



جهاز الاستثمار العماني
Oman Investment Authority

Oman Investor Handbook

2024



Content

- Oman at a Glance
 - Connectivity
 - The Economy
 - The Business Environment
 - Trade and Bilateral Agreements
 - Free Trade Zones & Special Economic Zones
- Oman Investment Authority
- Main Sectors and Investment Potential
 - Energy
 - Mining
 - Logistics
 - Tourism
 - ICT
 - Manufacturing
 - Food and Agri
 - Fisheries
 - Healthcare
- Contact Us



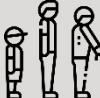
Oman at a Glance



Population Size
5.1 Mn



Working Population
2.7 Mn



Median Age
27 Years



Education
40+ higher education institutes with 32,000+ graduates annually



GDP
\$108.5 Bn

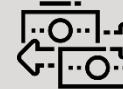


Time zone
(GMT+4)



Language
Official: **Arabic**

Widely Spoken: **English**,
Hindi, Swahili & Urdu



Currency
Omani Rial

(Pegged to the USD where \$1 = OMR 0.386)



Telecommunication

Mobile population coverage for 4G and 5G networks stood at 99%

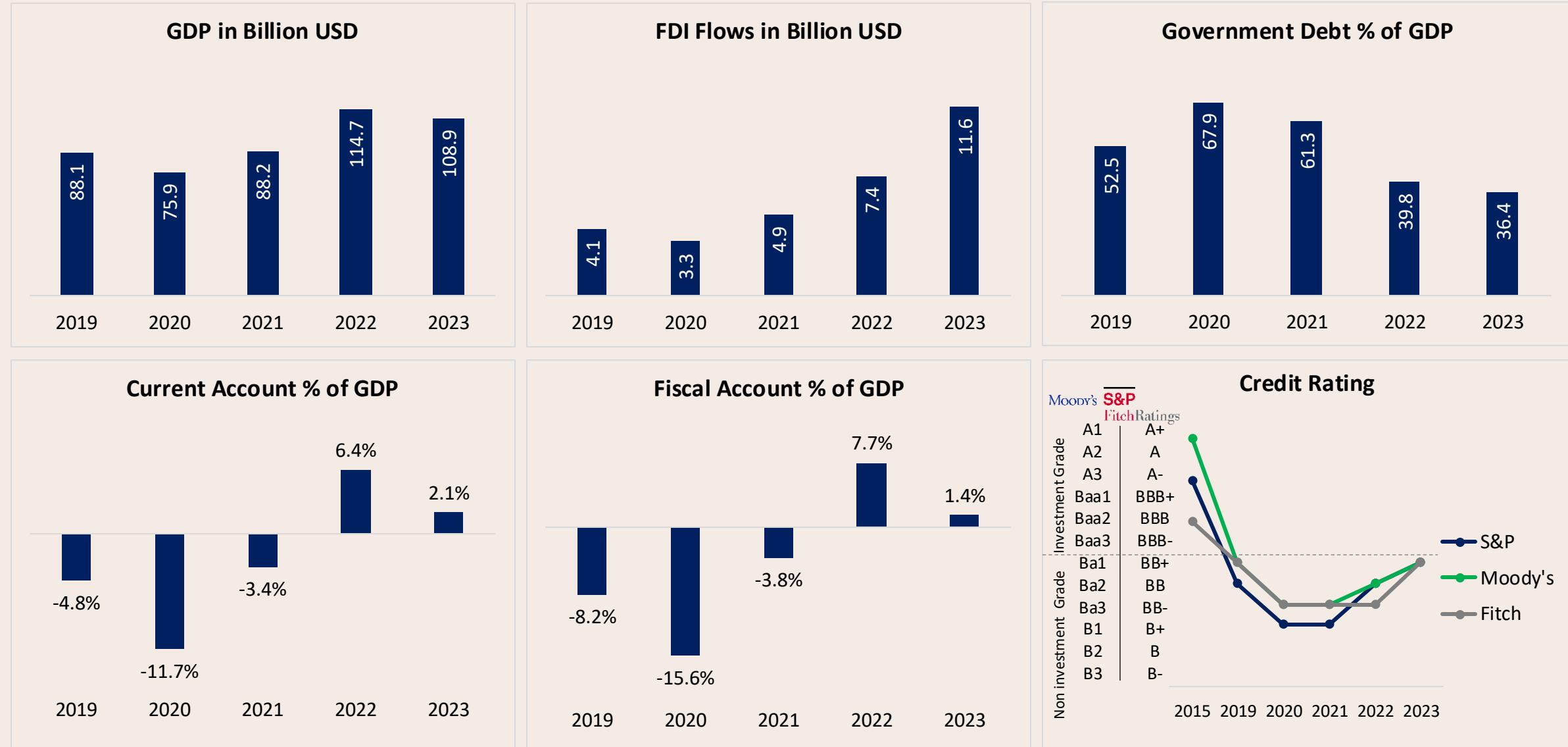


Area
309,501 km²
(192,314 miles)

Coastline
3,165 km
(1,967 miles)

Oman is the gateway to the Arabian Gulf and the Strait of Hormuz, through which nearly **one-fifth of global oil output** passes daily. The Sultanate shares land borders with the UAE, Saudi Arabia, and Yemen, and shares maritime borders with Iran and Pakistan.

The Economy



Connectivity



Airports

5 Airports: Less than a 3-hour flight to more than 30% of the world's population.



Ports

Globally ranked, strategically located ports with a current capacity of 9.3 Mn TEUs.

1. **Duqm Port** enjoys a superior and open location. It is a multi-purpose port and its importance has increased after building a dry dock for ship repair.
2. **Salalah Port** is one of the most distinguished ports regionally and internationally. Its strategic location on the Arabian Sea plays an important role.
3. **Sohar Industrial port** is located just before the Strait of Hormuz and has developed into a world-class port, capable of receiving ships with a draught of up to 18 meters.
4. **Port Sultan Qaboos** is the main maritime gateway to the Sultanate of Oman and predominantly receives cruise ships.
5. **Khasab port** is located in the north of the Sultanate and is used for traditional tourist ships.



Roads

Oman has a developed highway network connecting all regions, and neighboring UAE, and Saudi Arabia, totaling around 15,000 kilometers, with 763 kilometers added in 2022.



Railway

A railway network project connecting Oman and the UAE is currently underway, encompassing passenger stations in Sohar and Al Ain, complemented by freight stations in Sohar, Buraimi, and Al Ain.



The Business Environment

Taxation

- No personal income tax
- A 5% VAT
- A flat 15% corporate tax
- Withholding tax remittance

Labor Market

Oman's labor market has 2.7 million workers, with over 65% being expatriates. The country warmly welcomes foreign contributors, supported by robust labor laws that foster a diverse work environment and leverages global skills for national progress.

Judicial and Regulatory System

Oman's judicial system is independent and reliable, with a multi-level court structure where the Commercial Court can rule against governmental bodies. Expropriation is prohibited, adhering to international standards. Investor-friendly policies, efficient dispute resolution, and government accountability underscore Oman's commitment to economic development and investor protection.

Other Incentives and Benefits

- Investment projects enjoy incentives under Omani law similar to 'national projects'.
- Custom exemptions on the import of plant, machinery and raw materials for five years from the commencement of production.
- Favorable terms for debt finance from the domestic banking sector.
- Permitted use of long-term leases for land and real estate allocated for investment projects.
- Grants foreign investors the right of usufruct agreements that goes up to 50 years in free trade zones.

Foreign Direct Investments (FDI)

- 100% foreign ownership allowed in most industries under the new Foreign Capital Investment Law.
- No restrictions on capital, profit repatriation, or dividend transfers.
- No currency exchange risk (pegged to the USD).



For further details on the incentives kindly scan the QR or head www.investoman.om

Trade & Bilateral Agreements

Name of the Agreement	Nature of the Agreement	Application	Signatories
United States – Oman FTA	Free Trade Agreement and Economic Integration Agreement	Goods and Services	Oman and the United States of America
Gulf Co-operation Council (GCC)	Customs Union	Goods	Bahrain, Kuwait, Oman, Qatar, Saudi Arabia, United Arab Emirates
GCC – European Free Trade Association (EFTA)	Free Trade Agreement	Goods	Bahrain, Kuwait, Oman, Saudi Arabia, Qatar, United Arab Emirates, Iceland, Liechtenstein, Norway, Switzerland
GCC – Singapore FTA	Free Trade Agreement & Economic Integration Agreement	Goods and Services	Bahrain, Kuwait, Oman, Qatar, Saudi Arabia, United Arab Emirates, Singapore
Greater Arab Free Trade Area (GAFTA)	Free Trade Agreement	Goods	Algeria, Bahrain, Egypt, Iraq, Jordan, Kuwait, Lebanon, Libya, Morocco, Oman, Palestine, Qatar, Saudi Arabia, Sudan, Syria, Tunisia, United Arab Emirates, Yemen

Oman is a member of the UN, the World Bank, WTO, Indian Ocean Rim Association, the International Bank for Reconstruction and Development, the Asian Infrastructure Investment Bank, Islamic Development Bank and the IMF.

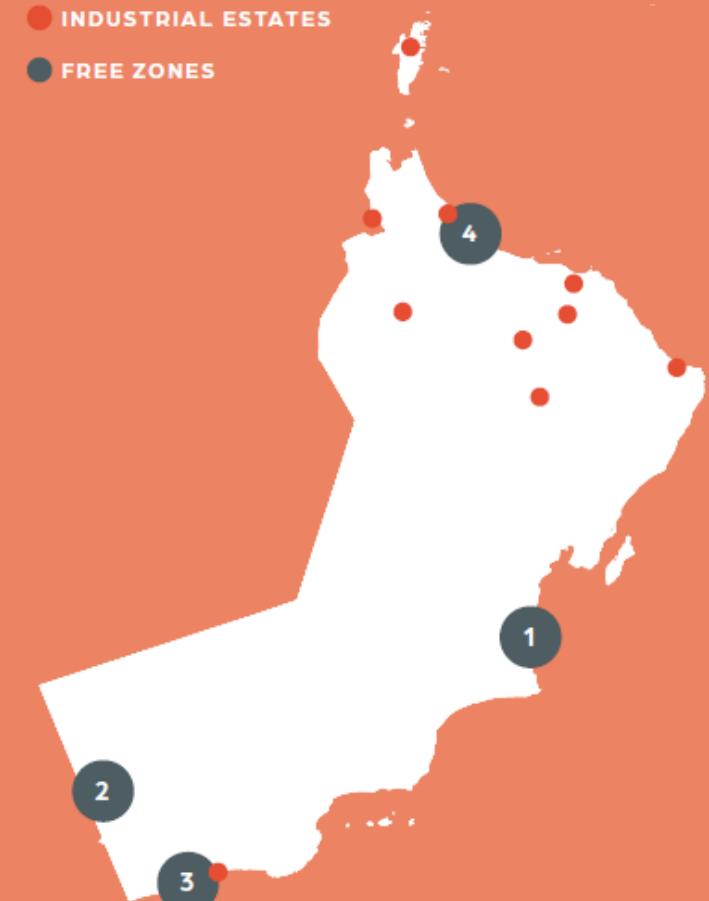
Oman signed bilateral Investment Treaties (BIT) with 26 nations including China and the UK.



For further details on the benefits kindly scan the QR or head www.investoman.om

Free Trade Zones & Special Economic Zones

Name of the Free Zone	Features	Location Advantages
1 Special Economic Zone at Duqm (SEZAD)	The largest special economic zone in the Middle East and North Africa	Prime geographical location overlooking the Arabian Sea and the Indian Ocean, coupled with its proximity to global shipping lanes
2 Al Mazunah Free Zone	Gulf gateway and tranship to Yemen and East Africa	Located in the southeastern region of Oman, providing direct access to Yemen and Africa
3 Salalah Free Zone	A global center for industries and logistic services on the Arabian Sea	Located in close proximity to raw material sources and emerging markets
4 Sohar Free Zone	Outreach to both regional and global markets	Located just before the Strait of Hormuz and has access to global shipping routes and major ports all within proximity, offering swift access to the growing Middle East, Indian and African markets



The Public Authority for Special Economic Zones & Free Zones (OPAZ) oversees the Special Economic Zones at Duqm, Al Mazunah Free Zone, Salalah Free Zone, Sohar Free Zone, Madayn's industrial estates, as well as the technology park and Knowledge Oasis Muscat.

Oman Investment Authority

Building a Sustainable Future for Oman

About OIA

Established in June 2020, the Oman Investment Authority (OIA) is Oman's sole sovereign investment fund, managing \$50 billion. Formed by merging the State General Reserve Fund (est. 1980), Oman Investment Fund (est. 2006), and over 160 assets and SOEs previously under the Ministry of Finance, OIA invests, develops and manages, national and international assets. Its mandate includes:

- Maximizing returns on funds and assets
- Contributing to the state's budget and financial sustainability
- Growing future generations' investments and financial reserves
- Promoting Oman's investment environment and attracting investments
- Advancing targeted economic sectors

OIA is structured into three sub-funds:

	The Future Generations Fund (FGF)	National Development Fund (NDF)	Future Fund Oman (FFO)
Overview	The international investment arm of OIA, mandated to manage funds and maximize returns for the future generations	Manages domestic assets, and invests to diversify and advance targeted economic sectors	A \$5.2 billion fund established in January 2024, investing in greenfield and brownfield projects in Oman. FFO serves as a strategic financial partner for strategic investors (locals/ International) seeking co-investors
Portfolio Highlights	Consists of listed and non-listed assets across all major sectors in more than 50 countries	Consists of 160 portfolio companies under eight sectoral holding entities across all major sectors of the economy	An early portfolio, mainly composed of greenfield and growth projects in manufacturing, ICT, and tourism
Investment Opportunities	As a financial investor, FGF partners with other financial or strategic investors to invest in viable direct, listed and funds opportunities globally, while also seeking global strategic partnerships to localize technologies and advance Oman's economy	Through its SOEs, NDF partners with investors entering Oman, welcoming investments in pre-identified projects. NDF acts as a strategic minority investor, aiding foreign strategic and industrial investors in deploying capital in Oman	With a minimum ticket size of \$13 million (for Direct Large projects) and below \$13 million (with smaller sizes for SMEs and VCs), FFO invests across all sectors of the economy, excluding oil, gas, and Real Estate, through equity, quasi-equity, or debt, capping its Equity shareholding per project at 40%.

Sectors

OIA's local portfolio currently holds assets across all major economic sectors. The following pages provide an overview of each sector, investment potential, and OIA's role in the sector.

Energy

The energy sector, particularly Oil & Gas, is crucial to Oman's economy. Vision 2040 aims to transition and diversify the energy mix towards sustainable sources like solar and wind, with a focus on green hydrogen production. **Oman is positioned to become a global leader in green hydrogen due to its natural resources (solar irradiation, wind capacity), strategic location, and its shared infrastructure and logistics, with plans to develop a fully integrated hydrogen ecosystem.** Its stability and decarbonization goals create a favorable business environment. With five green hydrogen projects underway, Oman is on track to meet its 2030 targets, closing 2023 with \$38 billion invested in green hydrogen, 22.5 GW renewables capacity, and 925 ktpa hydrogen production, potentially qualifying Oman to become the 6th largest hydrogen exporter globally by 2030, according to IEA.

Investment Potential

 Investment in solar and wind farms to harness Oman's abundant renewable resources

 Offering hydrogen-based solutions for decarbonizing industries such as steel and chemicals, which are major consumers of hydrogen

 Investment in hydrogen storage infrastructure, including battery storage facilities

 Establishment of production facilities for green ammonia, leveraging its ease of transport and compatibility with global trading standards

 Setting up plants to produce green methanol as an alternative fuel and industrial input, capitalizing on hydrogen production



OQ, OIA's energy arm, has been growing steadily as a Global Integrated Energy Group, managing direct investments in oil and gas exploration, energy infrastructure, oil refining, petrochemicals, oil marketing, and power generation. Its Alternative Energy (OQAE) unit covers the entire alternative energy landscape, focusing on Green Molecules, Energy Assets, and Energy Efficiency and Optimization. OQ welcomes investors for partnership. Head to www.OQ.com for more details or scan the QR.



Mining

The Sultanate boasts substantial commercial resources, estimated at approximately 54.5 million tons, with the country accounting for 44.4% of the global gypsum supply. Additionally, the mining and refining sector in Oman stands to benefit significantly from the surge in demand for energy transition minerals. Among the five current projects under development, two are crucial for energy transition technologies. Geothermal energy, for example, drives demand for titanium, which is essential for handling the high heat and pressure in geothermal power generation. Despite these advancements, the sector remains largely untapped and undeveloped, presenting numerous business opportunities.

Investment Potential

 Exploration and processing of metallic and non-metallic minerals

 Develop mining education and training centers

 Establishing manufacturing industries utilizing local minerals, such as construction materials, chemicals, and electronics

 Establishing mineral trade and brokerage firms that act as intermediaries in mineral commodities trade, both domestically and internationally



Mineral Development Oman (MDO), OIA's mining arm, was inception in 2017, with the aim to develop the natural metal and industrial mineral resources, in addition to supply chains for major industries to maximize local production of these resources. MDO has developed several opportunities across various metal and mineral value-chains, i.e. copper, gold, chromite potential/ophiolites, titanium, gypsum, limestone, dolomite, and silica, and the company welcomes global investors to explore the opportunities. Head to www.mdo.om for further details or scan the QR.



Logistics

With five state-of-the-art airports, several world-class deep ports and a well developed road network connecting major cities and neighboring countries, Oman has made substantial investments in infrastructure to position itself as a key logistics hub in the Middle East, leveraging its strategic geographic location at the crossroads of East and West, within two weeks sail of all major global ports, serving as a major gateway for regional and international trade. The land connectivity will be further enhanced by the current pipeline investment of a rail network linking major industrial areas across the Sultanate of Oman, as well as a joint investment between Oman and the UAE linking economic and industrial zones in both countries.

Investment Potential

- Integrated logistics services, leveraging Oman's ports and airports
- Specialized storage facilities that cater to the increasing demand from various sectors

- Value-added warehousing in free zones that offer services such as packaging, labeling, and assembly

- Distribution network using Oman as a central hub for regional distribution to the Middle East and beyond
- E-commerce fulfillment centers in strategic free zones



ASYAD Group, OIA's logistics arm, is Oman's global integrated logistics service provider, aiming to develop and provide integrated logistics services through offering unique end-to-end supply chain solutions regionally and internationally, including maritime services, ports, dry docks, free zones, cold chain transportation, storage and distribution.

Scan the QR code or head to www.asyad.om for more details.



Tourism

Oman has massive potential to deliver a unique tourism experience, unmatched by its neighbors, offering a unique and attractive destination for international tourists and investors alike. Through its stable and diversified approach, and the leverage of its inherent strengths and strategic initiatives, Oman's tourism industry has shown steady and solid growth. The international tourist arrivals increased by 14% between 2019 and July 2023, exceeding the 2030 target set by Oman's Vision 2040. The planned mixed-use development project in Jabal Akhdar, with an investment size of \$2.4 billion, is expected to further boost regional arrivals.

Investment Potential

-  **Oman's unique landscapes, including mountains, beaches, and deserts, make it an attractive destination for adventure tourism**
-  **Entertainment, including a comprehensive, large-scale amusement & theme park that caters to all age groups**
-  **Health and wellness tourism combined with the potential for fitness bootcamps**
-  **Oman's young population and high gaming engagement present an opportunity to develop esports arenas, training facilities, and game studios**
-  **Heritage and culture tourism presents a lucrative business opportunity due to the country's rich historical sites and unique cultural traditions**
-  **High quality hotels and accommodation services outside Muscat**
-  **MICE, hosting global events and other tourism related services across the value chain**



Oman Tourism Development Company (OMRAN), OIA's tourism arm is the executive arm of the Sultanate for tourism development, was established in 2005 to unlock the potential of the country as a global tourism destination. To participate and take advantage of the journey, scan the QR code or head to www.omran.om



Oman's strategic location and existing telecommunications infrastructure presents a strong foundation for future growth in the ICT sector. As the world shifts towards a data monetization economy, leveraging data for economic benefit becomes increasingly vital. Oman is well-positioned to capitalize on this trend due to its significant role as a major landing point for 21 submarine cables, with 75% of buildings covered by fiber-optic networks and 98% of the population covered by mobile networks. The rollout of 5G technology, with 2600 stations activated in 2022, enhances the potential for further technological innovations, particularly in the Internet of Things (IoT). With the groundwork set for robust digital connectivity, Oman's digital potential allows the country to serve as a digital hub and a digital corridor to the rest of the GCC with no disruptions.

Investment Potential

- Oman's role as a hub for submarine cables boosts its appeal for Data Centers and Cloud Services**
- Satellite communications and earth observation present high-value investment opportunities**
- Oman's robust cloud infrastructure makes it an ideal location for Artificial Intelligence and High-Tech Infrastructure**
- Oman's e-commerce market has vast growth potential, with only 8% of the population shopping via mobile**
- Fintech in Oman is set to grow, aiming to double electronic payment**



Oman Information and Communication Technology Company – ITHCA, OIA's technology arm, was established in 2019 to help Oman integrate its ICT assets under one entity and to benefit from the fourth industrial revolution (4IR) to achieve the objectives of the economically sustainable development of the sector. ITHCA has developed several opportunities across the ICT value chain, including opportunities in digital infrastructure, cloud services, internet of things, emerging technologies and shared services. With growing shift for data monetization, ITHCA welcomes investors for partnership, with www.ithca.om offering more details, or the QR code on the side.



Manufacturing

Despite significant growth over the past five decades, Oman's manufacturing sector still has gaps that offer lucrative opportunities for investors. As the sector moves forward and embraces Industry 4.0, it aims to develop opportunities using Oman's rich mix of natural resources, particularly in petrochemicals, construction, cement, marble, gypsum, building products, minerals, and food and beverages. Additionally, there is increasing interest from the Omani public and the region in locally made products, creating more opportunities to be tapped.

Investment Potential

 Health-related manufacturing projects

 Renewable manufacturing and green hydrogen value chain, with pilot projects having already started

 Tapping into the supply-chain of electric vehicles and semiconductors

 Pipes and infrastructure equipment



In addition to being OIA's integrated energy company, OQ owns a diversified portfolio of manufacturing companies ranging from refinery, chemicals and petrochemicals. OQ is well equipped for co-investing with global partners on further tapping into the manufacturing potential in Oman. Head to www.OQ.com for more details or scan the QR.



Food & Agri

The food sector in Oman has shown remarkable growth and potential, driven by strategic initiatives aimed at self-sufficiency and sustainability. This expansion is crucial for reducing import dependence, ensuring food security, and stabilizing the national economy. Increasing demand for locally produced goods offers ample investment opportunities in food processing, packaging, and distribution. With strong government support and favorable market conditions, Oman's food and agriculture sector promises significant growth and long-term returns for investors.

Investment Potential

- Enhancing local production through advanced agricultural practices and modern technology
- Innovative farming techniques, such as AI-driven farming and IoT-based agricultural monitoring
- Grain storage facilities, with the aim of distributing across the region
- Food storage, processing, and packaging facilities
- Sustainable farming and organic farming
- Food trading companies



Oman Food Investment holding – NITAJ, OIA's food & Agri arm, is executing a strategy for domestic and international investments in the food sector. By integrating smart food technologies and innovation, it aims to achieve food security, boost GDP, ensure financial sustainability, and reduce the import-export gap. To unlock the potential, head to www.nitaj.om or scan the QR code.



Fisheries

Oman's fisheries sector represents a thriving area of investment, supported by government initiatives and strategic development plans. With a long coastline, diverse biomass of 32 different fishery stocks, and multiple sites for commercial aquaculture projects, the sector is integral to Oman's economic growth strategy. The country has 142% self-sufficiency in seafood consumption, highlighting its robust marine resources.

Investment Potential

 Commercial fish and seafood farming operations

 Coastal and offshore maricultural projects to diversify seafood production

 Facilities for processing and packaging value-added seafood products

 Cold Storage Facilities

 Fish trading company to serve regional and global markets

 Eco-friendly fishing practices and equipment



Fisheries Development Oman (FDO), OIA arm in the fisheries sector, aims to leverage Oman's structural competitive advantage in this industry to develop a diversified portfolio across the sector, spanning from infrastructure to fishing and fish transformation. Its mission is to stimulate the Omani economy through creating an attractive investment opportunity in the sector for investors and lenders. To partner with FDO, kindly head to www.fdo.om or scan the QR code.



Healthcare

Oman's healthcare sector represents a thriving area of investment, backed robustly by government initiatives and a growing private sector presence. As part of Oman Vision 2040, the government has identified healthcare as a critical pillar for national development, aiming to position Oman as a regional leader in medical excellence. This strategic focus supports substantial projects and fosters a dynamic environment, where public and private collaborations thrive, offering significant returns through advanced healthcare solutions and infrastructure.

Investment Potential

- Pharmaceuticals:** There are lucrative opportunities in both patented and generic drug markets, fueled by strong demand and bolstered by the potential for establishing local production facilities. Currently, only 7.6% of pharmaceuticals are manufactured locally, indicating vast room for growth.
- Medical Equipment:** Investing in local manufacturing and maintenance for medical and biomedical equipment could reduce dependency on foreign services and address the local skills gap.

Infrastructure Development: New investments in hospitals and medical cities while also expanding channels for drug distribution and enhance the provision of healthcare services.

- Digital Healthcare:** There is immense potential for digital solutions to improve service delivery, accessibility, and efficiency within the healthcare system.

With political stability, a peaceful environment, a strategic location, abundant natural resources, advanced infrastructure, a friendly business environment, and a young, educated population, Oman is poised for economic growth and becoming a global investment destination. **OIA invites international partners to explore investment opportunities and collaborate on transformative projects.**

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