TRADE POLICY REVIEW

REPORT BY THE SECRETARIAT

Oman

This report, prepared for the third Trade Policy Review of Oman, has been drawn up by the WTO Secretariat on its own responsibility. The Secretariat has, as required by the Agreement establishing the Trade Policy Review Mechanism (Annex 3 of the Marrakesh Agreement Establishing the World Trade Organization), sought clarification from Oman on its trade policies and practices.

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Document WT/TPR/G/418 contains the policy statement submitted by Oman.

[REMOVED ADVANCE FIELD]

Note: This report is subject to restricted circulation and press embargo until the end of the first session of the meeting of the Trade Policy Review Body on Oman. This report was drafted in English.

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SUMMARY

1. Though Oman is relatively less hydrocarbon-rich than its neighbours, oil and gas still play a significant role in the economy. In 2020, the oil and gas sector accounted for 26.2% of GDP, represented about 60% of Oman's merchandise exports, and contributed three quarters of total government revenues. Oman joined the OPEC+ Agreement in November 2017, and its average daily production was cut to 760,000 barrels as of July 2020. During the review period, Oman faced a double challenge from low oil prices and the COVID‑19 pandemic; Oman's economy grew to a peak in 2016 at a rate of 5.1% before it began a sharp slowdown in 2017. The economy contracted by 0.8% in 2019, and by a further 6.4% in 2020, mainly due to the global pandemic. As vaccine rollout gradually restores domestic activity along with the recovery of external demand, the economy is expected to grow by 2.5% in 2021

2. As a result of low oil prices, government revenues have decreased by two thirds since 2014. New taxes such as the value added tax (VAT) and the excise tax were introduced during the review period. The contribution of customs duties to total government revenue is small, accounting for 2.6% of total revenue on average. On the other hand, government expenditure remained rigid due to social security spending, commitments to infrastructure investment, and COVID‑19 relief measures (e.g. tax and charge waivers). Consequently, government gross debt was equivalent to 81% of GDP in 2020, up from 60% in 2019 and 5.4% in 2014

3. Oman operates a pegged exchange rate regime with the US dollar. However, the liquidity in the domestic money market is highly associated with oil prices. Therefore, oil price fluctuations can generate an undesired divergence in liquidities with the central bank's policy rates, and thus impede monetary policy objectives. During the review period, the spread between the policy rate and the market lending rate widened. In the case of persistent low oil prices, Oman's non‑oil sector growth through monetary stimulus could be undermined

4. The value of merchandise imports declined by about 25% during the review period, and merchandise export value dropped by about 28%, mostly owing to low prices of hydrocarbon exports. Consequently, the current account has been in deficit since 2015, and is estimated to continue its widening trend. As of end-2020, the current account deficit was equivalent to 10% of GDP. Reflecting stable foreign direct investment (FDI) inflows and a bond issuance, Oman's international reserves slightly declined. Asian economies are Oman's top oil export markets, while its Gulf Cooperation Council (GCC) neighbours are its major trading partners with regard to non‑oil trade. The United Kingdom and the United States are the major sources of FDI

5. The Ministry of Commerce, Industry, and Investment Promotion (MOCIIP) has overall responsibility for the formulation of Oman's trade policies. The National Committee, created in 2001, deals with all WTO-related matters and meets several times a year. It acts under the chair of the MOCIIP and comprises representatives from various ministries, the customs authority, and the private sector. Bills are prepared by the relevant ministries, and presented by the Cabinet to the Consultative and State Councils, and are then issued by the Sultan through a Royal or Sultani Decree

6. Oman's economic objectives are laid down in "Oman Vision 2040" and successive five-year plans. They are to achieve developed country status by 2040, diversify production and exports away from oil, and create employment opportunities for Omanis. In addition, Oman seeks to achieve a balanced budget, attract foreign investment, and maintain low inflation rates. The 2016-2020 Five-Year Development Plan initiated the Tanfeedh initiative to support various sectors such as manufacturing, tourism, mining, fishery, transportation, and logistics to diversify income sources

7. A WTO Member since November 2000, Oman grants at least MFN treatment to all of its trading partners. It has never been directly involved in any WTO dispute, but has reserved its third-party rights in a number of cases. Oman established a National Committee on Trade Facilitation in 2014 and ratified the Trade Facilitation Agreement in 2017. Since 2020, Oman has officially implemented 100% of its commitments under the Agreement. During the review period, Oman submitted numerous notifications to the WTO

8. Oman is a member of the GCC, which also comprises the Kingdom of Bahrain, the State of Kuwait, Qatar, the Kingdom of Saudi Arabia, and the United Arab Emirates. A free trade area among GCC members was established in 1983, and a common market for services in January 2008. With the exception of a few products, the GCC applies a common external tariff. Common legislation has been adopted in a number of other areas, such as trade contingency measures, veterinary quarantine, and plant quarantine. Oman is also a member of the Pan-Arab Free Trade Area (PAFTA) Treaty, under which most trade barriers among members were eliminated in 2005. Oman has a bilateral free trade agreement (FTA) with the United States, and, through the GCC, FTAs with Singapore and the European Free Trade Association (EFTA). With the exception of the agreement with the EFTA, these agreements have been notified to the WTO

9. New legislation on investment was adopted in 2019 and 2020. The Commercial Companies Law of 2019 allows both foreign and domestic investment in seven different legal forms. Under the New Foreign Capital Investment Law of 2020, foreign investors no longer need to partner with a local shareholder, as the former 30% Omani ownership requirement was revoked. However, foreign investment projects must comply with inspection and monitoring procedures. A list issued by the MOCIIP defines activities that are reserved for Omani nationals. Since land ownership by foreigners is generally prohibited, long-term and project-based lease of land is the preferred solution for most foreign investors. Investment incentives include various tax and fee exemptions. Omani-owned small and medium-sized enterprises (SMEs) are also eligible for soft loans provided by the state-owned Oman Development Bank

10. Oman's applied MFN tariff is based on the GCC's common external tariff, which consists of three rates: zero (11.1% of all lines), 5% (87.1%), and mixed tariffs (0.3%). Except for 20 tariff lines on tobacco products, which carry a mixed tariff, all lines are *ad valorem*. Imports of alcoholic beverages and pork products are subject to a 100% tariff, a purely national tariff rate. Oman's overall average MFN applied tariff is 5.5%, the same as at the time of its last Reviews, in 2008 and 2014. Preferential tariffs apply to imports from other members of the GCC, the EFTA, PAFTA, Singapore, and the United States. Average bound rates are 28% on agricultural products and 11.6% on non‑agricultural goods. For 26 tariff lines, applied rates are higher than bound rates

11. Average clearance time for imports has been reduced to seven hours. In the wake of the COVID‑19 crisis, Oman approved the practice of "direct" imports from the country of origin, to speed up the clearance process and reduce costs. It also reinforced the transition to electronic submission of documents and virtual customs clearance

12. Following a GCC decision of 2015, Oman introduced a VAT of 5% in April 2021. The tax applies to all goods and services, except those related to healthcare, education, financial services, basic food items, and public transport. Excise taxes apply to alcoholic beverages (50%) and to pork meat, carbonated drinks, and cigarettes (100%)

13. Import prohibitions and restrictions are in place mainly for health, security, and moral reasons. Import prohibitions cover narcotics, weapons, certain media products, and several country-specific animal products. In 2015, Oman ratified the GCC Amended Common Law on Anti‑dumping, Countervailing and Safeguards. Various GCC institutions are in charge of implementing the Law. During the review period, five definitive anti‑dumping measures and three safeguard measures were taken. Oman develops technical regulations and standards at the national level only if there is a pressing need. It submitted numerous TBT and SPS notifications during the review period. No specific trade concerns were raised against Oman's TBT and SPS measures

14. Oman does not apply any export duties and taxes. Temporary export bans apply to several species of fresh and frozen fish. In the wake of the COVID‑19 crisis, exports of masks and hand sanitizers were prohibited. No export subsidies are granted, but there are three free zones and two special economic zones aimed at promoting exports. The Unified Customs Laws of the GCC allows exporters to recover the duty paid on their imported products once the product is re-exported. The fully government-funded Credit Oman SAOC provides credit insurance to exporters regardless of their nationality

15. State ownership remains important in Oman's economy, although privatization has been a policy objective for many years. Since the last Review, partial privatization took place in telecommunications and electricity transmission. In 2020, the Oman Investment Authority (OIA) was established to group together various state-owned entities. As at June 2021, there were 29 companies in which the OIA holds more than 40% of shares

16. In December 2014, Oman adopted its first law on competition. The Anti-Monopoly and Competition Law prohibits any activity that would undermine competition. Companies abusing a dominant position can be sanctioned. The Competition Protection and Monopoly Prevention Centre, established in 2018 and merged into the MOCIIP in 2020, reviews mergers and abuse cases. New legislation on consumer protection was also adopted in 2014; it reinforced the powers of the Consumer Protection Authority and increased potential penalties

17. Legislation on government procurement and intellectual property dates mainly from 2008. Public tender is the main method for procurement of goods and services. A price preference of 10% to the products of Omani SMEs and of 5% to products of other GCC countries is applied. Oman is an observer to the Government Procurement Agreement. Intellectual property right (IPR) infringements and violations can be subject to fines and imprisonment. The Public Prosecution Office may initiate legal action *ex officio* with respect to IPR-related offences, without the need for a formal complaint by a private party or right holder. A National Strategy for Intellectual Property with the aim of building a knowledge-based economy is currently under formulation

18. Agriculture and fisheries is considered as one of the key sectors for Oman's diversification strategy. The Government has the dual aim of reducing Oman's dependence on imported agricultural produce and increasing exports where possible. Oman does not maintain tariff quotas or quantitative restrictions on agricultural products. All the support measures notified by Oman to the WTO belong to the Green Box. During the review period, the spending of domestic support for the agriculture sector continued to decrease. In 2019, spending was OMR 8.2 million, down from OMR 24.5 million in 2013

19. Since the last Review, the institutions responsible for the mining and energy sector have been overhauled. The Ministry of Energy and Minerals became the umbrella entity overseeing sectoral policy development and regulating activities by licensees/concessionaires. In 2013, the In-Country Value strategy was first concepted in the energy sector, and subsequently rolled out nationwide as part of the country's diversification efforts

20. Manufacturing accounted for about 10% of GDP during the review period. Considering Oman's endowment of mineral resources, the sector is dominated by activities related to oil and gas, such as petroleum refineries and petrochemicals. Most manufacturing establishments are located in the industrial estates, free zones, and special economic zones, where they are served by the airports or ports nearby

21. Transport and logistics have been identified as key priorities for economic diversification. The Government invested heavily to expand and improve capacity across air, land, and sea. While the Ministry of Transport, Communications and Information Technology remains the policy maker for the transport sector, the wholly state-owned Asyad Group was created in 2016 to represent the state ownership of infrastructure assets. Almost half of the bilateral air service agreements offered the fourth freedom without restriction on capacity, destinations, and pricing. Sea port operation efficiency, in particular for container handling, improved during the review period; however, the long-anticipated national railway network has not been materialized

22. The telecommunications infrastructure in Oman has significantly improved since the last Review. In addition to a mobile network operator being licensed in 2021, the national backbone fibre optic network began construction in April 2014, and now covers 54% of urban regions. The COVID‑19 pandemic has increased the demand for certain telecom services (e.g. video conferencing and streaming services). To mitigate the impact, Oman adopted several measures including the abolishment of the ban on VoIP calls

23. During the review period, the legal framework for financial services continued being improved and modernized. The authorities maintain the same licensing procedures for local and foreign-owned banks. Ownership limitations for Islamic financial services (including banking and insurance) are similar to those applicable to conventional business

24. The tourism sector is also identified as key to the country's diversification programme, and considered as a source of significant employment. State involvement in the sector is quite large, while foreign investment restrictions remain in place. The COVID‑19 pandemic had a huge impact. According to the authorities, the lost revenue due to travel restrictions and lockdown measures was estimated to reach OMR 2.6 billion in 2020. To mitigate the impact, the authorities exempted tourism establishments from tourism tax and municipality tax for two years (2020-21)

1. ECONOMIC ENVIRONMENT
   1. Main Features of the Economy

Oman is situated in the south-eastern corner of the Arabian Peninsula, sharing land borders in the west with the Kingdom of Saudi Arabia, the United Arab Emirates, and Yemen. As the only member of the Gulf Cooperation Council (GCC) geographically outside the Gulf, Oman has 3,126 km coastline, flanked by the Sea of Oman from the northeast, and the Arabian Sea from the southeast[[1]](#footnote-1); the Gulf of Aden is not far from the southwest corner of the Sultanate. Oman is located near the main shipping lanes of the northern Indian Ocean, which sits strategically on the east-west trade routes, ensuring easy access to markets in the Middle East, South Asia, South East Asia, Africa, and Europe.

Oman is classified by the World Bank as a high-income economy.[[2]](#footnote-2) The economy was traditionally based on agriculture, fisheries, and trade before the discovery and development of oil and gas reserves. Though the country is less hydrocarbon-rich than its GCC neighbours, oil and gas still play a significant role in the economy. In 2020, the oil and gas sector accounted for 26.2% of national GDP (Table 1.1), and it contributes about 60% of Oman's merchandise exports (Table A1.1) and three quarters of total government revenues (Table 4.5).

Table 1.1 GDP by economic activity, 2014-20

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
|  | **2014** | **2015** | **2016** | **2017** | **2018** | **2019** | **2020** |
| **GDP (OMR billion)** | **31.0** | **26.3** | **25.2** | **27.1** | **30.7** | **29.3** | **24.3** |
| (% of GDP at current prices) | | | | | | | |
| Petroleum activities | 44.7 | 32.3 | 26.4 | 29.4 | 35.5 | 33.9 | 26.2 |
| Crude petroleum | 41.6 | 28.0 | 21.6 | 24.7 | 30.3 | 28.6 | 21.0 |
| Natural gas | 3.1 | 4.3 | 4.8 | 4.7 | 5.2 | 5.3 | 5.3 |
| Non‑petroleum activities | 57.3 | 70.2 | 76.5 | 73.4 | 67.0 | 68.8 | 76.6 |
| Agriculture and fishing | 1.2 | 1.9 | 2.3 | 2.2 | 2.1 | 2.3 | 2.7 |
| Mining and quarrying | 0.4 | 0.5 | 0.5 | 0.5 | 0.5 | 0.4 | 0.9 |
| Manufacturing | 9.0 | 9.6 | 9.1 | 9.9 | 10.4 | 10.3 | 7.5 |
| Refined petroleum products | 0.1 | 0.8 | 0.7 | 1.2 | 1.0 | 1.5 | .. |
| Chemicals and chemical products | 5.0 | 4.3 | 3.8 | 4.4 | 5.3 | 4.8 | 2.8 |
| Other manufacturing | 3.9 | 4.5 | 4.6 | 4.4 | 4.1 | 4.0 | 4.7 |
| Electricity and water supply | 1.4 | 1.9 | 2.0 | 1.8 | 1.9 | 2.1 | 3.0 |
| Building and construction | 5.9 | 7.6 | 9.0 | 7.6 | 6.3 | 6.2 | 9.1 |
| Services | 39.4 | 48.7 | 53.6 | 51.3 | 45.9 | 47.4 | 53.4 |
| Wholesale and retail trade | 6.9 | 8.4 | 8.6 | 8.2 | 7.2 | 6.9 | 8.4 |
| Transport, storage and communication | 4.6 | 5.9 | 6.0 | 6.0 | 5.6 | 5.8 | 6.0 |
| Financial intermediation | 4.4 | 5.5 | 6.4 | 6.4 | 6.3 | 6.8 | 6.8 |
| Real estate and business activities | 3.7 | 4.6 | 5.1 | 4.8 | 4.4 | 4.7 | 7.4 |
| Public administration and defence | 9.9 | 12.2 | 14.1 | 13.3 | 11.8 | 12.0 | 10.8 |
| Education | 5.1 | 6.2 | 6.6 | 6.1 | 5.1 | 5.4 | .. |
| Other | 4.8 | 6.1 | 6.7 | 6.4 | 5.5 | 5.8 | .. |
| Financial intermediation services indirectly measured | −1.9 | −2.6 | −2.9 | −2.8 | −2.5 | −2.7 | −2.8 |
| **Real GDP growth (%)** | **1.5** | **4.6** | **5.1** | **0.3** | **0.9** | **-0.8** | **-6.4** |
| Oil sector GDP | −1.6 | 4.4 | 3.8 | −3.0 | 2.3 | 0.2 | .. |
| Non‑oil sector GDP | 3.8 | 4.8 | 6.1 | 2.8 | 0.0 | −1.5 | .. |

.. Not available.

Source: National Centre for Statistics and Information.

As at end-2020, Oman's population was 4.6 million, with about 40% non‑Omani expatriates. Since 2018, the growth in the number of expatriates has slowed significantly[[3]](#footnote-3); in 2020, a net outflow of expatriates was observed. The population is very young. The age-dependency ratio[[4]](#footnote-4) is below 40% (Table 1.2). Around half the population is under 30[[5]](#footnote-5); among Omanis, young people under 25 accounted for 55% in 2020, while the elderly (above 65) accounted for 4%. Although this age structure implies pressures for the Government to create jobs especially for the young, it facilitates fiscal policy formulation, in terms of taxation and allocation of government spending, as it allays the concerns that are present in economies with ageing population.

Table 1.2 Oman population, 2014-20

**('000)**

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
| **Age group** | **2014** | **2015** | **2016** | **2017** | **2018** | **2019** | **2020** |
| **Omanis** | | | | | | | |
| 0-14 | 793.9 | 837.7 | 877.4 | 921.8 | 961.5 | 1,004.9 | 1,036.4 |
| 15-29 | 710.5 | 709.4 | 705.8 | 701.2 | 697.4 | 693.0 | 687.2 |
| 30-64 | 661.6 | 697.1 | 740.6 | 775.5 | 812.5 | 849.1 | 876.9 |
| 65+ | 133.0 | 144.0 | 149.5 | 106.9 | 107.9 | 108.1 | 101.7 |
| **Subtotal** | **2,260.7** | **2,344.6** | **2,427.8** | **2,505.4** | **2,579.2** | **2,655.1** | **2,702.2** |
| **Non‑Omanis** | | | | | | | |
| 0-14 | 90.8 | 91.0 | 89.5 | 85.9 | 85.8 | 90.6 | 141.1 |
| 15-29 | 612.6 | 603.9 | 653.4 | 663.1 | 570.9 | 535.2 | 463.7 |
| 30-64 | 1,022.4 | 1,111.8 | 1,235.2 | 1,296.7 | 1,354.2 | 1,324.4 | 1,279.0 |
| 65+ | 7.5 | 8.6 | 9.4 | 8.9 | 11.6 | 12.5 | 16.8 |
| **Subtotal** | **1,732.2** | **1,814.2** | **1,986.2** | **2,054.6** | **2,022.5** | **1,962.8** | **1,900.6** |
| **Total** | **3,992.9** | **4,159.1** | **4,414.1** | **4,560.0** | **4,601.7** | **4,617.9** | **4,602.8** |
| **Natural growth rate (%)** | **3.5** | **4.0** | **5.9** | **3.3** | **0.9** | **0.4** | **-0.3** |
| Omani | 4.0 | 3.7 | 3.5 | 3.1 | 2.9 | 2.9 | 1.8 |
| **Age-dependency ratio** | **32.0** | **33.2** | **32.4** | **32.7** | **32.4** | **35.7** | **39.2** |
| Omani | 64.8 | 66.7 | 67.9 | 69.7 | 70.8 | 72.2 | 72.8 |

Source: National Centre for Statistics and Information, *Population*. Viewed at: <https://data.gov.om/OMPOP2016/population>.

* 1. Recent Economic Developments

During the review period (2014-20), Oman's economy grew to a peak in 2016 at a rate of 5.1% before it began a sharp slowdown in 2017. The economy contracted by 0.8% in 2019, and the contraction in 2020 was widened to 6.4%, according to preliminary data (Table 1.3).

Table 1.3 Selected macroeconomic indicators, 2014-20

|  | **2014** | **2015** | **2016** | **2017** | **2018** | **2019** | **2020** |
| --- | --- | --- | --- | --- | --- | --- | --- |
| GDP at current prices (OMR billion) | 31.0 | 26.3 | 25.2 | 27.1 | 30.7 | 29.3 | 27.7 |
| GDP at current prices (USD billion) | 80.7 | 68.4 | 65.4 | 70.6 | 79.8 | 76.3 | 72.1 |
| Real GDP percentage change (in constant prices, base year 2010) | 1.5 | 4.6 | 5.1 | 0.3 | 0.9 | −0.8 | −6.4 |
| Oil sector GDP | −1.6 | 4.4 | 3.8 | −3.0 | 2.3 | 0.2 | −2.4 |
| Non‑oil sector GDP | 3.8 | 4.8 | 6.1 | 2.8 | 0.0 | −1.5 | −10.0 |
| GDP per capita ('000 USD) | 20.2 | 16.5 | 14.8 | 15.5 | 17.3 | 16.5 | 14.2 |
| Unemployment rate | 3.4 | 3.3 | 3.3 | 2.5 | 1.8 | 1.8 | 5.0 |
| Inflation (CPI, % change) | 1.0 | 0.1 | 1.1 | 1.6 | 0.9 | 0.1 | −0.9 |
| **Central government finances (% of GDP)** | |  |  |  |  |  |  |
| Total revenue | 44.0 | 34.5 | 29.7 | 31.4 | 35.7 | 35.5 | .. |
| Net oil revenue | 32.9 | 21.5 | 14.5 | 17.3 | 21.3 | 21.0 | .. |
| Gas revenue | 4.8 | 5.6 | 6.1 | 5.6 | 6.7 | 6.0 | .. |
| Custom duties | 0.7 | 0.9 | 1.2 | 1.0 | 0.9 | 0.7 | .. |
| Corporate income tax | 1.4 | 1.7 | 1.5 | 1.4 | 1.5 | 2.1 | .. |
| Other | 4.3 | 4.7 | 6.4 | 6.2 | 5.3 | 5.6 | .. |
| Total public expenditure | 47.2 | 52.1 | 55.8 | 45.2 | 44.3 | 44.5 | .. |
| Current expenditure | 26.4 | 34.8 | 36.3 | 32.9 | 31.9 | 28.8 | .. |
| Investment expenditure | 9.7 | 12.6 | 11.1 | 9.8 | 9.4 | 8.0 | .. |
| Other | 11.0 | 4.6 | 8.5 | 2.6 | 3.1 | 7.8 | .. |
| Surplus (+) or deficit (-) | −3.2 | −17.6 | −26.1 | −13.9 | −8.6 | −9.0 | .. |
| Means of financing | 1.3 | 5.3 | 23.1 | 18.4 | 11.9 | 8.5 | .. |
| Remaining surplus or deficit | −1.9 | −12.3 | −3.1 | 4.5 | 3.2 | −0.6 | .. |
| **Public debt** |  |  |  |  |  |  |  |
| Stock of debt (OMR billion) | 1.5 | 3.4 | 8.0 | 11.2 | 14.5 | 16.4 | .. |
| General government gross debt | 5.4 | 15.5 | 30.3 | 44.8 | 51.4 | 60.0 | 81.1 |
| Debt to GDP ratio (%) | 4.9 | 13.1 | 31.7 | 41.1 | 47.5 | 55.9 | .. |
| Debt services ratio (%) | 0.5 | 0.7 | 1.2 | 1.7 | 3.9 | 4.1 | .. |
| **Money and interest rates** |  |  |  |  |  |  |  |
| Broad money (annual percentage change) | 15.3 | 10.0 | 1.8 | 4.2 | 8.3 | 2.0 | 8.9 |
| Foreign assets (net), (annual percentage change) | −3.2 | −29.6 | −0.9 | −5.4 | 18.9 | −3.6 | −28.3 |
| Domestic assets, (annual percentage change) | 39.6 | 45.9 | 3.0 | 8.2 | 4.4 | 4.4 | 23.2 |
| Lending rate in OMR | 5.2 | 4.9 | 4.9 | 5.2 | 5.2 | 5.4 | 5.5 |
| Lending rate in foreign currency | 2.4 | 2.5 | 2.9 | 3.7 | 4.8 | 5.1 | 3.9 |
| Private sector time deposits, OMR | 2.1 | 1.8 | 2.6 | 3.6 | 3.6 | 3.9 | 4.1 |
| Private sector time deposits, foreign currency | 1.4 | 1.4 | 1.3 | 1.4 | 2.1 | 2.6 | 2.4 |
| Repos | 1.0 | 1.0 | 1.0 | 1.6 | 2.5 | 2.7 | 0.8 |
| Overnight interbank lending rate, OMR | 0.1 | 0.2 | 0.4 | 0.9 | 1.9 | 2.5 | 1.3 |
| **External sector** |  |  |  |  |  |  |  |
| OMR/EUR | 0.51 | 0.43 | 0.43 | 0.43 | 0.45 | 0.43 | 0.44 |
| OMR/USD | 0.38 | 0.38 | 0.38 | 0.38 | 0.38 | 0.38 | 0.38 |
| Price of crude oil, average (USD/bbl) | 96.2 | 50.8 | 42.8 | 52.8 | 68.3 | 61.4 | 41.3 |
| Nominal effective exchange rate | 104 | 112 | 113 | 114 | 113 | 116 | 117 |
| Total reserves (USD billion) | 16.3 | 17.5 | 20.3 | 16.1 | 17.4 | 16.7 | 15.0 |
| Total reserves in months of imports | 4.5 | 5.3 | 7.1 | 4.9 | 5.0 | 5.0 | 6.5 |
| Total gross external debt (% of GDP) | 28.2 | 50.9 | 71.6 | 84.9 | 85.6 | 97.7 | 126.9 |
| Current account (% of GDP) | 5.2 | −16.0 | −19.2 | −15.6 | −5.4 | −5.4 | −12.0 |
| Trade in goods and services (% of GDP, BoP basis) | 117.2 | 110.9 | 95.1 | 101.8 | 102.4 | 99.9 | 83.2 |
| Workers' remittance outflows (USD billion) | 10.3 | 11.0 | 10.3 | 9.8 | 10.0 | 9.1 | 8.8 |
| FDI flows (USD billion) |  |  |  |  |  |  |  |
| In Oman | 1.3 | −2.2 | 2.3 | 2.9 | 4.2 | 3.1 | 4.1 |
| Abroad | 1.4 | 0.3 | 0.4 | 2.4 | 0.6 | 1.1 | 1.3 |

.. Not available.

Source: National Centre for Statistics and Information, Data Portal. Viewed at: <https://data.gov.om/>; Central Bank of Oman (CBO), *Annual Reports* 2018 and 2019 and *Quarterly Statistical Bulletin*, December 2020; World Bank, *Commodity Markets*. Viewed at: <https://www.worldbank.org/en/research/commodity-markets>; IMF data. Viewed at: <https://data.imf.org/>; and UNCTAD Stat. Viewed at: <https://unctadstat.unctad.org/EN/>.

Net exports of goods and services were the main driver for economic growth during the review period (Chart 1.1). In the first half of the review period, the economic expansion can also be attributed to the non‑oil sector, especially to infrastructure investment resulted from implementing the National Programme for Enhancing Economic Diversification (Tanfeedh programme).

Chart 1.1 Expenditure component contributions to GDP growth, 2014-19

[INSERT FIGURE 001]

Source: WTO Secretariat estimates, based on data from the National Centre for Statistics and Information.

Oman faces a double challenge from low oil prices and the COVID‑19 pandemic. Since onset of the oil price shock in 2014, the oil sector's GDP has contracted by 1.6% on a year-on-year basis (Table 1.1). The contraction was cushioned by the expansion of crude oil production, with average daily output rising from 943,500 barrels per day (bpd) in 2014 to a peak at slightly over 1 million bpd in 2016 (Table 4.5). Since then, production has declined, as a result of the OPEC+ agreement that initially took effect in November 2017[[6]](#footnote-6); as of July 2020, production was cut to 760,000 bpd.[[7]](#footnote-7)

The outbreak of the COVID‑19 pandemic in early 2020 caused a sharp contraction in global activity and abrupt decline in travel and transportation, which resulted in an unprecedented decline in global oil demand, as lockdowns halted many petroleum-intensive economic activities. According to the International Energy Agency (IEA), global oil demand fell from 100 million bpd in the last quarter of 2019 to 83 million bpd in mid-2020. As lockdowns were eased and economic activity restarted, oil demand began to recover in the third quarter of 2020 and is expected to reach 97 million bpd by end-2021 (still below the 2019 level).[[8]](#footnote-8) Consequently, despite the production cuts, spot and futures prices remained below the pre‑pandemic level, and global oil demand remains susceptible to weaker economic activity that could result from the resurgence of infections.[[9]](#footnote-9) Real oil GDP contracted by 2.4% in 2020; the decline was shallower compared to those of its GCC neighbours, due to strong oil condensate production that is not covered by the OPEC+ agreement.

Oman will benefit from the continued growth in demand for natural gas, which accounts for 25% of hydrocarbon revenues.

The authorities responded rapidly to contain the spread of COVID‑19 infections. Measures included a ban on non‑essential businesses, social distancing requirements, and border restrictions, while increasing health and medical support and social assistance to the population. The swift and well-coordinated response effectively limited the spread of COVID‑19 in the latter part of 2020, but social distancing and other restrictions weighed heavily on economic activity, and the construction, hospitality, and wholesale and retail trade sectors were particularly hard-hit. According to preliminary data, non‑hydrocarbon GDP in 2020 contracted by 10% (Table 1.3).

Since the oil price shock in 2014, Oman's revenues from oil shrank by 66%, from OMR 10.2 billion in 2014 to OMR 3.4 billion in 2020. Thus, its fiscal and current accounts ran into deficit, which pushed government and external debt up and reduced external buffers (Chart 1.2). As a result, the authorities have implemented a series of fiscal reforms since 2015, aiming to shift the budget on to a more sustainable trajectory.

On the revenue front, new taxes and other collection enhancement measures were introduced. The corporate income tax was raised from 12% to 15% in 2017, and the exemption allowance of OMR 30,000 (USD 77,900) was abolished. Also, the authorities in 2017 broadened the scope of a 10% withholding tax, which applies to certain payments to foreign individuals. Excise taxes were introduced in June 2019, with a rate of 50% on carbonated drinks, alcohol, and sugar-sweetened drinks, and 100% on tobacco, energy drinks, and pork. The value added tax (VAT), with a standard rate of 5%, was introduced in April 2021; VAT exemptions may be applied to export products, oil, gas, and certain services, such as health, education, local transport, property sales, and financial services.

The contribution from customs duties to total government revenue is small, accounting for 2.6% of total revenue on average during the review period. Given the economic structure, the revenues from the VAT and excise tax are collected mostly from imports, although the authorities note that the VAT and excise tax are equally applied to imports and domestically produced products. In 2020, Oman collected OMR 72 million in excise tax revenue.

Chart 1.2 Oil prices, revenues, and fiscal and current account deficits, 2014-20

[INSERT FIGURE 002]

Source: National Centre for Statistics and Information, Data Portal. Viewed at: <https://data.gov.om/>; and World Bank, *Commodity Markets*. Viewed at: <https://www.worldbank.org/en/research/commodity-markets>.

Although the authorities have made efforts to constrain expenditure, such as reducing subsidies on fuel in 2016 and on electricity for companies in 2017, government expenditure remained rigid during the review period. The Government maintained its commitments to infrastructure investment, as set forth in the Tanfeedh programme; during the review period, investment expenditure accounted for 10% of GDP, on average, each year (Table 1.3). While phasing out subsidies, the authorities simultaneously introduced schemes to support low-income households so that they are not unduly burdened by the cuts.

Facing the COVID‑19 pandemic, the authorities implemented a series of measures to mitigate the impact of the shock. Fiscal measures to support the economy included interest-free emergency loans, waiving or reducing selected taxes and fees, flexibility to pay taxes in instalments, and establishing the Job Security Fund to support citizens who lost their jobs.[[10]](#footnote-10) It is estimated that the scale of these measures is equivalent to 5% of GDP (OMR 1.2 billion).[[11]](#footnote-11)

Although the efforts of fiscal consolidations managed to stop the rising trend in current spending, they have yet to fully offset the decline in oil revenue. The sharp decline in nominal GDP implied a rise in the debt-to-GDP ratio: In 2020, government gross debt was equivalent to 81% of GDP, up from 60% in 2019 and 5.4% in 2014 (Table 1.3). The deficit was financed by external bond issuance, drawdown of central bank and sovereign wealth fund assets, and privatization proceeds.

Oman operates a pegged exchange rate regime, fixing the exchange rate of OMR 0.38 per US dollar. The exchange rate peg delivered monetary policy credibility with low and stable inflation[[12]](#footnote-12) (Table 1.3). Under the exchange rate pegging, the Central Bank of Oman (CBO) conducts its monetary policy consistent with the policy by the United States Federal Reserve. The domestic policy rates evolve in line with the movement of US monetary policy target rates.[[13]](#footnote-13) Currently, the CBO's policy interest rate is 0.5%.[[14]](#footnote-14)

However, the liquidity in the domestic monetary market is highly associated with oil prices: when oil prices are high, the liquidity increases, hence the interbank rate and lending rates decline; when oil prices are low the reverse occurs. Therefore, oil price-driven liquidity fluctuations can generate an undesired divergence with policy rates and impede monetary policy transmission.[[15]](#footnote-15) During the review period, the spread between the CBO's policy rate and the market lending rate widened (Chart 1.3). Under the expectation of persistent low oil prices, Oman's diversification effort through non‑oil sector growth may be further complicated by external monetary shocks.

Chart 1.3 Interbank rates and CBO policy rates, 2014Q1-2021Q1

[INSERT FIGURE 003]

Source: Information provided by the authorities.

Facing the difficulties caused by COVID‑19, the CBO eased financial conditions through lower interest rates and liquidity injections, deferred loan instalment payments, and relaxed macro prudential requirements on capital buffers and liquidity ratios.

To maintain fiscal sustainability and support the exchange rate peg over the medium- to long-term, further gradual fiscal adjustment is needed.[[16]](#footnote-16) Further fiscal reform would also reduce borrowing costs and support higher growth. In this regard, the Fiscal Adjustment Plan (also known as Tawazun) was announced in September 2019. Reflecting the challenges by COVID‑19, the Medium-Term Fiscal Plan was issued in November 2020. Both plans aim to significantly reduce the fiscal deficit and national debt over the period of 2021-25. In addition to the attempt to boost non‑oil revenues, the plans set forth some key expenditure measures for a broader range of structural reforms, including civil service, energy subsidies, public investment, and expenditure efficiency. According to the IMF, these fiscal adjustments would be key to bringing the external position more in line with fundamentals, bolstering external sustainability, and supporting the currency peg.

Though the value of merchandise imports declined by about 25% during the review period, merchandise export value dropped by about 28% – mostly owing to low hydrocarbon exports (Table 1.4 and Chart 1.2). Consequently, the current account has been in deficit since 2015, and is estimated to have widened from 5.4% of GDP in 2019 to 10% in 2020 (Table 1.3). International reserves declined slightly to around USD 15 billion (6.5 months of imports), reflecting stable foreign direct investment (FDI) inflows and a bond issuance (Table 1.4).

Table 1.4 Balance of payments, 2014-20

**(USD million)**

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
|  | **2014** | **2015** | **2016** | **2017** | **2018** | **2019** | **2020** |
| **Current account** | **4,206.3** | **-10,939.0** | **-12,539.5** | **-10,980.0** | **-4,287.3** | **-4,140.3** | **-8,659.8** |
| **Goods** | **25,676.9** | **9,118.6** | **6,259.2** | **8,764.5** | **18,084.3** | **18,229.1** | **11,615.2** |
| Exports (f.o.b.) | 53,566.0 | 35,682.3 | 27,545.7 | 32,885.8 | 41,730.1 | 38,685.9 | 30,506.3 |
| Oil | 30,951.4 | 17,853.6 | 13,324.8 | 16,124.8 | 22,809.2 | 22,068.3 | 14,785.2 |
| Natural gas | 4,228.1 | 3,328.4 | 2,634.4 | 3,032.5 | 4,464.4 | 4,447.7 | 3,420.6 |
| Other exports | 10,729.5 | 7,812.5 | 6,238.5 | 8,260.1 | 9,693.2 | 8,402.0 | 7,880.9 |
| Re-export | 7,657.0 | 6,687.9 | 5,348.0 | 5,467.9 | 4,763.2 | 3,768.0 | 4,419.5 |
| Imports (f.o.b.) | −27,889.1 | −26,563.7 | −21,286.6 | −24,122.2 | −23,645.8 | −20,456.8 | −18,891.0 |
| **Services** | **-6,883.3** | **-6,818.9** | **-6,420.1** | **-6,761.1** | **-7,138.0** | **-7,092.3** | **-6110.8** |
| Credit | 3,130.4 | 3,394.6 | 3,503.1 | 4,010.4 | 4,591.3 | 5,000.8 | 2,222.7 |
| Debit | −10,013.7 | −10,213.6 | −9,923.1 | −10,839.1 | −11,729.3 | −12,093.1 | −8,333.4 |
| **Income** | **-4,286.5** | **-2,247.8** | **-2,066.5** | **-3,168.0** | **-5,276.0** | **-6,143.2** | **-5,392.0** |
| Credit | 1,182.9 | 670.9 | 966.7 | 1,000.6 | 1,168.5 | 1,187.6 | 727.4 |
| Debit | −5,469.4 | −2,918.7 | −3,033.2 | −4,168.6 | −6,444.5 | −7,330.8 | −6,119.3 |
| **Current transfers** | **-10,300.8** | **-10,990.9** | **-10,312.1** | **-9,815.3** | **-9,957.7** | **-9,133.9** | **-8,772.2** |
| **Capital and financial account** | **-2,151.9** | **12,008.2** | **4,198.0** | **8,860.0** | **7,766.0** | **3,499.9** | **6,996.9** |
| **Capital account** | **-130.6** | **543.0** | **515.0** | **258.8** | **102.0** | **113.9** | **235.9** |
| **Financial account** | **-2,021.3** | **11,465.1** | **3,683.0** | **8,601.2** | **7,664.1** | **3,386.0** | **6,761.0** |
| Direct investment | −70.0 | −2,507.4 | 1,909.5 | 493.6 | 5,225.0 | 2,791.9 | 2,325.1 |
| Assets | −1,356.3 | −335.0 | −356.6 | −2,423.7 | −716.3 | −627.8 | −534.5 |
| Liabilities | 1,286.3 | −2,172.4 | 2,266.1 | 2,917.3 | 5,941.2 | 3,419.8 | 2,859.6 |
| Portfolio investment | −776.1 | 855.5 | 4,999.9 | 6,286.0 | 6,800.1 | 1,180.0 | 2,242.9 |
| Assets | −1,574.5 | −1,152.6 | 371.5 | −1,409.9 | −1,775.3 | −1,879.6 | −1,031.7 |
| Liabilities | 798.4 | 2,008.1 | 4,628.3 | 7,695.9 | 8,575.4 | 3,059.6 | 3,274.6 |
| Other investment | −1,175.3 | 13,117.1 | −3,226.3 | 1,821.5 | −4,361.0 | −585.9 | 2,193.0 |
| Assets | −1,201.0 | 7,064.0 | −2,122.6 | −2,359.3 | −2,968.9 | −3,926.9 | 1,135.1 |
| Liabilities | 25.7 | 6,053.1 | −1,103.7 | 4,180.9 | −1,392.1 | 3,341.0 | 841.9 |
| **Net errors & omissions** | **-938.7** | **-457.4** | **-1,061.3** | **-652.7** | **-903.6** | **-764.6** | **-618.8** |
| **Overall balance** | **1,115.7** | **611.8** | **-9,402.9** | **-2,772.7** | **2,575.0** | **-1,405.0** | **-2,281.7** |

Source: National Centre for Statistics and Information.

Diversification is an important component of Oman's Ninth Five-Year Development Plan (2016-2020). The Plan identified manufacturing, transport and logistic services, tourism, fisheries, and mining as five priority sectors for the Sultanate's diversification efforts.[[17]](#footnote-17) The Plan was executed by the National Programme for Enhancing Economic Diversification (Tanfeedh programme) to track and coordinate reform efforts across priority sectors. The ongoing Tanfeedh implementation is focused on economic diversification and job creation. Through the programme, a total of OMR 12.1 billion was planned to be invested in these sectors, of which 50% (OMR 6.1 billion) was destined for transport infrastructure; it was observed that Oman's re-export and logistics sector experienced a boost in the last few years.

Omanization is the job creation policy for Omanis. Under Oman Vision 2040, Oman's latest long-term strategy published in January 2019 (Section 2), Omanis are expected to account for over 40% of the workforce in the private sector. Omanization quotas are assigned to various sectors, including 60% for transport, storage, and communications; 45% for finance, insurance, and real estate; 35% for industry; 30% for hotels and restaurants; 20% for the wholesale and retail trades; and 15% for contracting. The quotas may be reviewed periodically. The authorities have taken steps to ensure that the Omanization quotas are met, for instance, from January 2018 a total of 87 occupations are subject to a temporary ban on hiring foreign workers[[18]](#footnote-18); in May 2019, the coverage of the ban was expanded to some positions at the executive levels.[[19]](#footnote-19)

Oman Vision 2040 continues the focus on diversification, and aims to transform the economy to be more driven by the private sector[[20]](#footnote-20), especially to encourage more solid development of small and medium-sized enterprises. In this regard, Oman in 2019 enacted several new laws to facilitate structural reform. The new laws are wide-ranging, covering foreign investment, privatization, public-private partnerships, bankruptcy, and company laws. However, the final impact of the reforms will be decided by the executive regulations, implementation rules, and the day-to-day operation of the laws.

* 1. Developments in Trade and Investment
     1. Trends and patterns in merchandise and services trade

During the review period, Oman's merchandise trade, both exports and imports, declined by more than 25%; in terms of value, exports dropped slightly deeper than imports (Section 1.2).

Though its share in total exports dropped, crude oil remained the largest merchandise export earner. Exports from the oil and gas sector accounted for over 60% of total goods exports throughout the review period. Although the continued growth of demand for natural gas benefits Oman, the export of liquified natural gas remained stable, in terms of value, during the review period. Manufacturing exports were mainly basic metals and petrochemical products, accounting for 8.1% and 5.7% of total exports in 2020, respectively (Chart 1.4).

With regard to merchandise imports, Oman spent the most on machinery and electrical equipment. During the review period, imports of machinery and electrical equipment were worth over USD 5 billion on average each year. The second largest group of products that Oman imported during the review period was transport equipment, including motor vehicles, and their parts and components. Notably, transport equipment was the largest group of products in Oman's re-exports. During the review period, the value of transport equipment re-exports was equivalent to more than 50% of the same of imports. Mineral products were another main group of Oman's imported goods, most of which were attributed to refined petroleum products (Table A1.2).

Oman's top markets for oil exports are mainly Asian economies, including China; India; Japan; the Republic of Korea; the Separate Customs Territory of Taiwan, Penghu, Kinmen and Matsu (Chinese Taipei); Thailand; and Singapore. With regard to non‑oil exports, the GCC neighbours, especially the United Arab Emirates and the Kingdom of Saudi Arabia, were the largest market for Omani exports, followed by China and the United States (Table A1.3). The United Arab Emirates remained the largest source for Omani's imports, accounting for 43% of total imports in 2020 (Chart 1.5). Oman also imported goods from the European Union, China, India, Brazil, and the United States (Table A1.4).

During the review period, Oman remained a net importer of services (Table 1.5).

Transport services accounted for the largest share in services trade, both regarding exports and imports. Personal travel was an important foreign exchange earner, accounting for about 30% of total export of services. On the import side, around 30% of services imports were attributed to business services, for example, professional services (Table 1.5).

Chart 1.4 Product composition of merchandise trade by main HS sections, 2014 and 2020

[INSERT FIGURE 004]

Source: WTO Secretariat calculations, based on information provided by the authorities.

Chart 1.5 Direction of merchandise trade, 2014 and 2020

[INSERT FIGURE 005]

Source: WTO Secretariat calculations, based on information provided by the authorities.

Table 1.5 Trade in services, 2014-20

**(USD million)**

|  | **2014** | **2015** | **2016** | **2017** | **2018** | **2019** | **2020** |
| --- | --- | --- | --- | --- | --- | --- | --- |
| **Trade balance** | **-6,884** | **-6,819** | **-6,420** | **-6,761** | **-7,138** | **-7,214** | **-6,111** |
| **Exports** | **3,130** | **3,395** | **3,503** | **4,079** | **4,591** | **4,898** | **2,223** |
| Transportation | 1,160 | 1,257 | 1,313 | 1,742 | 2,170 | 2,372 | 1,097 |
| Sea transport | 563 | 550 | 541 | 772 | 952 | .. | .. |
| Air transport | 596 | 707 | 772 | 970 | 1,217 | .. | .. |
| Travel | 1,375 | 1,540 | 1,618 | 1,747 | 1,758 | 1,811 | 441 |
| Business travel | 406 | 424 | 356 | 437 | 440 | 453 | .. |
| Personal travel | 970 | 1,117 | 1,261 | 1,310 | 1,319 | 1,358 | .. |
| Health-related | 0 | 0 | 0 | 0 | 0 | 0 | .. |
| Education-related | 0 | 0 | 0 | 0 | 0 | 0 | .. |
| Other | 970 | 1,117 | 1,261 | 1,310 | 1,319 | 1,358 | .. |
| Communications services | 95 | 89 | 108 | 104 | 187 | 234 | 222 |
| Insurance services | 48 | 41 | 40 | 38 | 39 | 42 | 40 |
| Other business services | 452 | 468 | 425 | 447 | 437 | 460 | 423 |
| **Imports** | **10,015** | **10,215** | **9,923** | **10,840** | **11,729** | **12,112** | **8,333** |
| Transportation | 4,001 | 3,945 | 3,549 | 4,105 | 4,525 | 4,372 | 2,750 |
| Sea transport | 3,561 | 3,470 | 3,044 | 3,525 | 3,857 | 3,601 | .. |
| Air transport | 426 | 439 | 505 | 580 | 668 | 771 | .. |
| Travel | 1,655 | 1,769 | 2,138 | 2,335 | 2,542 | 2,635 | 1,036 |
| Business travel | 293 | 262 | 295 | 362 | 369 | .. | .. |
| Personal travel | 1,362 | 1,507 | 1,843 | 1,974 | 2,172 | .. | .. |
| Health-related | 376 | 410 | 459 | 491 | 560 | .. | .. |
| Education-related | 252 | 265 | 289 | 341 | 432 | .. | .. |
| Other | 733 | 832 | 1,095 | 1,142 | 1,180 | .. | .. |
| Communications services | 115 | 114 | 123 | 122 | 200 | 242 | 256 |
| Insurance services | 917 | 1,006 | 938 | 1,024 | 1,064 | 1,077 | 1,060 |
| Other business services | 3,326 | 3,382 | 3,176 | 3,254 | 3,399 | 3,787 | 3,232 |

.. Not available.

Source: National Centre for Statistics and Information.

* + 1. Trends and patterns in FDI

During the review period, FDI stock in Oman nearly doubled, from USD 19.7 million in 2014 to USD 37.9 million in 2019. In terms of capital sources, the United Kingdom was the largest investor, accounting for 52% of FDI stock, followed by the United States (12%), the United Arab Emirates (8%), and the State of Kuwait (6%) (Table 1.6).

Table 1.6 FDI stock, 2014-19

**(USD million)**

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
|  | **2014** | **2015** | **2016** | **2017** | **2018** | **2019** |
| **Total** | **19.7** | **17.9** | **21.0** | **27.7** | **33.0** | **37.9** |
| By origin |  |  |  |  |  |  |
| United Arab Emirates | 2.2 | 2.2 | 2.6 | 2.7 | 2.7 | 3.1 |
| Qatar | 0.7 | 1.0 | 1.0 | 1.0 | 0.9 | 0.9 |
| Kuwait, State of | 0.9 | 1.0 | 1.1 | 1.1 | 1.0 | 2.2 |
| Bahrain, Kingdom of | 0.7 | 0.8 | 0.9 | 0.9 | 0.9 | 1.0 |
| India | 0.8 | 0.7 | 0.6 | 0.7 | 0.7 | 0.8 |
| China | .. | .. | .. | .. | .. | 0.2 |
| United Kingdom | 9.4 | 6.7 | 9.1 | 13.6 | 17.2 | 19.7 |
| Netherlands | 0.5 | 0.7 | 0.6 | 0.6 | 0.7 | 0.8 |
| Switzerland | 0.4 | 0.7 | 0.7 | 0.7 | 0.6 | 0.7 |
| United States | 0.7 | 0.7 | 0.6 | 2.4 | 4.0 | 4.7 |
| Other | 3.5 | 3.5 | 3.7 | 4.1 | 4.3 | 3.7 |
| By sector |  |  |  |  |  |  |
| Oil and gas exploration | 10.6 | 7.8 | 10.3 | 16.4 | 22.2 | 25.3 |
| Financial intermediation | 2.9 | 3.6 | 3.7 | 3.8 | 3.8 | 3.7 |
| Manufacturing | 2.4 | 2.7 | 2.7 | 2.9 | 3.0 | 4.3 |
| Real estate – renting and business activities | 1.3 | 1.4 | 1.6 | 1.7 | 1.6 | 2.0 |
| Other | 2.4 | 2.5 | 2.6 | 2.9 | 2.4 | 2.6 |

.. Not available.

Source: National Centre for Statistics and Information.

The majority of FDI (approximately 67% of FDI stock) was destined for oil and gas exploration activity; this reflected the Ministry of Energy and Minerals holding a number of concession rounds during the review period and signing new Exploration and Production Sharing Agreements (Section 4.2.2), for instance, for the recently developed Khazzan natural gas field. Following oil and gas exploration, the manufacturing sector received the second largest share of FDI (about 11%). According to the authorities, the foreign capital was mainly invested in the petrochemical industry located in the Duqm Special Economic Zone.

The third destination for FDI in Oman is real estate (Table 1.6). This was attributed to the strength of the wholesale and retail trades, which accounted for 8% of non‑oil GDP. Oman's retail sector was shaped by the construction of major shopping malls due to the high density of the urban population – more than 80% of the population live in urban areas, and 50% live in and around Muscat.[[21]](#footnote-21)

As part of the diversification effort, FDI is expected to play an important role in structural reform, and contribute to achieving the objectives of diversification and a more private-sector-driven economy. In this regard, Oman modernized its foreign investment regime in 2020, with the New Foreign Capital Investment Law entering into force, repealing the Foreign Capital Investment Law of 1994. Under the new Law, 100% foreign-owned companies are now allowed. Also, the Law abolished the minimum capital requirement and the local partner requirement for setting up a business in Oman (Section 2.4).

1. TRADE AND INVESTMENT REGIMES
   1. General Framework

A new Constitution was promulgated by Sultan Haitham bin Tariq in January 2021, replacing the Constitution of 1996.[[22]](#footnote-22) Also referred to as the Basic Statute of the State, it decrees that the Sultan is the head of state and provides for a two-chamber Council named the Oman Council (or Council of Oman). The Oman Council is composed of the State Council (Majlis al-Dawla) and the Consultative Council (Majlis al-Shura). Pursuant to Article 72, the Oman Council has the right to propose, approve, or amend bills, and to discuss development plans and the state budget.

The State Council acts as the upper house; its members are appointed by the Sultan for four-year terms. The last renewal of the State Council took place in November 2019, when 85 members were appointed.[[23]](#footnote-23) The membership of the State Council cannot exceed that of the Consultative Council, which currently stands at 86 members, elected by the Omani people for four years. The last election was held in 2019.[[24]](#footnote-24)

Legislative authority is vested in the Sultan, while executive authority is vested in the Sultan together with the Council of Ministers. The Sultan exercises his powers directly and through the Ministers. He also appoints the Prime Minister, Deputy Prime Minister, and Ministers. Moreover, the Sultan has the right to propose laws and is the ratification and promulgation authority.

Following the death of Sultan Qaboos on 10 January 2020, his cousin Haitham bin Tariq Al Said became the new Sultan. Sultan Qaboos had been Oman's ruler for almost 50 years. Prior to his accession to the throne, Sultan Haitham was Minister of Heritage and Culture, and head of the main committee of Oman Vision 2040, Oman's current long-term development plan. The Basic Statute of the State also introduced a mechanism for the designation of a Crown Prince, with a view to ensuring political stability.

The Sultan retains the post of Prime Minister and is also the supreme commander of the armed forces. In 2020, substantive changes were implemented in the structures of individual ministries and public authorities (Table 2.1). Notably, the Ministry of Commerce, Industry, and Investment Promotion (MOCIIP) replaced the Ministry of Commerce and Industry. The Public Authority for Investment Promotion and Export Development and the Competition Protection and Monopoly Prevention Centre were merged into the new MOCIIP.[[25]](#footnote-25) Royal Decree No. 105/2020 created the Public Authority for Special Economic Zones and Free Zones.

Headed by the Prime Minister, the Council of Ministers assists the Sultan in formulating and implementing policies. Cabinet resolutions are passed when the majority of the Cabinet's members are present and with the approval of the majority of those present. The Cabinet also submits recommendations to the Sultan on economic, political, social, environmental, executive, and administrative matters, and proposes draft laws and changes to existing laws.

Bills are prepared by the relevant ministries and presented by the Cabinet to the Consultative and State Councils. Alternatively, the Oman Council can propose draft laws to be submitted to the Government, which will resend the bill to the Councils after approval. They are then issued by the Sultan through a Royal Decree and must be published in the Official Gazette within two weeks of issuance; they enter into effect on the date of publication unless otherwise prescribed.[[26]](#footnote-26)

The Basic Statute of the State lays out the basic functioning of the judiciary, with the Islamic Law (Sharia) as the basis for national legislation. It also establishes that Islam is the state religion. Under Article 77, the judiciary is an independent and separate body. The system comprises primary, appeal, and supreme courts. Within each level, Sharia or religious, criminal, administrative, or commercial courts adjudicate cases according to their specialization. The commercial courts have jurisdiction over commercial disputes between private sector parties, government departments or authorities, and general establishments. Taxation and labour disputes, as well as government decisions, affecting international trade can be appealed to the Commercial Court.[[27]](#footnote-27) According to the authorities, in 2018, Oman established the Oman Commercial Arbitration Centre, a non‑governmental agency serving as an alternative to litigation in commercial disputes, which reports to the Oman Chamber of Commerce and Industry.

Table 2.1 List of ministries and their recent changes

| **Government agency** | **Institutional change** |
| --- | --- |
| Ministry of Culture, Sports and Youth | Established by Royal Decree No. 87/2020. Replaced the Ministry of Sports Affairs, the Ministry of Arts Affairs, the National Youth Commission, and cultural affairs from the Ministry of Heritage and Culture. |
| Diwan of Royal Court |  |
| Ministry of Interior | Under Royal Decree No. 101/2020, the Ministry of Regional Municipalities and Water Resources was incorporated into the Ministry of Interior. |
| Ministry of Foreign Affairs | None |
| Ministry of Finance | None |
| Ministry of Awqaf and Religious Affairs | None |
| Ministry of Energy and Minerals | Established by Royal Decree No. 96/2020.  Replaced the Ministry of Oil and Gas and the Public Authority for Mining. |
| Ministry of Health | Structured under Royal Decree No. 80/2020. |
| Ministry of Education | Structured under Royal Decree No. 79/2020. |
| Ministry of Justice and Legal Affairs | Established by Royal Decree No. 88/2020. Replaced the separate Ministries of Justice and of Legal Affairs. |
| Ministry of Information | Established by Royal Decree No. 95/2020. Replaced the Public Authority for Radio and Television; the Oman Establishment for Press, Publication and Advertising; the Media Training Centre; and the Directorate General of Communications. |
| Ministry of Heritage and Tourism | Established by Royal Decree No. 91/2020. Replaced the Ministry of Heritage and Culture and the Ministry of Tourism. |
| Ministry of Agriculture, Fisheries and Water Resources | Established by Royal Decree No. 92/2020. Replaced the Ministry of Agriculture and Fisheries, the Public Authority for Stores and Food Reserve, the divisions relating to water resources, and the Food Safety and Quality Centre in the Ministry of Regional Municipalities and Water Resources. |
| Ministry of Housing and Urban Planning | Established by Royal Decree No. 93/2020. Replaced the Ministry of Housing and the Secretariat General of the Supreme Council for Planning's urban planning assets and rights. |
| Ministry of Higher Education, Research and Innovation | Established by Royal Decree No. 98/2020. Replaced the Ministry of Higher Education, the Research Council and its Secretariat General, the Directorate General of Vocational Training, and the Directorate General of Occupational Standards and Curriculum Development in the Ministry of Manpower. |
| Ministry of Transport, Communications and Information Technology | Established by Royal Decree No. 90/2020 in August 2020. Replaced the Ministry of Transport and the Ministry of Technology and Communications. |
| Ministry of Economy | Established by Royal Decree No. 94/2020. Replaced the Secretariat General of the Supreme Council for Planning. |
| Ministry of Commerce, Industry, and Investment Promotion | Established by Royal Decree No. 97/2020. Replaced the Ministry of Commerce, the Public Authority for Investment Promotion and Export Development, and the Competition Protection and Monopoly Prevention Centre. |
| Ministry of Social Development | None |
| Ministry of Labour | Established by Royal Decree No. 89/2020. Replaced the Civil Service Council, the Ministry of Manpower, the Ministry of Civil Service, the National Training Fund, and the National Centre for Employment. |

Source: Compiled by the WTO Secretariat, based on information provided by the authorities.

In order of decreasing importance, the Basic Statute of the State is followed by Royal Decrees and laws, and secondary legislation such as ministerial decisions and resolutions and executive regulations.[[28]](#footnote-28) The application of the Basic Statute of the State shall not prejudice treaties and agreements the Sultanate has entered into with other countries, or with international institutions or organizations. The authorities indicate that international agreements and treaties, after their ratification, are considered domestic law and can be invoked before domestic courts.

* 1. Trade Policy Formulation and Objectives

Oman's long-term economic goals are laid out in Oman Vision 2040, which was published in 2019 and replaced the Long-term Development Strategy (1996-2020). These goals are to achieve developed country status by 2040, diversify production and enhance the contribution of non‑oil sectors, and create employment opportunities for the country's skilled labour force. In particular, Oman Vision 2040 envisions the share of the non‑oil sector growing to 90% of gross domestic product (GDP).

Diversifying production away from oil and gas and reducing state ownership have been two of Oman's main economic goals for years. However, success towards meeting these objectives was limited. Central Bank of Oman figures indicate that in 2018 the hydrocarbon sector still represented 36% of nominal GDP and 78.2% of government revenues.[[29]](#footnote-29)

On trade issues, Oman Vision 2040 has similar objectives to those of the Long-term Development Strategy (1996-2020), that is, to: (i) improve the ease of doing business in Oman; (ii) attract foreign investment; (iii) create a more competitive and diversified economy; and (iv) position Oman as a commercial hub. To achieve diversification of traded products and trading partners, the Vision advocates for partnership building, especially for the exportation of high-tech and value-added components.[[30]](#footnote-30) In 2016, the Government established an Implementation Support and Follow-Up Unit to accelerate diversification efforts.[[31]](#footnote-31)

Creating more employment opportunities remains an important objective. Through an "Omanization" process, native Omanis are encouraged to take part in the labour force, especially in the private sector. The recent Privatization Law (Royal Decree No. 51/2019) has the objective to stimulate private sector growth. In addition, the Public Authority for Privatization and Partnership, which was created in 2019 and merged into the Ministry of Finance in 2020, aims to attract both domestic and foreign private companies into infrastructure and public service projects.

Under the long-term strategies, successive five-year plans have been used since 1996 to guide economic policy. The 2016-2020 Five-Year Development Plan initiated the Tanfeedh programme to support various sectors, such as manufacturing, tourism, mining, fishery, transportation, and logistics, to diversify income sources.

Formulation of trade policy is under the responsibility of the MOCIIP, in coordination with other ministries. The private sector provides inputs to trade policy formulation through the Chamber of Commerce and Industry, which has 17 specialized committees covering a vast array of economic issues including tourism, industry, food security, and labour.[[32]](#footnote-32)

The National Committee (NC), created in 2001, deals with all WTO-related matters. It acts under the chair of the MOCIIP. It comprises representatives from various ministries, the customs authority, and the private sector. It meets several times a year. Furthermore, a committee on Gulf Cooperation Council (GCC) issues, which meets four times a year, also deals with WTO issues, but at the regional level.

In 2014, Oman established the National Committee on Trade Facilitation to comply with Article 23.2 of the WTO Trade Facilitation Agreement. The Committee is composed of both governmental authorities and private sector representatives. Its main objective is to facilitate trade while modernizing border enforcement services.[[33]](#footnote-33)

Table 2.2 shows Oman's main trade and trade-related laws. Since its last Review in 2014, Oman has adopted new legislation on monopoly and consumer protection, a legal framework for commercial companies, and foreign investment. It has also ratified the Trade Facilitation Agreement and the Protocol Amending the TRIPS Agreement.

Table 2.2 Main trade-related laws, 2021

| **Legislation** | **Issue** |
| --- | --- |
| Royal Decree No. 39/1976, 20 October 1976 | Establishment of Directorate General for Specification and Measurements |
| Royal Decree No. 63/1998, 19 September 1998 | Ratification of the Paris and Berne Conventions |
| Royal Decree No. 109/2000, 15 November 2000 | Hallmarking scheme for precious metals |
| Royal Decree No. 112/2000, 15 November 2000 | Ratification of WTO accession |
| Royal Decree No. 56/2002, 22 May 2002 | Export processing zones |
| Royal Decree No. 67/2003, 28 September 2003 | Implementation of GCC Common Customs Law, tariff, customs valuation and procedures, and import prohibitions and restrictions |
| Royal Decrees No. 45/2004, 3 May 2004, and No. 47/2004, 5 May 2004 | Implementation of GCC Common Laws on Veterinary Quarantine and Plant Quarantine |
| Royal Decree No. 36/2008, 24 March 2008 | Government procurement |
| Royal Decrees No. 65/2008, 4 May 2008, and No. 132/2008, 16 August 2008 | Copyright and related rights |
| Royal Decree No. 67/2008, 12 May 2008 | Industrial property rights |
| Royal Decree No. 49/2009, 29 August 2009 | Plant breeders' rights |
| Royal Decree No. 34/2014 | Amendment to the Commercial Agency Law |
| Royal Decree No. 62/2014 | Law Determining Port Shipping Fares for Hydrocarbons and Petroleum Products |
| Royal Decree No. 66/2014, 30 November 2014 | New Consumer Protection Law |
| Royal Decree No. 67/2014 | Competition and Anti-Monopoly Law |
| Royal Decree No. 20/2015, 24 May 2015 | GCC Amended Common Law on Anti‑dumping, Countervailing Measures and Safeguards |
| Royal Decree No. 30/2016 | Law for Combating Money Laundering and Terrorism Financing |
| Royal Decree No. 5/2017, 15 January 2017 | Accession to the Grain Trade Convention |
| Royal Decree No. 35/2017, 25 July 2017 | Ratifying the Protocol Amending the TRIPS Agreement |
| Royal Decree No. 36/2017, 25 July 2017 | Ratifying the Trade Facilitation Agreement |
| Royal Decree No. 26/2018, 17 October 2018 | Establishing the Oman Commercial Arbitration Centre |
| Royal Decree No. 27/2018, 29 October 2018 | Approbation of the Accession to the Customs Convention on the International Transport of Goods Under Cover of TIR Carnets (TIR Convention), with reservations |
| Royal Decree No. 18/2019, 13 February 2019 | Promulgation of the Commercial Companies Law |
| Royal Decree No. 19/2019 | Mineral Resources Law |
| Royal Decree No. 23/2019 | Excise Tax Law |
| Royal Decree No. 27/2019 | Regarding Scientific Zones and Other Specialist Zones |
| Royal Decree No. 50/2019, 1 July 2019 | New Foreign Capital Investment Law |
| Royal Decree No. 51/2019 | Privatization Law |
| Royal Decree No. 95/2020, 18 August 2020 | Creation of the Ministry of Commerce, Industry, and Investment Promotion |
| Royal Decree No. 114/2020, 1 September 2020 | Accession to the Convention on the Contract for the International Carriage of Goods by Road (CMR) and the Additional Protocol concerning the Electronic Consignment Note, with reservations |

Source: Compiled by the WTO Secretariat, based on information provided by the authorities.

* 1. Trade Agreements and Arrangements
     1. WTO

Oman has been a member of the WTO since 2000. It is a member of the Information Technology Agreement, and an observer to the Committee on Government Procurement and to the Committee on Trade in Civil Aircraft. In 2017, Oman accepted both the Protocol Amending the TRIPS Agreement and the Trade Facilitation Agreement.[[34]](#footnote-34) It is also a member of the Asian Group of Developing Members and the Article XII members negotiation group. Oman's notifications to the WTO are presented in Table 2.3.

Table 2.3 Selected notifications to the WTO, June 2021

| **WTO  Agreement** | **Description of requirement** | **Periodicity** | **Most recent notification** | **Comment** |
| --- | --- | --- | --- | --- |
| **Agreement on Agriculture** | | | | |
| Article 18.2 DS:1 and DS:2 | Domestic support | Annual | G/AG/N/OMN/12-13, 21-25, 20 June 2014 to 8 May 2019 | List of domestic support measures for 2012-18 |
| Articles 10 and 18.2 | Export subsidies | Annual | G/AG/N/OMN/14-20, 31 March 2015 to 31 July 2019 | No export subsidies for 2012-18 |
| **Committee on Trade and Development; Council for Trade in Services** | | | | |
| Enabling Clause – RTA; GATS Article V:7(a) | Economic integration | *Ad hoc* | WT/COMTD/N/45, S/C/N/807, 6 July 2015, revised on 14 July 2015; WT/COMTD/N/45/Rev.1 – S/C/N/807/Rev.1 | Agreement between the GCC and Singapore |
| **Agreement on Anti‑dumping** | | | | |
| Article 18.5 | Laws and regulations | Once, *ad hoc* | G/ADP/N/1/OMN/3, 28 September 2015 | GCC common law on anti‑dumping, countervailing measures, and safeguards |
| Article 16.4 | Notification | *Ad hoc* | G/ADP/N/287, 23 June 2016  G/ADP/N/301, 28 June 2017  G/ADP/N/304, 20 September 2017  G/ADP/N/321, 7 January 2019  G/ADP/N/325, 1 May 2019 | Reports under Article 16.4 of the Agreement |
| Article 16.4 | Notification | Semi-annual | G/ADP/N/350/OMN, 5 February 2021 | GCC Report for the period 1 July–31 December 2020 |
| **Agreement on Subsidies and Countervailing Measures** | | | | |
| Article 32.6 | Laws and regulations | Once, *ad hoc* | G/SCM/N/1/OMN/3, 28 September 2015 | GCC common law on anti‑dumping, countervailing measures, and safeguards |
| Article 25.1, and GATT 1994, Article XVI:1 | Notification of measures |  | G/SCM/N/155/OMN, G/SCM/N/186/OMN, G/SCM/N/220/OMN, G/SCM/N/253/OMN, 29 July 2014; G/SCM/N/284/OMN, G/SCM/N/315/OMN, 26 June 2017 | No subsidies as defined in the Agreement |
| **Committee on Subsidies and Countervailing Measures** | | | | |
| SCM Agreement, Article 25.11 | Notification of measures | Semi-annual | G/SCM/N/274/Add.1, 17 October 2014  G/SCM/N/281/Add.1, 24 April 2015  G/SCM/N/289/Add.1, 22 October 2015  G/SCM/N/298/Add.1, 22 April 2016  G/SCM/N/305/Add.1, 21 October 2016  G/SCM/N/313/Add.1, 21 April 2017  G/SCM/N/321/Add.1, 23 October 2017  G/SCM/N/328/Add.1, 20 April 2018  G/SCM/N/334/Add.1, 19 October 2018  G/SCM/N/342/Add.1, 24 April 2019  G/SCM/N/349/Add.1, 15 November 2019  G/SCM/N/356/Add.1, 4 May 2020  G/SCM/N/363/Add.1, 14 October 2020  G/SCM/N/371/Add.1, 15 April 2021 | Notification that no countervailing duty action has been taken |
| **Agreement on Safeguards** | | | | |
| Article 12.6 | Laws and regulations | Once, *ad hoc* | G/SG/N/1/OMN/3, 28 September 2015 | GCC common law on anti‑dumping, countervailing measures, and safeguards |
| **Committee on Safeguards** | | | | |
| Agreement on Safeguards, Article 12(1)(a) | Notification of measures | *Ad hoc* | G/SG/N/6/OMN/1, 10 June 2016  G/SG/N/6/OMN/2, 10 October 2016  G/SG/N/6/OMN/3, 24 October 2019  G/SG/N/6/OMN/3/Suppl.1, 20 January 2021 | Initiation by the GCC of an investigation on flat-rolled products of iron and non‑alloy steel; on ferro-silico-manganese; on certain steel products |
| Agreement on Safeguards, Articles 9(1), 12(1)(b), and 12(1)(c) | Notification of measures | *Ad hoc* | G/SG/N/10/OMN/1, 15 June 2017 | Final determination of serious injury to the GCC industry |
| **Agreement on Import Licensing Procedures** | | | | |
| Article 7.3 | Notification of measures | Annual | G/LIC/N/3/OMN/7, 26 May 2014 | No import licence procedures |
| **Committee on Trade Facilitation** | | | | |
| Trade Facilitation Agreement | Commitments under the Agreement | *Ad hoc* | WT/PCTF/N/OMN/1, 14 August 2014 | Notification of Category A commitments |
| G/TFA/N/OMN/1, 22 March 2019 | Notifications of Category B and additional Category A commitments |
| G/TFA/N/OMN/2, 7 November 2019 | Notifications based on Articles 1.4, 10.4.3, 10.6.2, and 12.2.2 |
| **Agreement on Sanitary and Phytosanitary Measures** | | | | |
| Article 7, Annex B | Sanitary and phytosanitary measures | *Ad hoc* | 69 notifications: G/SPS/N/OMN/48, 6 May 2014 to G/SPS/N/OMN/115, 15 December 2020 | 57 draft technical regulations, 1 revision, 6 administrative decisions, 1 addendum on administrative decision, 1 ministerial decision |
| **Agreement on Technical Barriers to Trade** | | | | |
| Article 2.9.2-Article 5.6 | Technical regulations | *Ad hoc* | 298 notifications since the last Review: G/TBT/N/OMN/143 to 440, 17 June 2013 to 7 June 2021 | Draft technical regulations, ministerial decrees, standards, labelling requirements |
| **Working Party on State Trading Enterprises** | | | | |
| GATT 1994 XVII:4(a); Understanding – Article XVII:01 | Notification | Biennial | G/STR/N/10/OMN to G/STR/N/15/OMN, 13 August 2014 | Notification that the Public Authority for Stores and Food Reserves (PASFR) is not a state trading enterprise in terms of the definition in Article XVII of GATT 1994 and Understanding on Interpretation of Article XVII |

Source: WTO documents.

Oman grants at least most-favoured-nation (MFN) treatment to all of its trading partners. It is an active participant in the current round of multilateral trade negotiations and has particular interest in non‑agricultural market access, services, and fishery subsidies.

Oman has never been either a complainant or a defendant in any WTO dispute. It has been a third party in 13 cases. No dispute under bilateral agreements has been reported.

In 2020, Oman implemented all of its commitments under the Trade Facilitation Agreement, which it ratified in February 2017.[[35]](#footnote-35)

* + 1. Regional and preferential agreements
       1. Gulf Cooperation Council (GCC)

The GCC was created in May 1981 and comprises the Kingdom of Bahrain, the State of Kuwait, Oman, Qatar, the Kingdom of Saudi Arabia, and the United Arab Emirates. Its main objectives are regional cooperation and integration in economic, social, and cultural affairs. The Gulf Common Market (GCM) was officially launched in January 2008.

In 2001, the GCC Supreme Council adopted the Economic Agreement between the GCC States, which contains the foundation of the GCC Customs Union.[[36]](#footnote-36) Launched in 2003, the GCC Customs Union was finalized in January 2015, replacing the 1983 free trade area.[[37]](#footnote-37) Following its accession to the WTO in December 2005, the Kingdom of Saudi Arabia notified the Agreement under Article XXIV of the GATT[[38]](#footnote-38), but subsequently changed the notification to come under the Enabling Clause.[[39]](#footnote-39) In October 2009, the Agreement was re-notified by the Kingdom of Saudi Arabia under Article XXIV:7(a) of the GATT 1994.[[40]](#footnote-40)

The GCC has created several institutions impacting trade, including the Gulf Investment Corporation, the GCC Bureau of the Technical Secretariat for Anti‑dumping, the GCC Standardization Organization, the Commercial Arbitration Centre, the Patents Office, the Technical Office for Telecommunications, the GCC ATM Network, the GCC Intellectual Property Training Centre, and the GCC Federation of Chambers of Commerce. Between June 2017 and January 2021, the GCC suffered from an internal crisis, with three of its members (the Kingdom of Bahrain, the Kingdom of Saudi Arabia, and the United Arab Emirates) imposing certain restrictive measures on Qatar.

Since January 2003, the GCC member States have operated a common external tariff (CET) of 0% and 5% for most products (Section 3.1.3)[[41]](#footnote-41), and a common law on customs procedures and valuation. Since 2003, all applied rates except on tobacco have been *ad valorem*. With regards to tobacco products, Oman clarifies that it applies only the *ad valorem* part of the tariff rate (100%).

While all GCC member States apply a CET on most imports, certain differences remain (e.g. on alcohol products). Oman applies customs duties of 100% on both pork and alcohol products.[[42]](#footnote-42) In addition, border checks between GCC member States are maintained for sanitary and phytosanitary (SPS) measures and standards. Prohibited goods may not circulate between members' territories; restricted products may transit the territory of members that restrict their import, with the appropriate documentation.

Allocation of customs revenues follows the principle of final destination, through a clearing mechanism agreed upon in 2003.[[43]](#footnote-43)

Since its last Review, Oman has ratified the GCC Unified Anti‑Dumping Law through Royal Decree No. 20/2015 and the GCC Trade Mark Law through Royal Decree No. 33/2017.

While two GCC member States (the Kingdom of Bahrain and Oman) have free trade agreements (FTAs) on an individual basis with the United States, the GCC announced in November 2011 that all future agreements would be negotiated as a group.[[44]](#footnote-44) The GCC has since concluded a regional trade agreement with Singapore, which entered into force in 2013 and was notified to the WTO in 2015 under the Enabling Clause and Article V of the GATS.[[45]](#footnote-45) An agreement with the European Free Trade Association (EFTA) entered into force in 2014, but was not notified as at October 2020.[[46]](#footnote-46) The agreement covers trade in goods (including agricultural products), trade in services, trade remedies, government procurement, and competition policy. It also contains rules and procedures for dispute settlement. Intellectual property rights (IPRs) will be discussed at a later stage.[[47]](#footnote-47)

Recent examples of further integration include a unified law for real estate owners, a cultural strategy for 2020-30, and a common Environment Programme for 2020.[[48]](#footnote-48) In 2001, the GCC started a process of implementing a common labour market, providing equal treatment of all GCC citizens in relation to freedom of movement and residence, work, investment, education, health, and social services.[[49]](#footnote-49)

* + - 1. Pan-Arab Free Trade Area (PAFTA)

Under the PAFTA Treaty[[50]](#footnote-50), in force since 1 January 1998, most trade barriers among its members were supposed to be eliminated in January 2005, with some products excluded from liberalization. The principal entity responsible for implementing the programme is the Economic and Social Council of the League of Arab States. The PAFTA was notified to the WTO by the Kingdom of Saudi Arabia in 2006 under Article XXIV of the GATT.[[51]](#footnote-51) The authorities indicate that negotiations on various implementation issues, such as rules of origin, non‑tariff barriers, IPR-related matters, and trade facilitation are ongoing.

On 1 February 2017, Oman was among the nine PAFTA countries[[52]](#footnote-52) that agreed on a schedule of commitment for trade in services under an initiative known as the Beirut Round of Negotiations on the Liberalization of Trade in Services Among the Arab States.

In 2014, Oman ratified the amended Unified Agreement for the Investment of Arab Capital in the Arab States.[[53]](#footnote-53)

* + - 1. Agreement with the United States

The free trade agreement between Oman and the United States, signed in January 2006, entered into force in January 2009.[[54]](#footnote-54) The agreement covers trade in goods and services; it also has provisions on investment, IPRs, e-commerce, labour, environment, and dispute settlement. It provides for tariff elimination in agricultural and non‑agricultural goods over a maximum of 10 years, although a large share of products was granted duty-free access immediately. In 2018, 100% of the United States' tariff lines became duty-free.[[55]](#footnote-55)

* + - 1. Agreement with Singapore

A free trade agreement between Singapore and the GCC member States entered into force in September 2013 and was notified in 2015.[[56]](#footnote-56) The agreement covers trade in goods and services, investment, rules of origin, standards, customs procedures, government procurement, electronic commerce, intellectual property, movement of natural persons, and economic cooperation.

With the agreement's entry into force, approximately 94% of all tariff lines of GCC member States qualified for immediate duty-free treatment, while an additional 2.7% of tariff lines qualified for duty-free treatment as of 2018. In services, both parties have committed to liberalize various sectors beyond their WTO commitments. The services sectors covered include professional services (legal, accounting, and engineering) and business services (construction, distribution, and hospital).

The United Arab Emirates, the Kingdom of Bahrain, Qatar, and the Kingdom of Saudi Arabia have allowed up to 100% foreign equity for Singapore legal companies, while Oman has allowed up to 70%. The Kingdom of Bahrain, the State of Kuwait, Oman, Qatar, and the Kingdom of Saudi Arabia have allowed up to 100% foreign equity for Singapore construction companies. Oman has allowed up to 70% foreign equity for Singapore companies supplying education services, while the other GCC member States have allowed up to 100%.[[57]](#footnote-57)

* + 1. Other agreements and arrangements

Negotiations to enter into a preferential agreement with Japan and Australia were announced to the WTO in 2006 and 2007, respectively.[[58]](#footnote-58) The GCC is also negotiating FTAs with China, India, the Republic of Korea, MERCOSUR, New Zealand, Pakistan, and Turkey. However, these negotiations were generally put on hold. Currently, all negotiations are suspended except for negotiations with China.

Negotiations for an FTA with the European Union were launched in 1990 but subsequently halted in 2008, replaced by a Dialogue on Trade and Investment Issues.[[59]](#footnote-59) The latest meeting of the Dialogue was held in Riyadh on 13 February 2020.

Oman ratified the Trade Preferential System among the member States of the Organization of Islamic Cooperation, which, however, has not yet been implemented.

Oman does not participate in the Global System of Trade Preferences (GSTP) among developing countries.

Oman receives unilateral trade preferences under the Generalized System of Preferences (GSP) from Australia, Belarus, Kazakhstan, New Zealand, the Russian Federation, and Turkey.[[60]](#footnote-60)

* 1. Investment Regime

Since the last Review, several changes to legislation for both national and foreign companies have taken place. Mainly, the new Commercial Companies Law (CCL) repealed the previous 1994 CCL, the New Foreign Capital Investment Law (NFCIL) replaced previous legislation from 1994, and several authorities for commercial activities were reformed.

The new CCL[[61]](#footnote-61) allows both foreign and domestic investment in the six forms previously authorized (general partnership, limited partnership, joint venture, joint stock company, limited liability company, and holding company), and adds the sole shareholder company. Professional companies and companies with foreign capital may be established, provided that the principal place of each of them shall be in the Sultanate in which it shall carry out its activity. Special regulations apply for activities established in the free zones.[[62]](#footnote-62) The new CCL also includes new regulations for joint stock companies and limited liability companies.

In January 2020, the NFCIL became effective, and Executive Regulations were issued in June 2020. Foreigners no longer need to partner with a local shareholder, as the 30% Omani ownership requirement was revoked. Attracting foreign investment is one of the goals of Oman Vision 2040, and the NFCIL pursues this direction. However, registration fees for 100% foreign ownership increased to OMR 3,500.[[63]](#footnote-63) The minimum capital requirement for foreign investors to establish a commercial company, previously set at OMR 150,000, remains to be determined.

Under the NFCIL, an investment licence, issued by the Investment Services Centre, remains a requirement. Any interested foreign company has to submit a short economic feasibility study in order to get such an investment licence.[[64]](#footnote-64) Projects related to strategic development (public facilities, infrastructure, energy, roads, transport, and ports) must be approved by the Council of Ministers and meet further requirements, such as the use of Omani products in the project and partnership with local small and medium enterprises.[[65]](#footnote-65) Article 10 states that investment projects can be granted a single approval by the Council of Ministers for establishing, operating, and managing the project, including construction and manpower licences, without the need to undertake any other procedure if the investment project is deemed to be strategic and contributing to the development of public utilities and infrastructures or renewable energy. The authorities indicate that the approval process usually takes about one month.

Foreign investment projects must comply with inspection and monitoring procedures. The performance of the project should be evaluated every six months by the Investment Services Centre; officials must be granted access to the headquarters and to records, documents, and computer systems as needed. However, the authorities indicate that this provision is currently not enforced.

The MOCIIP issued through Ministerial Decision No. 209/2020 a list of 70 professions in which foreigners do not have the right to engage. In early 2021, further professions were added to the list, including fuel station managers; professions related to the activities and business of optics and the sale of glasses[[66]](#footnote-66); various positions in insurance companies, shops, and car dealerships, including finance, commerce, and administration; accounting jobs within car dealership companies; and drivers of all vehicles.[[67]](#footnote-67) Oman also announced its goals of seeing more Omani nationals in teaching positions and replacing expat teachers.[[68]](#footnote-68) Since Ministerial Resolution No. 292/2020, non‑citizens are also forbidden to own land in several locations, including in mountains and islands of strategic importance except within an integrated tourism complex.[[69]](#footnote-69) Allocation of lands and real estate to foreigners will be by way of a long-term lease or by granting the right to use for 50 initial years, after approval from the competent authorities.[[70]](#footnote-70)

To attract investment in Oman's less developed regions, Article 17 of the Executive Regulations on the NFCIL sets out additional benefits that apply only to wholly foreign-owned companies. These include the exemption from paying the rental value or the return of the right to use the land needed for the investment project during a maximum of five years, exemption from current Omanization policies (such as the requirement to hire a certain proportion of the workforce from Omani citizens), and exemptions from fees.[[71]](#footnote-71) However, as at June 2021, these regions had not been defined. Additional benefits may be granted by the Council of Ministers if projects meet certain requirements, such as exporting not less than 30% of the production and promoting the transfer of technology.[[72]](#footnote-72) Other incentives and tax exemptions are provided by Article 19, notably for the IT and logistics sectors.[[73]](#footnote-73) Finally, special investment incentives are also granted in Oman's three free zones and two special economic zones.

Royal Decree No. 61/2020 established the Oman Investment Authority (OIA). All competences and assets of the State General Reserve Fund, the Oman Investment Fund, and the Directorate General of Investments in the Ministry of Finance were transferred to the OIA, which disposes of around USD 18 billion in assets. The goals of the OIA are to stimulate foreign investment in Oman, diversify the economy, and create more employment opportunities for Omanis.[[74]](#footnote-74)

As mentioned in Section 2.5, the MOCIIP replaced the Ministry of Commerce and Industry. The Public Authority for Investment Promotion and Export Development and the Competition Protection and Monopoly Prevention Centre were abolished and merged into the new MOCIIP.[[75]](#footnote-75) In 2015, Royal Decree No. 32/2015 promulgated the law of the Public Establishment for Industrial Estates (PEIE), in which PEIE-affiliated estates could be exempt from provisions of the Foreign Capital Investment Law and the CCL and receive additional incentives. PEIE exemptions and incentives are still relevant under the NFCIL and the CCL.

Applications for the establishment of companies and branches of foreign companies carrying out business in the field of securities must be submitted to the Capital Market Authority for approval.[[76]](#footnote-76) The bank guarantee for the branch of a foreign company shall be OMR 50,000. Branches of foreign companies wishing to obtain a licence are limited to the following activities: investment advice and research, marketing non‑Omani securities, issue management, and portfolio management. According to the authorities, foreign investments represent more than 25% of investments companies listed at the Muscat Securities Market. A new law on Securities is under preparation and is waiting for final approval.

Oman also issued a law on bankruptcy procedures. Royal Decree No. 53/2019 aims to enhance predictability and transparency by laying out a new framework for companies' bankruptcy, while offering alternatives before termination of the activity. The law provides for three possibilities: restructuring, preventative composition, and judicial composition. Directors and managers could be held personally liable and face penalties for their actions.[[77]](#footnote-77)

In 2020, Oman ranked 68th of 190 economies in the World Bank's Ease of Doing Business Index, 32nd on ease of starting a business, but 144th on ease of getting credit.[[78]](#footnote-78) Oman ranked 56th of 198 economies in the Transparency International Corruption Index[[79]](#footnote-79), improving from 64th in 2014, the year of the last Review.

In 2016, Oman ratified the Convention on Combating Bribery of Foreign Public Officials in International Business Transactions. The Convention on Mutual Administrative Assistance in Tax Matters was ratified by Royal Decree No. 34/2020.

Royal Decree No. 69/2008 established a legal framework for online transactions. As e-commerce becomes increasingly important in international trade, Oman sees opportunities in this field, notably using its port facilities as a potential hub for e-commerce.[[80]](#footnote-80)

Oman has signed 35 bilateral investment treaties[[81]](#footnote-81), and 35 double taxation agreements (some not in force).[[82]](#footnote-82) Since the last Review, Oman has concluded a new bilateral investment treaty with Japan, and double taxation agreements with Hungary, Japan, Portugal, Spain, Sri Lanka, and Switzerland. There are no restrictions on investment abroad by Omani nationals.

Oman is a member of the Multilateral Investment Guarantee Agency and a party to the Convention of the International Centre for the Settlement of Investment Disputes.

1. TRADE POLICIES AND PRACTICES BY MEASURE
   1. Measures Directly Affecting Imports
      1. Customs procedures, valuation, and requirements

Since 2003, Oman has been applying the Gulf Cooperation Council (GCC) Common Customs Law and its Rules of Implementation and Explanatory Notes, through Royal Decree No. 67/2003. Under the "single port of entry" principle, items imported into Oman, or any other GCC member State, and destined for another GCC market, are subject to customs duty only at the first point of entry into the GCC. In 2015, the GCC published the Unified Guide for Customs Procedures.

According to Oman's Customs Service, all imports above OMR 1,000 must be accompanied by: (i) a copy of the invoice; (ii) a packing list; (iii) a bill of lading if applicable; (iv) a document containing a detailed description of the cargo; and (v) an import declaration and form for clearing and classification. In addition, restricted goods need approval from the relevant authority (Section 3.1.5).

Customs officials check the documents submitted and ensure that the content is free from any banned or dangerous material before clearance. The use of pre‑clearance has been increasing, with 22% of goods entering Oman having already been approved by the authorities.[[83]](#footnote-83) Oman has a total of 33 customs offices (10 at land borders, nine at seaports, four at airports, and 10 within the country (e.g. in the free zones)). Seven customs offices are GCC entry points.

In June 2015, Oman launched Bayan, an import and export reporting and management electronic system, to improve the efficiency of its customs procedures. The Royal Oman Police lists 30 objectives of the Bayan system, notably to reinforce controls over security, health, and environment issues; connect all entities via a single electronic window; decrease trade costs; and encourage investment.[[84]](#footnote-84) An importer, an exporter, or their agent can authorize and clear goods through the Bayan system. According to the state-owned logistics conglomerate Asyad, this has reduced average clearance time for imports to seven hours[[85]](#footnote-85) (compared to 47 hours for the GCC).[[86]](#footnote-86) Clearance time is normally less than 2 hours at seaports, less than 4 hours at airports, and less than 10 hours at land borders.

In the wake of the COVID‑19 pandemic, Oman implemented new import measures. Specifically, Asyad approved the practice of "direct" imports[[87]](#footnote-87) from the country of origin, with fewer clearance procedures to speed up the process and reduce costs.[[88]](#footnote-88) It also reinforced the transition to electronic submission of documents and virtual customs clearance.

Importers in Oman are not required to use a commercial agent. In 2004, Oman notified the WTO that it had no laws or regulations on pre‑shipment inspection[[89]](#footnote-89), and in 2014 the Sultanate committed not to introduce any under the Trade Facilitation Agreement.[[90]](#footnote-90) Goods are randomly selected for inspection on the basis of a risk management system (e.g. type, description, and value of goods). On average, about 5% of all imports are subject to physical inspection. According to Bayan's statistics, 90% of goods were cleared within the first hour of arrival in 2019.

Oman established a National Committee on Trade Facilitation in 2014. Since 2020, Oman has officially implemented 100% of its commitments under the Trade Facilitation Agreement, which it ratified in February 2017.[[91]](#footnote-91)

Oman has notified that it was implementing the WTO Customs Valuation Agreement (CVA) on the basis of the GCC Common Customs Law and its Rules of Implementation and Explanatory Notes.[[92]](#footnote-92) The first basis for determining the value for customs purposes is the transaction value. If the transaction value cannot be determined, the customs value is to be calculated by proceeding through the basic methods set by the CVA. Oman has reserved its rights under Annex III, paragraph 3 (concerning reversal of sequential order of Articles 5 and 6) and paragraph 4 (to apply Article 5.2 whether or not the importer so requests).[[93]](#footnote-93) Tariffs are levied on the c.i.f. value of imports.

In 2018, Switzerland informed the Committee on Customs Valuation that it had doubts about Oman's respect of its commitment to use the declared transaction value as the basis for assessing the value of cigarettes imports. Switzerland and Oman informed the Committee in 2019 that they had resolved their disagreement.[[94]](#footnote-94) [[95]](#footnote-95)

In mid-2019, the Royal Oman Police introduced a new advance rulings programme, in accordance with Oman's Logistics Strategy 2040.[[96]](#footnote-96) Advance rulings can be requested with regard to tariff classification, customs valuation, or rules of origin. Advance rulings are binding throughout the customs territory at all customs offices and valid for a specific period.[[97]](#footnote-97)

Oman replied to the Checklist of Issues in the Committee on Customs Valuation in 2008.[[98]](#footnote-98)

In 2014, Oman ratified the Revised Kyoto Convention, on the simplification and harmonization of customs procedures.[[99]](#footnote-99) The International Convention on the Harmonized Commodity Description and Coding System was approved in 2016.

To settle customs valuation and classification disputes, an operator may appeal to the Directorate General of Customs, next to the Inspector General of Police and Customs, then to the Minister of Finance, and lastly to the Omani Court of Arbitration. In 2020, the Directorate adjudicated 111 complaints, all of which related to valuation.

* + 1. Rules of origin

Oman has notified the WTO that it does not have rules of origin for non‑preferential transactions.[[100]](#footnote-100)

Under the GCC Customs Union, products are generally considered as originating from the country where they are wholly obtained or where they underwent substantial transformation (defined as change in tariff classification, or based on value-added criteria). Imported goods in the GCC are subject to the rules of origin of its international agreements.[[101]](#footnote-101) Products of the Pan-Arab Free Trade Area (PAFTA), to which the GCC member States belong, qualify for preferential treatment when at least 40% of value is added locally.[[102]](#footnote-102)

Under the trade agreement with the United States, local value added of at least 35% is necessary for a good to be originating from one of the parties. The GCC-Singapore sets the same 35% threshold for treating a good as originating from a party. Article 6.6 of this agreement warns that normal rules of origin provision do not apply for goods or services imported or supplied for the purpose of government procurement. The GCC-European Free Trade Association (EFTA) free trade agreement (FTA) lays out a specific list of products that are considered as wholly obtained in the territory of a Party, such as vegetable products harvested there or products obtained by hunting, trapping, or fishing there.[[103]](#footnote-103) Products that are not included in this list can be considered to be sufficiently worked or processed with specific conditions applying for each category in order to be eligible for preferential tariff treatment.

* + 1. Tariffs
       1. Applied MFN tariff

Oman's MFN tariff comprises 7,561 lines, up from 7,301 in 2014 (Table 3.1). Except for 20 tariff lines on tobacco products, which carry a mixed tariff, all lines are *ad valorem*. There are no tariff quotas. Oman's tariff is based on the GCC's common external tariff, which consists of three rates: zero (11.1% of all lines), 5% (87.1%), and mixed tariffs (0.3%). However, Oman also applies a 100% tariff (0.8% of the lines) on imports of alcoholic beverages and pork and pork products (Chart 3.1).[[104]](#footnote-104) Duty-free items include agricultural raw materials and basic food products, medical and pharmaceutical products, and other products such as certain newspapers, books, and magazines; unwrought precious metals; vessels; and airplanes.

Table 3.1 Structure of Oman's MFN tariff, 2014 and 2021

**(%, unless otherwise indicated)**

|  | **MFN applied** | | **Final bounda** |
| --- | --- | --- | --- |
|  | **2014** | **2021** |
| Bound tariff lines (% of all tariff lines) | n.a. | n.a. | 100.0 |
| Simple average rate | 5.5 | 5.5 | 13.6 |
| WTO agricultural products | 10.1 | 10.2 | 27.7 |
| WTO non‑agricultural products | 4.6 | 4.6 | 11.4 |
| Duty-free tariff lines (% of all tariff lines) | 11.1 | 11.1 | 5.8 |
| Simple average rate of dutiable lines only | 6.2 | 6.2 | 14.5 |
| Tariff quotas (% of all tariff lines) | 0.0 | 0.0 | 0.0 |
| Non‑*ad valorem* tariffs (% of all tariff lines)b | 0.3 | 0.8 | 0.0 |
| Domestic tariff "peaks" (% of all tariff lines)c | 1.1 | 1.2 | 1.6 |
| International tariff "peaks" (% of all tariff lines)d | 1.1 | 1.2 | 5.8 |
| Standard deviation | 10.1 | 10.1 | 18.2 |
| Coefficient of variation | 1.8 | 1.8 | 1.3 |
| Nuisance applied rates (% of all tariff lines)e | 0.0 | 0.0 | 0.1 |

n.a. Not applicable.

a Final bound rates are based on the Consolidated Tariff Schedule (CTS) in HS12 nomenclature.

b Including 42 prohibited tariff lines (0.6% of total lines) in case of the 2021 tariff analysis.

c Domestic tariff peaks are defined as those exceeding three times the overall simple average applied rate.

d International tariff peaks are defined as those exceeding 15%.

e Nuisance rates are those greater than zero, but less than or equal to 2%.

Note: The 2021 tariff is based on HS17 nomenclature. In case of non‑*ad valorem* tariffs, the *ad valorem* part is used for mixed duties.

Source: WTO Secretariat calculations, based on data provided by the authorities and WTO CTS database.

Oman's overall average MFN applied tariff is 5.5%, the same as at the time of its last Reviews, in 2008 and 2014. The modal rate is 5%. On the basis of the WTO definition, tariffs average 10.2% in agriculture, and 4.6% on non‑agricultural products. Using the ISIC (Revision 2) definition, the least tariff-protected sector is agriculture with 3.6%, followed by mining and quarrying (4.9%), and manufacturing (5.7%) (Table 3.2).

Chart 3.1 Distribution of MFN tariff rates, 2021

[INSERT FIGURE 006]

Note: Figures in parentheses denote the share of total lines. The 2021 tariff schedule consists of 7,561 tariff lines.

Source: WTO Secretariat calculations, based on data provided by the authorities.

Table 3.2 Oman's applied MFN tariff summary, 2021

|  | Number of lines | Simple average (%) | Tariff range (%) | SDa | Share of duty-free lines (%) | Share of non‑*ad valorem* tariffs (%) |
| --- | --- | --- | --- | --- | --- | --- |
| **Total** | 7,561 | 5.5 | 0-100 | 10.1 | 11.1 | 0.8 |
| **HS 01-24** | 1,469 | 9.0 | 0-100 | 22.0 | 23.9 | 2.7 |
| **HS 25-97** | 6,092 | 4.7 | 0-100 | 2.8 | 8.1 | 0.4 |
| **By WTO category** |  |  |  |  |  |  |
| **WTO agricultural products** | 1,252 | 10.2 | 0-100 | 23.8 | 21.0 | 3.1 |
| Animals and products thereof | 157 | 14.7 | 0-100 | 32.1 | 40.1 | 1.9 |
| Dairy products | 44 | 5.0 | 5 | 0.0 | 0.0 | 0.0 |
| Fruit, vegetables, and plants | 365 | 7.0 | 0-100 | 16.9 | 23.8 | 2.5 |
| Coffee, tea, and cocoa and cocoa preparations | 38 | 8.7 | 0-100 | 21.6 | 26.3 | 0.0 |
| Cereals and preparations | 191 | 3.6 | 0-5 | 2.3 | 28.8 | 0.0 |
| Oils seeds, fats, oil and their products | 101 | 10.6 | 0-100 | 22.8 | 4.0 | 3.0 |
| Sugars and confectionery | 40 | 5.8 | 0-100 | 15.3 | 32.5 | 0.0 |
| Beverages, spirits and tobacco | 118 | 35.8 | 0-100 | 44.5 | 0.8 | 17.8 |
| Cotton | 5 | 5.0 | 5 | 0.0 | 0.0 | 0.0 |
| Other agricultural products, n.e.s. | 193 | 5.7 | 0-100 | 12.1 | 15.5 | 1.6 |
| **WTO non‑agricultural products** | 6,309 | 4.6 | 0-100 | 2.5 | 9.2 | 0.4 |
| Fish and fishery products | 303 | 3.5 | 0-5 | 2.3 | 29.0 | 0.0 |
| Minerals and metals | 1,219 | 4.9 | 0-5 | 0.7 | 2.1 | 0.9 |
| Chemicals and photographic supplies | 1,323 | 4.5 | 0-5 | 1.5 | 9.8 | 0.1 |
| Wood, pulp, paper and furniture | 469 | 4.6 | 0-5 | 1.4 | 8.7 | 0.0 |
| Textiles | 724 | 5.0 | 0-5 | 0.4 | 0.6 | 0.0 |
| Clothing | 254 | 5.0 | 5 | 0.0 | 0.0 | 0.0 |
| Leather, rubber, footwear and travel goods | 207 | 6.4 | 5-100 | 11.5 | 0.0 | 2.4 |
| Non‑electric machinery | 652 | 4.2 | 0-5 | 1.8 | 16.3 | 0.0 |
| Electric machinery | 330 | 3.3 | 0-5 | 2.4 | 33.9 | 0.9 |
| Transport equipment | 248 | 4.5 | 0-5 | 1.5 | 10.5 | 0.0 |
| Non‑agricultural products, n.e.s. | 545 | 4.6 | 0-5 | 1.4 | 8.6 | 0.2 |
| Petroleum | 35 | 5.0 | 5 | 0.0 | 0.0 | 5.7 |
| **By ISIC sectorb** |  |  |  |  |  |  |
| ISIC 1 - Agriculture, hunting and fishing | 540 | 3.6 | 0-100 | 10.8 | 51.5 | 3.7 |
| ISIC 2 - Mining and quarrying | 127 | 4.9 | 0-5 | 0.8 | 2.4 | 4.7 |
| ISIC 3 - Manufacturing | 6,893 | 5.7 | 0-100 | 10.1 | 8.1 | 0.5 |
| **By stage of processing** |  |  |  |  |  |  |
| First stage of processing | 985 | 4.3 | 0-100 | 8.6 | 28.8 | 2.8 |
| Semi-processed products | 2,250 | 4.9 | 0-100 | 3.6 | 4.6 | 0.0 |
| Fully processed products | 4,326 | 6.1 | 0-100 | 12.4 | 10.5 | 0.8 |

a Standard deviation.

b International Standard Industrial Classification (Rev.2). Electricity, gas, and water are excluded (1 tariff line).

Note: Calculations for averages are based on the national tariff line level (8-digit). Tariff schedule is based on HS17. In case of non‑*ad valorem* rates, the *ad valorem* part is used for mixed rates.

Source: WTO Secretariat calculations, based on data provided by the authorities.

Fiscal income generated by customs increased continuously between 2014 and 2019 (Table 3.3).

Table 3.3 Customs revenue, 2014-20

**('000 OMR)**

|  |  |
| --- | --- |
| **Year** | **Tariff revenue** |
| 2014 | 1,082,875.7 |
| 2015 | 1,099,098.2 |
| 2016 | 1,141,046.7 |
| 2017 | 1,141,997.3 |
| 2018 | 1,263,875.8 |
| 2019 | 1,442,749.7 |
| 2020 | .. |

.. Not available.

Source: Ministry of Finance.

* + - 1. Tariff bindings

Upon its accession to the WTO, Oman bound 100% of its tariffs at rates averaging 13.8% and ranging up to 200% (on animal products, and beverages and tobacco). Average bound rates are 28% on agricultural products and 11.6% on non‑agricultural goods.

For 26 tariff lines, applied rates are higher than bound rates (Table 3.4). All of these lines carry higher tariffs in 2021 than at the time of the previous Review.

Table 3.4 Tariff lines where applied rate exceeds bound tariff rate

| **No.** | **HS code** | **Product description** | **2021 applied tariff** | **Bound tariff** |
| --- | --- | --- | --- | --- |
| 1. | 02050090 | Meat of horses, asses, mules or hinnies, fresh, chilled or frozen, excluding meat of horses | 100 | 15 |
| 2. | 05021000 | Pigs', hogs' or boars' bristles and hair and waste thereof | 100 | 15 |
| 3. | 08055020 | Lemons *a*nd limes, dried | 100 | 15, 30, 80 |
| 4. | 15180011 | Animal or vegetable fats and oils and their fractions of pig | 100 | 15 |
| 5. | 16029030 | Preparations of animal blood | 100 | 15 |
| 6. | 17049080 | White chocolate containing alcohol | 100 | 15 |
| 7. | 18063110 | Chocolate and other preparations containing cocoa, in blocks, slabs or bars, filled, containing alcohol | 100 | 15 |
| 8. | 18063210 | Chocolate and other preparations containing cocoa, in blocks, slabs or bars (excl. filled), containing alcohol | 100 | 15 |
|  | 2008 | Fruits, nuts and other edible parts of plants, prepared or preserved: | |  |
| 9. | 20082010 | Pineapples, containing added spirit | 100 | 15 |
| 10. | 20083010 | Citrus fruit, containing added spirit | 100 | 15 |
| 11. | 20084010 | Pears, containing added spirit | 100 | 15 |
| 12. | 20085010 | Apricots, containing added spirit | 100 | 15 |
| 13. | 20086010 | Cherries, containing added spirit | 100 | 15 |
| 14. | 20087010 | Peaches, containing added spirit | 100 | 15 |
| 15. | 20088010 | Strawberries, containing added spirit | 100 | 15 |
| 16. | 20089310 | Cranberries, containing added spirit | 100 | 15 |
| 17. | 20089710 | Mixtures, containing added spirit | 100 | 15 |
| 18. | 20089910 | Other, containing added spirit | 100 | 15 |
| 19. | 22072090 | Inactive ethyl alcohol | 100 | 15 |
| 20. | 23070010 | Wine lees | 100 | 15 |
| 21. | 41033000 | Other raw hides and skins of swine | 100 | 15 |
| 22. | 41063100 | Tanned or crust hides and skins of swine in the wet state | 100 | 15 |
| 23. | 41063200 | Tanned or crust hides and skins of swine in the dry state | 100 | 15 |
| 24. | 41132000 | Leather further prepared after tanning or crusting of swine | 100 | 15 |
| 25. | 84797100 | Passenger boarding bridges: of a kind used in airports | 5 | 0 |
| 26. | 85489000 | Electrical parts of machinery or apparatus, not specified or included elsewhere in Chapter 85 | 5 | 0, 15 |

Source: WTO Secretariat calculations, based on data provided by the authorities and the CTS database.

* + - 1. Tariff preferences

Products from GCC member States circulate free of duty across the customs union. With the exception of tobacco and alcohol products, imports originating from the other members of PAFTA enter Oman duty-free. Products from EFTA members, Singapore, and the United States receive preferential treatment (Table 3.5).

Table 3.5 Tariffs under preferential agreements, 2021

| **Tariff regime** | **Simple average (%)** | | |
| --- | --- | --- | --- |
| **Overall** | **WTO Agriculture** | **WTO Non‑agriculture** |
| MFN | 5.5 | 10.2 | 4.6 |
| United States | 0.0 | 0.0 | 0.0 |
| EFTA | 1.1 | 6.6 | 0.1 |
| Singapore | 1.2 | 6.5 | 0.2 |

Source: WTO Secretariat calculations, based on data provided by the authorities.

* + - 1. Tariff exemptions and concessions

Section VIII of the Common Customs Law of GCC States specifies tariff exemptions and concessions. Duty-free imports are allowed for the armed forces, the police, and charity institutions. Additional exemptions and concessions are specific to each GCC member State and may therefore differ from one State to another. Efforts to harmonize the exemptions and concessions regimes at the GCC level are ongoing.

Oman grants tariff exemptions on raw materials, machinery, and equipment imported for local production under the Local and GCC Industries Laws. In addition, duty concessions may be granted to certain industries or companies on imports necessary for their operational use. No information was available on the value of duties forgone on private sector imports resulting from these exemptions.

* + 1. Other charges affecting imports

In December 2015, GCC member States decided to implement a value added tax (VAT) of 5%, levied on the import and supply of goods and services at each stage of production and distribution.[[105]](#footnote-105) Royal Decree No. 121/2020 published in October 2020 promulgated Oman's VAT law. It applies to all goods and services, except those related to healthcare; education; financial services; basic food items; public transport; sale of real estate; crude oil, petroleum derivatives, and natural gas; supplies for charities; vacant lands; supply of investment in gold, silver, and platinum; and rescue aircrafts and vessels. In January 2021, Oman specified 94 custom tariff items to be exempt from the VAT.[[106]](#footnote-106) Enforcement of the law started in April 2021. Registration is mandatory for companies with a monthly turnover of over OMR 38,500.

Oman levies an excise tax on alcoholic beverages (50%) and on pork meat, carbonated drinks, and cigarettes (100%).[[107]](#footnote-107)

* + 1. Import prohibitions, restrictions, and licensing

Under the GCC Common Customs Law, each GCC member State determines its own list of prohibited or restricted products, although members are developing a common list. Imports that are prohibited in some GCC member States and permitted in others can only be imported from the latter and must not transit through the States in which they are prohibited.

Oman has yet to provide a list of import prohibitions and restrictions according to the 2012 Decision on Notification Procedures for Quantitative Restrictions.[[108]](#footnote-108)

Oman operates import prohibitions for reasons of human, plant, and animal health; public morals; environment; and security. They cover, *inter alia*, narcotics, weapons, certain media products, and several country-specific animal products (Table 3.6). Oman is a participant in the Basel Convention on Hazardous Wastes, the Rotterdam Convention on Trade in Hazardous Chemicals, the Stockholm Convention on Persistent Organic Pollutants, the Montreal Protocol, and CITES, among others.[[109]](#footnote-109)

Table 3.6 Import prohibitions

| **HS Code** | **Institution** | **Products** |
| --- | --- | --- |
| 01061310 | Ministry of Agriculture, Fisheries and Water Resources | Pure-bred animals for breeding |
| 01061320 | Ministry of Agriculture, Fisheries and Water Resources | For domestic competitions and racing |
| 01061390 | Ministry of Agriculture, Fisheries and Water Resources | Other camels and other camelids |
| 13019060 | Ministry of Agriculture, Fisheries and Water Resources | Olibanum |
| 13019070 | Ministry of Agriculture, Fisheries and Water Resources | Frankincense |
| 13019080 | Ministry of Agriculture, Fisheries and Water Resources | Storax |
| 28445000 | Environment Authority | Spent (irradiated) fuel elements (cartridges) of nuclear reactors |
| 3303 | MOCIIP | Perfume in the form of bombs |
| 36041010 | Royal Oman Police | Fireworks for children |
| 39199000 | Royal Oman Police | Blackout materials and chips used to insulate vehicle glass from heat exceeding 30% |
| 39232990 | MOCIIP | Plastic bags |
| 4012 | MOCIIP | Tires bearing the word "Majesty" (God) |
| 56081100 | Ministry of Agriculture, Fisheries and Water Resources | Scorpio-type fishing nets (from nylon containing three layers with openings of different sizes) and manchol |
| Chapter 64 | MOCIIP | Shoes of Chinese origin bearing the Egyptian logo (Eagle) |
| 82119190 | MOCIIP | Pencil knives |
| 90132010 | MOCIIP | .. |
| 95030020 | MOCIIP | Toys and dolls in any form that contain flammable liquids |
| 95030090 | MOCIIP | .. |
| 96084000 | MOCIIP | .. |
| 96091000 | MOCIIP | .. |
| 96138000 | MOCIIP | .. |
| 8703 | MOCIIP | Special personal vehicles older than 7 years |
| 8701, 8702, 8704, 8705 | MOCIIP | Trucks and buses older than 10 years |
| Chapter 84 Multiple items | MOCIIP | .. |
| Chapter 95 | MOCIIP | .. |
| Multiple items | MOCIIP | Right-hand drive vehicles or vehicles transferred from right-hand drive to the left |
| 9608 | Central Bank of Oman | Magic ink pens |
| Multiple items | MOCIIP | Foreign goods and products that are not recorded with the country of manufacture |
| Multiple items | MOCIIP | Goods with advertisement promoting cigarettes and alcoholic beverages |
| Multiple items | MOCIIP | Clothes that have pictures of suspicious personalities and celebrities and also clothes that have phrases and words |
| Multiple items | MOCIIP | Goods and products bearing the dagger and crown logo |
| Multiple items | MOCIIP | Kinds that have international club logos |
| Multiple items | MOCIIP | Charcoal if from Somalia, Nigeria, Côte d'Ivoire, Ghana, Comoros, Djibouti, and the Islamic Republic of Iran |

.. Not available.

Source: Information provided by the authorities.

Since its last Review in 2014, Oman has added several items to its list of prohibited imports: palm trees and coconut trees, asbestos goods and products, private vehicles older than seven years, pirated decoders, some dog breeds, and e-cigarettes and e-shishas.

In recent years, Oman has lifted bans on imports of livestock from South Africa[[110]](#footnote-110); poultry products from Austria, Cambodia, Croatia, Cyprus, Denmark, Finland, Ghana, Greece, several Indian States, Italy, Côte d'Ivoire, Lao People's Democratic Republic, Republic of North Macedonia, Malaysia, the Netherlands, Poland, Slovakia, Sweden, Togo, and Zimbabwe[[111]](#footnote-111); live birds from the Czech Republic, Hungary, Kenya, Poland, Romania, the Kingdom of Saudi Arabia, Slovakia, the state of South Carolina (United States), Ukraine, Viet Nam, the state of Virginia (United States)[[112]](#footnote-112); a[nimal products and feed](https://www.mola.gov.om/eng/legislation/decisions/details.aspx?Id=1434&type=D) from Belgium[[113]](#footnote-113); and tilapia fish from Mexico.[[114]](#footnote-114)

Oman's import restrictions cover, *inter alia*, live animals, food products, and tobacco chemical products; they are applied for safety, moral, and health reasons (Table 3.7). Goods subject to these restrictions must be accompanied by certificates from the relevant authorities.

Table 3.7 Import restrictions, June 2021

| **HS Code** | **Institution** | **Products** |
| --- | --- | --- |
| 01-15, 23, 31, 44 | Ministry of Agriculture, Fisheries and Water Resources | • Live animals, fish, and all products of animal origin such as meat, milk and dairy products, bird eggs, animal fats and oils, food prepared for animals such as fodder, vitamins and veterinary medicines, hides, furs, wool and dander, and circus animals |
| • Natural honey and plant products such as palm plantations, cuttings, vegetables, fresh and cooled fruits, trees, plants, bulbs, roots, cut flowers and branches for decoration, coffee, unroasted tea, spices uncrushed or powdered, wheat grains, barley, corn, rice, seeds, gum, resins and plant extracts, and plant materials  • Vegetable wax, bee wax, insects, bran, cake and seed residues, raw tobacco, timber, mats and rugs, raw silk, raw flax |
| • Fertilizers, insecticides and fungicides |
| 24-25, 32-34, 64, 71, 87, 95 | MOCIIP | • Tobacco products, cement, motor oils, emulsified paints, cosmetics and mouthwashes, deodorants, aromatic preparations in jet containers, preparations for washing powder, hand washing and utensils, new tires, protective shoes, pearls, precious stones and their articles, and armatures, household electrical appliances, buggies, cars, trucks, trailers, new bikes, and children's toys |
| • Banknotes, wagons, cars, trucks, trailers, used bikes |
| 8443, 8517, 8528 | Ministry of Transport, Communications and Information Technology | • Copiers, printing machines, screens, devices connected to self-processing devices for data and the network, telephones and telecommunications, audio, image or data transmitting and receiving devices, GPS positioning devices |
| 26, 28-29, 38 | Environment Authority | • Organic and inorganic chemical products, organic and inorganic compounds of metals, nitrates, phosphates and their fertilizers, sulphates, organic solvents and thinners, chemical reaction preparations, varnish and glue additives, products and preparations of the chemical industry, epoxide resins, urea and thiourea resins |
| • Uranium and thorium ores and their concentrates, slag, ash and residues of radioactive materials, natural uranium and its compounds, radioactive elements, isotopes and compounds, nuclear reactor fuel elements, devices containing X-rays, alpha, beta and gamma rays |
| • Gases, refrigeration and air conditioning equipment |
| • Wild animals, caviar, bags and shoes of genuine leather, articles of ivory and tortoiseshell bones, horns, coral and shells |
| • Waste chemicals, waste polymers and plastics, waste rubber, scrap and waste iron, copper, nickel, lead, zinc and tin, and waste metals |
| 18, 20, 22, 31, 93 | Royal Oman Police | • Chocolate containing alcohol, juices containing alcohol, whiskey, beer, alcoholic beverages, and binoculars mounted on weapons, weapons and ammunition and their parts and accessories for persons and shops |
| • Military hats and clothing, armoured vehicles, binoculars mounted on weapons, weapons and ammunition and their parts and supplies for military entities, remote control aircraft |
| • Sodium nitrate, ammonium nitrate, explosives, wicks for safety and detonation, fireworks, and technical pyrotechnics |
| 25, 27 | Ministry of Energy and Minerals | • Liquefied natural gas, liquefied propane gas, liquefied butane gas, liquefied petroleum gases and gases in a gaseous state |
| • Sand, gravel, stones, dolomite, gypsum, lime, meteorites, ores and concentrates of minerals |
| 49 | Ministry of Information | • Dictionaries and encyclopaedias, the Noble Qur'an, books, brochures, pamphlets, newspapers and magazines, drawing and colouring collections for children, catalogues |
| • Cultural, scientific, agricultural, health and educational films, and magnetic and optical carriers that contain a substance |
| 3301, 4901, 9307, 97 | Ministry of Heritage and Tourism | • Over 100 years old handwritten books and manuscripts |
| • Metals and artifacts dated more than 100 years old, daggers and ancient swords |
| • Frankincense oil, rose oil, palm fronds, wooden door, censers and pottery vases, shields, doors and copper plates, and Omani daggers |
| 30 | Ministry of Health | • All medicines and pharmaceutical products |

Source: Information provided by the authorities.

* + 1. Anti‑dumping, countervailing, and safeguard measures

Oman notified the WTO in 2015 that it had ratified the GCC Amended Common Law on Anti‑dumping, Countervailing and Safeguards through Royal Decree No. 20/2015.[[115]](#footnote-115) Article 8 of the 2001 Economic Agreement between the GCC States already called upon GCC member States to unify their legislation related to anti‑dumping. Oman adopted the GCC Treaty provisions on contingency trade remedies through Royal Decree No. 20/2015 and its Implementing Regulations through Ministerial Decision No. 315/2015.[[116]](#footnote-116)

The GCC Industrial Cooperation Committee, the Committee on Anti-Injurious Practices in International Trade and the Bureau of Technical Secretariat of Anti-injurious Practice in International Trade (GCC-TSAIP) are responsible for implementing the GCC Common Law on Anti‑dumping, Countervailing Measures and Safeguard Measures, as amended in 2010.[[117]](#footnote-117)

While no anti‑dumping, countervailing, or safeguard measure was reported under the 2014 Review, the GCC started to impose anti‑dumping measures in June 2017 by first targeting electric lead-acid accumulators of capacity between 35 and 115 Amp-hours from the Republic of Korea.[[118]](#footnote-118) The last notification made to the WTO, covering the period July–December 2020, lists anti‑dumping duties imposed on China, India, the Republic of Korea, Poland and Spain.[[119]](#footnote-119)

The GCC imposed a provisional safeguard measure on 1 November 2016 on imports of ferro-silico-manganese for a duration of 200 days.[[120]](#footnote-120) It also imposed in May 2018 safeguard duties on imports of flat-rolled products of iron or non‑alloy steel for three years[[121]](#footnote-121) and on chemical plasticizers for three years starting in June 2019.[[122]](#footnote-122)

* + 1. Other measures affecting imports

Oman does not apply any sanctions other than those adopted by the United Nations Security Council. No agreement has been concluded with foreign governments or foreign firms to restrict exports to Oman. Oman does not maintain any compulsory reserve stocks and has never taken measures for balance-of-payment purposes. Oman has not notified any trade-related investment measures (TRIMs) to the WTO.

In 2014, Oman established the Omani Authority for Partnership for Development (OAPFD), which applies international offset contracts.[[123]](#footnote-123) Offset obligations are applied to all large civilian and military procurement contracts with foreign companies and Omani companies where foreign content is involved.[[124]](#footnote-124) The OAPFD was merged into the Public Authority for Privatization and Partnership in 2019[[125]](#footnote-125), which was then cancelled and transferred to the Ministry of Finance in August 2020.

* 1. Measures Directly Affecting Exports
     1. Customs procedures and requirements

Exports need to be accompanied by the following documentation: (i) a copy of the export invoice; (ii) a packing list; (iii) the application letter for the export of used or personal belongings issued by the employer (for foreigners only); (iv) the import declaration; and (v) the form for clearing and classifying goods according to the Customs procedure. In addition, companies exporting restricted goods need to be registered to the Ministry of Commerce, Industry and Investment Promotion (MOCIIP) and provide an approval from the relevant authority.[[126]](#footnote-126) Specific requirements apply for re-exportation.[[127]](#footnote-127)

* + 1. Taxes, charges, and levies

According to the authorities, Oman does not apply any export duty or tax. No provision on the use of export duty, charges, or other restrictions is contained in the 2001 Economic Agreement between the GCC States.[[128]](#footnote-128)

* + 1. Export prohibitions, restrictions, and licensing

Oman prohibits exports of antiques, ancient manuscripts, and Maria Theresa thalers (historic rials). Export restrictions apply to date palms and seedlings[[129]](#footnote-129), and to specific species of fish and molluscs in cases of over-exploitation, notably during breeding seasons.[[130]](#footnote-130) Ministerial Decisions No. 395/2019 and No. 134/2020 also prohibited the export of raw marble and [Omani goat and sheep breeds](https://www.mola.gov.om/eng/legislation/decisions/details.aspx?Id=1474&type=D) respectively. In the wake of the COVID‑19 crisis, the Directorate General of Pharmacy and Drug Control banned the export of masks and hand sanitizers.[[131]](#footnote-131) In addition, export permits are needed for locally mined or quarried products.

The Ministry of Agriculture, Fisheries and Water Resources announced in April 2020 that exporters of livestock should get a permit from the Ministry and enclose a copy of the import permit for livestock from the importing country.[[132]](#footnote-132)

* + 1. Export support and promotion

Oman notified the WTO in June 2017 that it does not grant or maintain any export subsidy within the meaning of the Agreement on Subsidies and Countervailing Measures.[[133]](#footnote-133)

Oman's law on partial or full refund of custom duties for re-exportation follows the Unified Customs Laws of the GCC.[[134]](#footnote-134) Duty refunds are allowed under Article 16 of the Executive Supplementary Notes to the GCC Customs Law. It permits exporters to recover the duty paid on their imported products once the product is re-exported from Oman. The qualifying conditions include that: (i) the exporter is also the original importer of the product; (ii) the value of the re-exported goods is not less than USD 5,000; (iii) the goods are re-exported within one year of payment of the import duty and the claim for drawback made within six months from the date of re-exportation in the same condition as when they were imported; and (iv) the exports are not restricted under Omani law, unless prior permission is obtained from the relevant authority. Proof is required that the goods being exported are identical to the goods that were imported.[[135]](#footnote-135)

Under Oman's re-export or transit regimes, goods that can be re-exported and for which duty concessions can apply are: (i) imports not withdrawn from customs warehouses (at air and sea customs offices only); (ii) imports to be exported that have been granted a temporary release, for up to six months, against a bank or cash guarantee; (iii) imports under the temporary entry scheme to be re-exported; and (iv) suspended goods put in stores. If the goods are sold in Oman instead of being re-exported, the appropriate duties are levied.[[136]](#footnote-136)

The Public Authority for Investment Promotion and Export Development was abolished and merged into the new MOCIIP in August 2020 (Section 2.1).[[137]](#footnote-137) Royal Decree No. 105/2020 created the Public Authority for Special Economic Zones and Free Zones.

Oman has three free zones: Al Mazunah Free Zone (AMFZ), inaugurated on 24 November 1999; Salalah Free Zone (SFZ), established under Royal Decree No. 62/2006; and Sohar Port and Free Zone, established by Royal Decree No. 123/2010. Oman also possesses two special economic zones (SEZs): the Duqm SEZ and the Knowledge Oasis Muscat SEZ. The New Foreign Capital Investment Law (NFCIL) permits 100% foreign ownership, which has been one of the main incentives of the free zones for years. Additionally, companies in the free zones can benefit from custom duties exemptions on imports and re-export to non‑GCC countries and from no minimum capital requirements. The SFZ and the AMFZ offer a reduced 10% rate of Omani nationals employment requirement compared to the standard 30%, as well as a 30-year corporate tax holiday.[[138]](#footnote-138) Yemeni nationals have additional benefits in the AMFZ. The Sohar Free Zone offers Omanization requirements reduced to 15% for 10 years and a 25-year tax holiday. Each free zone also has its own customs office and a dedicated one-stop shop to help with the required permits and approvals.

The two SEZs[[139]](#footnote-139) offer a reduced Omanization rate of 25%. Duqm SEZ does not apply custom duties or a minimum capital requirement (contrary to Knowledge Oasis Muscat, where it stands at OMR 20,000) and provides an income tax exemption for 30 years.[[140]](#footnote-140) The Government established, through Royal Decree No. 119/2011, the Duqm SEZ in 2011 in a bid to attract private investments in diverse sectors, including industrial petrochemical and mineral processing, transit trade and logistics services, tourism resorts, and commercial and residential complexes. This comes as part of an overall national strategy to diversify the economy, maximize the contribution of the private sector to GDP growth, reach equitable development among Oman's different regions, and provide Omani nationals with opportunities to invest, work, and reside in Duqm.

According to the authorities, no distinction is made between locally and foreign-owned companies with respect to access to the free zones or bonded warehouses. Custom duties of 5% of the value of goods apply to goods imported into a free zone and then exiting the free zone towards Oman or another GCC country.[[141]](#footnote-141) [[142]](#footnote-142)

Free zones issue four types of licences: (i) general trading licences allow holders to import, export, distribute, and store all items as provided for by the free-zone rules and regulations; (ii) trading licences permit holders to import, export, distribute, and store items specified on the licence; (iii) industrial licences allow holders to import raw materials, carry out the manufacture of specified products, and export the finished product (subjected to clearance); and (iv) service licences permit holders to carry out the services specified in the licence, within the free zone.[[143]](#footnote-143)

Free zones and SEZs are important elements of Oman Vision 2040 and Logistics Strategy 2040, which aim at positioning the Sultanate as a major trade hub.[[144]](#footnote-144) A project to establish a new SEZ in Musandam is in progress.[[145]](#footnote-145)

* + 1. Export finance, insurance, and guarantees

The fully government-funded Credit Oman SAOC, formerly Export Credit Guarantee Agency of Oman (ECGA), promotes Oman's exporters and manufacturers regardless of their ownership. Credit Oman provides credit insurance through the following programmes: export and domestic credit insurance, small and medium-sized enterprise (SME) credit insurance, multi-buyer credit insurance, and documentary credit insurance policy (DCIP). Credit Oman also advises exporters on the credit worthiness of overseas buyers and guides exporters on their credit collection and recovery of bad debts.[[146]](#footnote-146) It has notably been supporting Oman's exporters through the COVID‑19 crisis.[[147]](#footnote-147) Its services are available to Oman-based exporters of any size, operating in any industrial or services sector.

Credit Oman's Export and Domestic Credit Insurance Policy provides protection of up to 80% against commercial risk and up to 85% against non‑commercial risk. The SME policy is aimed to protect SMEs against losses. The Multi-Buyer Insurance provides protection to large companies of up to 10% of annual turnover. DCIP is an instrument available to commercial banks in which Credit Oman protects them against the risk of non‑payment of an import letter of credit.

* 1. Measures Affecting Production and Trade
     1. Incentives

Incentives available for domestic and foreign investors in Oman comprise, *inter alia*: tax exemptions; no income tax for individuals (although its introduction is being studied); freedom of capital transfers; one-stop shop service[[148]](#footnote-148); tariff exemptions on raw materials, machinery, and equipment imported for local production; and full foreign property rights (under certain conditions).[[149]](#footnote-149) Incentives for foreign investment promulgated under the NFCIL are presented in Section 2.4.

The 100% state-owned Oman Development Bank (ODB) is Oman's main financial development institution, providing support to micro, SME, and major ventures with the goal of diversifying the sources of national revenue.[[150]](#footnote-150) Term loans, working capital, and seasonal agricultural loans are also provided through commercial rates of interest. The maximum loan is OMR 1 million, and the repayment period can go up to 10 years, with a grace period of a maximum of five years. The ODB charges a minimum interest rate of 3% per year, with flexible grace periods. The ODB also manages the Agriculture and Fisheries Development Fund. In 2020, the ODB provided more than 11,800 development and emergency loans, with a total loan value of some OMR 68.8 million.

The Public Authority for the Development of Small and Medium Enterprises (Riyada) was established through Royal Decree No. 36/2013 in June 2013 and is headquartered in the Muscat Governorate. Its objectives are to develop SMEs by enabling them to: (i) access funding; (ii) instil a culture of entrepreneurship; (iii) promote employment opportunities, especially to young Omanis; (iv) assist entrepreneurs in implementation and leadership tasks; (v) enhance competitiveness; and (vi) support innovation and economic diversification.[[151]](#footnote-151) To this end, Riyada provides training, support, and consulting services.

Another entity responsible for SMEs' development is the Al Raffd Fund, which is dedicated to support young Omanis who establish their own projects. The Fund was created by Royal Decree No. 6/2013 and financed OMR 99 million in projects from 2013 to April 2020. The Fund has provided more than 4,000 direct job opportunities, among which 35.3% for women.[[152]](#footnote-152)

Several changes to the tax regime were introduced in 2017. Notably, the standard corporate income tax rate increased from 12% to 15%, while a new rate of 3% now applies for small businesses that meet certain conditions. The tax exemption threshold of OMR 30,000 was removed, electronic filling of tax document was introduced, certain tax exemptions were revoked, and stricter penalties were introduced.[[153]](#footnote-153)

More recently, Royal Decree No. 23/2019 promulgated the Excise Tax Law, in accordance with the GCC Excise Tax Agreement of 2016, which applies to both locally produced and imported goods.[[154]](#footnote-154) Finally, Royal Decree No. 118/2020 amended some provisions of the Income Tax Law, notably introducing the concept of tax residency.[[155]](#footnote-155) On 1 November 2020, Oman's Minister of Finance announced that a personal income tax on wealthy individuals would be introduced in 2022, which would make the Sultanate the first GCC country to apply an income tax on individuals.[[156]](#footnote-156) The authorities indicate that this plan is still being studied.

* + 1. Standards and other technical requirements

The National Enquiry Point and Information Centre, under the MOCIIP, is Oman's national enquiry point established for implementation of the TBT Agreement.[[157]](#footnote-157) The Directorate General for Standards and Metrology (DGSM) is responsible for standardization, metrology, testing, quality control and quality assurance, conformity assessment and certification, and accreditation activities.[[158]](#footnote-158) Oman accepted the TBT Code of Good Practice on 18 December 2000.[[159]](#footnote-159) Between August 2013 and June 2021, Oman made 298 notifications to the WTO's TBT Committee. No specific trade concerns have been raised about Oman's TBT measures.

Oman is harmonizing its technical regulations and standards at the GCC level through the Gulf Standards Organization (GSO), which is based in Riyadh. GSO standards and technical regulations are developed by first being proposed as a draft to the Secretary of the GSO Committee by a working group or the member State in charge of the project, and then presented to the member States and tested through a study by the members. International standards go through a fast-track mechanism.[[160]](#footnote-160) Once approved, GSO standards are circulated to all GCC member States for adoption. Members must withdraw any existing national standard that conflicts with the new GSO standard. In general, GCC and Omani standards are based on international standards.

According to the authorities, Oman develops technical regulations and standards at the national level only if there is a pressing need. All standards and most technical regulations are processed by the DGSM; any proposed technical regulation or standard is examined by one of the seven technical committees under the DGSM[[161]](#footnote-161), which has nine months to approve, finalize, and adopt it. All draft standards and technical regulations are made available for public comments for at least 60 days[[162]](#footnote-162) before they are adopted. A Ministerial Decision is required for a standard to become compulsory. Technical regulations are published in the Official Gazette. Technical regulations and standards normally enter into effect six months after their publication, unless an emergency situation requires this period to be reduced.

As of January 2021, Oman had 23,508 standards in place, 22,262 of which were based on GCC standards as formulated by the GSO, and 1,264 technical regulations. Sixteen are purely national technical regulations, covering products such as gas cylinders, fluorescent induction lamps, and safety footwear.[[163]](#footnote-163)

All mandatory standards in Oman apply equally to locally produced and imported products. Mandatory standards apply mainly on food products, construction material, toys, cosmetics, and motor vehicles. Compliance of imported goods is verified by the customs authorities. Non‑food products are allowed automatic entry on the basis of a Manufacturer's Declaration of Conformity Assessment Certificate, supported by a test report verified by the DGSM; in parallel, some samples are collected unless a mutual recognition agreement is in place. Imported products that are not covered by certificates are released temporarily and their samples tested. Oman has concluded mutual recognition agreements with the Kingdom of Bahrain, Egypt, the Islamic Republic of Iran, Iraq, Jordan, Qatar, Syria, Tunisia, Turkey, the United Arab Emirates, and Yemen.

Oman is a member of the Arab Centre for Standardization and Metrology in the Arab Industrial Development & Mining Organization, the International Organization for Standardization (ISO), and the International Organization of Legal Metrology (OIML).

Labels must be in Arabic or Arabic and English, although during the pandemic the MOCIIP temporarily waived the Arabic requirement in April 2020.[[164]](#footnote-164) Food labels must contain product names, production and expiry dates, country of origin, name and address of the manufacturer, net contents in metric units, list of ingredients and additives in descending order of importance, lot identification, and instructions for storage and use (where applicable). Products shipped in bulk should conform to GSO labelling requirements.[[165]](#footnote-165)

For meat and poultry products, Oman requires slaughtering according to Islamic halal procedures.[[166]](#footnote-166) Packaged fresh or frozen meat and poultry must also carry the following information in Arabic: country of origin, production (slaughtering or freezing) and expiry dates, shelf life of the product, metric net weight, and product identification. Pre‑packaged processed meat and poultry must be accompanied by production and expiry dates, as well as the net weight of the product.

The Telecommunications Regulatory Authority (TRA) issued labelling guidelines for telecommunication equipment in June 2010. Dealers of such equipment must register with the TRA. The label must contain the approval number and the dealer number. Imported goods may be labelled after customs clearance, but before entering the Omani market. Under Royal Decree No. 59/2015 issuing the Regulation for Dealing in Telecommunications Devices, failure to affix required labels can be sentenced to a fine of OMR 500.

All precious metals, jewellery, and gemstones, whether imported or locally produced, must be hallmarked under Royal Decree No. 109/2000. The DGSM is responsible for assaying of precious metals and testing of gemstones, as well as providing quality controls, certification, and hallmarking of gold jewellery.[[167]](#footnote-167)

In August 2011, the GSO adopted labelling requirements for tobacco products, introducing mandatory warnings on cigarette packages. Labels using terms such as "light" or "low" on packages are deemed misleading and thus prohibited. These rules were taken up by Oman through Ministerial Decree No. 12/2012.[[168]](#footnote-168) GSO standard No. 223/2013 establishes that breast milk substitutes bear labels indicating the sources of the protein, and a statement expressing the superiority of breast feeding. Oman adopted the GSO standard on energy labelling requirements for air conditioners through Ministerial Decision No. 107/2018.[[169]](#footnote-169)

Cosmetic products should not have labels that are inconsistent with Islamic traditions and social values, and parts of the labels must be translated into Arabic.[[170]](#footnote-170) The relevant norm for cosmetics is GSO standard No. 1943/2021. For simple fertilizers, complex compounds, and soil improvers, the relevant legislation on labelling is the GCC Law of Fertilizers and Agricultural Soil Improvers.

* + 1. Sanitary and phytosanitary requirements

The National Enquiry Point and Information Centre is the national enquiry point under the WTO SPS Agreement.[[171]](#footnote-171) The Directorate General of Animal Wealth (DGAW) and the Directorate General of Agricultural Development (DGAD), under the Ministry of Agriculture, Fisheries and Water Resources, are the authorities on SPS matters including food safety and plant and animal health. No specific trade concern has been raised about Oman's SPS measures. In 2017, the GCC countries started to apply the GCC Guide for Control of Imported Foods to ensure that all imported food complies with the GCC regulations and requirements.[[172]](#footnote-172)

Since 2004, Oman has been applying the GCC Laws on Veterinary Quarantine and Plant Quarantine.[[173]](#footnote-173) Imports, exports, and domestic production of plants and animals are subject to inspection by the quarantine section of the Ministry of Agriculture, Fisheries and Water Resources, which also examines and issues SPS certificates for all agricultural products prior to their export. Prior permission from the DGAD is required for imports of agricultural seeds, plants, and plant parts and products, which generally takes a week.[[174]](#footnote-174)

A health certificate and prior permission from the Department of Veterinary Licenses of the Ministry of Agriculture, Fisheries and Water Resources are required to import live animals from all countries, including GCC countries.

Imports of foodstuffs of live animals and plants, animal feed, red meats, poultry meat, agricultural materials, timber, grains and other unprocessed agricultural products are inspected by the DGAW at any point of entry. They must be free from contaminants, and milk products must be accompanied by a certificate declaring them free of radiation and dioxin. The Health Quarantine Department is responsible for the inspection of imported semi- and fully processed food products, while municipalities have an additional role of inspection in the ports and markets. All consignments that are imported must be accompanied by a health certificate issued by the relevant authority in the country of origin to ensure that the items are fit for human consumption and that animal feed is fit for animals. Unfit foodstuff and animal feed are rejected at the port of entry; they are either destroyed at the supplier's expense or returned to the country of origin.

For plant and animal imports, the Ministry of Agriculture, Fisheries and Water Resources' quarantine section imposes additional inspections. In 2017, the Ministry imposed new verifications of imported vegetables and fruits regarding maximum levels of pesticides allowed.

Between August 2012 and October 2020, Oman made 65 SPS notifications to the WTO.

Oman is a member of the World Organization for Animal Health (OIE), the International Plant Protection Convention (IPPC), and Codex Alimentarius.[[175]](#footnote-175)

* + 1. Competition policy, consumer protection, and price controls

Since the last Review, Oman has introduced its first law on competition. The Anti-Monopoly and Competition Protection Law was issued in December 2014.[[176]](#footnote-176) Under the Law, any production, trading, or services activity located in Oman or that has an influence on the Omani market is prohibited from engaging in practices that would undermine competition. Provisions of the Law do not apply to fully owned government entities. A business can be subjected to sanctions if it is abusing a dominant position (established at more than 35% of the relevant market) by engaging in certain practices without approval from the Consumer Protection Authority. If conducted by dominant market players, the following practices are considered to be abuse of dominant position: predatory pricing, imposing import restrictions, creating high barriers to entry, refusing to deal, price reselling creating shortages, and creating product surplus.[[177]](#footnote-177) An approval may not be granted if the market share exceeds 50%. Royal Decree No. 2/2018 established and promulgated the Competition Protection and Monopoly Prevention Centre, an independent government institution, to review mergers and abuse cases. The Centre was incorporated into the MOCIIP in August 2020.

Under the Law, complaints from competitors and the general public can be addressed to the MOCIIP. Articles 19 through 27 explain the procedures and the penalties applied in case of a violation of the Law. Both imprisonment and financial penalties can apply.[[178]](#footnote-178)

Royal Decree No. 66/2014 repealed Royal Decree No. 81/2002 on the Consumer Protection Law. It reinforced the powers of the Consumer Protection Authority (formerly the Public Authority for Consumer Protection[[179]](#footnote-179)), increased the potential penalties incurred, and overall strengthened transparency, consumer rights, and the legal framework for combating monopolistic behaviours.[[180]](#footnote-180)

Certain products, such as gas, petroleum, electricity, and water, as well as some services (e.g. telecommunications), may be subject to price controls when sold for household use. In general, the Government sets maximum prices for these goods and services, and the companies adjust their prices accordingly. On petroleum products, however, Oman moved in 2016 from a fixed price to a monthly adjusted price based on international prices, resulting in a significant increase. In December 2020, Oman announced that electricity subsidies for big non‑residential consumers, including industrial and government entities, would be removed by January 2021. Support will continue to be granted to eligible low-income consumers under a new subsidy plan targeted to poorer households.[[181]](#footnote-181) Personal and housing loans are subject to an interest rate ceiling set by the Central Bank of Oman (CBO).

* + 1. State trading, state-owned enterprises, and privatization

Oman notified the WTO Working Party on State Trading Enterprises in 2014 that the Public Authority for Stores and Food Reserves (PASFR), the Petroleum Development Oman (PDO), and Oman Refineries and Petroleum Industries Company (Orpic, now integrated within the global energy company OQ) are not state trading enterprises within the meaning of Article XVII:4(a) of the GATT 1994 and paragraph 1 of the Understanding on the Interpretation of Article XVII, as they have not been granted any exclusive right or privilege in their purchases or sales involving either imports or exports.[[182]](#footnote-182)

State-owned enterprises remain important in Oman's economy (Table 3.8). However, Oman has initiated several measures in recent years to speed up privatization. This stems from the dual objective of leveraging additional government revenues and increasing the contribution of the private sector in the economy. In 2017, the Implementation Support and Follow-up Unit of the Tanfeedh programme (paragraph 2.14) declared that there were around 70 state-owned enterprises in Oman and that between 2017 and 2021, the objective was to sell OMR 700 million of SOE assets to the private sector.[[183]](#footnote-183) SOEs holding companies were asked to present a privatization plan to the Ministry of Finance.

To advance Oman's privatization objectives, various regulations were introduced in 2019 (Section 2.2). Royal Decrees No. 50/2019, No. 51/2019, and No. 54/2019 enacted the Privatization Law, the Public Private Partnership Law, and the Establishment of the Public Authority for Privatization and Partnership, respectively. Their aim is to facilitate domestic and foreign investment and sustain private sector growth. The new laws allow for 100% foreign ownership of the privatized entities.[[184]](#footnote-184) In 2020, the Oman Investment Authority (OIA) was established to group together various state-owned entities.[[185]](#footnote-185) As at June 2021, there are 29 companies in which OIA holds more than 40%.

Table 3.8 Selected state-owned enterprises, 2021

| **Company name** | **Sector/Field of activity** | **OIA share (%)** |
| --- | --- | --- |
| OQ | Oil, refining, and gas | 100 |
| Qalhat LNG | Natural gas | 46.84 |
| Petroleum Development Oman | Petroleum and natural gas production, refining | 60 |
| Mineral Development Oman | Mining | 100 |
| Oman Global Logistics Group (Asyad) | Transportation & logistics | 100 |
| Oman Information & communication Technology Group (OICT) | Information, communication & technology | 100 |
| Electricity Holding Company (NAMA) | Electricity generation, transmission, and distribution | 100 |
| Omantel | Telecommunications | 51 |
| Oman Airport Management | Aviation | 100 |
| Oman Air | Aviation | 100 |
| Oman Fisheries Company | Fisheries | 24 |
| National Pharmaceutical Industries | Drug industries | 70 |
| Oman LNG | Natural gas | 51 |
| TANMIA | Investments | 42.44 |
| Oman Infrastructure Investment Management (RAKIZA) | Infrastructure projects | 100 |
| Sohar Aluminium Company | Manufacturing | 40 |
| Oman Cement Company | Manufacturing | 53.51 |
| Oman Flour Mills Company | Manufacturing | 51 |
| Majan Glass | Industrial | 75.25 |
| Oman Development Bank | Financial services | 100 |
| Oman Housing Bank | Housing financing | 61 |
| Majis Industrial Services | Industrial | 100 |
| Tageer Finance | Financial services | 33.63 |
| Oman Food Investment Holding Company | Food products | 100 |
| OMRAN | Tourism | 100 |
| Fisheries Development Oman | Fisheries | 100 |
| Oman Environmental Services Holding Company (Haya) | Utility | 100 |
| Al Hosn Investments | Investments | 50 |
| Blue City Project | Tourism | 100 |

Source: WTO Secretariat, based on information provided by the authorities.

In 2019, Oman created the fully state-owned energy conglomerate OQ, which integrated nine companies of the oil and gas industry.[[186]](#footnote-186) Ownership was transferred from the Ministry of Finance to the OIA.

Since the last Review, the Government sold some of its shares to private investors (which, for example, reduced the state share in Omantel from 70% to 51%). In 2019, the Oman Electricity Transmission Company was sold at 49% to the China National Electricity Grid Corporation for around USD 1 billion.[[187]](#footnote-187)

* + 1. Government procurement

The main legal instruments relating to government procurement are the Tender Law (Royal Decree No. 36/2008, amended by Royal Decrees No. 120/2011 and No. 60/2013) and the 1986 Unified Rules for Giving Priority in Government Purchases to National Products and Products of GCC Origin. Tendering is required for all units of the administrative apparatus of the State, and public organizations and establishments.[[188]](#footnote-188) After the 2013 amendment, wholly state-owned companies became subject to the Tender Law, with their internal committees managing the tenders. According to the 2019 Privatization Law, privatization projects and company transformation projects are not subject to the Tender Law.[[189]](#footnote-189)

The Tender Board was created in 1972; its members are appointed by the Government. Projects above OMR 3 million must be floated and awarded through the Tender Board, while projects below this threshold can be processed through the Government's Internal Procurement Committees.

According to the General Secretariat of the Tender Board, tenders can be general (open tender) or limited for qualified companies, and both can be either local, for companies registered in Oman, or international. The Tender Board's mission is to register companies to participate in a tender, review the tender documents, float the tender and selling documents to qualified companies, publish the tender, check the evaluation report from the ministries, send the recommendation report for awarding the tender, and check variation orders for the awarded projects.

Under the Tender Law, public tender is the main method for procurement of goods and services. For specific circumstances, four other methods apply: (i) restricted tender to specific suppliers, contractors, or consultants within or outside the Sultanate; (ii) direct assignment; (iii) negotiation under specific conditions with the bidder of the lowest bid; and (iv) competition for the purpose of conducting studies or preparing designs, layouts, models, or other technical works required for a specific project. Restricted tendering applies to tenders of a special nature with pre‑qualified bidders. Direct assignments are allowed in four situations: (i) special cases (not specified); (ii) when a contract is awarded to another government office, organization, or company; (iii) assignment with a supplier, contractor, or consultancy, if the value of the contract does not exceed OMR 10,000; or (iv) in the case of urgency, with a supplier, contractor, or consultancy, if the value of the contract does not exceed OMR 25,000.[[190]](#footnote-190)

Under Article 18 of the Law, tender notices should be published early in time in a "widely circulated Arabic and English language newspaper", and possibly online. Purchases of at least OMR 500,000 must be published in the Official Gazette. Non‑Omani companies and establishments can participate in international tenders if they registered under the relevant procedures. Successful candidates should submit a guarantee within 10 days that is equivalent to 5% of the total awarded value or submit a professional insurance policy. Successful international bidders are required to enrol in the Commercial Registration Department of the MOCIIP and become members of the Oman Chamber of Commerce and Industry within 30 days of award of the contract.[[191]](#footnote-191) Pursuant to Article 59 of the Executive Regulations of the Tender Law, unsuccessful bidders may appeal to the Tender Board, and ultimately to the administrative courts. The authorities note that several cases of complaints have been filed over the last years.

Article 36 of the Tender Law provides that priority must be given to national products of small and medium industries that meet required conditions and that a price preference of 10% should be granted to the products of Omani SMEs. An extension of this preference to SMEs from other GCC countries is currently under consideration. The authorities indicate that, in practice, a 5% preference is already applied.

The total amount of tenders awarded was OMR 381 million in 2020, OMR 688 million in 2019, and OMR 129 million in 2018. According to the Electronic Tendering Services, 8,372 tenders were published as of October 2020. Most of the tenders related to the construction of roads and dams and to the provision of medical care.

Oman is an observer to the WTO Agreement on Government Procurement.

* + 1. Intellectual property rights
       1. Overview

The MOCIIP, through its National Office of Intellectual Property, is responsible for policy formulation and implementation on intellectual property (IP)-related matters. The MOCIIP cooperates with other relevant ministries in implementing IP legislation. Other institutions responsible for IP matters are the Directorate General of Customs for issues related to border measures, courts of law for enforcement issues, the GCC Patent Office (based in Riyadh, Kingdom of Saudi Arabia), and the GCC Training Centre on IP, based in the State of Kuwait.

The MOCIIP has been working closely with the World Intellectual Property Organization (WIPO) to formulate its future National Strategy for Intellectual Property. The aim of the Strategy is to build a knowledge-based economy and to promote innovation and competitiveness in accordance with Oman Vision 2040.[[192]](#footnote-192)

The majority of Oman's IP rights were established under Royal Decrees No. 65/2008 and No. 67/2008 (Table 3.9).

Table 3.9 Overview of intellectual property rights (IPRs) legislation, June 2021

| **IPR** | **Main legislation** | **Duration of protection** | **Minimum duration of protection under the TRIPS Agreement** |
| --- | --- | --- | --- |
| Copyright | Royal Decree No. 65/2008 on Copyright and Neighbouring Rights, amended by Royal Decree No. 132/2008 | Life of author plus 70 years (general rule)a | Life of author plus 50 years |
| Patents | Royal Decree No. 67/2008 on Industrial Property Rights and Their Enforcement | 20 years from the date of filing for patents | 20 years from date of filing |
| Trademarks | Royal Decree No. 67/2008 on Industrial Property Rights and Their Enforcement | Trademarks: 10 years, renewable indefinitely for periods of 10 years | Trademarks: at least 7 years; renewable indefinitely |
| Geographical indications | Royal Decree No. 67/2008 on Industrial Property Rights and Their Enforcement | Unlimited | Unlimited |
| Integrated circuits | Royal Decree No. 67/2008 on Industrial Property Rights and Their Enforcement | 10 years | 10 years from first commercial exploitation |
| Industrial designs | Royal Decree No. 67/2008 on Industrial Property Rights and Their Enforcement | 5 years, renewable for 2 periods of 5 years | At least 10 years |
| Plant breeders' rights | Royal Decree No. 49/2009 on the Protection of Breeders' Rights in New Varieties of Plants | 20 years from the date of granting (25 years for trees and vines) | 20 years from the date of filing |

a Co-authored, collective, and anonymous works and works published 25 years after their creation may follow longer protection lengths. UNESCO World Anti-Piracy Observatory, Oman.

Source: WTO Secretariat, based on information provided by the authorities.

Oman is a party to various international IP treaties and conventions (Table 3.10). Since its last Review in 2014, Oman has accepted the Protocol Amending the WTO TRIPS Agreement for better access to affordable medicines and the Geneva Act of the Lisbon Agreement on Appellations of Origin and Geographical Indications.

Table 3.10 Participation in international IPR agreements, 2021

| **Treaty or convention** | **Entry into force** |
| --- | --- |
| Berne Convention | 9 September 1886 |
| Washington Treaty on Intellectual Property in Respect of Integrated Circuit | 26 May 1989 |
| TRIPS Agreement | 1 January 1995 |
| WIPO Convention | 19 February 1997 |
| Berne Convention for the Protection of Literary and Artistic Work | 14 July 1997 |
| Patent Cooperation Treaty | 14 July 1997 |
| Paris Convention for the Protection of Intellectual Property | 14 July 1999 |
| WIPO Performances and Phonograms Treaty | 20 September 2005 |
| WIPO Copyright Treaty | 20 September 2005 |
| Budapest Treaty on the International Recognition of the Deposit of Microorganisms for the Purposes of Patent Procedure and Regulations | 16 October 2007 |
| Protocol relating to the Madrid Agreement concerning the International Registration of Marks (Madrid Protocol) | 16 October 2007 |
| Patent Law Treaty | 16 October 2007 |
| Trademark Law Treaty | 16 October 2007 |
| Brussels Convention relating to the Distribution of Programme-Carrying Signals Transmitted by Satellite | 18 March 2008 |
| Hague Agreement Concerning the International Registration of Industrial Designs | 4 March 2009 |
| Union for the Protection of Plant Varieties (UPOV) | 22 September 2009 |
| Amendment to the WTO Trade Related Aspects of Intellectual Property Rights (TRIPS) Agreement for Better Access to Affordable Medicines | 1 March 2017 |
| Geneva Act of the Lisbon Agreement on Appellations of Origin and Geographical Indications | 30 June 2021 |

Source: WTO Secretariat, based on information provided by the authorities.

* + - 1. Patents

Under Royal Decree No. 67/2008, an invention is patentable if it is new, involves an inventive step, and is industrially applicable. Excluded from patentability are discoveries, scientific theories, mathematical methods, and pure mental activities. Patent protection on pharmaceutical products, agricultural chemicals, and other inventions is also provided under the Decree.

Patents are valid for at least 20 years from the date of filing. If there is a delay of several years between the date of filing and the delivery of the patent, an extension can be granted.[[193]](#footnote-193) Under GCC rules, a patent needs to be exploited on a sufficient industrial scale in a GCC member State within three years from the date of grant.[[194]](#footnote-194)

Decisions taken on patents by Oman are subject to administrative review and to right of appeal within provisions already established for the commercial courts. To settle disputes relating to patents, the judiciary considers the provisions of the GCC Patent Regulation, as well as Omani national regulations.[[195]](#footnote-195)

Requests for a compulsory licence for an unworked patented invention are granted by the MOCIIP, provided the applicant proves its ability to use the invention industrially, and against fair compensation to be paid for the patent. The Government may also authorize one of its agencies, in the public interest and against payment of fair compensation, to exploit a patent without the consent of the patent owner, based on the same criteria. The compulsory licence shall always be non‑exclusive. Such a decision may be appealed. The patent owner may only assign or transfer a patent right to a third party in conjunction with all the elements of the business.[[196]](#footnote-196) No compulsory licences were granted during the review period.

Fees for filing a patent application are OMR 200 for individuals and OMR 300 for firms, but students and researchers can benefit from a 90% reduction and SMEs from a 50% reduction. The patent certificate is OMR 500 for individuals and OMR 1,000 for firms, followed by annual fees growing from OMR 100 for individuals (OMR 200 for firms) in the second year to OMR 1,000 for individuals in the 20th year (OMR 2,000 for firms).

On 10 September 2014, the Oman Patent Office and its Egyptian counterpart announced that they had signed a cooperation agreement to technically examine Omani patent applications and enhance the quality of the Omani patents procedure.[[197]](#footnote-197)

From 2006 to 2019, there were 182 national patent applications and 4,073 applications under the Paris Convention and the Patent Cooperation Treaty. According to the authorities, as of December 2019, 283 patents had been granted.

* + - 1. Copyright and related rights

Under Royal Decree No. 65/2008, amended by Royal Decree No. 132/2008, the term of copyright protection is the author's lifetime plus 70 years.[[198]](#footnote-198) The Decree covers books, articles, computer programs, and other writings; oral works, such as lectures, speeches, and sermons; dramatic works; musical works; choreographic works; audiovisual works; drawings, paintings, engraving, works of architecture, and ornamental works; works of applied art; illustrations, maps, plans, sketches, and three-dimensional works; folklore; and title of the work, provided it is creative and is not a common term identifying the subject of the work. The related rights covered are performers, producers of sound recordings, and broadcasting organizations.

The Decree gives authors and their successors economic rights, such as the right to authorize or prohibit the commercial rental to the public of originals or copies of their copyright works within the limits allowed under Article 11 of the TRIPS Agreement. It also provides for moral rights, and regulates acts permitted without the authorization of the right holder, such that those acts, whenever allowed, are within the limits stipulated under the Berne Convention and the TRIPS Agreement. Moral rights include the right to claim authorship and to forbid use of their work if deemed prejudicial to their reputation.[[199]](#footnote-199)

Oman's law protects both copyrights of Omanis and foreigners residing in the Sultanate, including programmes belonging to broadcasting stations in the Sultanate or broadcasted from headquarters located inside the Sultanate. Provisions apply in accordance with any multilateral and bilateral international treaties and conventions to which the Sultanate is a party or may become a party later.[[200]](#footnote-200)

Table 3.11 shows the evolution of copyright applications since 2016. The authorities indicate that applications now are generally submitted electronically.

Table 3.11 Copyright applications, 2016-20

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
|  | **2016** | **2017** | **2018** | **2019** | **2020** |
| Number of applications | 106 | 216 | 186 | 233 | 146 |

Source: Information provided by the authorities.

* + - 1. Trademarks

In 2017, Oman ratified the GCC Trademark Law[[201]](#footnote-201), thus marking its commitment to a regional harmonization of IP legislation. However, as of 2020, Oman has yet to publish the executive regulations putting this law into practice. Therefore, previous Omani legislation on trademarks continues to apply, although in case of conflict GCC law prevails.[[202]](#footnote-202)

Currently, Royal Decree No. 67/2008 regulates the procedures for application, publication, registration, and protection of trademarks. Registration is sufficient to notify potential infringers of the owner's exclusive right; it is also required for the protection of well-known marks in Oman. Registration may be cancelled for trademarks not used for five consecutive years, unless the trademark owner submits a justification, such as reasons beyond their control, for non‑use. The owner of a registered trademark has the sole right to produce, import, or distribute the trademarked goods and the right to prevent any other person from using the trademark without permission. The holder has the right to assign or license a trademark; assignment must be recorded. According to the authorities, since July 2020, the application fee for trademarks has been OMR 220 and can be done through the Invest Easy portal.

Under the GCC Trademarks Law, the processing period for trademark applications is 90 days from the date of filing. The opposition period against published trademarks applications will be reduced from Oman's current 90 days to 60. Trademarks fees will still be set at the discretion of individual GCC countries.

In July 2020, the National Office of Intellectual Property announced that a new electronic procedure for trademark application will be implemented in order to improve and facilitate the process.[[203]](#footnote-203)

Table 3.12 shows the evolution of trademark applications from 2017 to 2020.

Table 3.12 Trademark applications, 2017-20

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  | **2017** | **2018** | **2019** | **2020** |
| National and international applications | 13,296 | 11,134 | 14,391 | 9,951 |

Source: Information provided by the authorities.

* + - 1. Industrial design and layout-designs of integrated circuits

Article 1 of Royal Decree No. 67/2008 defines industrial designs as "any composition of lines or colors or any three-dimensional form, whether or not associated with lines or colors, provided that such composition or form gives a special appearance to a product of industry or handicraft and can serve as a pattern for a product of industry or handicraft, and appeals to and is judged by the eye". Under Article 20, registration of industrial designs contrary to public morals or order is not permitted.

Protection of industrial designs is for five years, renewable for two consecutive five-year periods; layout-designs of integrated circuits are protected for 10 years.[[204]](#footnote-204) The application fee for industrial designs and layout-designs of integrated circuits is OMR 1,000; the registration certificate is OMR 500, and publication is an additional OMR 100. Students and researchers can benefit from a 90% reduction, and SMEs from a 50% reduction.

Protection of layout-designs of integrated circuits is for 10 years. Registration applies if they are original and have not yet been commercially exploited for a period exceeding two years in any part of the world.[[205]](#footnote-205)

From 2016 to 2020, there were 95 national industrial design applications, all of which were granted. In 2019, 22 applications were filed for industrial designs and models, compared to 16 in 2018.

* + - 1. Geographical indications

Under Royal Decree No. 67/2008, a geographical indication identifies a good as to its origin and geographical environment in any country where a given quality, reputation, or other characteristic of the good is essentially attributable to its geographical origin. Protection is not available for geographical indications that are contrary to public order or morality, that are not or cease to be protected in their country of origin, or that have fallen into disuse in that country. The time‑frame for protection is unlimited. Applications should be filed only by legal experts or competent authorities engaged as producers in the specified geographical area.[[206]](#footnote-206) The application fee for geographical indications is OMR 200; the registration certificate is OMR 200, and publication is OMR 100. Between 2014 and 2020, nine national applications were registered.

* + - 1. Plant breeders' rights

Royal Decree No. 49/2009 and Ministerial Decision No. 103/2015 on the Executive Regulations of the Law for Protecting the Right of the New Plant Varieties lay out the conditions for the protection of plant breeders' rights. The Directorate General of Agriculture and Livestock Research in the Ministry of Agriculture, Fisheries and Water Resources is the relevant authority. A breeder's right shall be granted where a plant variety is new, distinct, uniform, and stable.

* + - 1. Enforcement

Intellectual property right (IPR) infringements and violations can be subject to fines and imprisonment. Anyone who intentionally infringes, on a commercial scale, one of the industrial property rights can be sentenced to imprisonment from a minimum of three months up to a maximum of three years or to monetary fines from a minimum of OMR 2,000 up to a maximum of OMR 10,000.[[207]](#footnote-207) Penalties of up to OMR 10,000, as well as imprisonment from one month to three years, are presented in the GCC Trademark Law. Civil remedies are available in all cases of infringement. The Public Prosecution Office may initiate legal action *ex officio* with respect to IPR-related offences, without the need for a formal complaint by a private party or right holder.[[208]](#footnote-208)

Articles 66 to 100 of Royal Decree No. 67/2008 detail the enforcement measures that can be initiated for the protection of patents, trademarks, industrial designs, geographical indications, and layout-designs. Proceedings must be initiated within five years from the date of discovery of the infringement. No time‑limit applies in cases of unfair competition. For the protection of breeders' rights, the relevant law also refers to Royal Decree No. 67/2008. The Copyright Law defines its own measures and remedies.[[209]](#footnote-209) The Law on Patents stipulates that it is the responsibility of each GCC member State to settle patent disputes (Article 26).

1. TRADE POLICIES BY SECTOR
   1. Agriculture and Fisheries

Agriculture and fisheries together contributed around 2% of GDP during the review period. There were 61,040 people working in the sector in 2019, declining by about one third compared to the figure in 2016; this was attributed to the same scale decline of foreign workers employed in the sector.

The agriculture sector faces various environmental challenges, such as the scarcity of irrigation water, the poor and declining quality of the soil due to increasing salinization, overgrazing, and adverse climatic conditions. Given its limited cultivable area and unfavourable climate, Oman is likely to remain heavily dependent on imports to meet its domestic demand for most agricultural products.

Oman Vision 2020 sets the target of raising agriculture's contribution to GDP to 3.1% by 2020, with annual growth topping 4.5%. It also intends to boost the fishing sector to around 2% of GDP by 2020, with growth of 5.6% per annum. The Government has the dual aim of reducing Oman's dependence on imported agricultural produce and increasing exports where possible. The Ministry of Agriculture and Fisheries (MoAF) is responsible for formulating policies for the sector; it is also responsible for sponsoring research, providing technical assistance to farmers, regulating water use in agriculture, and enforcing sanitary and phytosanitary (SPS) measures.

Enhancing food security/self-sufficiency has been a major focus for Oman's agricultural policy. In this regard, the state-owned Oman Food Investment Holding Company (OFIC) was established in 2012 with a mandate to invest in food security, economic diversification, and job creation for Omanis. For example, the OFIC, partnered with other state entities (e.g. the Oman Investment Fund (OIF), the sovereign wealth fund) and the private sector, purchased four agri‑food companies and set up a few companies of animal products; these projects enhanced the capacity of domestic agricultural production.

The size of cultivated land enlarged by 60% during the review period, reaching 110,399 hectares in 2019, up from 68,863 in 2014. Most of enlarged cultivated land is used for vegetables, and perennial fodder crops, while the land size for fruit remained stable and for field crops shrank remarkably. Total agricultural production, including vegetables, fruit, field crops, and perennial fodder crops, doubled. The largest contribution to production was made by perennial fodder crops with 1,698.7 tonnes in 2019, up from 753.6 tonnes in 2014, followed by vegetables at 825.3 tonnes in 2019, from 334.6 tonnes in 2014; production of fruit and field crops remained stable (Table 4.1).

Of livestock, the total number of animals gradually increased; livestock animals in Oman usually include cows, sheep, goats, and camels. With regard to animal products, the production also increased continuously during the review period; notably, the production of eggs and poultry meat experienced a significant growth (Table 4.1). As a result, it was reported that the self-sufficient rates for dairy, fruit, and vegetables in 2019 reached 25%, 70%, and 80%, respectively.[[210]](#footnote-210)

Table 4.1 Selected indicators of agriculture, 2014-20

|  | **2014** | **2015** | **2016** | **2017** | **2018** | **2019** | **2020** |
| --- | --- | --- | --- | --- | --- | --- | --- |
| **Cultivated land (ha)** | **68,862.8** | **91,277.3** | **94,399.2** | **100,917.2** | **108,887.9** | **110,399.1** | **107,922.8** |
| Vegetables | 13,106.1 | 20,950.9 | 22,046.2 | 22,241.5 | 22,451.9 | 23,150.8 | 29,095.9 |
| Fruit | 30,846.1 | 31,011.5 | 31,012.0 | 31,115.7 | 32,231.6 | 32,554.2 | 33,268.2 |
| Field crops | 4,842.6 | 3,919.9 | 4,258.0 | 4,263.4 | 4,268.5 | 4,311.3 | 10,161.5 |
| Perennial fodder crops | 20,068.0 | 35,395.5 | 37,082.6 | 42,799.3 | 49,935.9 | 50,382.8 | 35,397.2 |
| **Livestock ('000)** | **3,301** | **3,366** | **3,434** | **3,502** | **3,572** | **3,278.5** | **3,717** |
| **Crop production ('000 tonnes)** | | |  |  |  |  |  |
| Vegetables | 334.6 | 769.4 | 830.9 | 814.6 | 817.9 | 825.3 | 1,159.5 |
| Fruit | 404.4 | 434.3 | 444.7 | 450.8 | 459.7 | 468.7 | 464.9 |
| Field crops | 22.2 | 31.1 | 18.9 | 18.9 | 25.0 | 25.5 | 162.5 |
| Perennial fodder crops | 753.6 | 1,126.9 | 1,332.9 | 1,338.2 | 1,648.5 | 1,698.7 | 1,247.1 |
| **Total** | **1,514.8** | **2,361.5** | **2,627.3** | **2,622.5** | **2,951.1** | **3,018.1** | **3,034.1** |
| **Animal products ('000 tonnes)** | | |  |  |  |  |  |
| Poultry | 43 | 92 | 94 | 111 | 129 | 129 | 130 |
| Red meat | 42 | 43 | 44 | 45 | 46 | 47 | 48 |
| Dairy | 91 | 83 | 87 | 97 | 99 | 101 | 215 |
| Eggs | 285 | 342 | 364 | 397 | 427 | 427 | 476 |

Source: National Centre for Statistics and Information, *Agriculture and Livestock*. Viewed at: <https://data.gov.om/OMAGLS2016/agriculture-livestock>.

During the review period, the spending of domestic support for the agriculture sector continued to decrease, except for 2015. The authorities note that the spending increase in 2015 was related to adjusting the irrigation system and the electrical voltage of the Najd project, where some problems arose; also, there were added expenses for the development of quarantine and veterinary quarantine capacity. All the support measures notified to the WTO belong to the Green Box. In 2019, spending was OMR 8.2 million, down from OMR 24.5 million in 2013 (Table 4.2).

Table 4.2 Domestic support, 2013-19

**('000 OMR)**

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
|  | **2013** | **2014** | **2015** | **2016** | **2017** | **2018** | **2019** |
| Agricultural research | 1,634.9 | 1,792.6 | 2,715.0 | 1,879.5 | 1,427.8 | 1,053.8 | 936.3 |
| Pest and disease control | 647.4 | 1,796.7 | 3,791.6 | 1,942.7 | 2,458.0 | 2,745.7 | 1,928.7 |
| Extension and advisory services | 5,069.6 | 2,533.8 | 4,160.0 | 2,061.5 | 1,075.5 | 599.4 | 359.7 |
| Infrastructure | 3,063.8 | 1,074.8 | 2,607.3 | 1,488.1 | 961.8 | 968.3 | 353.2 |
| General services | 10,599.8 | 7,510.7 | 13,514.9 | 7,761.6 | 5,996.6 | 5,488.0 | 3,779.7 |
| Development programmes | 3,636.5 | 4,458.9 | 2,673.0 | 2,438.0 | 2,240.1 | 1,309.1 | 890.2 |

Source: WTO documents G/AG/N/OMN/12, 20 June 2014, to G/AG/N/OMN/25, 31 July 2019; and information provided by the authorities.

Businesses in agriculture, livestock, and fisheries may apply for a soft loan from the Oman Development Bank (ODB) for their projects, up to OMR 1 million per project (Section 3.3.1). According to the authorities, the deployment of soft loans decreased from OMR 1.98 million in 2013 to 0.88 million in 2018. In October 2017, Oman introduced its first ever agriculture insurance; the insurance not only covers farmers against the loss or damage to agriculture crops and greenhouses, but also extends to livestock and fishermen. The insurance line is provided by four domestic insurers, and is reinsured by Oman Reinsurance Company.

Agricultural land ownership is exclusively for Omanis.[[211]](#footnote-211)

Oman does not maintain tariff quotas or quantitative restrictions measures on agricultural products; the average MFN tariff rate for WTO-defined agricultural products is 10.2% in 2021, while the tariff is bound at 27.7% (Table 3.1). Oman also notified that it does not provide export subsidies to agricultural products.[[212]](#footnote-212)

Fisheries, as one of the five priority sectors identified in the National Programme for Enhancing Economic Diversification (also known as the Tanfeedh programme), began to grow during the review period. The sector policy is defined in the National Fisheries Development Strategy (2013-2020), with an aim of enhancing production, increasing the sector's efficiency, and protecting natural resources. Priorities in the Strategy include ensuring fish supply for local demand, improving the usage of fish reserves, and encouraging private investment in maritime and aquaculture industries.

Oman's fish stock includes, *inter alia*, large pelagic, small pelagic, and demersal. During the review period, the fisheries sector grew strongly – the fish catches increased almost threefold. In 2020, Oman landed 840,378 tonnes of fish, up from 211,314 tonnes in 2013. Oman's fish harvest has been dominated by artisanal fishing using small crafts. More than 90% of production was from traditional fishermen and coastal fishing; commercial fishing did not account for a significant share until 2019 (Table 4.3).

Table 4.3 Selected indicators of fisheries, 2014-20

**(tonnes)**

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
|  | **2014** | **2015** | **2016** | **2017** | **2018** | **2019** | **2020** |
| **Fish landed** | | | | | | | |
| Commercial fishing | 590 | 210 | 163 | 398 | 413 | 20,055 | 41,363 |
| Traditional fishermen | 207,824 | 254,767 | 277,014 | 343,926 | 548,672 | 555,210 | 793,419 |
| Coastal fishing | 2,618 | 2,024 | 2,330 | 3,140 | 3,909 | 3,921 | 4,289 |
| Aquaculture | 282 | 170 | 103 | 77 | 451 | 1,054 | 1,307 |
| **Total** | **211,314** | **257,171** | **279,610** | **347,541** | **553,445** | **580,240** | **840,378** |
| **Fish export** | | | | | | | |
| Fresh fish | 20,001 | 38,559.1 | .. | .. | .. | .. | 73,289 |
| Frozen fish | 48,928 | 65,591.5 | .. | .. | .. | .. | 214,114 |
| Crustaceans & molluscs | 2,611 | 4,963.6 | .. | .. | .. | .. | 12,344 |
| **Total** | **77,645** | **110,579** | .. | .. | .. | .. | **299,747** |
| Export value ('000 OMR) | 52,494.6 | 48.9 | .. | .. | .. | .. | 114,584 |

.. Not available.

Source: National Centre for Statistics and Information, *Fisheries*. Viewed at: <https://data.gov.om/OMFSRS2016/fisheries>; and information provided by the authorities.

In 2019, Al Wusta Fisheries, a fishing company owned by the Fisheries Development Oman, began its two-year trial fishing using modern industrial fishing methods (e.g. mid-water trawler fishing) to capture unexploited fishing stock. Al Wusta currently operates one vessel fishing at a sustainable rate of 80,000 tonnes per year. Also, the Government is making efforts to encourage artisanal fishermen to replace their traditional *dhow* boats with more modern vessels[[213]](#footnote-213), and employ more effective techniques. In this regard, Omani fishermen can get soft loans from the ODB and may apply for grants from the Government to cover up to 40% of the cost of fishing boats (Section 3.3.1).

Aquaculture is a fledgling industry in Oman. Current production efforts focus on white shrimp, abalone, bream, and grouper. The Oman Aquaculture Development Company (OADC), owned by the OIF, is the major player in the field. The OADC has two subsidiaries: Oceanic Shrimp Aquaculture and Blue Water. In May 2018, Blue Water harvested its first fish catch at its 3,000-tonne-capacity sea bream farm; the production level reached more than 1,600 tonnes by end-2020.

In the Duqm Special Economic Zone (SEZ), a port and processing centre for fish are under construction. Once completed, as many as 60 fish manufacturing facilities are envisaged at the harbour, including facilities for cooling, freezing, and fish farming.

Foreign investors in the fisheries sector may enjoy a five-year exemption on corporate tax and customs duty; the exemption is renewable once for another five-year period (Section 3.3.1). In addition to soft loans from the ODB, Omani fishermen (including Omani companies) may apply for grants from the Government to cover up to 80% of the cost of fish feed, fingerlings (young fish), and equipment, including fish tanks.

Oman is a net exporter of fish. Frozen fish, mainly supplying the US market, accounted for more than half of Oman's fish exports. Fresh fish is usually destined for other GCC countries and the European market. In 2020, a total of 299,747 tonnes of fish were exported, valued at OMR 114.6 million (Table 4.3).

According to the authorities, measures taken to conserve the marine ecosystem and combat illegal, unreported, and unregulated (IUU) fishing include: (i) licensing requirements for all fishermen and their vessels and vehicles, for fish processing plants, and for fish exports; and (ii) export restrictions on certain species such as lobster and abalone.

* 1. Mining and Energy

The institutions responsible for the mining and energy sector have been overhauled since the last Review. On 18 August 2020, the Ministry of Oil and Gas (MOG) was renamed as the Ministry of Energy and Minerals (MEM); in the meantime, the Public Authority for Mining (PAM) was disbanded and its functions were transferred to the MEM.[[214]](#footnote-214)

* + 1. Mining and quarrying

The contribution from the mining and quarrying sector to Oman's economy gradually increased, from 0.4% in 2014 to 0.9% in 2020 (Table 1.1). The Government identified the sector as one of the key sectors to diversify the economy. Oman has large deposits of metals and industrial minerals, with promising reserves of copper, chromite, gypsum, limestone, and marble. In terms of production, building materials, gypsum, and marble are the leading products (Table 4.4).

Table 4.4 Selected mineral production, 2014-20

|  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  |  | **2014** | **2015** | **2016** | **2017** | **2018** | **2019** | **2020** |
| Building materials | Production  (million cubic meters) | 62.5 | 49.4 | 45.8 | 43.4 | 44.9 | 57.7 | 48.3 |
|  | Value (million OMR) | 53.8 | 68.6 | 67.7 | 65.5 | 62.4 | 43.3 | 34.4 |
| Limestone | Production  (million tonnes) | 8.7 | 12.2 | 12.5 | 18.1 | 14.0 | 10.0 | 6.4 |
|  | Value (million OMR) | 9.9 | 11.9 | 15.5 | 14.8 | 15.8 | 9.7 | 12.9 |
| Gypsum | Production  (million tonnes) | 3.4 | 6.3 | 7.9 | 8.4 | 9.4 | 11.0 | 10.2 |
|  | Value (million OMR) | 5.1 | 9.2 | 10.1 | 18.1 | 23.3 | 21.4 | 21.1 |
| Marble | Production  (million tonnes) | 1.6 | 1.6 | 1.4 | 1.3 | 1.3 | 1.1 | 1.1 |
|  | Value (million OMR) | 21.8 | 17.9 | 14.4 | 13.0 | 11.0 | 9.6 | 9.5 |
| Chromite | Production  (million tonnes) | 0.8 | 0.4 | 0.6 | 0.5 | 0.9 | 0.7 | 0.4 |
|  | Value (million OMR) | 22.9 | 16.0 | 18.1 | 22.1 | 30.1 | 19.6 | 8.9 |
| Copper | metric tonnes | 0.1 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
|  | Value (million OMR) | 22.6 | 11.3 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| **Sectoral GDP (million OMR)** | | **120.0** | **122.8** | **128.1** | **148.1** | **140.3** | **125.5** | **129.5** |

Source: National Centre for Statistics and Information, *Oil and Gas*. Viewed at: <https://data.gov.om/OMOLGS2016/oil-and-gas>; and information provided by the authorities.

Since the last Review in 2013, the legal and institutional framework has been restructured with an aim to further streamline administrative operation and enhance the efficiency of the sector. The PAM, created in 2014, was dissolved in August 2020; its regulatory functions were transferred to the MEM. The main legislation concerning the sector is the Mineral Resources Law, which entered in force on 14 March 2019 and repealed the Mining Law and its amendments.[[215]](#footnote-215) The Law strengthens the powers of the sectoral regulating authority, whose exclusive responsibilities include issuing mining licences, negotiating concession agreements, conducting inspections of mining activities, and ensuring compliance by the licensees. According to the authorities, the new framework may provide investors with more incentives, guarantees, transparency, and certainty.

The Mineral Resources Law reaffirms state ownership of the natural underground resources in Oman's territory (including in the territorial waters, in the exclusive economic zone, and on the continental shelf); any mining activity must acquire a permit or a licence from the authorities.

For mining activities, there are three types of licences. It is also possible to obtain a whole life licence that combines all three licences.

• Prospection Licence: for activities that test the surface or the subsurface of the earth, using geological and geophysical methods to identify different minerals;

• Exploration Licence: for activities of extraction operations to locate or prove mineral deposits; and

• Exploitation Licence: for activities of extracting mineral resources with the aim of producing them on large scale.

Licence applicants must obtain pre‑approval from various ministries. In addition to halving the number of ministerial approvals to four, the Mineral Resources Law also puts a strict timeline (60 days) for governmental agencies to respond to a mining licence application. Under the Law, licences for prospection and exploration are valid for one year, renewable for a period up to three years; a licence for exploitation is valid for five years, renewable for three years. Licences are not transferable, unless approved by the authorities.

The Law draws a distinction between licences and concession agreements – the mining rights for any perimeter exceeding five km2 should be granted solely on a concession agreement. Concession agreements for large deposits shall be granted for a period between 20 and 30 years, upon approval from the authorities and being authorized by virtue of a Royal Decree. Concessionaires are not allowed to sub-let their perimeters granted by the agreement. According to the authorities, mining concessions are considered as major means for developing the mining sectors, while extraction of building materials and marble continues to be managed mainly through the licensing process.

Licensees are requested to submit a financial guarantee of 1% of the project cost, and to pay an annual rent and royalties. Compared to the fixed 10% set in the previous law, the new law provides flexibility on royalty payment: at least 5% on the annual value of the extracted minerals, dependent on world market conditions. In addition, a licence holder is required to pay a minimum of 1% of annual production towards a corporate social responsibility fund managed by the authorities.

The main metallic minerals are produced by the state-owned Oman Mining Company (OMC), and the privately owned Mawarid Mining. In addition, chromite is being mined by Oman Chromite Company (OCC), which is partially state-owned. Another important player in Oman's mining industry is Minerals Development Oman (MDO), a state-owned conglomeration of three Omani sovereign wealth funds and government investment entities[[216]](#footnote-216); the MDO's role is to facilitate investment through joint ventures with private firms. The MDO has received multiple mining licences and is investing heavily in prospective mineral resources, as the Government's preferred partner for mineral concessions.

Although foreign firms can acquire mining permits, most foreign investors participate in this sector as service contractors or as joint venture partners with Omani firms. The improvement of transport infrastructure, especially the railway link under construction, is expected to boost the production and trade of mining minerals, attracting foreign investment and creating jobs.

In 2020, there were 4,691 people employed in the mining and quarrying sector, of which 1,006 were Omani. As with many of Oman's key development sectors, there is a minimum Omanization target of 35% for all private companies. The mining sector reached approximately 21% in 2020.

* + 1. Hydrocarbons

Hydrocarbons play a major role in Oman's economy, though their share in GDP decreased from 46.6% in 2014 to 33% in 2019; they contributed a large part of government revenues, accounting 75.5% in 2019, down from 84.3% in 2014. Oman is not an OPEC member. Its oil production generally expanded during the review period: the average daily crude oil production reached its peak at 1 million barrels in 2016, then fell to 950,700 in 2020 (Table 4.5).

Table 4.5 Selected indicators for oil and gas, 2014-20

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
|  | **2014** | **2015** | **2016** | **2017** | **2018** | **2019** | **2020** |
| **GDP (million OMR)** | **32,978.2** | **27,803.8** | **26,103.3** | **28,259.8** | **31,822.2** | **30,586.3** | **24,366.2** |
| % from oil & gas | 46.6 | 33.3 | 26.7 | 29.7 | 36.2 | 33.0 | 30.1 |
| **Government revenues (million OMR)** | **14,107.0** | **9,064.5** | **7,608.1** | **8,514.1** | **10,949.6** | **10,588.7** | **5,902.0** |
| % from oil & gas | 84.3 | 78.7 | 68.2 | 72.9 | 78.2 | 75.5 | .. |
| **Average daily crude oil production ('000 barrels)** | **943.5** | **981.1** | **1,004.3** | **970.6** | **978.4** | **970.9** | **950.7** |
| **Total production of gas (billion standard cubic feet)** | **1,332.8** | **1,408.5** | **1,445.4** | **1,447.4** | **1,617.7** | **1,647.2** | **1,646.5** |
| Associated gas | 239.5 | 247.7 | 250.2 | 243.3 | 284.4 | 294.6 | 271.1 |
| Non‑associated gas | 1,092.6 | 1,160.8 | 1,195.2 | 1,204.2 | 1,333.4 | 1,352.6 | 1,307.4 |
| **Refinery production ('000 barrels)** | **81.7** | **86.0** | **84.5** | **91.7** | **113.2** | **111.6** | **93.6** |
| **LNG export  (metric tonne)** | **7,887.7** | **7,916.5** | **8,522.4** | **8,585.7** | **10,384.8** | **10,635.4** | **10,197.0** |

.. Not available.

Source: National Centre for Statistics and Information, various datasets.

The legal and institutional framework for the sector remained largely unchanged. The main legislation is the Oil and Gas Law, which entered into force in 2011. The oil and gas sector is overseen by the MEM.[[217]](#footnote-217) The Ministry's responsibilities include providing overall policy guidance for the sector, supervising exploration and production, negotiating Exploration and Production Sharing Agreements (EPSAs) with international oil and gas concessionaires, and marketing Omani crude oil and natural gas.

As at end-2018, Oman had 5 billion barrels of proved oil reserves, and 700 billion cubic meters of proved natural gas reserves.[[218]](#footnote-218) In the upstream, Petroleum Development Oman (PDO), the national oil company, is a dominant player; 60% of PDO's equity is owned by the Government, while the remaining shares are held by Shell (34%), Total (4%), and Partex (2%). On 3 December 2020, Energy Development Oman (EDO), a joint stock company between PDO and a number of investments, was created by a Royal Decree.[[219]](#footnote-219) The Government transferred its interest, rights, and obligations under Block 6 to EDO, which has a mandate to invest in conventional as well as renewable and alternative energy resources.

Pursuant to the Oil and Gas Law, international oil companies usually sign EPSAs, as a concessionaire, with the MEM.[[220]](#footnote-220) Under the EPSAs, oil and condensate may be sold on the open market, but all gas production must be sold to the Government. As part of the national strategy, the MEM tries to diversify bidders for concession licences from the traditional sources. The MEM held licences bidding rounds in 2016 and 2019. As of end-2020, a total of 32 companies were operating in concession blocks throughout the Sultanate; alongside PDO and Occidental Oman, international oil companies from Asia and Europe are present in Oman. Concessionaires are subject to 55% of income tax and 15% of corporate tax.[[221]](#footnote-221)

The key markets for Omani oil are Asian economies including China; India; Japan; the Republic of Korea; Singapore; the Separate Customs Territory of Taiwan, Penghu, Kinmen and Matsu (Chinese Taipei); and Thailand. In addition to exporting, Oman processes oil in its domestic refinery facilities. The majority of gas production goes to industrial use and power generation – all of Oman's power generation is now provided by domestic natural gas. Oman also increased its exports of liquefied natural gas (LNG) during the review period (Table 4.5).

In contrast to those of other GCC countries, hydrocarbon resources in Oman are contained in challenging or depleting formations. Oman in recent years has become a global leader of using the enhanced oil recovery techniques and new seismic technologies commercially, allowing the country to maintain high production rates and ensure oil retains its role as a primary economic contributor.

In 2013, the authorities introduced the In-Country Value (ICV) Blueprint Strategy. According to the authorities, the Strategy aims to retain the total sectoral spending in-country that benefits business development, contributes to human capability development, and stimulates productivity in the economy. The Strategy covers seven specific elements: (i) investment in fixed assets; (ii) Omanization; (iii) training of Omanis; (iv) local sourcing of goods; (v) local sourcing of sub-contracted services; (vi) the development of national suppliers; and (vii) the development of national training, education, and research and development institutions.

Companies involved in the oil and gas sector must conduct an evaluation that details the percentage of local spending in all of these areas. In the case of Omanization, the figures also must include a percentage of total headcount and the number of man hours used, while training is considered as a percentage of local training in total national man hours. As of end-2020, total direct and indirect employment in the sector reached 19,766 posts, of which 16,898 were taken by Omanis. Direct employment in the sector adds up to an Omanization rate of approximately 85%.

The Strategy also benefits the development of local suppliers[[222]](#footnote-222), in particular for small and medium-sized enterprises (SMEs) servicing the needs of the oil and gas sector, such as health, safety and environment advisory services, engineering and engineering management services, drill bit manufacturing, and oil well maintenance.

Oman's downstream is dominated by the state-owned refinery company, Oman Oil and Orpic Group (OQ). OQ is a merger between the Oman Oil Refineries and Petrochemicals Company (Orpic) and the Oman Oil Company (OOC) that occurred in November 2018. Orpic operates two refineries, a polypropylene plant, and an aromatics plant. The daily refinery capacity from these facilities stood at 220,000 barrels in 2019.

Expanding the capacity of refining and petrochemicals production plays an important role in Oman's economic diversification strategy of growing manufacturing and increasing value addition in the hydrocarbons sector. New investment projects are ongoing in Duqm, Sohar, and Salalah.

With regard to the retail market, the fixed-price policy for fuels was abolished in January 2016; now prices for fuels are set and adjusted monthly by a government committee reflecting the changes in international prices. The profit margins of retailers are still fixed by the Government. The major retailers are Al Maha Petroleum Products Marketing Company, Oman Oil Marketing Company, and Shell Oman Marketing Company.

* + 1. Electricity

The legal and institutional framework for the power sector has remained largely unchanged, except that the sectoral regulator was branded as the Authority for Public Utilities Regulation (APUR, also known the Authority for Public Services Regulation) in August 2020.[[223]](#footnote-223) The main legislation is the Law on the Regulation and Privatization of the Electricity and Related Water Sector (also known as the Sector Law).

The sector comprises three separate grids: the Main Interconnected System (MIS), serving the north of Oman; the Dhofar Power System (DPS), serving the southern Dhofar region and the nearby rural areas; and the Rural System of the Rural Areas Electricity Company (RAEC), serving the rural areas that are not covered by the other two grids.

Under the Sector Law, the subsector of power generation is fully liberalized; all new electricity projects must be carried out by independent power providers (IPPs). The state ownership of an IPP may not exceed 15%, and 40% of the share must be traded on the Muscat Securities Exchange (MSX). As of end-2020, there were 14 IPPs licensed to operate, 12 of which are 100% privately owned[[224]](#footnote-224); 12 IPPs operate on the MIS, and two on the DPS.

All capacity generated from IPPs is sold to the single wholesale buyer, the Oman Power and Water Procurement Company (OPWP), through long-term power purchase agreements. The OPWP is responsible for the country's capacity planning through forecasting electricity demand in the next seven-year interval; the planning is presented each year in the seven Year Statement.[[225]](#footnote-225) According to the latest Statement, the demand for electricity by 2025 will fall short by 1,750 MW; therefore, 1,600 MW of new capacity from IPPs is planned. Under the Economic Purchase Obligation, the OPWP must procure new capacity, usually through a competitive tender; it planned to purchase an extra 600 MW in the 2022 power procurement process, and 700 MW in 2024.[[226]](#footnote-226)

In 2015, the authorities published the National Energy Strategy (NES) 2040. In 2017, Oman adopted a target of having at least 10% of electricity output from renewable energy sources by 2025, primarily onshore wind and solar; in 2020, the target changed to 30% by 2030. As at end-2020, there was only a total capacity of 150 MW from wind sources in operation. There are 13 projects planned for the future: four photovoltaic (PV) solar projects with a total capacity of 1,600 MW, two wind projects with 250 MW of combined capacity, two waste-to-energy/biogas projects with 250 MW total capacity, and five small-scale solar PV schemes with a combined capacity of 160 MW. Additionally, the authorities also launched a solar rooftop initiative, allowing private customers to sell their extra electricity generated from rooftop solar PV back to the OPWP.

The Oman Electricity Transmission Company SAOC (OETC) is the monopolistic transmitter; it manages the grids of MIS and DPS. Distributors in each grid purchase electricity from the OPWP and distribute it to final customers; distributors on each grid enjoy statutory monopolies in their respective service areas, though the APUR has the competence to maintain competition in the markets.[[227]](#footnote-227) There are three distributors on the IMS network, and one on the DPS. All four distributors, together with the OETC, are state-owned under the umbrella of the Electricity Holding Company.[[228]](#footnote-228)

The RAEC is a vertically integrated entity, serving the vast rural areas. On the RAEC, there are two generation plants: one is diesel-fired and the other is solar-powered.

Electricity retail tariffs are subject to approval by APUR, and adjusted each year (Table 4.6). When the economic cost of supplying electricity is higher than the revenue from retailed tariff, the difference (i.e. the loss of income) will be matched by the Ministry of Finance. The electricity subsidy is calculated annually.

Oman's national grid has been connected with the GCC Interconnection Grid through a 220 kV connection with the United Arab Emirates since July 2018. The OPWP is the state trading entity for electricity on the GCC Grid. The current capacity for electricity trading is up to 400 MW (800 MW in the case of emergencies). The MFN tariff on importing electricity is 5%.

Table 4.6 Electricity retail prices, 2021

| **Tariff category** | **Range (kWh/month)** | **Tariff (OMR/kw)** |
| --- | --- | --- |
| **Residential** |  |  |
| Citizen's account | 0-2,000 | 0.015 |
| 2,001-4,000 | 0.02 |
| More than 4,000 | 0.03 |
| Residential and additional account | 0-500 | 0.02 |
| 500-1,500 | 0.025 |
| More than 1,500 | 0.03 |
| **Commercial** |  |  |
| Large customers |  | CRT |
| Industrial | Winter Tariff (from 1 January to 30 April, and 1 October to 31 December) | 0.021 |
| Summer Tariff (from 1 May to 30 September) | 0.029 |
| Agriculture and fisheries | 0-3,000 | 0.012 |
| 3,001-6,000 | 0.016 |
| More than 6,000 | 0.024 |

CRT Cost reflective tariff, applied to commercial and industrial customers whose consumption exceeds 150 MWh per year, which includes the four-stage cost for electricity supply (i.e. the price of bulk supply, transmission charge, distribution charge, and the administrative charge). The CRT was introduced on 1 January 2017.

Source: Authority for Public Services Regulation, *Permitted Tariffs*. Viewed at: <https://apsr.om/en/tariffs>.

* 1. Manufacturing

Manufacturing steadily accounted for about 10% of GDP during the review period. Considering Oman's endowment of mineral resources, the manufacturing sector is dominated by activities related to oil and gas, such as petroleum refineries and petrochemicals (Table 4.7). Main products of the chemical industries include fertilizers, paints, detergents, and pharmaceuticals. Other manufacturing activities include metal production, plastics, and light industry such as food and beverage.

Table 4.7 GDP of manufacturing sector, 2014-20

**(million OMR)**

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
| **Manufacturing activities** | **2014** | **2015** | **2016** | **2017** | **2018** | **2019** | **2020** |
| Refined petroleum products | 43.3 | 208.4 | 168.9 | 328.5 | 302.1 | 455.7 | 797.8 |
| Chemicals and chemical products | 1,607.6 | 1,176.8 | 976.2 | 1,199.6 | 1,638.5 | 1,433.0 | .. |
| Other manufacturing | 1,259.0 | 1,221.2 | 1,170.6 | 1,204.7 | 1,277.8 | 1,183.1 | .. |
| **Manufacturing (Total)** | **2,909.9** | **2,606.4** | **2,315.6** | **2,732.8** | **3,218.4** | **3,071.8** | **2120.7** |
| **GDP** | **32,978.2** | **27,803.8** | **26,103.3** | **28,259.8** | **31,822.2** | **30,586.3** | **27,705.2** |

.. Not available.

Source: Information provided by the authorities.

In 2021, Oman's Manufacturing Strategy 2040 began to be implemented. The Strategy aims to transform the manufacturing sector from resource-based to capital-intensive and knowledge-driven.[[229]](#footnote-229) The Ministry of Commerce, Industry and Investment Promotion (MOCIIP)[[230]](#footnote-230) oversees the development of the sector. Other stakeholders include the Public Establishment for Industrial Estates (known as Madayn) and the Oman Chamber of Commerce and Industry, which represents a vast number of SMEs operating, in particular, in light manufacturing.

As part of the economic diversification effort, Oman aims to be a top 10 global transport hub; meanwhile, manufacturing was selected by the authorities as one of the five key sectors in the National Programme for Enhancing Economic Diversification (Tanfeedh programme), as well as in Oman Vision 2040. Most manufacturing establishments (including the ones for refineries and petrochemicals) are located in the industrial estates, free zones, and SEZs where they are served by the airports or ports nearby (Section 3.2).

There are four free zones and one SEZ in the country, where investors enjoy 100% foreign ownership, and exemptions on minimum capital requirement, and on tax and customs duty. These zones are regulated by the Public Authority for Special Economic Zones and Free Zones; each zone is managed by a dedicated operator. Different zones may have different specialization of the industries inside. For example, the Salalah Free Zone is focused on chemicals and materials processing, manufacturing and assembly, and logistics and distribution, while the Sohar Free Zone is focused on metals, petrochemicals, logistics, and food processing.

There are other nine industrial estates scattered across the country, all of which are managed by Madayn. These industrial estates offer incentives similar to the ones in the free zones.

Specific incentives accorded for manufacturing include a non‑renewable five years of income tax holiday for companies' net profit; a five-year exemption on custom duties and withholding taxes on plant, machinery, and raw material imports; and withholding tax exemption on dividends and interest (Section 3.3.1). To be eligible for the incentives, foreign-owned companies must have invested a minimum of OMR 1 million on fixed assets in the locations specified by the MOCIIP, and meet the Omanization target for the sector, currently set at 35% (Section 2.4).

* 1. Services
     1. Financial services
        1. Banking

The Central Bank of Oman (CBO) is Oman's banking sector supervisor and regulator, in accordance with the Banking Law (Royal Decree No. 114/2000, as amended), which has remained largely unchanged since the last Review. There are 18 commercial banks operating in Oman (9 local banks and nine branches of foreign banks). Among the nine local banks, two are Islamic banks and five conventional banks have established dedicated Islamic banking windows. Islamic banking is regulated under the Islamic Banking Regulatory Framework[[231]](#footnote-231), which remained largely unchanged during the review period. Also, there are two state-owned specialized banks, i.e. the ODB and the Oman Housing Bank (OHB). The ODB provides soft loans to SMEs in key activities, such as agriculture, fisheries, livestock, health, IT, manufacturing, tourism, and traditional industrial craftsmanship (Section 3.3.1). The OHB provides finance, mainly through soft housing loans.

The Government keeps a 23.6% minority participation in Bank Muscat, 14.57% in Sohar International Bank, and 5.09% in Bank Nizwa, while all other commercial banks are privately owned. During the review period, there were some unsuccessful attempts to consolidate commercial banks; however, some progress was made within the Islamic banking segment in 2020 – the Islamic window of a local conventional bank was merged with an Islamic bank, and the Islamic bank became a fully owned subsidiary of the conventional Bank.[[232]](#footnote-232) The sector is dominated by local commercial banks, and Bank Muscat is the largest institution, holding around 35% of the sector assets. As for the Islamic banking segment, it has rapidly grown since 2013 and now accounts for 15.7% as at end-March 2021. In 2020, Government deposits constituted 23.1% of total deposits (down from 28.1% in 2019), while government entities[[233]](#footnote-233) and public sector enterprises (PSEs) accounted for 6.6%. Also in 2020, total deposits increased by 2.9% (from OMR 23.7 billion in 2019 to OMR 24.3 billion in 2020). As such, the decrease in Government deposits was offset by an increase in deposits from the private sector.

Licensing procedures are the same for local and foreign-owned banks. The authorities note that limitations to foreign (or local) ownership for Islamic banking entities are similar to those applicable to conventional banks. The minimum paid-up capital requirement is OMR 100 million for local commercial banks, OMR 20 million for foreign banks, and OMR 10 million for Islamic windows. In addition, licensed banks are required to keep a paid-up capital deposit with the CBO equivalent to one tenth of 1% of their global banking resources, with a minimum of OMR 50,000 and a maximum of OMR 500,000. Investors must apply to the CBO for a licence, and the aggregate foreign ownership in local banks is limited to a maximum equity share of 70%. Requests for authorization of a branch office are approved by the CBO's Board of Governors. An application fee of OMR 600 is charged for each branch office. Any licensed bank may establish and operate branch offices within or outside Oman. During the review period, 13 applications for establishing branches of conventional foreign banks, and four for establishing Islamic banking entities were rejected by the CBO.

The authorities note that Basel III standards have been implemented, especially with regard to liquidity coverage ratio (LCR) (minimum requirement of 100%), net stable funding ratio (NSFR) (minimum requirement of 100%), leverage ratio, domestic systemically important banks (D-SIBs), and the Resolution Framework; the authorities further indicated that the Basel III Reforms (also known as Basel IV) would be gradually rolled out once the COVID‑19 situation stabilizes. In addition, the International Financial Report Standard 9 (IFRS-9) was implemented in the banking sector from 1 January 2018, which requires the bifurcation of loans portfolio into three stages (Stages 1, two, and 3), with Stage 3 representing impaired loans or non‑performing loans (NPLs). At end-2020, the banking system's Basel III regulatory capital adequacy ratio (CAR) was 18.5% (up from 16% in 2012), which is higher than the minimum of 13.5% prescribed by the CBO.[[234]](#footnote-234) As of December 2020, NPLs amounted for 4.2% of the total gross loans. The authorities note that NPL coverage ratio was 63.4%.

Based on principles and criteria established by the Basel Committee on Banking Supervision, Oman developed a D-SIBs Framework to enhance the regulatory and supervisory regime of important banks to contain any harm they might cause to the domestic economy. The D-SIBs Framework includes, *inter alia*, capital surcharges, stress testing exercises, and risk assessment measures. In April 2019, the CBO rolled out the Bank Resolution Framework in line with the Financial Stability Board's Key Attributes of Effective Resolution Regimes for Financial Institutions; under this framework, the CBO acts as the Resolution Authority for all the entities it licenses.

Recognizing the potentials of financial technology (fintech) services, the CBO published its fintech strategy in October 2020, and launched a Fintech Regulatory Sandbox Framework. The Sandbox is open to both local and foreign innovators, fintech companies, and start-ups, regardless of whether or not they are licensed to operate in Oman.[[235]](#footnote-235)

In June 2016, a revised Law on Combating Money Laundering and Terrorism Financing (ML/TF) established the National Committee for Combating Money Laundering and Terrorism Financing chaired by the CBO, and created the National Centre for Financial Information.[[236]](#footnote-236) The revised Law also requires financial institutions to apply appropriate due diligence measures, and promotes cooperation with international counterparts. In 2019, Oman adopted the National Risk Assessment (NRA) of ML/TF, based on a methodology developed by the IMF.

The interest rate on personal and housing loans has been capped at 6% since October 2013[[237]](#footnote-237), while other lending and deposit rates are market-driven.

* + - 1. Insurance

There are 19 direct insurance companies (10 of which are local insurers), 31 licensed insurance brokers, and one reinsurance company operating in Oman. Between 2014 and 2020, the value of written premiums rose from about OMR 435 million to some OMR 465 million. Meanwhile, the number of issued insurance policies increased from around 1.45 million in 2014 to about 1.64 million in 2020. The main segment in the market is health insurance (33% of market premiums), while motor, property, and life insurance account for 24%, 15%, and 12%, respectively, of the market share. Health insurance was the fastest growing segment, with a compound annual growth rate of 10% during the review period, which outpaced the 2% growth rate of the sector. Given the low penetration (1.87%) of insurance products, there is still an important margin for growth in the sector.

The Capital Market Authority (CMA) supervises and regulates the sector in line with Royal Decree No. 90/2004. Royal Decree No. 12/1979, as amended, lays out the regulatory regime for insurance activities. To operate in Oman, an insurer must be a joint stock company, commercially registered in Oman, and licensed by the CMA. Since 2017, all insurance companies must have a minimum capital of OMR 10 million and be listed on the MSX, following the requirements set out by Royal Decree No. 39/2014. Companies must deposit requisite guarantees and maintain a required margin of solvency. Tariffs and premiums are determined by market competition, which has led a significant reduction in services prices in motor and health insurance. The CMA is currently conducting a review of insurers of costs and profit margins in these two segments. Cross-border supply of reinsurance services is free of restrictions.

Under the Investment Regulation, an insurer must not have more than 30% of its total investment invested outside Oman; for reinsurance companies, the ceiling is 50% of total investment. Furthermore, not less than 50% of the overseas investment must be invested in either bank deposits/investment agencies, or governmental/Islamic bonds (sukuk); no more than half of total overseas bank deposits are allowed to be with a single bank or financial institution.

Two local insurers provide Islamic insurance (takaful). Though the segment is growing rapidly, it represents only a small share (14%) of the insurance market. Royal Decree No. 11/2016 prescribes the framework for the development of takaful in Oman. Minimum capital requirements and the listing obligation on the MSX are the same as for conventional insurers. Only dedicated takaful providers can offer Sharia-compliant insurance products, and insurers cannot simultaneously offer conventional and Islamic products.

There are no restrictions regarding ownership of insurance companies. An insurance company in Oman may transact general, life, or medical insurance or all of them, depending on the licence applied for and granted. Foreign insurance companies may supply insurance services as a locally incorporated company or as a branch of the parent company. For foreign insurance companies, Decree No. 90/2004 stipulates: (i) all policies covering risks situated in Oman must be issued in Oman; (ii) a record of all policies issued with respect to Oman must be maintained in a local office; (iii) the parent company must be established in accordance with laws of the country of origin; (iv) OMR 500,000 must be deposited with the CMA for doing business in any class of insurance and not less than OMR 1,000,000 for more than one class; and (v) an amount not exceeding 25% of each insurance policy issued in Oman must be reinsured with a national insurance company.

Oman's insurance regulatory framework also includes a Code for Corporate Governance and a Code of Practice for Conduct of Insurance Business. The regulatory framework is reviewed periodically, and some recent updates include regulations on investment for life insurers, increased minimum capital requirements for insurance brokers, and licence requirement for insurance agents.

The authorities indicate that a draft regulation on risk-based solvency and a capital adequacy framework for insurance services is being reviewed. The CMA informed that amended regulations to relax overseas investment for insurers are under consideration.

* + - 1. Securities

The MSX is a private closed joint stock company providing operational facilities and mechanisms for licensing trading, settlement, and registration of securities.[[238]](#footnote-238) The CMA is in charge of the monitoring and regulation of the capital market activity on the MSX.[[239]](#footnote-239) A centralized system for registering and transferring ownership of securities and safekeeping records is managed by the Muscat Clearing and Depository Company, a closed Omani shareholding company.

By end-2019, 111 companies and 43 bonds (21 corporate, 22 government[[240]](#footnote-240)) were listed on the MSX. In comparison to 2013, the number of listed companies decreased, while the number of government and corporate bonds doubled. The authorities are of a view that the decrease in listed entities on the MSX is not substantial and is part of market fluctuation; meanwhile, some companies chose to delist themselves by transforming their organizational structure from an SAOG to an SAOC. Market capitalization of listed securities amounted to OMR 18.8 billion in 2019, up from OMR 14.2 billion in 2013. The authorities indicate that the value of traded shares in 2019 represented only 30% of the value of traded shares in 2013. The MSX30, the index of the MSX, witnessed a sharp decline (−46.6% in June 2021) since its peak in September 2014. The authorities attribute the sharp decline to two possible factors: (i) the plunge of oil prices; and (ii) the lower rating of Oman by international rating agencies. The MSX is open to foreign investors, and the share of foreign investors in Oman's total securities market investment slightly fell from 28% in 2013 to 25.4% in 2019. The largest share of foreign investment originates from GCC countries.

In line with related developments in other financial subsectors, Oman enacted a framework for the issuance of Islamic bonds through Royal Decree No. 59/2014, and related regulations entered into force on 11 April 2016. This development explains in part the increase in the issuance of bonds, which kept the traded value in these instruments relatively stable. The listing requirements for insurance companies contributed to counter the decrease of listed companies on the MSX.

* + 1. Communications
       1. Telecommunications

During the review period, Oman's telecommunications sector, like in other places of the world, has become more and more mobile- and Internet-oriented. While the penetration (subscriptions per 100 inhabitants) of fixed telephony stayed stable over the past five years, mobile phone penetration stood at 140.4% in 2020. In 2020, 95% of the population had access to the Internet. During the review period, Internet penetration witnessed a remarkable improvement: the fixed broadband penetration rate increased more than double, from 4.4% in 2014 to 11.4% in 2020; the wireless broadband penetration reached 120.5% in 2020, up from 76% in 2014 (Table 4.8).

Oman considers information and communications technology (ICT) central to the Sultanate's long-term economic diversification, as a fundamental support for growth in a range of sectors and as a driver of GDP growth in itself. In this regard, a National Broadband Strategy was developed in 2013. With the objective of driving up social and economic benefits through providing broadband access to all Omanis and businesses, the Strategy was built on three pillars:

• Pillar 1: Review the telecom regulatory framework;

• Pillar 2: Stimulate the demand for broadband; and

• Pillar 3: Enhance the broadband infrastructure.[[241]](#footnote-241)

Table 4.8 Selected telecommunications indicators, 2014-20

|  | **2014** | **2015** | **2016** | **2017** | **2018** | **2019** | **2020** |
| --- | --- | --- | --- | --- | --- | --- | --- |
| Fixed telephone subscriptions ('000) | 375.2 | 434.9 | 422.5 | 509.8 | 560.3 | 592.2 | 594.6 |
| Fixed telephone subscriptions per 100 inhabitants | 9.3 | 10.2 | 9.4 | 10.9 | 12.2 | 12.8 | 13.3 |
| Mobile-cellular telephone subscriptions ('000) | 6,194.2 | 6,646.7 | 6,866.3 | 6,943.9 | 6,440.9 | 6,383.5 | 6,276.5 |
| Mobile-cellular telephone per 100 inhabitants | 153.8 | 155.8 | 153.3 | 148.8 | 140.0 | 138.2 | 140.4 |
| Internet users (%) | 70.2 | 73.5 | 76.8 | 80.2 | 85.5 | 90.3 | 95.2 |
| Fixed broadband subscriptions ('000) | 177.1 | 233.2 | 284.6 | 348.9 | 422.0 | 473.1 | 510.8 |
| Fixed broadband subscriptions per 100 inhabitants | 4.4 | 5.5 | 6.4 | 7.5 | 9.2 | 10.2 | 11.4 |
| Mobile broadband subscriptions ('000) | 3,059.7 | 3,550.2 | 4,047.0 | 4,351.6 | 4,113.3 | 5,038.8 | 5,385.6 |
| Mobile broadband subscriptions per 100 inhabitants | 76.0 | 83.2 | 90.4 | 93.3 | 89.4 | 109.1 | 120.5 |

Source: ITU, *Statistics*. Viewed at: [www.itu.int/en/ITU-D/Statistics/Pages/stat/default.aspx](https://www.itu.int/en/ITU-D/Statistics/Pages/stat/default.aspx); and the Telecommunications Regulatory Authority, *Monthly Telecom Indicators Statistics*. Viewed at: <https://www.tra.gov.om/En/ManageReports.jsp?menu=114>.

The telecommunications infrastructure in Oman has significantly improved since the last Review. A mobile operator was licensed in 2021. The national backbone fibre-optic network began construction in April 2014, and has covered 54% of urban regions[[242]](#footnote-242); the project is implemented by the Oman Broadband Company (OBC), a 100% state-owned company, and Oman ICT Group (owned by the Oman Investment Authority). Also, as part of the implementation of the National Broadband Strategy, the 100% state-owned Space Communication Technology LLC (OmanSat) was established in 2018 to focus on the national satellite project; in the same year, Oman Tower Company (OTC), which is 68% owned by the Government, was established to provide infrastructure (including tower co-location service) to mobile telecommunications service operators and government entities in an open access manner. In the United Nations eGovernment Survey 2020, Oman's Telecom Infrastructure Index scored 0.69 and ranked 63 of 193.[[243]](#footnote-243)

The Ministry of Transport, Communications and Information Technology (MTCIT) formulates policies for the subsector. The Telecommunications Regulatory Authority (TRA) remains the sectoral regulator. Its regulatory powers cover telecommunications, broadcasting, radio, and online communications.[[244]](#footnote-244) The main legislation governing the telecommunications sector includes the Telecommunications Regulatory Act, the TRA Executive Regulations, and their amendments. The Executive Regulations were amended in 2014 and 2016. According to the authorities, most of the amendments to the Regulations were related to access and interconnection agreements and their terms and conditions.

Any person or company that wishes to establish or operate a telecommunications system, or provide telecommunications services, must obtain a licence. Licence applicants must be registered in Oman, in the case of companies. The authorities indicate there are no restrictions on foreign ownership for telecommunications service providers. Pursuant to the Telecommunications Regulatory Act, three types of telecommunications licences are issued to operators in Oman: Class I, Class II, and Class III.

• Class I licences are for telecommunications operators that own or operate a public telecommunications network or international telecommunications infrastructure, offering public telecommunication services to the general public or leasing out their capacity to other operators that provide public services. A Class I licence is issued by a Royal Decree.

• Class II licences are granted to operators providing telecommunications services that depend on using the capacity of a Class I licensee's network. A Class II licence is issued by a ministerial decision.

• Class III licences are granted to operators that own or operate a private telecommunications network, providing private services; their network is not connected to the public network, and does not exploit the capacity of a public network. A Class III licence is issued through a TRA decision.

Based on the public interest, the TRA may limit the number of Class I and Class III licences.[[245]](#footnote-245) In the case of limiting telecommunications licences, the TRA may invite bids for licences. As at end-May 2021, there were 10 Class I licensed operators in Oman, among which three were issued for fixed telecom services, three for mobile services, and two for international traffic[[246]](#footnote-246); there were four Class II licensed operators, two of which provide public mobile services.

Each Class I operator must treat all other licensed operators connecting to its network on a fair, reasonable, and non‑discriminatory basis.[[247]](#footnote-247) This obligation is also applied to the branches or subsidiaries of a dominant licensed operator.[[248]](#footnote-248) A dominant licensee is the licensed operator with significant financial strength that can prevent effective competition in the sector. The TRA conducts periodic market reviews, and the review results are presented in the TRA Market Definition and Dominance Report. The TRA is currently in the process of preparing its second market review; the previous one was published in 2013. In the 2013 Report, Omantel and Nawaras were identified as single or joint dominant operators in the market.[[249]](#footnote-249)

Interconnection agreements are negotiated between operators, subject to approval by the TRA; if no agreement is reached, the TRA may intervene and the intervention is binding on all parties.[[250]](#footnote-250) Under the Access and Interconnection Regulations, the dominant operator is required to submit, within 30 days after being classified as dominant, its reference access and interconnection offer (RAIO) to the TRA for approval.

As stipulated in the Telecommunications Regulatory Act, telephone numbers, radio frequency, and domain names are considered to be national resources. Numbers are portable across operators. Regarding radio frequency allocation for telecommunications services, the TRA assigns radio frequencies or frequency bands to Class I operators under a Radio License. The authorities note that the frequency allocation is in line with the National Spectrum Allocations Plan; dependent on the availability of the required frequency, the allocation aims to enable the operator to exercise its rights and to perform its obligations as specified in the Licence.

The TRA also has the competence of maintaining competition in the sector and protecting consumers' welfare. Operators must submit their tariff plans, including their revisions, to the TRA for approval before marketing such products.

According to the ITU, the retail market in Oman is competitive. For instance, in the mobile segment, Omantel was the leader with a 42.5% market share as of the end-2020, closely followed by Ooredoo (40.3%). The mobile virtual network operators (MVNOs) also gained market share during the review period, with a 17.2% market share in 2020, up from 12% in 2014. Reflecting the competitive nature of the market, the average revenue per user for total mobile services declined to OMR 3.96 in June 2020, down from OMR 7.42 in 2014.[[251]](#footnote-251)

Class I licensed operators are charged royalty at 7% of their gross revenue for fixed operators, and 12% for mobile operators. Effective from 2022, the royalty for fixed operators will increase to 10%.

Universal service is mandatory, and is provided by existing licensed operators. Universal service is financed by the Omani Treasury.

The COVID‑19 pandemic has increased the demand for telecom services, such as video conferencing and streaming services. The TRA took several emergency regulatory measures aimed at ensuring the continuity of telecommunications services and avoiding network congestion. These procedures included abolishing the ban on VoIP calls, and suspending the pre‑approval requirements for retail tariff offers.

As stated in the Digital Oman Strategy, multinational technology companies are encouraged to establish branches and operations in Oman, setting up centres of excellence to support development. The Oman Data Park (ODP), established in 2012, is a joint venture between the state-owned Omantel and a private company, 4Trust LLC. The ODP is the first cloud and data service in Oman, and also the first cloud service online in the region.

The MTCIT has run the Sas programme since 2013.[[252]](#footnote-252) The programme aims to provide the basis for new domestic SMEs to develop and promote the Sultanate's ICT sector. In this regard, the Sas for Entrepreneurship Centre was established to provide technical and business training to start-up companies in order to better prepare them for the market, and to help them win their first contracts, as well as strengthening synergies and partnerships between SMEs in order to promote the formation of an ICT cluster.[[253]](#footnote-253) The Oman Technology Fund (OTF) has invested in local companies that developed online auction, marketplace, and teaching platforms.

It appears that there is no requirement for data localization, nor any restrictions on international data traffic.

* + - 1. Postal and courier services

During the review period, the institutional framework for postal and courier services remained unchanged. The main legislation is the Postal Services Regulatory Law and its Executive Regulations; the TRA continues being the regulator for the sector.

The Oman Post Company (OPC), a state-owned enterprise, is the sole provider of universal postal services; it is also engaged in the delivery service of goods and packages throughout the Sultanate.

A licensed individual postal service (including courier) provider must be an Omani national[[254]](#footnote-254); however, the authorities note that 100% foreign ownership is allowed in the case that the licensed service provider is a company. As at end-May 2021, there were 20 licensed service providers (including the OPC). Many of the Licensees are international companies with local incorporations, including large courier operators with an international presence (e.g. DHL, FedEx, Aramex, and UPS). According to the authorities, all licensees provide courier services and deliver both express letters and parcels on both domestic and international routes, competing with the OPC in express/courier services.

* + 1. Transport

Transport and logistics have been identified by the Omani authorities as key priorities for economic diversification. To capitalize on that promise, public authorities are in the midst of a multi-billion-rial investment programme designed to expand and improve capacity across air, land, and sea.[[255]](#footnote-255) The Government issued the Sultanate Oman Logistics Strategy (SOLS) in July 2015, which aims to transform Oman into a top 10 global logistic players by 2040; the implementation of the SOLS falls under the responsibility of the MTCIT. In this regard, according to the authorities, the MTCIT together with other government agencies took actions to implement certain trade facilitation agreements, such as the WTO Agreement on Trade Facilitation, and the Customs Convention on the International Transport of Goods under Cover of TIR Carnets. In 2016, the wholly state-owned Asyad Group was created to represent the state ownership of infrastructure assets, such as three deep-water ports, the dry dock, and three free zones, as well as the ownership of some transport services providers, such as bus and ferry services (e.g. Mwasalat and Sinyar Oman).

* + - 1. Maritime transport

During the review period, the legal and institutional framework for maritime transport remained unchanged. The Directorate General for Maritime Affairs, under the MTCIT, is the sectoral regulator. Its regulatory power covers ship and seafarer registration, licensing, marine navigation, and safety. The Maritime Law[[256]](#footnote-256) remains the main legislation concerning maritime transport.

Maritime transport accounts for more than 80% of freight in the Sultanate. Oman's flag merchant fleet remains relatively small: 53 ships with 18,000 dead weight tonnage (DWT).[[257]](#footnote-257) The Oman Shipping Company (OSC) is a state-owned maritime transport service provider[[258]](#footnote-258), with a fleet of 52 vessels for a total carrying capacity of over 8 million DWT. Vessels flying the Omani flag must be registered under Omani companies; there is no Omani nationality requirement for the captain and crews.

Maritime transport services may be provided by the private sector (national and foreign). There is no requirement that goods directly or indirectly imported into Oman by government agencies or public enterprises must be transported by Omani-flagged vessels on designated shipping routes where such vessels are available. Freight and passenger transport charges are market-determined. Cabotage is not allowed.

Oman's strategic location makes it a major transhipment hub on the East-West trade route. In 2020, there were 5,407 ships calling at ports in Oman, among which 1,781 were container ships, 1,153 were liquid bulk carriers, and 990 were dry bulk carriers.[[259]](#footnote-259) Despite the shipping industry consolidation in recent years, container transport has gradually increased – container port throughput reached 5.1 million 20-foot equivalent units (TEUs) in 2020, up from 3.3 million TEUs in 2014 (Table 4.9).

Table 4.9 Selected indicators of maritime transport, 2014-20

|  | **2014** | **2015** | **2016** | **2017** | **2018** | **2019** | **2020** |
| --- | --- | --- | --- | --- | --- | --- | --- |
| **Container port throughput**  **(million TEUs)** | **3.33** | **3.14** | **3.94** | **4.78** | **4.22** | **4.84** | **5.14** |
| **No. of port calls** | **8,440** | **7,409** | **9,768** | **8,227** | **5,256** | **5,425** | **5,407** |
| Container ships | 1,873 | 1,786 | 1,997 | 2,054 | 1,570 | 1,709 | 1,781 |
| Liquid bulk ships | .. | .. | .. | .. | 1,267 | 1,191 | 1,153 |
| Dry bulk ships | .. | .. | .. | .. | 918 | 990 | 990 |
| **Median time in port (day)** | .. | .. | .. | .. | **1.24** | **1.11** | **1.13** |
| Container ships | .. | .. | .. | .. | 0.76 | 0.73 | 0.73 |
| Liquid bulk ships | .. | .. | .. | .. | 1.71 | 1.49 | 1.45 |
| Dry bulk ships | .. | .. | .. | .. | 2.95 | 2.77 | 2.74 |

.. Not available.

Source: UNCTAD, *Statistics: Maritime Transport*. Viewed at: [https://unctadstat.unctad.org/wds/Report Folders/reportFolders.aspx?sCS\_ChosenLang=en](https://unctadstat.unctad.org/wds/Report%20Folders/reportFolders.aspx?sCS_ChosenLang=en); and information provided by the authorities.

All seven commercial ports in Oman are state-owned, among which three are deep-water ports: Sohar in the north, Duqm in the centre of the country's coastline, and Salalah in the south. During the review period, all three ports received a massive investment in infrastructure to boost their capacity: new container terminals were commissioned in Ports of Sohar and Duqm, and a general cargo and bulk liquids terminal was added to the Port of Salalah.[[260]](#footnote-260) Sohar and Salalah Ports are linked with the free zones nearby (Section 3.2). Port Sultan Qaboos is the designated port for passenger traffic.

All three deep-water ports are managed under concessions by joint ventures between the Government and foreign private companies.[[261]](#footnote-261) Wholly foreign-owned companies are allowed to operate terminals in Sohar on a landlord-tenant basis. Port Sultan Qaboos and the ports of Khasab and Shanas are managed and operated by the recently established Asyad Group.[[262]](#footnote-262) The Directorate General for Ports under the MTCIT does not manage/operate any port in the Sultanate, but oversees their management under concession agreements signed with the MTCIT.

Port operation efficiency, in particular for container handling, improved during the review period. For example, the median time in port for a container ship was 0.73 days in 2020, down from 0.76 days in 2018 (Table 4.9).[[263]](#footnote-263)

With regard to ship repairing, the Oman Drydock Company (ODC), a state-owned enterprise, provides ship maintenance and conversion facilities for all types of vessels. The ODC is located in the port of Duqm.

According to the authorities, no special incentives are granted to the subsector.

* + - 1. Terrestrial transport

In terms of land transport, the Government continues to invest in infrastructure projects to improve connectivity. These projects include construction of expressways, upgrading existing dual carriageways, and the first segment of 2,135 km national railways network. Also, the Government published in 2015 its first ever master plan for public transport, focusing on Muscat; the master plan is expected to create a multi-modal mass-transit system.

The MTCIT is responsible for land transport in the Sultanate, including construction, maintenance, and licence management. The legal framework for the subsector was modernized – a new Land Transport Law entered into force in March 2017, and the Executive Regulation of Land Transport became effective in January 2018. With the new legislation, the authorities intend to streamline the subsector and bring the provision and regulation of land transport under the umbrella of the MTCIT.

* + - * 1. Road transport

According to the authorities, as of end-2020, Oman had a total of 16,013 km of asphalted roads and 17,069 km of unpaved roads, and works are under way on two major road projects.[[264]](#footnote-264) The expressway system connects all the major urban areas, ports, and neighbouring GCC countries. Expressways are not tolled.

Oman's private car ownership is among the highest in the world, at 215 cars per 1,000 people.[[265]](#footnote-265) Public transport in Muscat consists of several bus lines, an informal network of minibuses, and taxis; outside of the capital, public transport is less developed.

Passenger transport services may be provided by the private sector, with a foreign capital not exceeding 70%. Anyone who wishes to provide bus services must obtain a licence from the MTCIT. The leading bus services provider is Mwasalat, formerly known as the Oman National Transport Company (ONTC) before November 2015. Mwasalat is a state-owned enterprise under the Asyad Group. Mwasalat enlarged its bus fleet to 123 buses, up from 73 buses before 2016; among the 50 new acquired buses, 40 are used as urban buses within Muscat, while 10 are used on long-distance routes. Consequently, the bus lines in Muscat increased from two to 18, and the domestic long-distance routes reached 15. Also, more services have been added to the international routes. According to the authorities, there are also some private bus operators.

Only Omani nationals are allowed to operate taxis.

Freight transporters must complete their commercial registration with the MOCIIP, and obtain a transport licence from the MTCIT. It appears that foreign firms are allowed to provide freight transport services. In January 2018, a new regulation entered into force. On the ground of protecting the Sultanate's highways, the new regulation restricts the gross weight of any tandem axle vehicle to 21 tonnes, single axle loads to 13 tonnes, and the total gross weight for the vehicle must not exceed 46 tonnes. Some observers indicate these restrictions may increase freight costs for heavy industry, in particular.[[266]](#footnote-266)

Cabotage is not permitted. The authorities note that prices of road transport services are market-determined.

* + - * 1. Rail transport

As part of the diversification effort, the national railway network aims to create an integrated multi-modal transport system in the Sultanate, linking the major ports, airports, regions with high population density, and industrial zones; the network is also planned to connect with the railways of its GCC neighbours. Once completed, it will have huge potential to improve transport efficiency, bypassing some bottlenecks in the maritime routes.

Oman Rail, the public entity under the auspices of the MTCIT, was founded in June 2014. Oman Rail is responsible for development, operation, and maintenance of the rail network. The authorities note that the preliminary design of the national railway network project[[267]](#footnote-267) is complete; however, construction has not yet started.

According to the public transport master plan, a light rail transit (LRT) system will be built in Muscat. The authorities indicate that the LRT project is halted.

* + - 1. Aviation transport

During the review period, the aviation industry in Oman experienced buoyant growth. Passenger numbers reached 17.4 million in 2019, up from 9.6 million in 2014. Also, aircraft movements increased by almost 50% between 2014 and 2019; more than 80% of flights are international. The COVID‑19 pandemic posed a big challenge to the industry, which witnessed a sharp decline in air transport in 2020 (Table 4.10).

The main legislation concerning this subsector is the Civil Aviation Law (which entered into force in 2004, and was amended in 2012 and 2019), the Executive Regulation of the Civil Aviation Law, and Civil Aviation Regulations.

Table 4.10 Selected indicators of aviation transport, 2014-20

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
|  | **2014** | **2015** | **2016** | **2017** | **2018** | **2019** | **2020** |
| **Passengers ('000)** | **9,551.5** | **11,342.9** | **13,230.1** | **15,581.2** | **16,779.0** | **17,404.7** | **2,943** |
| Passengers in | 4,770.9 | 5,711.7 | 6,659.0 | 7,762.8 | 8,385.5 | 8,658.5 | 2,208 |
| Passengers out | 4,746.5 | 5,601.0 | 6,543.5 | 7,786.8 | 8,374.6 | 8,721.8 | 727 |
| Transit | 34.2 | 30.3 | 27.6 | 31.7 | 18.9 | 24.4 | 8 |
| **Freight ('000 kg)** | **..** | **3,015** | **2,604** | **2,081** | **1,658** | **2,486** | **408** |
| **No. of flights** | **92,347** | **118,934** | **113,475** | **128,701** | **133,611** | **131,649** | **40,181** |
| International | 74,948 | 87,871 | 98,296 | 107,445 | 111,804 | 112,106 | 32,897 |

.. Not available.

Source: National Centre for Statistics and Information, *Transport*. Viewed at: <https://data.gov.om/yawrtcg/transport>; and information provided by the authorities.

The Public Authority for Civil Aviation (PACA), also known as the Civil Aviation Authority (CAA), was established in May 2012 as an independent sectoral regulator, responsible for formulating policies related to civil aviation and performing regulatory oversight functions.[[268]](#footnote-268) The PACA also provides air navigation and air traffic management services.[[269]](#footnote-269)

Oman maintains 111 bilateral air services agreements (ASAs) with its trading partners, 51 of which offer the fourth freedom without restriction on capacity, destinations, and pricing. There are restrictions on designate, ownership, and effective control, but the restrictions vary across the ASAs. The authorities indicate that Oman pursues an "open sky" policy, offering the fifth freedom in negotiation. Cabotage is not allowed.

Anyone who wishes to provide air transport services in Oman must obtain an Air Operator Certificate (for safety compliance) as a prerequisite, and then acquire an Economic Operating Licence (for business authorization) from the PACA.[[270]](#footnote-270) While the principal place of business must be within the territory of Oman, the service provider must be at least 50% owned and effectively controlled by Omani persons. The fare and cargo rates are subject to approval by the PACA.

When an Economic Operating Licence holder (i.e. a carrier) wishes to provide services on routes for which traffic rights are limited, the carrier must apply to the PACA for a Scarce Capacity Allocation Certificate (SCAC) prior to its operation on such routes. When there is more than one carrier applying for a SCAC[[271]](#footnote-271), the PACA allocates the scarce capacity based on the grounds of maximizing economic efficiency, enhancing competition, and improving consumer welfare. Though the SCAC may be revoked, the authorities indicate that completely replacing an incumbent airline on a route occurs only when in an exceptional case.

As of end-2020, the PACA had granted three Economic Operating Licences, two of which are Type A licences for legacy carriers, while the other is a Type B licence for general aviation. All three licensees are 100% Omani-owned. The two legacy carriers are Oman Air and Salam Air. Oman Air, the Sultanate's flag carrier, is 99% state-owned. Oman Air serves 49 destinations, focusing on South-east Asia, the Middle East, Africa, and Europe; its 70-plane fleet consists of two or three aircraft types. Salam Air, partially public-owned, is a low-cost airline licensed in January 2017. Salam Air serves international routes within the region with its six-aircraft fleet.

Slot management is carried out by the airports. Airport Coordination Limited, a UK-based company, was appointed in February 2020 as the facilitator for slot coordination. According to the authorities, slot allocation follows International Air Transport Association (IATA) guidelines.[[272]](#footnote-272)

There are four airports for commercial use in Oman[[273]](#footnote-273), all of which are state-owned. Muscat International Airport is the main airport; it is classified as an IATA Level II airport in terms of congestion.[[274]](#footnote-274) Salalah, Sohar, and Duqm Airports are regional airports, classified as IATA Level I airports. Salalah Airport also receives some international traffic.

Oman Airports (formerly known as Oman Airports Management Company (OAMC)) is a state-owned company that manages all the airports in the Sultanate. Oman Airports is responsible for the operation, maintenance, and infrastructure management of the airports it manages. According to the authorities, Oman Airport does not have statutory exclusive rights to managing all airports in Oman. Under concession agreements with Oman Airports, third-party service providers operate the airports in areas such as ground handling, catering (in-flight catering and airport lounge), and cargo handling. Concessionaires include TRANSOM (formerly known as Oman Aviation Service, a subsidiary of Oman Air) and Swissport. Fuel services are provided by Shell Oman Marketing Company, Oman Oil Marketing Company, and Al Maha Petroleum Products Marketing Company. Airports charges are subject to approval by the PACA. There are no foreign ownership restrictions for airport operation service providers.

During the review period, the capacity of Muscat International Airport and Salalah Airport was expanded. Foreign capital was involved in these expansion projects.

* + 1. Tourism

Oman has one of the most diverse environments in the Middle East, and the tourism sector has developed a niche market for luxury travellers. The tourism sector contributed 2.3% of GDP in 2020. As laid out in Oman's development strategy, Oman Vision 2040, the sector aims to contribute over 6% of GDP by 2040. The authorities also identified tourism as a sector that could be a source of significant employment – in 2020, there were 147,247 workers directly employed in the sector, about 11% of which were Omanis.[[275]](#footnote-275)

The tourism sector experienced remarkable growth during the review period. The total number of visitors increased by 60%, standing at 3.5 million in 2019, up from 2.22 million in 2014. In terms of the countries of origin, while visitors from Europe continued to be a major source of customers (about 21% of total visitors in 2019), the number of visitors from Asia overtook the number from Europe starting in 2015, becoming the biggest source of inbound tourists, accounting for about 25% of total visitors in 2019. In 2020, the visitor number declined sharply to 0.8 million, reflecting the disruption caused by COVID‑19 (Table 4.11).

The legal and institutional framework for the tourism sector remained unchanged during the review period. The main laws governing this sector are the Tourism Law and the Foreign Capital Investment Law. The Ministry of Heritage and Tourism remains the regulator for the sector, responsible for formulating the sectoral policies and development plans, licensing operators, and quality management, such as hotel classification. Licensing requirements apply to numerous activities, which cover, *inter alia*, entertainment and leisure activities, tourist transportation, water sports, travel agencies, hotel management, and tour guides. The Ministry of Heritage and Tourism is also responsible for promoting tourism.

State involvement is quite heavy in the sector. The Oman Tourism Development Company (OMRAN Group) is a state-owned enterprise whose business involves tourism-related investment‚ development, and management. In its asset portfolio, OMRAN owns various hotels (including Oman's first home-grown hotel chain, Atana), resorts, and site development projects.[[276]](#footnote-276) OMRAN has three subsidiaries: (i) the Oman Heritage Development Company (OHDC), which focuses on managing culture and heritage sites; (ii) the Oman Project Management & Development Company (OPMDC), which specializes in developing and executing tourism projects; and (iii) the National Omani Hospitality Company (NOHC), which is the hotel management wing.

Table 4.11 Selected indicators of tourism, 2014-20

|  | **2014** | **2015** | **2016** | **2017** | **2018** | **2019** | **2020** |
| --- | --- | --- | --- | --- | --- | --- | --- |
| **Total visitors ('000)** | **2,225** | **2,634** | **3,207** | **3,178** | **3,242** | **3,506** | **869** |
| From: Asia ('000) | 478.3 | 577.7 | 650.9 | 631.7 | 690.0 | 870.1 | .. |
| Africa | 25,281 | 26,891 | .. | .. | .. | .. | .. |
| America | 86,236 | 93,566 | .. | .. | .. | .. | .. |
| Europe ('000) | 508.1 | 515.0 | 584.3 | 604.6 | 616.2 | 726.5 | .. |
| Oceania | 17,229 | 17,752 | .. | .. | .. | .. | .. |
| For: Business ('000) | 403.7 | 483.8 | 560.2 | 547.2 | 349.6 | 411.3 | .. |
| Leisure and recreation ('000) | 803.7 | 895.6 | 1,069.0 | 1,080.3 | 1,489.8 | 1,626.6 | .. |
| **Total expenditure ('000 OMR)** | **306.5** | **364.8** | **427.3** | **532.3** | **679.2** | **684.7** | **244.6** |
| Food & beverages | 46.6 | 55.4 | 64.7 | 80.2 | 100.0 | 92.3 | 34.2 |
| Accommodation | 115.0 | 134.0 | 153.1 | 183.8 | 212.5 | 205.8 | .. |
| **Total rooms** | .. | 16,691 | 18,420 | 19,520 | 22,182 | 25,139 | .. |
| **Room occupancy ratio (%)** | **60.7** | **60.3** | **57.2** | **58.2** | **61.5** | **54.4** | .. |
| **Value added ('000 OMR)** | **690.2** | **733.3** | **682.6** | **738.4** | **689.5** | **717.9** | .. |
| **Sectoral share in GDP (%)** | **2.2** | **2.8** | **2.7** | **2.7** | **2.6** | **2.5** | .. |
| **Total employees** | **10,763** | **11,054** | **12,380** | **14,050** | **18,627** | **20,056** | **12,432** |
| Omanis | 3,381 | 3,244 | 3,621 | 3,999 | 5,754 | 6,364 | 4,206 |
| Non‑Omanis | 7,382 | 7,809 | 8,759 | 10,051 | 12,873 | 13,692 | 8,226 |

.. Not available.

Source: National Centre for Statistics and Information, *Tourism*. Viewed at: <https://data.gov.om/dedblxg/tourism>; and *Statistical Year Book 2021*.

Foreign investment restrictions remain in place. Foreign nationals (individuals and companies) are not allowed to own real estate unless the property falls under Integrated Tourism Complexes (ITCs) regulations. The ITCs are specially designated areas within which non‑Omani nationals may buy property; in the ITCs, villas and apartments are for sale freehold for up to 50 years, with 2-year residence permits offered to the buyer and their dependants. As of end-2020, there were five ITCs in the Sultanate.

Foreign capital participation in the tourism sector is capped at 70% of total equity. Foreign capital is mainly seen in operators such as tourism organizers, travel agencies, recreation site/facility management, and restaurants and catering services. It appears that eligible tourism operators may apply for the tourism loan offered by the ODB, which is a policy loan with preferential conditions.[[277]](#footnote-277)

Licences of tourist guides are usually reserved for Omani nationals; however, temporary licences may be granted to non‑Omanis in high seasons, subject to passing an exam, if they provide services in languages other than Arabic and English.

Due to the COVID‑19 pandemic, the tourism sector was hit hard. According the authorities, the lost revenue in the sector was estimated to reach OMR 2.6 billion in 2020. To mitigate the impact, the authorities exempted tourism establishments from tourism tax and municipality tax for two years (2020-21).

1. APPENDIX TABLES

Table A1.1 Merchandise exports (including re-exports) by HS section and major HS chapter/subheading, 2014-20

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
| **HS section/chapter/subheading** | **2014** | **2015** | **2016** | **2017** | **2018** | **2019** | **2020** |
| **Total exports (USD billion)** | **53.2** | **34.9** | **27.5** | **32.9** | **41.7** | **38.7** | **30.5** |
|  | (% of total) | | | | | | |
| 01 Live animals and products | 1.1 | 1.8 | 2.2 | 1.4 | 1.7 | 1.5 | 2.3 |
| 02 Vegetable products | 0.3 | 0.5 | 0.7 | 0.6 | 0.5 | 0.6 | 0.8 |
| 03 Fats and oils | 0.4 | 0.6 | 0.7 | 0.6 | 0.4 | 0.4 | 0.6 |
| 04 Prepared food, beverages and tobacco | 0.9 | 1.5 | 1.5 | 2.3 | 1.9 | 2.5 | 2.2 |
| 05 Mineral products | 74.1 | 66.9 | 68.7 | 70.5 | 72.3 | 71.5 | 63.6 |
| HS 27 Mineral fuels | 72.4 | 65.2 | 67.5 | 66.8 | 69.4 | 69.3 | 60.3 |
| HS 2709 Petroleum oils, crude | 65.5 | 58.4 | 57.9 | 58.3 | 65.4 | 68.5 | 59.7 |
| 06 Chemicals and products thereof | 5.2 | 5.8 | 5.7 | 6.9 | 5.7 | 6.1 | 5.7 |
| HS 31 Fertilisers | 1.2 | 2.0 | 1.8 | 1.8 | 1.7 | 1.9 | 2.7 |
| HS 29 Organic chemicals | 3.5 | 3.2 | 3.2 | 3.9 | 3.1 | 3.3 | 1.9 |
| 07 Plastics and rubber | 1.8 | 2.2 | 1.5 | 1.8 | 1.8 | 1.5 | 1.8 |
| 08 Raw hides and skins; leather, furskins and articles thereof | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| 09 Wood, cork, straw | 0.0 | 0.0 | 0.0 | 0.1 | 0.1 | 0.1 | 0.1 |
| 10 Pulp of wood; paper and paperboard | 0.1 | 0.1 | 0.2 | 0.3 | 0.2 | 0.2 | 0.4 |
| 11 Textiles and textile articles | 0.1 | 0.1 | 0.1 | 0.3 | 0.3 | 0.3 | 0.3 |
| 12 Footwear, headgear, etc. | 0.0 | 0.0 | 0.0 | 0.1 | 0.1 | 0.1 | 0.1 |
| 13 Articles of stone, plaster, cement | 0.5 | 0.8 | 0.8 | 0.7 | 0.6 | 0.5 | 0.7 |
| 14 Precious stones and metals, pearls | 0.1 | 0.0 | 0.3 | 0.4 | 0.2 | 0.6 | 0.8 |
| 15 Base metals and articles thereof | 3.9 | 5.1 | 5.1 | 5.3 | 6.6 | 6.1 | 8.1 |
| HS 72 Iron and steel | 1.1 | 1.5 | 1.6 | 2.5 | 3.1 | 2.6 | 3.5 |
| HS 76 Aluminium and articles thereof | 1.8 | 2.5 | 2.2 | 1.7 | 2.3 | 2.5 | 2.9 |
| 16 Machinery, electrical equipment | 1.7 | 1.9 | 2.7 | 3.1 | 3.0 | 3.0 | 4.1 |
| HS 84 Machinery and mechanical appliances; parts thereof | 0.7 | 0.5 | 1.2 | 1.6 | 1.4 | 1.5 | 2.3 |
| 17 Transport equipment | 9.3 | 12.2 | 9.4 | 4.7 | 3.8 | 4.3 | 7.4 |
| HS 89 Ships, boats and floating structures | 0.3 | 0.1 | 0.3 | 0.1 | 0.9 | 1.5 | 4.1 |
| HS 87 Vehicles | 8.9 | 12.0 | 8.8 | 4.2 | 2.4 | 2.3 | 2.8 |
| 18 Precision instruments | 0.1 | 0.2 | 0.1 | 0.3 | 0.4 | 0.4 | 0.5 |
| 19 Arms and ammunition | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| 20 Miscellaneous manufactured articles | 0.2 | 0.2 | 0.2 | 0.3 | 0.3 | 0.3 | 0.3 |
| 21 Works of art, collectors' pieces and antiques | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Other | 0.0 | 0.1 | 0.1 | 0.1 | 0.1 | 0.1 | 0.1 |

Source: Information provided by the authorities.

Table A1.2 Merchandise imports by major HS section, 2014-20

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
| **HS section/chapter/subheading** | **2014** | **2015** | **2016** | **2017** | **2018** | **2019** | **2020** |
| **Total imports (USD billion)** | **29.3** | **29.0** | **23.1** | **25.8** | **25.2** | **22.1** | **20.7** |
|  | (% of total) | | | | | | |
| 01 Live animals and products | 4.2 | 4.0 | 4.9 | 4.5 | 5.2 | 6.0 | 6.4 |
| HS 04 Dairy produce | 2.3 | 2.1 | 2.5 | 2.4 | 2.9 | 3.3 | 3.6 |
| 02 Vegetable products | 3.6 | 3.6 | 3.6 | 3.7 | 4.2 | 5.1 | 7.4 |
| HS 10 Cereals | 2.0 | 1.6 | 1.7 | 1.6 | 1.8 | 2.3 | 3.4 |
| 03 Fats and oils | 0.9 | 0.8 | 2.1 | 0.9 | 0.9 | 1.0 | 1.1 |
| 04 Prepared food, beverages and tobacco | 3.7 | 4.0 | 5.1 | 4.8 | 5.0 | 6.4 | 5.6 |
| 05 Mineral products | 11.5 | 15.1 | 12.4 | 10.7 | 9.3 | 6.5 | 7.1 |
| HS 26 Ores, slag and ash | 3.6 | 1.7 | 1.5 | 3.3 | 2.2 | 4.0 | 4.8 |
| 06 Chemicals and products thereof | 8.8 | 8.6 | 7.6 | 7.6 | 8.0 | 8.9 | 9.3 |
| HS 30 Pharmaceutical products | 1.4 | 1.5 | 1.6 | 1.8 | 1.9 | 2.3 | 2.6 |
| 07 Plastics and rubber | 3.7 | 4.0 | 4.1 | 3.9 | 4.3 | 4.7 | 4.7 |
| HS 39 Plastics and articles thereof | 2.6 | 2.9 | 3.1 | 2.8 | 3.3 | 3.5 | 3.6 |
| 08 Raw hides and skins; leather, furskins and articles thereof | 0.1 | 0.2 | 0.1 | 0.1 | 0.2 | 0.2 | 0.1 |
| 09 Wood, cork, straw | 1.0 | 1.0 | 0.9 | 1.0 | 0.8 | 0.9 | 0.9 |
| 10 Pulp of wood; paper and paperboard | 0.8 | 1.0 | 0.8 | 0.9 | 1.0 | 1.3 | 1.6 |
| 11 Textiles and textile articles | 1.3 | 1.5 | 1.5 | 1.7 | 1.9 | 2.2 | 2.0 |
| 12 Footwear, headgear, etc. | 0.3 | 0.4 | 0.4 | 0.4 | 0.5 | 0.5 | 0.4 |
| 13 Articles of stone, plaster, cement | 2.3 | 1.5 | 1.9 | 1.7 | 1.6 | 1.7 | 1.7 |
| 14 Precious stones and metals, pearls | 1.5 | 2.9 | 4.1 | 5.3 | 3.0 | 2.3 | 1.1 |
| 15 Base metals and articles thereof | 11.7 | 11.3 | 13.0 | 13.7 | 17.1 | 14.8 | 14.9 |
| HS 73 Articles of iron or steel | 3.8 | 4.5 | 5.1 | 5.2 | 5.5 | 5.3 | 5.4 |
| HS 72 Iron and steel | 4.3 | 3.4 | 4.1 | 4.2 | 7.0 | 5.3 | 4.3 |
| 16 Machinery, electrical equipment | 17.2 | 20.1 | 21.0 | 23.7 | 25.7 | 23.8 | 22.5 |
| HS 84 Machinery and mechanical appliances; parts thereof | 11.2 | 13.2 | 13.5 | 15.7 | 16.2 | 15.7 | 13.2 |
| HS 85 Electrical machinery and equipment and parts thereof | 6.0 | 6.9 | 7.5 | 8.0 | 9.5 | 8.1 | 9.2 |
| 17 Transport equipment | 22.8 | 15.9 | 12.4 | 11.1 | 6.7 | 8.1 | 7.9 |
| 18 Precision instruments | 1.8 | 1.7 | 1.9 | 1.9 | 2.4 | 2.5 | 2.8 |
| 19 Arms and ammunition | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| 20 Miscellaneous manufactured articles | 2.6 | 2.6 | 2.0 | 2.1 | 2.3 | 3.0 | 2.3 |
| 21 Works of art, collectors' pieces and antiques | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Other | 0.0 | 0.0 | 0.0 | 0.1 | 0.0 | 0.1 | 0.3 |

Source: Information provided by the authorities.

Table A1.3 Merchandise exports (including re-exports) by destination, 2014-20

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
|  | **2014** | **2015** | **2016** | **2017** | **2018** | **2019** | **2020** |
| **Total exports (USD billion)** | **53.2** | **34.9** | **27.5** | **32.9** | **41.7** | **38.7** | **30.5** |
|  | (% of total) | | | | | | |
| **Americas** | **2.0** | **2.2** | **3.7** | **2.7** | **2.2** | **1.9** | **2.6** |
| United States | 1.4 | 1.5 | 2.9 | 1.8 | 1.5 | 1.7 | 2.0 |
| Other America | 0.6 | 0.7 | 0.8 | 0.9 | 0.7 | 0.3 | 0.6 |
| **Europe** | **1.6** | **1.8** | **2.1** | **1.7** | **1.9** | **2.2** | **2.3** |
| EU-27 | 1.1 | 1.4 | 1.7 | 1.1 | 1.2 | 1.3 | 1.2 |
| EFTA | 0.0 | 0.1 | 0.0 | 0.1 | 0.1 | 0.0 | 0.1 |
| Other Europe | 0.5 | 0.3 | 0.4 | 0.6 | 0.6 | 0.9 | 1.1 |
| United Kingdom | 0.2 | 0.2 | 0.1 | 0.3 | 0.5 | 0.5 | 0.7 |
| **CISa** | **0.0** | **0.0** | **0.0** | **0.0** | **0.0** | **0.0** | **0.0** |
| **Africa** | **3.2** | **3.0** | **3.3** | **3.5** | **2.2** | **1.9** | **2.6** |
| Somalia | 0.4 | 0.5 | 0.6 | 0.9 | 0.5 | 0.6 | 0.8 |
| Egypt | 0.4 | 0.3 | 0.2 | 0.3 | 0.3 | 0.3 | 0.5 |
| **Middle East** | **17.2** | **22.8** | **24.1** | **24.8** | **20.2** | **18.4** | **24.5** |
| United Arab Emirates | 10.3 | 11.9 | 11.2 | 10.8 | 7.4 | 7.1 | 9.8 |
| Qatar | 0.6 | 0.8 | 0.9 | 4.2 | 4.3 | 3.6 | 6.6 |
| Saudi Arabia, Kingdom of | 3.9 | 5.1 | 3.9 | 4.0 | 4.0 | 4.1 | 4.7 |
| Kuwait, State of | 0.8 | 0.6 | 1.6 | 1.3 | 0.9 | 0.7 | 1.0 |
| Iran, Islamic Republic of | 0.7 | 0.8 | 1.0 | 1.8 | 1.0 | 1.5 | 0.8 |
| Yemen | 0.3 | 1.7 | 2.2 | 1.5 | 1.4 | 0.4 | 0.7 |
| **Asia** | **74.5** | **68.8** | **65.0** | **64.1** | **67.0** | **69.3** | **62.5** |
| China | 43.0 | 42.2 | 40.7 | 34.7 | 42.5 | 41.8 | 39.7 |
| Japan | 3.9 | 3.3 | 5.1 | 4.8 | 5.8 | 6.7 | 3.7 |
| Other Asia | 27.5 | 23.4 | 19.2 | 24.6 | 18.6 | 20.8 | 19.2 |
| Korea, Republic of | 8.2 | 7.4 | 7.1 | 6.7 | 5.9 | 7.9 | 6.3 |
| India | 3.0 | 3.1 | 3.6 | 7.4 | 6.1 | 4.9 | 6.0 |
| Malaysia | 0.5 | 0.9 | 1.0 | 1.8 | 0.8 | 1.1 | 2.1 |
| Singapore | 1.0 | 2.1 | 1.1 | 0.6 | 1.6 | 2.6 | 1.7 |
| Hong Kong, China | 0.2 | 0.2 | 0.4 | 0.4 | 0.3 | 0.2 | 0.5 |
| **Other** | **1.5** | **1.4** | **1.8** | **3.2** | **6.5** | **6.2** | **5.4** |
| Memo: |  |  |  |  |  |  |  |
| EU-28 | 1.3 | 1.5 | 1.9 | 1.4 | 1.7 | 1.9 | 1.9 |
| GCC | 15.8 | 18.7 | 17.9 | 20.7 | 16.9 | 16.0 | 22.5 |

a Commonwealth of Independent States, including certain associate and former member States.

Source: Information provided by the authorities.

Table A1.4 Merchandise imports by origin, 2014-20

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
|  | **2014** | **2015** | **2016** | **2017** | **2018** | **2019** | **2020** |
| **Total imports (USD billion)** | **29.3** | **29.0** | **23.1** | **25.8** | **25.2** | **22.1** | **20.7** |
|  | (% of total) | | | | | | |
| **Americas** | **8.8** | **7.8** | **6.9** | **7.8** | **6.2** | **8.4** | **7.7** |
| United States | 4.3 | 5.0 | 4.7 | 4.1 | 3.3 | 3.0 | 2.9 |
| Other America | 4.5 | 2.8 | 2.2 | 3.7 | 2.9 | 5.4 | 4.8 |
| Brazil | 3.9 | 2.1 | 1.6 | 2.8 | 2.4 | 4.5 | 3.8 |
| **Europe** | **14.6** | **15.8** | **10.7** | **13.0** | **13.7** | **14.6** | **13.1** |
| EU-27 | 10.9 | 12.3 | 7.8 | 9.8 | 10.8 | 10.8 | 9.4 |
| Germany | 2.9 | 3.0 | 2.2 | 2.4 | 2.5 | 2.4 | 2.1 |
| Luxembourg | 0.0 | 0.1 | 0.0 | 0.0 | 1.1 | 1.9 | 1.6 |
| Netherlands | 1.5 | 2.3 | 0.6 | 1.7 | 1.1 | 1.3 | 1.4 |
| Belgium | 1.2 | 1.1 | 1.6 | 0.9 | 1.2 | 1.0 | 1.1 |
| EFTA | 0.6 | 0.6 | 0.5 | 0.8 | 0.5 | 0.7 | 0.4 |
| Other Europe | 3.0 | 2.8 | 2.4 | 2.4 | 2.5 | 3.1 | 3.2 |
| Turkey | 1.1 | 0.9 | 0.5 | 0.4 | 0.5 | 0.9 | 1.9 |
| United Kingdom | 1.8 | 1.9 | 1.7 | 2.0 | 1.8 | 1.9 | 1.1 |
| **CISa** | **1.2** | **0.9** | **0.5** | **0.3** | **0.5** | **0.6** | **1.0** |
| **Africa** | **1.3** | **1.3** | **1.4** | **1.2** | **1.5** | **1.6** | **1.8** |
| **Middle East** | **41.2** | **47.7** | **58.9** | **54.6** | **59.7** | **53.9** | **55.9** |
| United Arab Emirates | 32.5 | 38.3 | 48.8 | 42.8 | 46.8 | 42.9 | 43.0 |
| Saudi Arabia, Kingdom of | 4.1 | 4.1 | 3.6 | 3.6 | 3.3 | 4.2 | 5.2 |
| Qatar | 1.5 | 1.9 | 1.0 | 1.3 | 3.6 | 2.9 | 3.2 |
| Bahrain, Kingdom of | 0.7 | 0.9 | 0.7 | 1.2 | 1.8 | 1.9 | 1.9 |
| Iran, Islamic Republic of | 1.2 | 1.0 | 2.8 | 1.9 | 2.3 | 1.2 | 1.0 |
| **Asia** | **32.9** | **26.5** | **21.6** | **23.1** | **18.4** | **20.9** | **20.5** |
| China | 4.8 | 5.2 | 5.1 | 6.2 | 6.0 | 7.1 | 8.0 |
| Japan | 12.2 | 5.9 | 4.5 | 3.7 | 1.1 | 1.5 | 0.9 |
| Other Asia | 15.8 | 15.3 | 11.9 | 13.2 | 11.3 | 12.3 | 11.7 |
| India | 4.3 | 5.6 | 5.0 | 5.4 | 4.5 | 5.2 | 5.1 |
| Australia | 1.1 | 0.9 | 0.8 | 1.0 | 1.0 | 1.2 | 1.1 |
| Korea, Republic of | 3.7 | 3.3 | 1.5 | 2.3 | 1.8 | 1.4 | 1.1 |
| **Other** | **0.0** | **0.0** | **0.0** | **0.0** | **0.0** | **0.0** | **0.0** |
| Memo: |  |  |  |  |  |  |  |
| EU-28 | 12.7 | 14.2 | 9.5 | 11.8 | 12.5 | 12.7 | 10.5 |
| GCC | 39.3 | 45.8 | 54.3 | 48.9 | 55.6 | 52.0 | 53.5 |

a Commonwealth of Independent States, including certain associate and former member States.

Source: Information provided by the authorities.

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14. CBO, *Monthly Statistical Bulletin*, various volumes. Viewed at: <https://cbo.gov.om/Pages/MonthlyBulletins.aspx>. [↑](#footnote-ref-14)
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20. In the evaluation of the Ninth Five-Year Plan, the authorities indicate that the diversification objectives were not fully achieved, though the real growth of non-oil activities was almost triple that of the real growth of the oil sector. According to the authorities, this could be attributed to the fact that private investments did not match the stimulus provided by the public investment. [↑](#footnote-ref-20)
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50. PAFTA members include the GCC members plus Algeria, Egypt, Iraq, Jordan, Lebanon, Libyan Arab Jamahiriya, Morocco, Palestine, Sudan, Syrian Arab Republic, Tunisia, and Yemen. Comoros, Djibouti, Mauritania, and Somalia are accession candidates. The agreement is sometimes referred to as GAFTA (General Arab Free Trade Agreement). [↑](#footnote-ref-50)
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53. Royal Decree No. 46/2014. [↑](#footnote-ref-53)
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55. WTO document WT/REG259/1, 2 February 2009. [↑](#footnote-ref-55)
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65. *Oman Daily Observer*, "Executive Regulations of Oman's Foreign Capital Investment Law Unveiled", 21 June 2020. [↑](#footnote-ref-65)
66. *Gulf News*, "Expats Barred from More Jobs in Oman", 10 January 2021. [↑](#footnote-ref-66)
67. *Aljazeera*, "Oman Bars Expatriates from Certain Jobs as Pandemic Bites", 24 January 2021. [↑](#footnote-ref-67)
68. Tawfiq Nasrallah, "Teaching Profession to be Omanised in Sultanate", *Gulf News*, 25 January 2021. [↑](#footnote-ref-68)
69. These locations are Musandam, Buraimi, Dhahirah, Al Wusta, Dhofar (except Salalah), Liwa, Shinas, Masirah, Jebal Akhdar, and Jebal Shams. This also applies to properties situated near royal palaces, security and military bodies, and lands for agricultural use. Samuel Kutty, "Ban on Ownership of Land by Non-Omanis in Some Places", *Oman Daily Observer*, 7 June 2020; and Helen Dean, "Ownership of Lands and Real Estate Properties by Non-Omani People", Cameron McKenna Nabarro Olswang LLP, 2 July 2020. [↑](#footnote-ref-69)
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82. With Algeria, Belarus, Brunei Darussalam, Canada, China, Croatia, France, Hungary, India, the Islamic Republic of Iran, Italy, Japan, Republic of Korea, Lebanon, Mauritius, the Republic of Moldova, Morocco, Netherlands, Pakistan, Portugal, Seychelles, Singapore, South Africa, Spain, Sri Lanka, Sudan, Switzerland, Syria, Thailand, Tunisia, Turkey, the United Kingdom, Uzbekistan, Viet Nam, and Yemen. Agreements with Belgium, Egypt, Germany, and the Russian Federation are not in force. [↑](#footnote-ref-82)
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113. Ministerial Decision No. 68/2020. [↑](#footnote-ref-113)
114. Ministerial Decision No. 176/2020. [↑](#footnote-ref-114)
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117. GCC Common Law on Antidumping, Countervailing Measures and Safeguard Measures, 2011, Article 7. [↑](#footnote-ref-117)
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121. WTO document G/SG/N/11/OMN/2/Suppl.2, 30 April 2018. [↑](#footnote-ref-121)
122. WTO document G/SG/N/11/OMN/3/Suppl.1, 14 June 2019. [↑](#footnote-ref-122)
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126. Dubai Exports, *Exporting to Oman Economic Overview & Trade & Analysis*, August 2019. [↑](#footnote-ref-126)
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129. Importation and exportation of date palms and seedlings are subject to risk analysis. [↑](#footnote-ref-129)
130. The latest ban on abalone fishing, which lasted for two years, was removed through Ministerial Decision No. 246/2019. To regulate stocks, a ban on lobster fishing applies from June to February, and shrimp fishing is allowed only from September to November. [↑](#footnote-ref-130)
131. *Oman Daily Observer*, "No Export, Bulk Sale of Face Masks", 26 February 2020. [↑](#footnote-ref-131)
132. *Oman Daily Observer*, "No Export of Livestock without Approval: MoAF", 20 April 2020. [↑](#footnote-ref-132)
133. WTO document G/SCM/N/315/OMN, 26 June 2017. [↑](#footnote-ref-133)
134. Royal Oman Police, Oman Government Portal, Refunding Customs Taxes (Duties). [↑](#footnote-ref-134)
135. Gulf Cooperation Council Secretariat General, Common Customs Law, Interpretative Annex, Article 16. [↑](#footnote-ref-135)
136. Royal Oman Police, Oman Government Portal, Customs Services. [↑](#footnote-ref-136)
137. Royal Decree No. 97/2020. [↑](#footnote-ref-137)
138. CMS Law, *CMS Guide to Oman's Economic and Free Zones*, 14 October 2019. [↑](#footnote-ref-138)
139. SEZs are integrated regional development projects, allowing all kinds of economic activities, while free zones are fenced-in pieces of land, with their own customs office, with predefined economic activities and no housing allowed. [↑](#footnote-ref-139)
140. CMS Law, *CMS Guide to Oman's Economic and Free Zones*, 14 October 2019. [↑](#footnote-ref-140)
141. Sohar Port and Freezone, SOHAR Freezone Investor Guide, 2017. [↑](#footnote-ref-141)
142. Healy Consultants Group PLC, *Oman: Free Zones*. Viewed at: <https://www.healyconsultants.com/oman-company-registration/free-zones/>. [↑](#footnote-ref-142)
143. Salalah Free Zone, *Licenses*. Viewed at: <https://www.sfzco.com/services_overview.html>. [↑](#footnote-ref-143)
144. *Oman Daily Observer*, "Investments in Sohar, Salalah Free Zones Total RO 3.7 bn", 30 June 2020. [↑](#footnote-ref-144)
145. *Oman Daily Observer*, "Proposal to Establish Special Economic Zone in Musandam", 29 August 2019. [↑](#footnote-ref-145)
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147. *Oman News Agency*, "Credit Oman Provides Services to Omani Manufacturers, Exporters", 6 April 2020. [↑](#footnote-ref-147)
148. The investment services centre shall undertake the commercial registration of the foreign investor and facilitate and simplify the procedures for obtaining all approvals, permits and licences needed to the investment project. [↑](#footnote-ref-148)
149. Omanuna, Oman eGovernment Services Portal, *Investment in Oman*. [↑](#footnote-ref-149)
150. Oman Development Bank, *Overview Oman Development Bank*. Viewed at: <https://www.oman.om/wps/wcm/connect/en/site/home/gov/gov1/gov5governmentorganizations/odb/odb>. [↑](#footnote-ref-150)
151. Authority of Small and Medium Enterprises Development, *Riyada Mandates*. [↑](#footnote-ref-151)
152. Zainab Al Nasseri, "Al Raffd Funds RO 99m among 2,563 SMEs", *Oman Daily Observer*, 14 June 2020. [↑](#footnote-ref-152)
153. Arif Manawy, *Changes to the Tax Regime in Oman*, Al Tamimi & Co., April 2017. [↑](#footnote-ref-153)
154. Following Ministerial Decision No. 112/2019, the rate of excise tax on carbonated drinks is 50% and 100% for alcohol, energy drinks, pork products, and tobacco products. KPMG, *Oman Excise Tax Update – Mandatory Excise Tax Compliances*, 30 June 2019. [↑](#footnote-ref-154)
155. EY Global, *Oman Amends Income Tax Law*, 22 September 2020. [↑](#footnote-ref-155)
156. Turki Al Balushim Abeer Abu Omar and Zainab Fattah, "Oman to Break Gulf's Income Tax Taboo to Curb Deficit", *Bloomberg*, 2 November 2020. [↑](#footnote-ref-156)
157. International Organization for Standardization, *DGSM: Oman*. Viewed at: <https://www.iso.org/member/2007.html>. [↑](#footnote-ref-157)
158. The DGSM was established under Royal Decree No. 39/1976; its duties and functions were defined by Royal Decree No. 1/1978. [↑](#footnote-ref-158)
159. WTO document G/TBT/CS/2/Rev.12, 17 February 2006. [↑](#footnote-ref-159)
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161. The committees are the Omani Codex Committee for Food, the Technical Committee for Building Materials and Construction, the Technical Committee for Oil and Gas, the Technical Committee for Mechanical and Metallic Products, the Technical Committee for Electrical and Electronic Products, the Technical Committee for Chemical Products and Textiles, and the Technical Committee for Metrology. [↑](#footnote-ref-161)
162. In case of urgency, this period may be reduced. [↑](#footnote-ref-162)
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174. Oman Government Portal, Ministry of Agriculture and Fisheries, Permit to Import Plant/Plant Products. [↑](#footnote-ref-174)
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179. Royal Decree No. 77/2020. [↑](#footnote-ref-179)
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190. Royal Decree No. 36/2008. [↑](#footnote-ref-190)
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195. Tima Hachem and Lea Feghali, *Patent Litigation in the Gulf Cooperation Council (GCC): Overview*, Thomson Reuters Practical Law, 1 August 2020. [↑](#footnote-ref-195)
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197. AGIP, *Oman and Egypt Sign Cooperation Agreement on Patent Technical Examination*, 9 September 2014. [↑](#footnote-ref-197)
198. Co-authored, collective, and anonymous works and works published 25 years after their creation may follow longer protection lengths. UNESCO World Anti-Piracy Observatory, Oman. [↑](#footnote-ref-198)
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211. Ministry of Justice and Legal Affairs, *Royal Decree 29/2018 Promulgating the Law on the Prohibition of the Ownership of Land and Real Estate by Non-Omanis in Certain Places*, 11 November 2018. Viewed at: <https://mjla.gov.om/eng/legislation/decrees/details.aspx?Id=513&type=L>. [↑](#footnote-ref-211)
212. WTO document G/AG/N/OMN/20, 31 July 2019. [↑](#footnote-ref-212)
213. The authorities encourage fishermen to replace old boats by applying FAO, ILO, and IMO standards and regulations in the specifications of the new and improved boats, such as better storage, improved fish quality, more safety assurance, modern equipment, and better accommodation on board. [↑](#footnote-ref-213)
214. Ministry of Justice and Legal Affairs, *Royal Decree 96/2020 Amending the Name of the Ministry of Oil and Gas to the Ministry of Energy and Minerals, Determining Its Competences, and Adopting Its Organisational Structure*, 18 August 2020. Viewed at: <https://mjla.gov.om/eng/legislation/decrees/details.aspx?Id=1246&type=L>. [↑](#footnote-ref-214)
215. Ministry of Justice and Legal Affairs, *Royal Decree 19/2019 Promulgating the Mineral Resources Law*,13 February 2019. Viewed at: <https://mjla.gov.om/eng/legislation/decrees/details.aspx?Id=549&type=L>. [↑](#footnote-ref-215)
216. Minerals Development Oman (MDO) is owned by the State General Reserve Fund (50%), the Oman Investment Fund (25%), and the Oman National Investments Development Company (25%). [↑](#footnote-ref-216)
217. Matters related to environmental factors for oil and gas projects are within the purview of the Ministry of Environment and Climate Affairs. [↑](#footnote-ref-217)
218. BP (2020), *BP Statistical Review of World Energy 2020*, 69th edition. Viewed at: <https://www.bp.com/content/dam/bp/business-sites/en/global/corporate/pdfs/energy-economics/statistical-review/bp-stats-review-2020-full-report.pdf>. [↑](#footnote-ref-218)
219. Ministry of Justice and Legal Affairs, *Royal Decree 128/2020 Establishing a Closed Omani Joint Stock Company Named Energy Development Oman SAOC*, 3 December 2020. Viewed at: <https://mola.gov.om/Download.aspx?Path=royal/2020-00128%20Formatted.pdf>. [↑](#footnote-ref-219)
220. PDO, which considered as a block operator rather than a concessionary, is not required to sign EPSAs with the MEM. [↑](#footnote-ref-220)
221. The standard rate for corporate tax was raised from 12% to 15% in February 2017. [↑](#footnote-ref-221)
222. There are two types of suppliers: (i) local community contractors (LCCs) are companies owned by the tribal communities or individuals who live in concession area; and (ii) super-local community contractors are the ones registered as closed Omani shareholding companies on the Muscat Securities Exchange. [↑](#footnote-ref-222)
223. Ministry of Justice and Legal Affairs, *Royal Decree 78/2020 Amending the Name of the Electricity and Related Water Sector Regulation Authority to the Authority for Public Utilities Regulation and Assigning Some Competences to It,* 12 August 2020. Viewed at: <https://mjla.gov.om/eng/legislation/decrees/details.aspx?Id=1228&type=L>. [↑](#footnote-ref-223)
224. Authority for Public Services Regulation, *Generation and Desalination*. Viewed at: <https://apsr.om/en/node/35>. [↑](#footnote-ref-224)
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226. Oman Power and Water Procurement Company (2019), *7 Year Statement: Issue 13 (2019-2025)*. Viewed at: <https://omanpwp.om/PDF/7%20Year%20Statement%202019-2025%20New.pdf>. [↑](#footnote-ref-226)
227. Authority for Public Services Regulation, *Economic Regulation*. Viewed at: <https://apsr.om/en/node/39>. [↑](#footnote-ref-227)
228. Oman has started the process of selling the sector companies: 49% of OETC shares were sold to a private investor in 2019. [↑](#footnote-ref-228)
229. UNIDO Open Data Platform, Oman Manufacturing Strategy. Viewed at: [https://open.unido.org/ api/documents/15202854/download/Oman%20Manufacturing%20Strategy-%20En%20-%20for%20web.pdf](https://open.unido.org/%20api/documents/15202854/download/Oman%20Manufacturing%20Strategy-%20En%20-%20for%20web.pdf). [↑](#footnote-ref-229)
230. The Ministry of Commerce, Industry and Investment Promotion was restructured in August 2020, and now incorporates the functions of the Competition Protection and Monopoly Prevention Centre and the Public Authority for Investment Promotion and Export Development, both of which have been dissolved. [↑](#footnote-ref-230)
231. Royal Decree No. 69/2012. [↑](#footnote-ref-231)
232. The Al Yusr Islamic Window of Oman Arab Bank (OAB) was merged with Alizz Islamic Bank (AIB). In the process, the AIB became a subsidiary of the OAB. [↑](#footnote-ref-232)
233. Government entities include the public organizations of the Government such as ministries, municipalities, public sector councils, and authorities. [↑](#footnote-ref-233)
234. Central Bank of Oman, Circular BM 1114, 17 November 2013. Facing the challenge posed by COVID‑19, the CBO temporarily reduced the CAR minimum to 12.25%. [↑](#footnote-ref-234)
235. CBO, *Fintech Regulatory Sandbox Framework*. Viewed at: <https://cbo.gov.om/sites/assets/Documents/English/Fintech/FRSProposalFramework.pdf>. [↑](#footnote-ref-235)
236. Royal Decree No. 30/2016, 2 June 2016. [↑](#footnote-ref-236)
237. Central Bank of Oman, Circular BM 1112, 2 October 2013. [↑](#footnote-ref-237)
238. The Muscat Securities Exchange (MSX) was formerly known as the Muscat Securities Market (MSM), which was created by Royal Decree No. 53/1998 on 21 June 1998. On 5 January 2021, Royal Decree No. 5/2021 created the MSX. As per the Decree, all MSM assets, liabilities, activities, rights, and functions were transferred to the MSX. MSX, *History*. Viewed at: <https://www.msx.om/page.aspx?b1=Our-Profile&b2=History&p=HistoryEvents&ti=History>. [↑](#footnote-ref-238)
239. Royal Decree No. 80/1998, 9 November 1998. [↑](#footnote-ref-239)
240. Three government bonds and five corporate bonds are listed as Islamic bonds (sukuk). [↑](#footnote-ref-240)
241. Yahya Al Hajri (2017), *Oman National Broadband Strategy*, presentation on ITU Regional Workshop on Organizational and Technical Aspect of Broadband Development. [↑](#footnote-ref-241)
242. The national backbone network aims to cover 95% of urban regions by 2030. Oman Broadband Company, *Coverage Map*. Viewed at: <https://www.omanbroadband.om/Coverage-Map.html>. [↑](#footnote-ref-242)
243. United Nations (2020), *UN E-Government Survey 2020*. Viewed at: <https://publicadministration.un.org/egovkb/en-us/Reports/UN-E-Government-Survey-2020>. [↑](#footnote-ref-243)
244. Telecommunications Regulatory Authority, *Who We Are*. Viewed at: <https://www.tra.gov.om/En/WhoWeAre.jsp?menu=7>. [↑](#footnote-ref-244)
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246. TRA, *Class I: Company Licensed*. Viewed at: <https://www.tra.gov.om/En/Class1.jsp?pageNo=1&menu=30&classType=1>. [↑](#footnote-ref-246)
247. TRA Executive Regulations, Articles 92 and 93. [↑](#footnote-ref-247)
248. Telecommunications Regulatory Act, Article 25*bis* 1. [↑](#footnote-ref-248)
249. TRA (2013), *Market Definition and Dominance Report 2013*. Viewed at: <https://www.tra.gov.om/pdf/8-mdd-Report.pdf>. [↑](#footnote-ref-249)
250. Telecommunications Regulatory Act, Article 46. [↑](#footnote-ref-250)
251. TRA, *Quarterly Report on Telcom Sector Indicators*, various issues. Viewed at: <https://www.tra.gov.om/En/ManageReports.jsp?menu=114>. [↑](#footnote-ref-251)
252. The Sas programme was originally run by the Information Technology Authority (ITA). In 2020, the functions of the ITA merged with the functions of the Ministry of Transport, Communications and Information Technology (MTCIT). [↑](#footnote-ref-252)
253. Sas for Entrepreneurship Centre, *About us.* Viewed at: <https://www.sas.om/SASEN/Pages/about.aspx>. [↑](#footnote-ref-253)
254. Executive Regulations for the Postal Services Law, Article 9. [↑](#footnote-ref-254)
255. Despite the falling oil price, the Government has already signalled its commitment to these programmes through deficit funding, and short of a further collapse in oil price, or a sustained slump, spending seems likely to be maintained. [↑](#footnote-ref-255)
256. Royal Decree No. 35/1981. Viewed at: <https://www.transport.gov.om/files/SD.35.81-E.pdf>. [↑](#footnote-ref-256)
257. In terms of ownership, the Omani fleet is 7,883,000 DWT. UNCTAD (2020), *Maritime Profile: Oman*. Viewed at: <https://unctadstat.unctad.org/countryprofile/maritimeprofile/en-gb/512/MaritimeProfile512.pdf>. [↑](#footnote-ref-257)
258. The Oman Shipping Company was incorporated in 2003, owned by the Government through the Ministry of Finance (80%) and Oman Oil Company (20%). [↑](#footnote-ref-258)
259. UNCTAD (2020), *Maritime Profile: Oman*. Viewed at: <https://unctadstat.unctad.org/countryprofile/maritimeprofile/en-gb/512/MaritimeProfile512.pdf>. [↑](#footnote-ref-259)
260. The new container terminals will boost the capacity at Sohar to 6 million TEUs per annum, and to 3.5 million TEUs at Duqm. The new bulk terminal will boost Salalah's capacity to 60 million tonnes. [↑](#footnote-ref-260)
261. Port Sohar is managed by a 50:50 joint venture with Port of Rotterdam; the Port of Duqm is managed by a 50:50 joint venture with Consortium Antwerp Port; and the Port of Salalah is managed by APM Terminals. [↑](#footnote-ref-261)
262. These ports were originally managed by the Port Services Corporation (PSC), which was dissolved in 2016. [↑](#footnote-ref-262)
263. UNCTAD (2020), *Statistics: Maritime Transport*. Viewed at: <https://unctadstat.unctad.org/wds/ReportFolders/reportFolders.aspx?sCS_ChosenLang=en>. [↑](#footnote-ref-263)
264. MTCIT, *Roads Projects*. Viewed at: <https://mtcit.gov.om/ITAPortal/Pages/Page.aspx?NID=292386&PID=199505>. [↑](#footnote-ref-264)
265. Oxford Business Group (2016), *The Report: Oman 2016*. [↑](#footnote-ref-265)
266. Oxford Business Group (2016), *The Report: Oman 2016*. [↑](#footnote-ref-266)
267. The railway network is designed to be a standard-gauge double track, non-electrified, and to serve mixed freight and passenger traffic, with the maximum speed of 120 km/h for freight and 220 km/h for passenger trains. [↑](#footnote-ref-267)
268. Civil Aviation Law, Chapters II, III, and VII. [↑](#footnote-ref-268)
269. CAA, *Directorate General of Air Navigation*. Viewed at: <https://www.caa.gov.om/caa/directorates/directorate-general-of-air-navigation>. [↑](#footnote-ref-269)
270. For details, see the PACA, *Economic Regulation of Licensing and Consumer Protection in Civil Aviation*, December 2015. Viewed at: <https://www.caa.gov.om/upload/files/Economic-regulation-of-licensing-and-consumer-protection-in-Civil-Aviation.pdf>. [↑](#footnote-ref-270)
271. Including the situation that a latecomer may apply for granting a SCAC (or variation of its SCAC) in order to operate all or some of the services on a capacity-constrained route already operated by an incumbent. [↑](#footnote-ref-271)
272. Oman Airports (2020), *Terms of Services*. Viewed at: <https://www.omanairports.co.om/pdf/TermsOfService2020.pdf>. [↑](#footnote-ref-272)
273. There are other four regional airports for private use by domestic oil companies. Three of them are for PDO; they are located in the oil concession areas of Fahud, Marmul, and Qarn Alam. The last one is located in Mukhaizna, for use by Occidental Oman. [↑](#footnote-ref-273)
274. An IATA Level II airport is an airport where there is potential for congestion during some periods of the day, week, or season, which can be resolved by schedule adjustments mutually agreed between the airlines and the slot facilitator. [↑](#footnote-ref-274)
275. The authorities note that in 2020 the Omanis working in hotel activities accounted 30%, which were jobs indirectly created by the tourism sector. [↑](#footnote-ref-275)
276. OMRAN, *Portfolio: Our Assets*. Viewed at: <https://www.omran.om/portfolio/hospitality/>. [↑](#footnote-ref-276)
277. ODB, *Tourism Loan*. Viewed at: [https://www.oman.om/wps/wcm/connect/en/site/home/gov/gov1 /gov5governmentorganizations/odb/tourismloans](https://www.oman.om/wps/wcm/connect/en/site/home/gov/gov1%20/gov5governmentorganizations/odb/tourismloans). [↑](#footnote-ref-277)