerous dine-in options via an extensive range of global cuisines.

In April 2023, The Oman Investment Authority (OIA) declared 36 novel investment opportunities worth US\$ 3.8 billion accessible to foreign stakeholders in a variety of sectors. Key sectors include food security, fisheries, technology, health, utilities (electricity), mining, and tourism. There are also projects in manufacturing, fisheries, and food security sectors such as shrimp, fish feed, canning, fish farming, and tuna fattening.

In July 2022, a Multi-channel food service operator in the Middle East region—secured a solitary distributorship contract to deliver leading FMCG brand's products to the food service operator in Oman. The agreement will enable both companies to further increase their partnership and distribution with prominent operators in the food service sector.

In November 2020, Khazaen City made a contract with an Omani-Saudi joint venture to establish seven food and drink factories in Oman City. The agreement was reported to be valued at ~US\$ 7.8 million. Under this agreement, Khazaen will lease ~27,000 square meters.

The seven manufacturing units will manufacture baby-related products, tomato ketchup, and sweets. Other factories will be dedicated to ice production, water bottles, and bottled drinking water, in addition to a factory for plastic-associated products.

In May 2022, key food ingredient company of the U.S. and Oman Investment Authority (OIA) established a joint venture to use locally grown dates to harvest superior quality mushroom-based protein. The two parties collaborated on structuring a state-of-the-art manufacturing facility in Oman to commercialize this new source of sustainable and nutritious protein.

In February 2020, a leading cloud-kitchen brand in Oman—entered a partnership with an Asia-based franchising solutions firm, for development and expansion, targeting 40 franchise locations by quarter two of 2023. Introduced in Oman in 2020, leading cloud-kitchen brand has developed and set itself as the standard for quality Lebanese food in Muscat, Oman.

12.5 Key Takeaways

The MoCIIP in Oman has introduced investment opportunities in the food sector to attract qualitative investments into the sectors for economic diversification and to contribute to the development of the Sultanate's governorates. These opportunities aim to create an ideal environment for the success of these investments and to increase the share of FDI in the GDP. The initiatives will also promote the Sultanate of Oman as an ideal investment destination in the various food industries.

13. Education Sector

13.1 Performance and Opportunities

As per the article published by the Ministry of Economy (MoE) in 2022, the education sector contributes ~4.9% to the GDP at present, which is anticipated to surge to 6.2% by the completion of the tenth Five-Year Plan (2021–2025). The development rate in the education sector will reach 9.0% during the tenth Five-Year Plan. Further, the Omanisation rate in the government education sector was 84.7% during 2020–2021. The Omanisation rate among females in the education sector was 90.5% and 72.3% for men.

Currently more than 700,000 students are enrolled in schools, which includes 500,000 enrollments in public schools including more than 60% female students.

Further, currently there are more than 1100 public schools and 636 private schools with current teacher-student ratio in public schools is 1 teacher for every 10.2 students, while the ratio in private schools stands at 1 teacher for every 11 students.

The government is planning to set up more 76 new schools in different parts; 19 in will be set up in Muscat, 17 in North Batinah, 11 in South Batinah, 5 schools in Dakhiliyah, 9 in South Sharqiyah, 1 school in North Sharqiyah, 2 in Buraimi, 1 in Dhahirah, 9 in Dhofar and 2 in Musandam.

The government general budget 2023 allocated US\$ 4.3 billion of the total current spending on basic services, which will be distributed 44% on education, 22% on social welfare, 22% on health and 12% on housing.

The Oman based private education sector is expected to grow at a compound annual growth rate of 5.2% over the next five years. Currently, in 2022 education sector contributes 4.9 - 5% to the GDP and is expected to reach 6.2% by the end of five-year plan.

13.2 Key Investment Areas

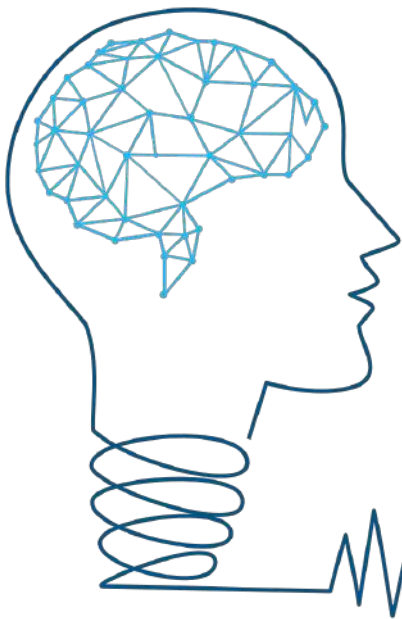
- The education sector in Oman has experienced good growth, and the government is committed to spending and promoting further investment in this area
- According to MoE, the strategic purposes of the tenth Five-Year Plan include developing the university and school education system to increase the competitiveness of graduates in the global and local markets
- Investor interest in private educational institutions continues to rise, with higher education likely to be the key focus for investors, both domestic and foreign. The availability of government incentives, such as favorable terms for key infrastructure and financial support granted by the government for

building universities campuses and sponsoring students to study in universities

- The Ministry of Commerce and Industry and Investment Promotion (MOCIIP) has collaborated with the Ministry of Education and the municipalities sector in different governorates to introduce a scheme for investing in private education. This program has been launched through the Invest Easy portal, and offers online services for the private school education sector. The areas include registration of private schools for early education, private international schools, private schools, and the foreign schools (for communities).
- Education is expected to become a major driver of Oman's GDP growth with its current share of 4.9% projected to reach to 6.2% by the end of 10th Five Year Plan (2021-2025).
- The Ministry of Education is working with UNICEF to combine the Oman National Framework for Future Skills and the regional Life Skills and Citizenship Education (LSCE) program for the betterment of youth
- The National Strategy for Education 2040 was prepared to act as a principal source for developing strategies for improving the educational segment in Oman
- In line with Vision 2040 education strategy, the government intends to develop the education sector to achieve its objectives, such as using technology, spreading knowledge, and encouraging research & development to shape enlightened generations proficient in positively contributing to the country's development
- The government's attention to training and education has been reflected in generating legislation, developing policies, and advancing institutions and education programs. The government is conscious of the importance of constant development to cope with variations and face challenges

13.2.1 Main Developmental Projects

The Ministry of Education was completely aware of the idea that it needs substantial development of capabilities and capacities in its policies and projects for developing the education system in Oman to accomplish its objective of transforming the education sector on a large scale. The following are some of the prominent projects adopted in the past few years:



- 01 National Career Guidance Centre**
 Formed in 2008, the mission of this center was to promote the pedagogical facilities and quality of education offered to students to prepare them for higher education programs and future employment according to their capabilities and interests, as well as supporting entrepreneurship, encouraging the entrepreneurial culture, and highlighting the significance of self-employment for students.
- 02 Specialized Center for Professional Training of Teachers**
 Initiated in June 2014, the center is in charge of refining the teachers' quality, encouraging their skills, and evaluating their performance. The center carries out dedicated programs intended to train teachers according to international standards and develop strong mechanisms and strategies for training them and evaluating their performance in the field of education.
- 03 The Oman Center for School Evaluation**
 This center was formed as approved by the Education Council in 2015. It is considered an advanced level of the school performance development system announced by the Ministry in the 2002–2003 academic year. The center is in charge of reviewing the external & internal evaluation framework and generating comparative standards based on international expertise.
- 04 Private Schools Rating Office**
 This was established as per Ministerial Decision No. (211/2017). It is accountable for the evaluation and rating of private schools according to their efficiency and quality in providing educational services in light of the standards in the educational systems in the world. This rating is performed by impartial teams to ensure unbiased evaluation.
- 05 Improvement of Administrative Performance Quality**
 The Ministry has applied the quality management system according to the requirements of ISO 9001 at the Directorate General of Administrative Affairs and the Directorate General of Planning and Quality Control at the Ministry's headquarters. From the academic year of 2016–2017, the Ministry has commenced the expansion of this system to the rest of its sectors. For the education sector, this resulted in improving school transportation services by offering financial security, human resources, and safety necessities.

13.3 Key Trends

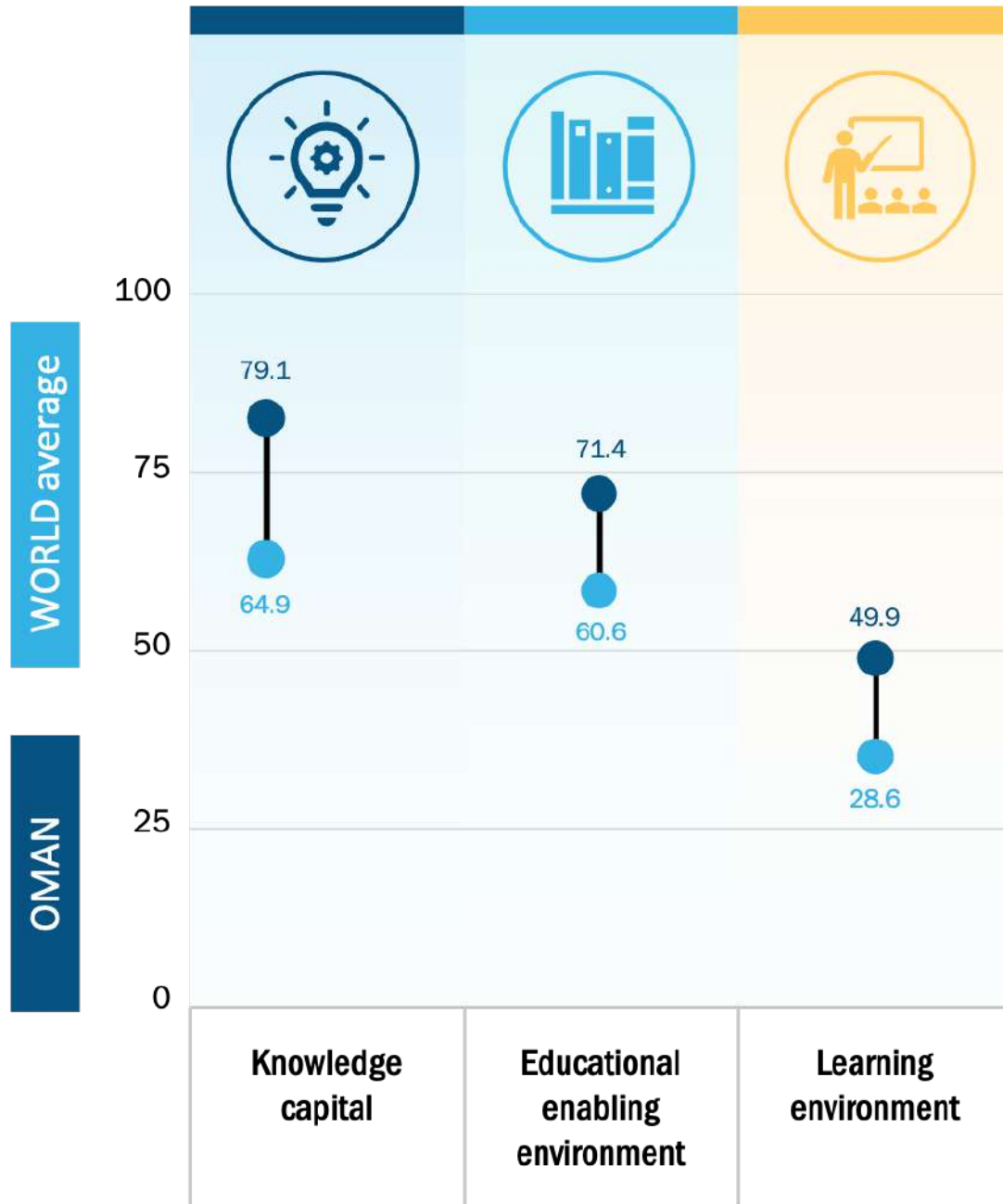
The National Strategy for Education comprises two vital elements; the first is flexibility to respond to changes and developments till 2040, and the second is subject to constant amendment and evaluation at the culmination of every implementation stage to aid improvements when essential

Oman is a has performed well in terms of its knowledge infrastructure. It ranks 54th out of 132 countries in the Global Knowledge Index 2022

		RANK
	PRE-UNIVERSITY EDUCATION	35
	TECHNICAL AND VOCATIONAL EDUCATION AND TRAINING	3
	HIGHER EDUCATION	92
	RESEARCH, DEVELOPMENT AND INNOVATION	79

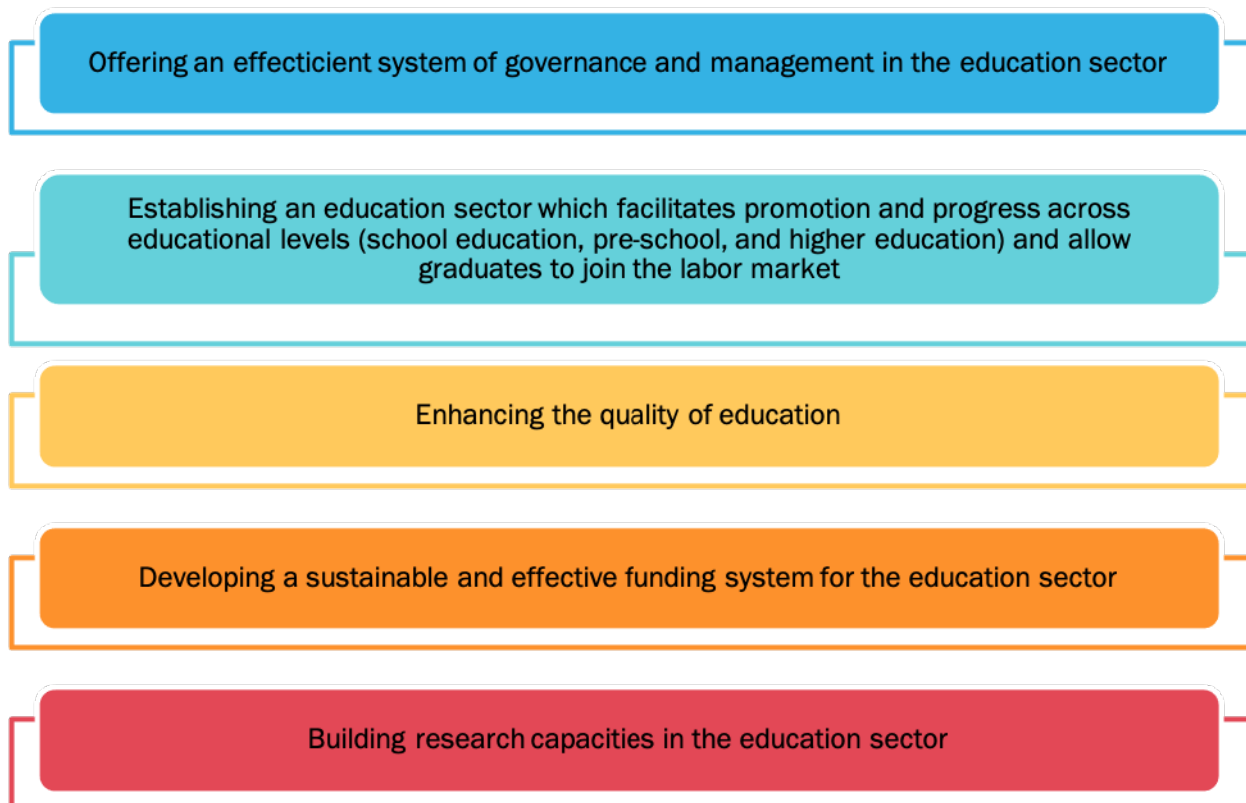
Source; Global Knowledge Index

Oman has scored 64.9 and 60.6 in Knowledge Capital and Educational Enabling Environment while the world average stood 79.1 and 71.4 respectively. In Learning Environment Oman Got 28.6 while the World Average stood 49.9



Source; Global Knowledge Index

Main Objectives of National Strategy for Education 2040



13.4 Project Highlights

In April 2023, the Ministry of Commerce, Industry, and Investment Promotion introduced novel electronic services via Invest Easy portal in the municipal & private education sector. The purpose is to accelerate the completion of services and streamline business practices in order to expand Oman's competitiveness in the Business Climate Index. In the education sector, the services comprise the registration in private schools for early education, Holy Quran teaching schools, and foreign schools (for resident communities).

In March 2023, Muscat based school collaborated with a major education company in the Gulf region, to launch an independent British curriculum school in Oman. The school, which is expected to open in Muscat in September 2023, will follow the British education system.

In February 2023, The Ministry of Higher Education, Research and Innovation launched the fourth graduate

survey. The objective of the graduate survey was to assess the outputs of higher education institutions and the range to which programs are compatible with the necessities of the labor market.

In February 2023, the Ministry of Education of Oman announced that a systematic plan will be executed in technical and vocational education starting the academic year 2023–2024. The proposal will be in accordance with international practices, the guidelines of national plans, and the requirements of the economic sector. The execution will be a steady process in accordance with the directives of the Council of Ministers.

In April 2022, The Ministry of Education (MoE) shared a detailed plan to set up 76 new schools in different parts of Oman to lower student density in classrooms and lessen the number of evening classes.

13.5 Key Takeaways

The Education and Higher Education Councils in Oman are working on projects to develop the education sector. These projects include:

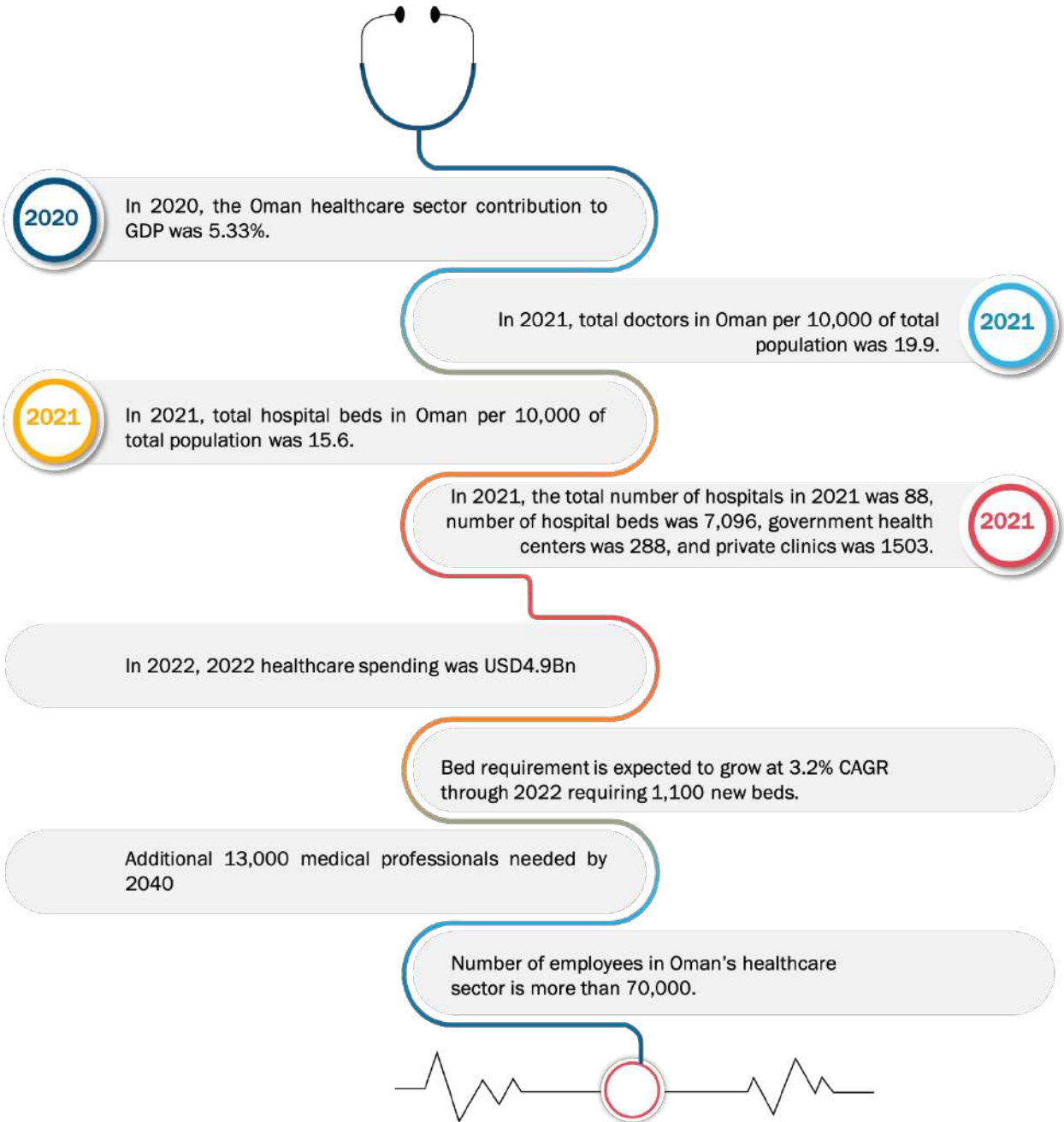
- Formulation of the national education strategy 2040
- Restructuring of the education law and education system

The aim of these projects is to transform education in Oman in the near future and attract new investors in the educational sector. The Law for the Protection of Competition and Prevention of Monopoly ensures that opportunities for investment in all sectors, including education, are offered equally to all investors, whether local or foreign. The education system in Oman has been recently reformed into “basic education,” which consists of two cycles: cycle one, from grades one to four, and cycle two, from grades five to ten, after which students move on to two more grades, then to colleges and universities. However, the education system in Oman is the first and most important dimension that needs immediate remedial actions from the government.

14. Healthcare

14.1 Performance and Opportunities

14.1.1 Healthcare Sector Facts & Figures



Source : World Health Organization, Ministry of Health

14.2 Key Investment Areas

The MoH announced 19 investment projects, 11 investment opportunities, and 14 empowerment projects in December 2022. The MoH, with the support of Oman Vision 2040 Implementation Follow-up Unit and Oman National Investment Program (Nazdaher), launched an investment laboratory. The laboratory aims to strengthen the health level through solving challenges, streamlining procedures, providing the enabling and attractive environment for investment in the health sector, attracting private investment in health sectors that contribute to economic diversification, scaling up national exports, reducing length of investment-related procedures, and increasing the percentage of Omani workers in the private health sector.

The MoH is looking for investment opportunities in the pharmaceutical industry and medical supplies sector, which is one of the promising sectors in the country. The ministry is looking for investment opportunities, solving challenges, and exploring more opportunities, especially in the advanced industries.

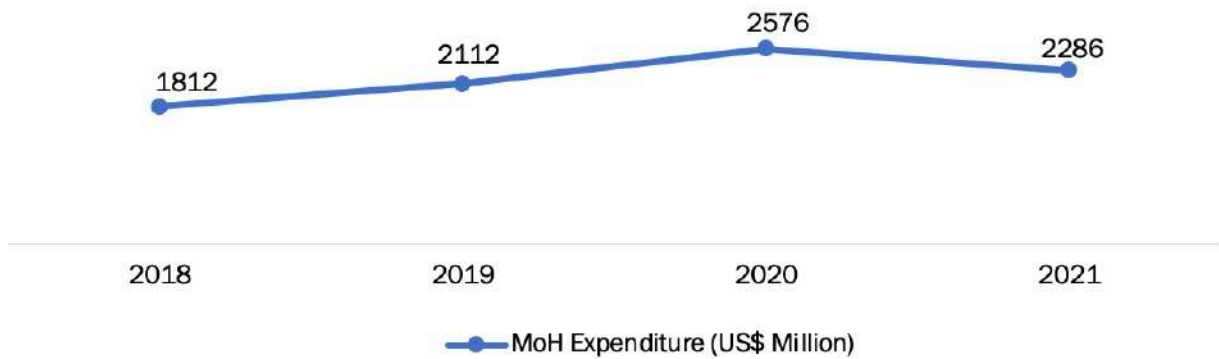
The four key areas are



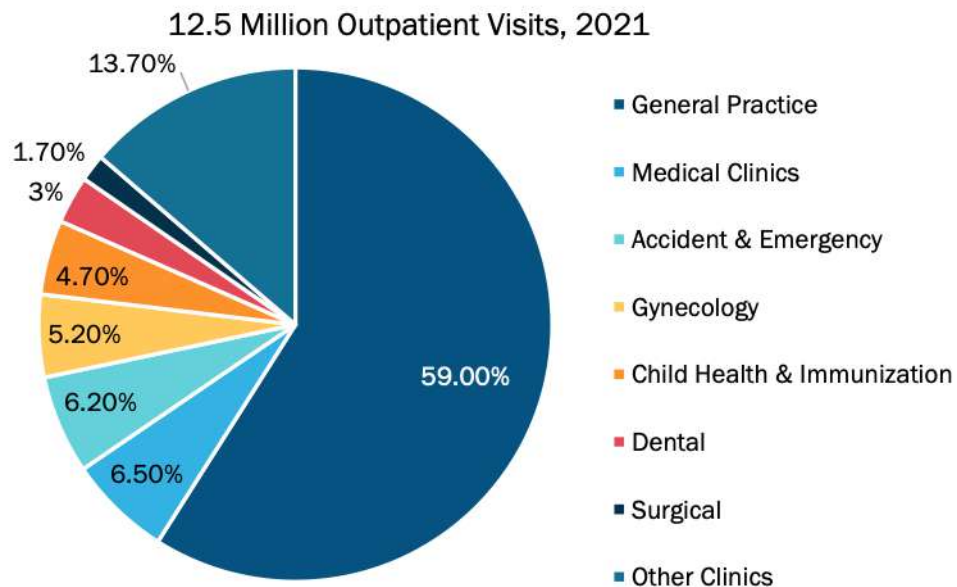
1 The Ministry of Health manages healthcare in Oman by developing policies, strategies, health programs, and plans for this sector. It aids basic and post-basic health education institutes, including nursing and allied fields. The ministry emphasizes a decentralized managerial strategy as noted in Oman Vision 2040. Presently, Oman has ~90 hospitals with ~7,000 beds, offering specialized and general patient care services.

The primary healthcare approach is adopted to provide access to health services nationwide. The Ministry of Health bears 80% of health expenditure. The country needs a better roadmap in the healthcare sector to effectively address the rising demand for better quality, facilitate a transition to modern healthcare, and keep a check on health service costs.

MoH Expenditure (US\$ Million)



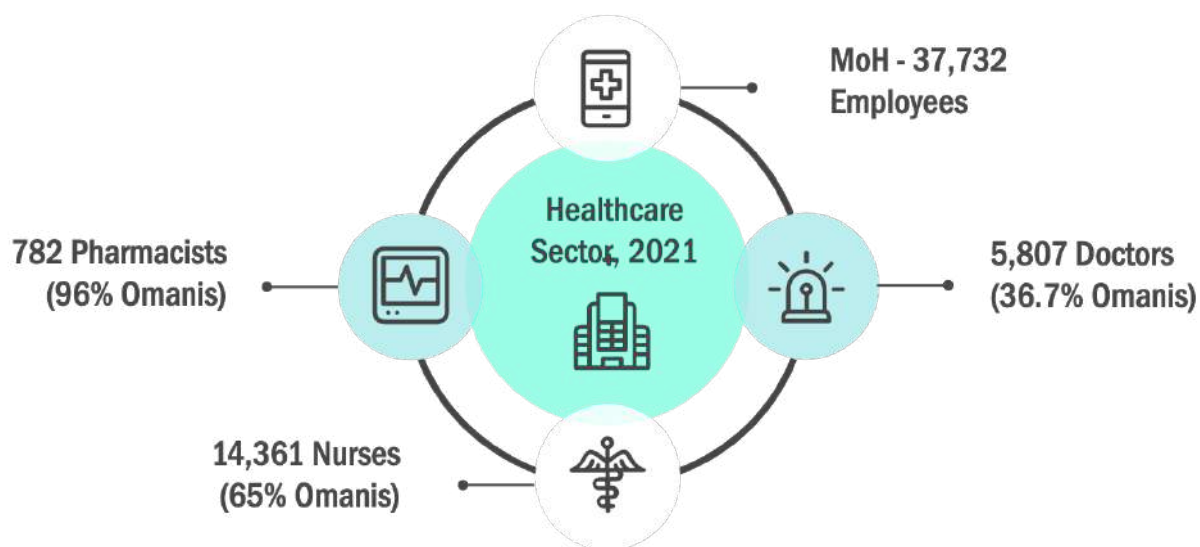
Source: Ministry of Health, Oman



Source: Ministry of Health, Oman

The Ministry of Health ensures the availability of safe, licensed, and potent medicines in the country, coupled with their proper distribution to patients in public hospitals and health centers. It has devised proactive and rational policies to promote the use of globally recognized essential medicines. However, the disparate prices of generic and branded medicines are a major area of improvement for the healthcare sector in Oman, which can be tackled through a comprehensive pharmaceutical governance system.

Per the World Health Organization (WHO), Oman depends on an expatriate health workforce, especially for physician specialties. Multiple bodies within the Ministry of Health are responsible for building the healthcare workforce, which results in challenges in the coordination and effective implementation of policies. While significant progress has been made, there is a rising demand for a healthcare workforce in the country, which needs to be addressed sustainably.



Source: Ministry of Health, Oman

14.3 Key Trends

Along with new hospital construction, Oman has been focusing on improving its present infrastructure while making international contributions. ~11 hospitals are being constructed in Oman to benefit residents and citizens, which are scheduled for completion between 2023 and 2025. The Al Suwaiq Hospital in North Al Batinah Governorate and the Sultan Qaboos Hospital in Salalah, Dhofar Governorate are the two major projects.

In the last year, the Ministry of Health also invited companies to submit proposals for three hospitals in Al Falah in South Sharqiyah, Al Nama in North Sharqiyah, and Samail Hospital in Dakhliyah to develop health services.

In Oman Healthcare sector is poised to experience a significant growth due to some of the planned mega health projects which include Sultan Qaboos Medical City (SQMC) in Muscat, which will include five hospitals, and other medical facilities; integrated medical tourism project in Salalah called the International

Medical City (IMC), and integrated healthcare complex in Seeb.

The extensive pipeline of medical centers, hospitals, and healthcare complexes are expected to play a vital role in boosting the Oman’s healthcare infrastructure and industry in line with country’s long-term Oman’s Health Vision 2050, and will provide huge opportunities for collaboration and joint ventures for global and local private as well as public healthcare players

14.4 Project Highlights

Project Name	Location	Start Date	Cost	Area	Expected Completion	Facilities
54-Bed Mahout Hospital	Al Wusta Governorate	May 2023	~US\$ 40 million	200,000 Sq .m. with 15,612 sq. m . built-up area	2025	Outpatient clinics, accident and emergency department, operating theater, maternity room, medical laboratories, radiology department, patient wards, Intensive Care Unit (ICU), child care unit, service building, and a dialysis unit.
50-Bed Al Mazyona Hospital	Dhofar Governorate	March 2022	~US\$ 40 million	90,000 Sq.m.with 15,276 sq. m. built-up area		<ul style="list-style-type: none"> Facilities: Clinics for general medicine, internal medicine, dentistry, pediatrics, surgery, ENT, ophthalmology, immunization, obstetrics, and gynaecology Additional Features: Different wards for men, women, children, and neonatal Others: Accident and emergency unit, dialysis unit, radiology department, laboratory, biomedical engineering workshop, central sterilization unit, medical store, and general store
300-Bed Al Suwaiq Hospital	North Al Batinah Governorate			33,440 sq. m. built-up area	2024	Outpatient clinics , nephrology unit, ICU for adults and children, special care baby unit (SCBU), cardiology intensive cre unit, internal medicine department, pediatric department, maternit wards, operation theaters, and accident & emergency department

14.5 Key Takeaways

The MoH aims to increase the number of locally manufactured products, reduce dependence on imports, and ensure diversification to increase production in the pharmaceutical industry. The goal is to increase the contribution of the medical industries sector to the total exports of manufacturing industries in Oman. The pillar also aims to improve competitiveness, exploit demand for products, update policies, regulations, and standards, and build national capabilities, and technology.

The public and private authorities of the medical industry pillar are addressing empowering initiatives to increase and enhance investment opportunities, solve challenges, and explore possibilities for enhancing initiatives and investing in the medical and pharmaceutical industries. They are also studying the general policy for drug purchases, activating specialized industrial complexes for private industrial cities and free zones, updating intellectual property laws, and accelerating networking with the Invest Easy portal in addition to the governance of the medical industries.

15. Investments in the Sports Sector

15.1 Performance and Opportunities

Key Investment Areas

The Ministry of Culture, Sports and Youth, in cooperation with the Oman Vision 2040 Implementation Follow-up Unit and the National Programme for Investment and Exports Development (Nazdahir), has launched an investment lab for the sports sector. The laboratory focuses on three pillars



The Lab is focused on formulating laws and legislations covering all areas of sports, starting from investments in projects for developing sporting talents in the country to those projects that can boost sports tourism in the sultanate. The laboratory is expected to bring out many new projects, initiatives, and investment opportunities in the sports sector which will enhance the sports sector in Oman.

The Oman Golf Trophy is a unique Golf Diplomacy initiative characterized by a robust public-private partnership to promote investment and tourism opportunities in Oman in line with Oman Vision 2040. The initiative aims to leverage golf as an elegant ambassador to highlight the natural beauty of the country for travelers and strengthen diplomatic ties between Oman and Italy.

The Oman Golf Trophy has been a huge success, boosting inbound tourism and investment efforts in Oman. The initiative has helped to promote sports tourism and boost the economy of Oman. Investment in the development of sports and leisure remains a priority across Oman.

Football is the most played sport in Oman, governed by Oman Football Association (OFA). Cricket, athletics, swimming, wrestling, and fencing are also actively pursued. Traditional sports include horse racing, camel

racing, dhow racing, and falconry. The Omani sports sector was managed by different ministries in the past, and is presently handled by the Ministry of Culture, Sports, and Youth.

The sports federations control and supervise all sport clubs in Oman with financial support from the Ministry. Sports and all its areas were under the Ministry of Transportation, Labor and Social Affairs in 1972.

The Ministry of Culture, Sports and Youth, private players, and UNICEF plan to collaborate on a youth training initiative to provide opportunities to the youth. The collaboration is expected to develop innovative thinking and aid in positive socioeconomic changes.

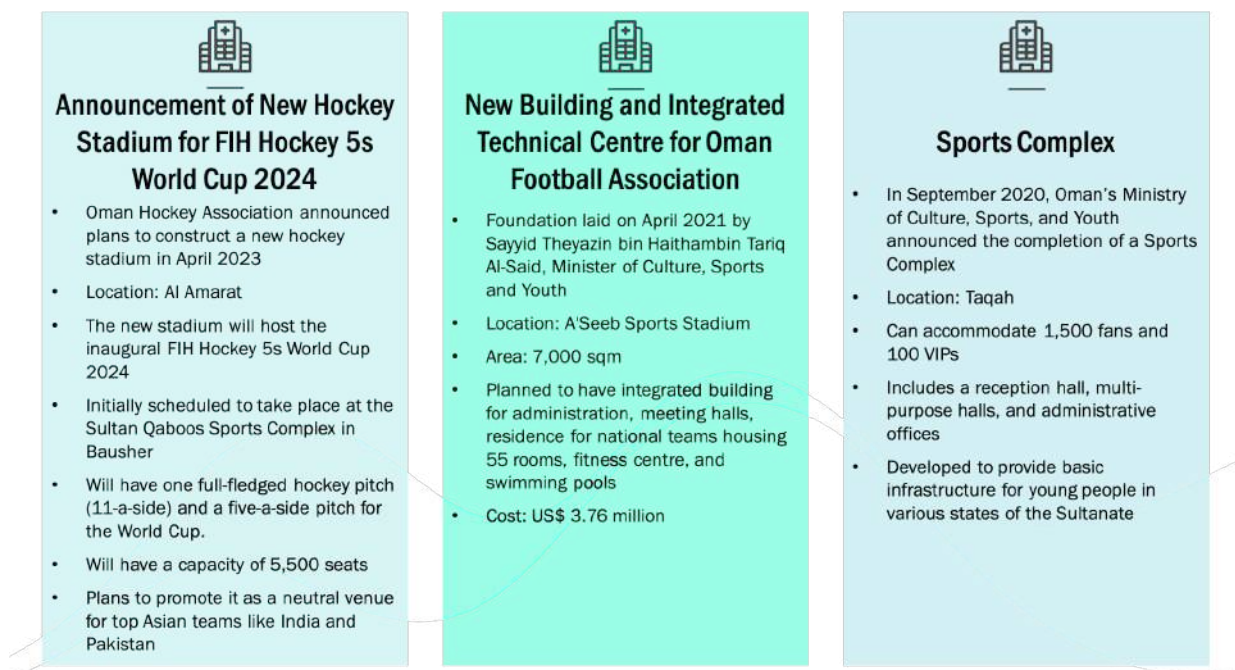


15.2 Key Trends

In August 2018, a Qatari telecom company partnered with the Ministry of Sports Affairs to hold a summer program across Oman. The 11th edition of the program encouraged youngsters aged five years and above to join sports activities organized across Oman's 11 governorates.

It was established to provide a healthy and positive environment for youth development during summer holidays. It included football, cricket, swimming, table tennis, basketball, yoga, and physical activities for children and adults of all ages. Since its launch, the summer sports program has aided people in maintaining a healthy lifestyle through sports while raising awareness on the importance of physical activities.

15.3 Project Highlights



15.4 Key Takeaways

The lab for investment in sports is highly focused to simplify the procedures for smooth investment in the sector. The idea is to come up with the initiatives, projects, and investment opportunities in the sports sector to enhance its role in supporting Oman Vision 2040.

16. Circular Economy

16.1 Performance and Opportunities

16.1.1 Key Facts and Figures:

- Electronic waste is creating market opportunities of US\$3 billion annually from the recycling of electronic materials.
- One of the private companies in Oman is working towards the construction of e-scrap facility with annual capacity of 10,000 tons to help country adopt recovery approach.
- Oman has planned 80% diversion of municipal solid waste into recovery-recycling and reuse as a part of initiative for 2030.
- Algae based biofuel production in Oman is one of the exciting opportunities which can be effective option to create electricity. To make this particular market as investment opportunity, government is also promoting small businesses to make investments in algae-based biodiesel.

Source : United Nations University-Vice Rectorate in Europe Sustainable Cycles Programme, UNITAR

16.2 Key Investment Areas

Green and Blue Hydrogen Manufacturing – The multiple advantages of hydrogen support its production from low-carbon technologies. It is reactive, storable, light, has high energy content per unit mass, can be readily produced at an industrial scale, and combustion yields only water. It can be stored for long periods with minor losses, making it a storage medium for renewable energy. It thus can stabilize the intermittency of renewable power production. However, its low density and small molecular size necessitate heavy containment methods. Energy-intensive industries such as steel manufacturing and methanol production, including existing hydrogen production facilities, in Oman are concentrated coastally in clusters along with power and desalination plants. These can be ideal centers to expand carbon capture, use, and storage (CCUS) to create hydrogen.

The CO₂ produced can be sent to nearby oil fields for enhanced recovery or further industrial use. Additionally, Southeast Oman has very high direct normal irradiance (DNI) and wind speed (>8 m/s).

It is projected to be among the lowest-cost regions in the world for green hydrogen production from renewable energy sources. Such advantages offer great investment opportunities in the field. In January 2022, HyPort Duqm (a partnership between Oman government's subsidiary OQ and a Belgian offshore marine infrastructure company) announced plans to build plant for 60,000 MT of green hydrogen and 330,000 MT of green ammonia per annum.

Biodiesel from Cooking Oil – In July 2020, be'ah invited investments to produce biodiesel from used cooking

oil. Invitations to investors were for prequalification of competitive tender on management and recycling of used cooking oil in the Sultanate. Used cooking oils from fast food outlets, hotels, school cafeterias, camps, restaurants, and catering companies can be the raw material for biodiesel. Appropriate biodiesel blends can reduce the adverse effects on standard diesel engines while reducing petroleum diesel usage and promoting sustainability. Royal Oman Police will be aiding be'ah in restricting used cooking oil exports and promoting recycling in-house.

Waste-to-Energy – Oman government is increasingly stressing on developing a circular economy. Waste-to-energy is an aspect of the same and several projects are already ongoing. It is expected to be an attractive investment option in Oman.

Per the US Environmental Protection Agency, a circular economy reduces material use, redesigns materials, products, and services to be less resource intensive, as well as recaptures “waste” as a resource to manufacture new materials and products.¹ The plan of a circular economy of Oman aims to amplify the value and eradicate waste through design improvements of locally made products, systems, produced materials, and business models. Transitioning to a circular economy with a lower carbon footprint can deliver substantial socioeconomic and environmental benefits. It can also provide opportunities for manufacturing recyclable products, recycled materials, and disposable products.

Oman Environmental Services Holding Co (be'ah), a government-owned entity, manages the solid waste management sector and is adopting a circular economy model to improve the in-country value approach. The aim is to boost the company's involvement in resource sustainability and extract materials of economic value. It participated in the Oman Sustainability Week, held from March 13 to 17, 2022, and showcased the measures undertaken and achievements in its bid to promote sustainable development and economic growth. Such steps supported Oman's Vision 2040 and the UN Sustainable Development Goals (SDGs). The company also revealed its plan to use new machinery for reducing green waste and lumber into small components for better management and usage. In addition, be'ah is developing an integrated system for commercializing waste streams.

Other leading investment opportunities include:

- Recycling of
 - Electronic Waste
 - Glass
 - Green Waste
 - Cardboard and Paper
 - Copper Residues
 - Aluminum Residues
 - Spent Engine Oil of Vehicles
 - Fish Waste
- Biogas Plant for Heat and Electricity
- Fertilizer plant with raw material as organic waste material
- Lead Acid Battery Treatment Facility

16.3 Key Trends

In September 2022, leading Omani cement company announced its plans to commission a waste-to-energy (WTE) plant using shredded scrap tires. The plant is expected to provide a mix of alternative, sustainable energy sources, thus aiding the company's fuel diversification strategy. It will be supported by Petroleum Development Oman (PDO) company.

PDO and the cement company signed a contract in 2020 wherein PDO is to supply ~30,000 MT per annum of tire-derived fuel (TDF) in the form of shredded tires.

In July 2022, the Ministry of Commerce, Industry and Investment Promotion, in cooperation with be'ah, unveiled plans to promote a circular economy worth ~US\$ 1.4 billion. The ministry emphasized through a statement that project opportunities can provide better FDI inflows and GDP growth while supporting economic diversification.

Projects on recycling aluminum residues, cardboard, cooking oil, copper residues, electronic waste, fish waste, glass, green waste, paper waste, as well as used vehicle oil were included in the plans. Also, the plans involve the construction of waste-to-energy plants, fertilizer production facilities, biogas plants for electricity and heat production, and lead acid battery treatment facilities are other investment opportunities.

In June 2022, PDO organized a discussion session at Oman Convention and Exhibition Centre on the circular economy and its importance in enhancing value. The session highlighted the accomplishments made in terms of attempts to develop the circular economy in the country, the challenges, and available prospects in this field. Several specialists and experts in the field attended the session.

A leading logistics company's supply chain arm manages the collection and transportation of PDO's non-hazardous and hazardous waste from the point of origin to PDO's waste management yard or other approved waste disposal sites in the Sultanate. PDO and the company, are collaborating since 2016 and undertaking various steps to promote a circular economy. A few examples are as follows:

- Waste oil-based mud (OBM) cuttings to cement production
Wet OBM drill cuttings generated at rig sites are stored at PDO's waste management yards and dried before treatment. The traditional process of treatment is both expensive and energy intensive. The logistics company is collaborating with Oman Cement Company (OCC) to provide the latter with semi-dried OBM drill cuttings. OCC is processing the same in its factory and turning them into cement for applications in Oman.
- Gas Condensate Recycling
The logistics company is transporting the gas well's condensate produced during drilling of the gas well for utilization in PDO's hydrocarbon production stream. This aids in reducing the burning of gas condensates, along with the World Bank's initiative to reduce global gas flaring and improve environmental performance.

16.4 Project Highlights



Agreement to Build Oman's First High-capacity Waste-to-energy (WTE) Plant

- March 2022 - Memorandum of Undertaking signed
- Project Location: Al Batinah, Barka
- Project Cost: ~US\$ 1 billion
- Parties: Oman Environmental Service Holding Company (be'ah) and Oman Power and Water Procurement Company (OPWP)
- Feature: Part of be'ah's sustainable waste management plan.
- Aim: A massive enabler to Oman's energy diversification goals and shift towards renewable source, minimize the use of landfills across the country, and provide long-term waste management solutions, as well as reduce greenhouse gas emissions.
- Additional Goals: Contains estimated daily capacity of 4,500 tons of municipal waste, reduce landfills' carbon footprint by ~1.3 million MT every year, and provide 130-150 MW of energy each year.



Sohar Industrial Waste Treatment Complex

- Operation Commenced: September 2022
- Location: Wilayat of Sohar in North Al Batinah Governorate
- Tentative Date of Project Completion: 2025
- Project Implementation: Phase 1 completed and is operational; Phase 2 under development and will incorporate a solidification plant, as well as lab installations.
- Goals: To handle all kinds of industrial and hazardous waste, including waste from oil & gas, petrochemicals & refining, and mining & mineral processing



Waste Trading Platform

- Announcement: September 2022
- Aim: be'ah announced plans to develop first-of-its-kind platform to facilitate auctions and trades in recyclable waste and bolster the growth of circular economy in the country
- Features: Enables all stakeholders to have full overview of available recyclable wastes, quantities, and quality of waste, as well as display live waste prices based on the local pricing index
- Additional Features: Connect industrial consumers with recyclers and allows availability to competitively priced local resources over expensive imports

17. Challenges and Recommendations

17.1 Main Challenges Faced by Investors

17.1.1 Administrative

- The primary bureaucratic challenge in Oman is obtaining clearances for visas and work permits from the Ministry of Labour for foreign workers. Additionally, for most business sectors, the ministry does not grant work visas to expatriate women, which creates undue challenges for foreign companies. Furthermore, the business registration requirements for specialized consultancies are often lengthy, leading to a loss of interest in investing in Oman.
- Some business firms face unfair competition from Omani enterprises since government and private sectors



are poorly defined. Additionally, the tendering process in the country often lacks transparency. Moreover, companies that work on government infrastructure projects face payment delays upon project completion. The issues are not limited to any sector; they range across different business sectors.

- Small enterprises with no in-country or regional presence or experience face several bureaucratic obstacles.
- The Sultanate is focusing on paying down public debts. While the high oil prices have aided in the same, the government temporarily ceased the issuance of most new project awards and purchases to curb expenditures since 2020. As of 2022, government budgets and new projects continue to be constrained.

17.1.2 Legislative

- Oman's In-Country Value (ICV) policy incentivizes companies to procure local goods and services and train Omani national employees. In fact, for government tenders, support for ICV from the bidder is vital in getting projects. It concerns most international firms in Oman and is often prohibitive for business. The government also sets quotas for Omani national employment on a sectoral basis. The Ministry of Labour and other authorities strongly encourage companies to meet their Omanisation quotas. Furthermore, management jobs are often compelled to be assigned to Omanis, and training programs are required to be created for new hires. Omanisation is prevalent throughout the private sector, but enforcement is inconsistent and opaque. In practice, all companies in Oman submit an Omanisation plan to the Ministry of Labour, which adjusts required Omanisation percentages. Such challenges prohibit the efficient functioning of foreign enterprises in Oman.
- Foreign companies and individuals are prohibited from owning property in Oman in various governorates and restricted areas. Foreigners are only allowed to buy property in designated areas termed "Integrated Tourism Complexes" and certain Ministry of Housing-designated multi-story, residential, and commercial real estate buildings in Muscat, subject to eligibility. With the establishment of real estate investment funds (REIFs) targeted toward capital inflows into Oman's real-estate sector, non-Omanis can own property units in REIFs.
- The lack of transparency in the legal system also acts as a challenge. Private sector associations or community organizations play no part in the regulatory environment, and even Oman's parliamentary body (Majlis As'Shura, or Council of Oman) has limited powers. Comments on proposed regulations are not solicited from the general public. Additionally, no impact assessments are performed, and a requirement for periodic review of regulations does not exist. Such factors decrease the confidence of investors.

17.1.3 Logistics

- Technological advancements are disrupting the logistics sector in Oman, and it is imperative to adopt these advancements as an enabler of growth. However, the industry is relatively reluctant in technology adoption, which often leads to logistical delays in moving goods.
- The rise in fuel prices is leading to higher transportation costs. Without proper fuel price regulations, companies may shift to traditional routes and reject Oman as an alternative.

17.1.4 Others

- The lack of active competition commission and screening of investments for competition considerations act as a deterrent to investments.
- Despite having a relatively strong legal and regulatory framework for intellectual property rights (IPR), enterprises often face challenges in encouraging appropriate agencies to take IPR enforcement action. The presence of multiple bodies creates challenges for the authority responsible for enforcing the same. Such bodies include the Public Prosecution, Ministry of Commerce, Industry and Investment Promotion (MOCIIP), Consumer Protection Authority (CPA), and the Royal Oman Police.

17.2 Recommendations to Overcome Challenges

17.2.1 Administrative

- Faster work permit approval and visa clearance can ensure smoother business environments. The Ministry of Labour needs to work in tandem with foreign enterprises to ensure better process flow. An online portal for application, review, and disbursement can benefit the process.
- Clear demarcation of company ownership and a transparent tender awarding process, preferably through an online portal, can aid in boosting investor confidence. The removal of the investment cap is a positive change and can smoothen the process for smaller enterprises investing in Oman. Publication of audited financial statements, assessment of business strategy and public policy considerations, and mitigation of financial exposures are some steps that can be undertaken for Omani enterprises.
- For clearing debts, a weighted approach is required to ensure infrastructural investments are not overshadowed. Investments in the infrastructure sector aid in boosting the economy and are crucial for the sustainability of the weaker section of the economy. It can lead to decreased consumption and higher inflation.

17.2.2 Legislative

- While Omanisation should not be removed entirely, a rational and transparent approach must be undertaken. Clear rates need to be set for each industry vertical, and leniency needs to be granted for higher positions to ensure the functioning of the organization is not hampered.
- Similar to REIFs, the government can devise plans to allow foreign enterprises to own properties in the country. It is often crucial for an enterprise to own the same and thus can be a deal-breaker. Additionally, alternatives such as leasing property at low rates for a long tenure can be assessed.
- Involving private sector associations and community organizations can aid in better decision-making and regulation framing since the challenges faced by the organizations can be best described by them. It can also help in devising practical solutions for challenges faced in a shorter time span. Additionally, enforcing the regulation on a trial basis in a particular region can greatly benefit the process in the long run.

17.2.3 Logistics

- FTA regulations need to be enforced strictly since non-compliance can lead to decreased investor confidence and an overall decline in credibility as an investment destination.
- A culture inculcating the adoption of technology is required to be established to keep pace with global trends.
- While fuel prices are largely dependent on several global factors, special short-term incentives can be offered to cushion the ill effects of high oil prices on the logistics sector.
- Alternatives such as battery-operated trucks for roadways and battery-operated trains for railways can be explored.

17.2.4 Others

- Fair competition is a basic requirement for most investment destinations since it ensures a fair chance for all companies. It also provides confidence to the investor in the destination. The Competition and Anti-Monopoly Law limits monopolistic practices by restricting anti-competitive agreements and price manipulation to some extent. Also, enforcing the executive regulations for the Competition Law in January 2021 was a welcome change. However, stricter screening of investments is required to promote fair competition in the Sultanate.
- The Sultanate needs to assign a specific body to handle all claims about IPR. IPR is crucial for all businesses, and any breach can have heavy consequences for the rights-owning company. Clear demarcation of authority can allow for swift resolution of IPR disputes and boost investor confidence.

Notable links:

- Sultanate of Oman (official government portal) - <https://omanportal.gov.om/?lang=en>
- Oman Investment Authority - <https://www.oia.gov.om/>
- Ministry of Commerce, Industry and Investment Promotion - <https://omanportal.gov.om/wps/wcm/connect/en/site/home/gov/gov1/gov5governmentorganizations/mocioman/mcommerceindustry>



Gulf Research Center
K n o w l e d g e f o r A l l

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