

OMAN

Tale of transformation

Oman's ability to diversify its economy and empower its young people has cemented the nation as a leading economic powerhouse in the Middle East

Oman's story over the past 50 years has largely been one of success. From the moment the late Sultan Qaboos bin Said Al Said rose to the throne, the country began to transform and in the space of five decades became a thriving nation with a modern economy — thanks in part to a booming oil and gas industry.

However, even in the late 1990s, Oman began to make active plans to diversify its economy and lessen its reliance on the oil and gas sector. This came into even greater focus in 2020 when Sultan Haitham bin Tariq endorsed the launch of Vision 2040, a blueprint for the economic and social development of the Sultanate.

At the heart of the initiative, which aims to diversify the economy, create sustainable cities and accelerate privatization, are sectors that are seen as ripe for growth. Encompassing everything from manufacturing and ICT to agriculture and tourism, one of the keys to its success is empowering the Omani people.

“By prioritizing goods and services sourced from within Oman, the strategy aims to not only stimulate local industries but also ensure that financial resources circulate within the national economy to propel growth from within,” says Khamis bin Saif Al Jabri, Chairman of Oman Vision 2040. “By fostering ties with academic institutions and training centers, our plan aims to ensure the Omani workforce is adeptly equipped with the requisite skills to meet the demands of a modern economy.”

With more students enrolled in schools and universities than ever before, the government is investing in policies to improve the quality of education and create a dynamic workforce that is willing to embrace entrepreneurship.

In addition to supporting local enterprises, the government has unveiled a new tourism strategy that aims to create more than half a million jobs in the sector and increase the total accommodation available in the country to more than 80,000 rooms by 2040.

One area within the sector that appears ripe for development is adventure travel, with plans recently being unveiled for numerous new projects that include cable cars, ziplines and mountain trails.

Oman also aims to attract an increasing number of visitors by highlighting its cultural heritage. The Sultanate is rich in customs and traditions, while its souqs are bustling with traditional art forms such as Arabic calligraphy, pottery, weaving and woodcarving.

“We want to embrace modernity while also



Sultan Haitham bin Tariq patronized the inaugural ceremony of Sultan Haitham City at al Baraka Palace.

valuing our Omani identity, traditions and heritage. We are investing in our youth to ensure they remain rooted in our rich history and cultural legacy,” explains Al Jabri.

“This extends to promoting cultural tourism and leveraging our unique historical and cultural landmarks. Central to the Oman Vision 2040 initiative is the belief that tourism is not merely transactional but a profound exchange of cultures, stories and experiences.

“By focusing on sustainable infrastructure, encouraging private sector participation and fostering international partnerships, Oman aims to position itself as a global tourism beacon. We aim to merge our economic ambitions with cultural preservation.”

Oman boasts a long and fascinating history dating back to ancient times and visitors can explore its many historic landmarks and monuments, including the UNESCO World Heritage Site of Bahla Fort. The country is also known

KHAMIS BIN SAIF AL JABRI
CHAIRMAN, OMAN VISION 2040

“We want to embrace modernity while also valuing our Omani identity. We are investing in our youth to ensure they remain rooted in our rich history.”

for its traditional arts and crafts, which can be viewed at the Oman National Museum, while numerous artisans still demonstrate these skills throughout the country.

Such is the importance of preserving Omani identity, that the government plans to host numerous exhibitions and events in leading museums around the world that promote the culture of the Sultanate. There is also a growing

impetus for the promotion of traditional games and sports leagues that include dhow racing, falconry and camel racing.

While there is a focus on protecting its past, Oman is also laying the groundwork for the future. The country has gradually emerged as a preferred destination for foreign investment, with its strategic location and the government's commitment to developing the economy helping the Middle Eastern nation to become an ideal place for businesses to invest.

The government has been working to strengthen its legal and regulatory framework, offering businesses the stability they seek in order to grow and prosper. There has also been a commitment to reduce bureaucratic red tape to make it even easier for companies to set up and operate in Oman.

With a clear understanding of what is needed to take the country forward, Oman appears set to prosper in the decades ahead.

The US marks Oman as bridge to the Gulf

Oman has become a prime target for American investments in the region based on new incentives and open trade relations

Oman's relationship with the US can be traced all the way back to 1833 when the two countries signed the Treaty of Amity and Commerce, the first bilateral accord between the North American country and an Arab Gulf state. Collaborating closely ever since, the two nations have worked together on a range of issues, including counterterrorism, energy security and economic development.

Ties were further strengthened in 2006 when the US-Oman Free Trade Agreement was signed, a move that has helped tremendously with Oman's efforts to diversify its economy away from oil and gas and to develop a host of more sustainable industries. One of only 20 countries in the world with this type of agreement in place with the US, it has led to the reduction of tariffs and trade barriers, while also allowing Omani businesses to export goods and services to the country.

Since the agreement was put in place, Oman's exports to the US have more than doubled with bilateral trade between the two countries reaching in excess of \$4 billion during 2022, and the US is now the leading buyer of non-oil exports from the Sultanate.

Incentives have also been introduced that US investors can take advantage of when entering the market in Oman.

“Our free trade agreement with the United States means US firms wanting to set up in Oman are treated as Omanis. They do not need other permission to come and establish a company here and partners are not required,”

explains Nailesh Khimji, Director of the Khimji Ramdas Group.

“Trade between the US and Oman is also tax-free due to the agreement; so whatever you produce in the US can be brought to Oman without any taxes.”

As Oman continues to diversify its economy, it is focusing on key sectors such as tourism, manufacturing and logistics. The country has also been making strides to develop its renewable resources, with a target to generate 10% of all its electricity through renewables by 2025. The hope is that the US will continue to play a major role across all of these industries and important deals between the two countries have already been struck.

“US companies have shown interest in exploring many different segments in Oman, especially in research and development,” reveals Khalid Al Balushi, CEO of TANMIA. “For example, there is a partnership between the government and the University of Arizona that aims to develop technologies for the food industry and this is done through one of the projects with Nakheel Oman Development Company.

“Utilizing new technologies and research in the US and transferring know-how in Oman will be critical in the next few years, and the government is trying its best to scale up these types of investments.”

“Investors look at opportunities across the world and require hard data to evaluate returns. Prepared options mean investors spend less time analyzing terms. The more attractive we



Sayyid Badr bin Hamad al Busaidy and Joe Biden, President of the United States.

KHALID AL BALUSHI
CEO, TANMIA

“Utilizing new technologies and research in the US and transferring know-how in Oman will be critical in the next few years.”

make our opportunities, the more added value we can create through linkages between different industries and this is what we are focused on doing at TANMIA.”

While investment from the US is steadily growing year-on-year, Abdulsalam Al Murshidi, President of the Oman Investment Authority, is hopeful that more American companies will choose to explore the numerous opportunities available in the Sultanate.

“We need to see more American investors

entering Oman. We have kept the country hidden for a long time and we need to work on promoting our nation,” says Al Murshidi.

“Our region has larger economies that naturally attract the attention of public investors. However, we must still remind potential partners of the good value propositions we offer.

“Anything manufactured in Oman is welcome in most countries; we have no restrictions. Additionally, our geographic location makes Oman an excellent platform to service the Indian subcontinent and East Africa, a market of around one billion customers surrounding us. Oman is a very safe location. We also have a 40% surplus in electricity production which is ready to be utilized immediately.

“Furthermore, we offer a stable financial and banking system. Investors also benefit from a robust taxation regime. Oman is a perfect destination for partners to service both the Omani economy and the region.”

OMAN'S ECONOMY AT A GLANCE



Population (2022)
4,993,850, including
2,066,239 expatriates



GDP (2022)
\$162 billion
(Omani official estimate)



Currency
Omani Rial (pegged to US
Dollar): OMR2.6 to \$1



Total exports (2022)
\$80.32 billion (46% growth
since 2021)
Main partners: China,
India, South Korea



Total imports (2022)
\$22.03 billion (19% growth
since 2021)
Main partners: India,
China, United States

New economy shifts to innovation

Revenues gained from the recent rise in oil prices have allowed Oman to pivot away from hydrocarbons towards adding value to its industrial value chain and promote the growth of new innovative sectors

Ever since oil was discovered in Oman in 1964, the economy has been largely centered around the oil sector, with production and exports increasing significantly over the decades. To this day it still plays a crucial role as the recent uplift in oil prices has been one of the primary reasons that the country has recovered from the COVID-19 pandemic.

However, it is far from the only factor as the economy has also seen a notable improvement in non-oil sectors, which in the first half of 2023 contributed to approximately 69.4% of the GDP. This was predominantly driven by transport, storage, agricultural and fisheries activities, highlighting the successful efforts being made by Oman to diversify the economy.

This shift away from a reliance on fossil fuels was first outlined in 2020 when Sultan Haitham bin Tariq approved Oman Vision 2040, an initiative that prioritizes a diversified, dynamic and globalized economy.

"The Vision 2040 initiative focuses on four main pillars. The first is our citizens and society. The current budget dedicates around 34% to health, education and social programs and will continue to do so. We aim to have well-qualified and enlightened people with the necessary education and skills that can be productive and competitive in the labor force. We want our youth to compete not only locally but internationally. A knowledge-driven economy is the way forward for Oman," states the Minister of Economy, Said Mohammed Al Saqri.

"The second pillar focuses on having a diversified economy that is less dependent on the oil sector and is led by the private sector in terms of economic output and job creation. The third pillar focuses on preserving the natural environment and being sustainable.

"We are focused on renewables, with the goal to increase the mix of renewables to at least 30% by 2040 and completely offset our carbon



Said Mohammed Al Saqri
Minister of Economy

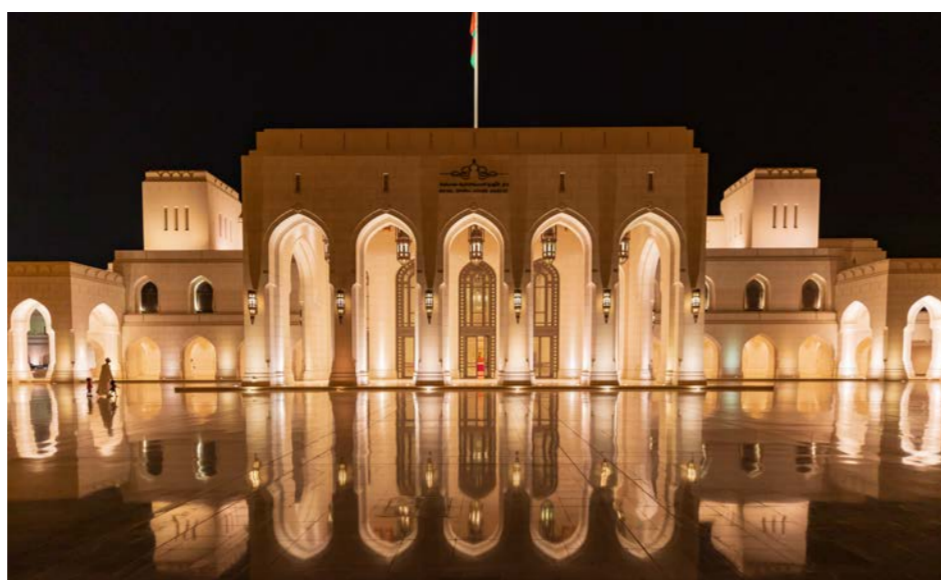
emissions by 2050. The fourth pillar is based on strengthening governance and law, which is also critical."

With plans to become a major economic powerhouse not just in the region but throughout the world, Oman has been promoting industries such as manufacturing, logistics and agriculture to further lessen its dependency on fossil fuels. This has led to the creation of industrial zones that are helping to attract foreign direct investment.

"We have at least 11 industrial zones, four major industrial cities and three industrial seaports that contribute immensely towards attracting investment," reveals Al Saqri.

"We currently have investments in petrochemicals, steel, aluminum, fertilizers, fiber optics and producing heavy vehicles such as buses at our industrial zones.

"The potential is enormous due to our location; we have five ports close to international



Night view of the Royal Opera House in Muscat (ROHM).

sea routes equipped with the latest necessary infrastructure and utilities. The government has heavily invested in these assets to make Oman a primary destination for logistics, heavy industries, light industries and information technology."

The Middle Eastern nation has also shown a willingness to explore green energy and renewables, with an abundance of land available that is ideal for solar and wind energy projects. Oman has 320 sunny days annually and high-intensity sunlight with a range of 5,500 to 6,000 watt hours per square meter per day. This gives it a distinct competitive advantage in the development of large-scale solar projects. The wind resources, particularly in Dhofar and Al Wusta, are also impressive with an estimated 721 watts produced per square meter.

Oman now hopes to capitalize on these natural advantages, as Al Saqri explains: "Our results suggest we are among the top five countries in the world in terms of solar and wind potential. Additionally, we have a lot of vacant land for development.

"The government has already allocated more than 19,300 square miles of land for people who want to invest in renewables and produce green hydrogen. We have already auctioned projects and have commitments from several companies showing genuine interest in investing in green hydrogen. Many companies are aligning themselves with the sector.

"For example, a company has already committed to supporting steel production using green hydrogen and at least five other companies have already signed similar agreements with the Ministry of Energy and Minerals. By 2030, we should be producing at least around one million tons of green hydrogen, and we are confident that it will increase to eight million tons by 2050. We recognize the need to move away from fossil fuel dependency; it is essential for the world."

In order to fully explore the potential of green energy and to further diversify the economy in the decades ahead, Oman has introduced new economic policies that have helped to attract foreign direct investment and create a business-friendly environment.

New bankruptcy, privatization and commercial laws have been introduced and the Sultanate recently launched a one-stop shop for international investors. This provides all of the relevant information and licenses needed in order to invest in Oman.

"Oman is a stable country in a very turbulent region; we have maintained this through non-aligned policies. Countries such as the US have recognized this. Oman is a trusted partner for the US in furthering the stability and security of the region," says Al Saqri.

**SAID MOHAMMED AL SAQRI
MINISTER OF ECONOMY**
"We have 11 industrial zones that contribute immensely towards attracting investment."

"We have seen an increasing number of US companies coming to Oman, with accumulative US foreign direct investment now surpassing \$74 billion. The Free Trade Agreement we signed with the US also covers a wide range of benefits, including the promotion and protection of investment, preferential trade agreements and guarantees for businesses, including the ability to take commercial disputes to the US market.

"Additionally, the US plays a leading role in the push to renewables in terms of know-how and technology. The country could play a leading role in showing the world how vital the energy transition is."



Students from The American International School of Muscat (TAISM).

ship with Better Medical Solutions, an American company in Oman which has utilized the Free Trade Deal to import high-quality medical devices from the US.

Speaking at the event, Ordeman said: "The US-Oman economic partnership has never been stronger, with trade last year soaring to a record high of \$4.2 billion in 2022, a 30% increase from the prior year.

"I'm proud the Embassy can support OABC's efforts to build the relationships between US and Omani companies that serve as the bedrock of that partnership."

The importance of education

With many US citizens bringing their families to the Sultanate, the need to create an American educational system in Oman was first recognized by Ambassador Frances Cook who in 1997 was gifted land by Sultan Qaboos bin Said Al Saqri in order to build a school. The following year The American International School of Muscat (TAISM) opened its doors and it continues to deliver a high-quality curriculum to more than 500 students.

"The vision of Ambassador Frances Cook — the first female ambassador to serve in any Gulf Cooperation Council country — was not only to set up a school for Americans but for anyone desiring an American-based education," reveals Kevin Schafer, Director, TAISM.

"There is a caveat that Omani children wishing to attend must obtain special permission from the Ministry of Education, which has historically been around 10-15% of our student population. The school is incorporated as a private institution in Oman that leases the land from the American Embassy. Four of the seven people on the school board are appointees of the US ambassador, and the director of the school must be an American. It has a unique US connection and will always be American in character."

Focuses on providing quality education to students and supporting their intellectual and personal growth while following the American curriculum, TAISM currently has 85 students whose family members work at the US Embassy in Oman. The school has also witnessed an increase in the number of students whose parents work for US companies in the Middle Eastern nation and even some who have retired in the Sultanate.

"Some students whose parents have independent businesses and moved here are enrolled, while some retirees have children who attend our school. They are in Oman through the integrated tourist complex that allows in-



Rebecca Olson
CEO, Oman American Business Council



Kevin Schafer
Director
The American International School of Muscat

vestment in local properties and grants residence permits," adds Schafer.

"We also have parents whose children attend school here, but one parent works outside the country. It is a different world now. When American companies come to Oman, they often have employees from various countries working for them who are foreigners.

"These employees are often mobile and often want to keep their children in the American education system. We strive to ensure that our students are not held back in their education due to relocation. Oman offers a beautiful place to live and raise a family, with a good education system."

Vision of a new age for Oman

The Vision 2040 blueprint has seen Oman take huge strides towards leading the world in manufacturing, logistics and innovation

Back in 2018, an ambitious project was unveiled by the late Sultan Qaboos bin Said Al Saqri that sought to bring the Sultanate into the ranks as one of the world's most developed nations. An initiative to move away from an oil and gas-reliant economy to a more sustainable knowledge-based one, it was named Oman Vision 2040.

Two years later, Haitham bin Tariq, Sultan of Oman, approved the launch of Oman Vision 2040. Not only did it outline the need to prioritize a diversified, dynamic and globalized economy that is focused on innovation, but it stressed the importance of creating an efficient and competitive private sector.

It also revealed a desire to increase the rate of Omani nationals in the private sector to 42% and increase foreign investment to 10% of GDP.

"Oman's Vision 2040 is a framework of comprehensive socio-economic strategies built on past achievements that aim to realize Oman's economic development and future vision by the year 2040," explains Khamis bin Saif Al Jabri, Chairman of Oman Vision 2040.

"Oman's society has constantly evolved while remaining rooted in a unique Omani identity that celebrates cultural diversity. Traditionally, the country utilized its oil revenue to foster growth. However, our future lies in transitioning from reliance on finite resources towards innovation and knowledge.

**KHAMIS BIN SAIF AL JABRI
CHAIRMAN, OMAN VISION 2040**

"Oman's Vision 2040 paints a future built on the harmonious blend of our rich traditions and the demands of the modern world."

"The Oman Vision 2040 process is not merely based on economic diversification; it is a holistic approach that places a premium on ensuring equitable growth and reinforcing local value while encompassing every Omani citizen in its scope.

"The initiative offers strategic paths and policies with clear milestones, timelines and evaluation metrics aligned with both domestic and international standards. Realizing the objectives of Oman's



Khamis bin Saif Al Jabri
Chairman, Oman Vision 2040

Vision 2040 initiative is not solely the government's duty. It relies on a united front and proactive participation involving citizens, the private sector and civil society organizations."

Consisting of four pillars and 12 priorities, Oman Vision 2040 seeks to create a sustainable and environmentally conscious economy, a society of creative individuals and a diversified economy based on innovation and responsible state agencies, including a swift and effective justice system.

While the initiative represents a long-term plan for Oman, its launch coincided with the onset of COVID-19 and proved extremely useful in successfully navigating a path through the global pandemic.

"It complicated all national agendas and ours was no exception. However, instead of the crisis being a hindrance, we used it as an unexpected catalyst to enhance our resilience. It forced us to think and act more adaptively. As they say, change is the only constant," reveals Al Jabri.

"We recognized that translating the initiative into tangible outcomes required institutionalizing new systems and structures. We embarked on a detailed change management process to ensure our reforms were not just superficial but deeply ingrained in the fabric of our governance. This allowed us to establish strong roots for our vision and ensure its longevity.

"In June 2023, the International Monetary Fund concluded that Oman had made decisive strides in

Harnessing the power of local SMEs

Oman's push to support entrepreneurialism has paid off, with SMEs now accounting for around 26% of Oman's GDP

Four years ago at the Oman 2040 Future Vision National Conference, it was revealed that Oman would continue to prioritize greater private sector integration into the economy by placing a strong emphasis on developing small and medium-sized enterprises. At the time, SMEs accounted for around 15% of GDP but there was hope that this figure would rise in the years ahead.

Now, thanks to the extraordinary effort of the government, SMEs account for 26% of GDP. This significant rise has been achieved through numerous incentives and programs aimed specifically at supporting promising businesses and startups.

The sector also received support from Haitham bin Tariq, the Sultan of Oman, who spoke about the importance of both SMEs and entrepreneurship, especially in regard to startups that are focused on innovation, artificial intelligence and advanced technologies.

This has helped Oman's capital, Muscat, to make huge strides in establishing itself as a hub for tech entrepreneurs, with startups such as payment platform Thawani Technologies, IoT-enabled logistics company Emushrif and transportation app Otaxi all flourishing in recent years.

Another relative newcomer that is leveraging technology is Fundsman, a wealth management company that provides advisory services, investment management and investment financing. It has developed its own algorithms to identify opportunities and risks in the market and is able to provide agile investment solutions for investors.

The country has also launched a Rising Omani Startups Programme which has the goal of enabling innovation, supporting the establishment of startups, linking founders with business opportunities and identifying investment opportunities for expansion outside of Oman.

According to the Startup Genome Foundation, an international organization that specializes in developing startup ecosystems and innovation, the total market value of Omani startups exceeded \$300 million last year and the Sultanate ranks highly in the Middle East and North African region when it comes to the development and efficiency of startup ecosystems.

Oman is also utilizing its strong ties with the US to further bolster the SME sector, as Said Mohammed Al Saqri, Minister of Economy, explains: "We have a program led by the Ministry of Transport, Communication and Information Technology called the Maken program. Its objective is to enable local small businesses, entrepreneurs and sole proprietors on a technical level. We have signed an agreement with international US firms to train them, with the ultimate objective being to attract investments

from major US companies."

Entrepreneurial spirit

Perhaps one of the most impressive feats surrounding the SME sector is the fact that it was able to grow even during a tumultuous period as the full force of the COVID-19 pandemic was felt by countries around the world. This was thanks to the government acting quickly and providing the necessary support for startups and young entrepreneurs.


"There were a couple of initiatives such as emergency loans offered by the government in 2020 and 2021 for small and medium-sized enterprises in Oman. In 2022 these loans were waived by royal decree for many borrowers and we have now seen the number of SMEs rise by close to 40% over the last three years," reveals Abdulwahab Al Maimani, the owner of Abdulwahab's Office, a leading investment management company.

"Furthermore, if you are the owner of an SME in Oman and are working on developing the company without multiple jobs, you can receive loans of \$250,000 or more from a govern-

KEY POINTS OF OMAN'S VISION 2040

 Raise Real GDP per capita by 90% and Real GDP growth by 5% annually during the next 20 years

 Enhance the contribution of Foreign Direct Investment (FDI) to GDP to 10%

 Envisions the share of non-oil activities (tourism, logistics, manufacturing, fisheries, and mining) to grow to more than 90% of GDP, as well as a 40% contribution to job creation by the private sector



Majlis Oman, the Parliament landmark building of Muscat.

its Oman Vision 2040 program. While we have made considerable progress, complacency has no place on our roadmap. Our journey towards achieving the objectives of the initiative is ongoing, even if we surpass our set targets, our thirst for development and progress remains unquenched.

"The essence of Oman Vision 2040 is not just reaching milestones but creating an environment that allows for continuous growth, reflection and improvement."

Identifying key industries

In order to lessen the country's dependence on oil and gas, Oman has identified a number of industries that will significantly contribute to the economy. These have been meticulously selected by the government and will receive the necessary support in the years ahead to ensure that they flourish.

Manufacturing is one such industry, with numerous schemes already being introduced in order to incorporate innovative practices and state-of-the-art technologies.

"Our efforts are already bearing fruit," states Al Jabri. "We have launched the Industrial Innovation Academy which aims to lead the sector's transformation by embedding innovation at its core.

"Another noteworthy endeavor is the establishment of a pharmaceutical and biotech center in the Salalah Free Zone. With a substantial investment, this project aims to cement Oman's place in the pharmaceutical sector and highlight the diversity of the nation's manufacturing aspirations."

Oman also aims to bolster its logistics capacities to take full advantage of the fact that it is positioned between major global trade routes. This has led to the creation of Duqm port and Khaaen Economic City, as well as the introduction of a new logistics system to ensure the faster and more efficient transportation of goods.

"Additionally, the Oman Vision 2040 initiative has set a blueprint to develop the nation's renewable energy and carbon management industries. Our ambitious goal of achieving carbon neutrality by 2050 showcases Oman's dedication to environmental stewardship. The country has not only set targets but is actively laying down infrastructure and regulatory frameworks in order to achieve them,"

says Al Jabri. "The International Energy Agency predicted that Oman could potentially rise as the sixth-largest hydrogen exporter globally by 2030."

A significant emphasis has also been placed on food security and tourism. The first aspect is being addressed through the continued development of Oman's fishing industry, while a strategy is being devised to attract an increasing number of tourists to the Sultanate.

"With food security our aim is twofold. We want to ensure the nation not only produces enough for its own needs but positions itself as a significant exporter in the global seafood market," says Al Jabri, who has a PhD in international economy from Durham University in the United Kingdom.

"Oman's Vision 2040 program has also set its sights on developing the country's nascent potential as a popular tourist destination. The country is nestled amid diverse landscapes and echoes with centuries of history. Our strategy aims to accentuate our unparalleled blend of desert majesties, our coastal wonders and our ancient architecture.

"Additionally, the growth of local cruise ship tourism has further established Oman as a maritime tourist jewel. This has been facilitated by the pristine ports that can be found in Salalah, Muscat and Khasab."

In order to ensure these ambitious plans are turned into reality, Oman aims to empower its people. Vision committees were formed across Oman's various communities so that they could discuss the creation and implementation of the program. By doing this, Al Jabri hopes that they will feel a sense of pride as the country undergoes a major transformation in the decades ahead.

"Representatives from various demographics, including women, youth, differently abled individuals and students have actively participated," he adds. "This wide-ranging involvement is consistent throughout every Omani region. Additionally, youth centers are being established across the country to foster the capabilities of young people and consider their input.

"Ultimately, Oman's Vision 2040 paints a future built on the harmonious blend of our rich traditions and the demands of the modern world. The hope is that it will ensure a prosperous, healthy and proud society for generations to come."



Abdulwahab Al Maimani
Founder, Abdulwahab's Office

ment bank without requiring guarantees and the interest rate is quite competitive.

"This was introduced by the government to facilitate businesses and enhance the ease of entrepreneurs receiving credit. Additionally, there is an initiative to create a secondary market for SMEs so they can be listed and traded as a stock on the Muscat Securities Exchange. This will connect individuals to SMEs in terms of investment and credit."

Al Maimani, himself an entrepreneur who has founded numerous companies, believes that with access to funding becoming easier

through loans and crowdfunding initiatives, the SME sector will continue to flourish and play a significant role in moving Oman's economy away from a reliance on oil and gas.

"By the end of 2023, there could be as many as 10 crowdfunding platforms to support SMEs and the government will continue to provide collateral-free loans to those who are fully committed to operating their businesses," adds Al Maimani. "While there are high risks associated with new sectors growing here in Oman, this expansion always creates comprehensive economic growth."

The Muscat Stock Exchange (MSX) is also doing all it can to support the growth and sustainability of the SME sector, as CEO, Haitham Salim Al Salmi, explains: "We signed a memorandum of cooperation with the Small and Medium Enterprises Development Authority to establish a specialized platform where SMEs could be listed with relaxed measures and disclosure requirements and trade on similar terms to other types of listed securities.

"We aim to create an attractive listing environment for SMEs, especially those operating in sectors that are perceived as high priority under Oman's tenth five-year development plan.

"MSX incorporates not only publicly traded companies but also closed joint stock companies. There are more than 300 companies listed, with 126 of them considered SMEs. We want to make sure we track back these companies and ensure they are listed in the proper market."

Safe haven for American investment

As Oman's second largest source of FDI, the US is actively promoting increased collaboration based on stable ties and mutual gain

The US and Oman have enjoyed a strong and stable relationship that dates back more than 200 years and continue to collaborate closely on regional security and stability, as well as economic prosperity and trade. In 2009, the two countries signed a Free Trade Agreement which removed most customs duties, allowed citizens to set up businesses without a local sponsor, and gave businesses and investors the right to 100% ownership of companies in Oman.

This landmark agreement has been hugely beneficial to both countries, with the US now Oman's biggest non-oil export destination, registering \$2.73 billion in 2022. The US was also the second-largest foreign direct investor in Oman in the third quarter of 2022 with a total of \$6.5 billion coming into the Middle Eastern country.

Due to the strength of the relationship between the two countries, the Oman American Business Council (OABC) was founded in 2003 to foster the development of commercial activity between the US and Oman. Supporting the business community in the Sultanate, OABC

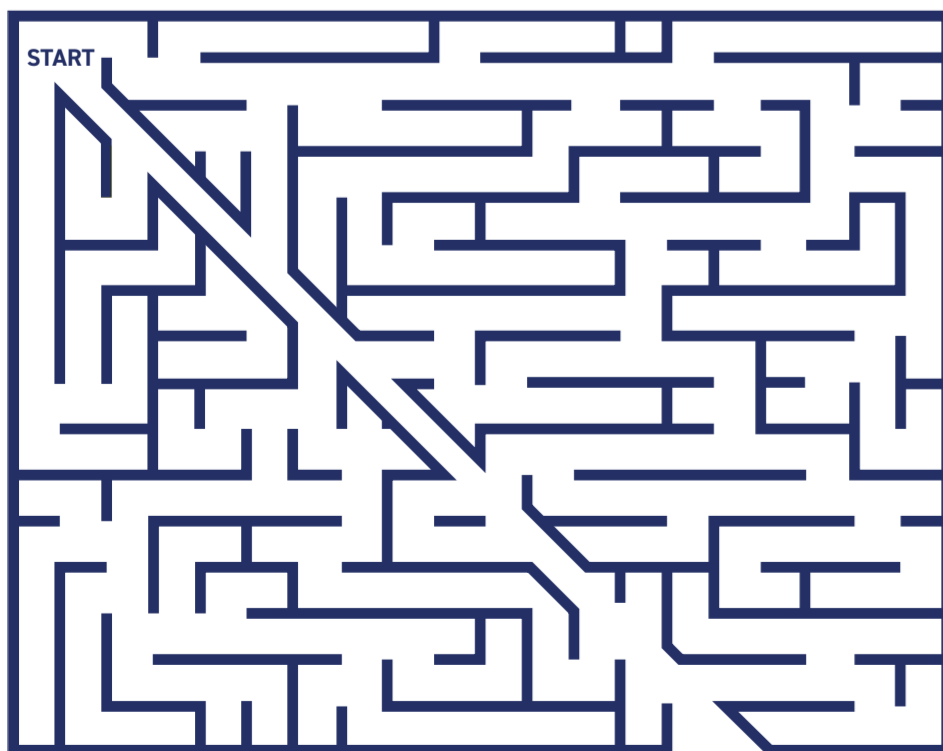
delivers programs and events that are focused on professional development, thought leadership and high-level networking.

Hosting 30 events annually, OABC is Oman's most active business networking group, with each conference, seminar and networking event providing members access and opportunities to meet other decision-makers across a variety of sectors in Oman.

Tasked with overseeing the execution of OABC's mission is CEO Rebecca Olson. Having previously served as the Executive Director for five years, she is now looking to implement new initiatives to improve trade, develop bilateral relations and establish a stronger presence promoting Oman trade and investment in the US.

One of the ways that Olson is achieving this mandate is through networking events that bring together important members of the Oman business community and connect them with US counterparts.

Earlier this year the OABC welcomed US Embassy Charge d'Affaires Leslie Ordeman to one such event which was hosted in partner-



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Waqt ARCAL Collection Huwa White Bronze, inspired by Arabic Calligraphy.



Abdulwahab's Office team at Oman National Museum visit.

Turning the keys to unlock local potential

Oman's wealth fund has put the public sector in the spotlight in its drive to maximize in-country value and economic sustainability

Back in 2020, the decision was made by the government of Oman to merge the State General Reserve Fund and the Oman Investment Fund, two entities whose remit was to make profitable investments and help diversify the economy away from its dependence on oil.

In its place came the Sultanate's new sovereign wealth fund, the Oman Investment Authority (OIA), which by the end of last year had total assets worth \$46.6 billion. This was thanks to the authority following a prudent investment strategy that delivered a return on investment of 8.8% in 2022.

Much like the Government Pension Fund of Norway, the OIA's primary objective is to benefit future generations by safeguarding and building national wealth. However, it also has another equally important purpose, which is to develop the national economy.

"We are one of the few global funds with more than one mandate, role and responsibilities," states Abdulsalam Al Murshidi, President of the OIA. "In reality, we have around five different mandates. We aim to enhance the return on our investments while at the same time jumpstart the economy by introducing

new projects and contributing to developing sectors.

"In addition, we aim to create employment and increase the country's gross domestic product. Moreover, we are mandated to pay annual dividends to the Ministry of Finance to help support the annual budget.

"Occasionally, these mandates are aligned and sometimes they contradict each other." In order to achieve these two main objectives, the OIA created two separate funds: the Future Generations Fund, which is designed for long-term investments, and the National Development Fund, which is made up of assets inherited when the authority was created in 2020. "Our current mandate is to turn these companies around and exit some of them as part of the privatization policy," explains Al Murshidi. "Our first step is to get these companies ready for initial public offerings or invite strategic partnerships through private placement. This is handled on a case-by-case basis."

Another hugely important function of the OIA is to increase the private sector's contribution towards the economy. This year the authority pledged to invest \$4.95 billion towards new projects in Oman and encourages all of its



Abdulsalam Al Murshidi
President, Oman Investment Authority



Haitham Salim Al Salmi
CEO, Muscat Stock Exchange

companies to offer at least a 60% share to foreign investors or locals within the private sector in any new project.

"Traditionally, state-run entities have been the largest drivers of developing national infrastructure. However, post-pandemic private businesses played a vital role in accelerating economic recovery," says Haitham Salim Al Salmi, CEO of the Muscat Stock Exchange.

"Now the OIA is responsible for one of Oman's most important programs under Vision 2040, which is to assist the private sector so that it contributes further to the economy.

"Under the program, the public sector is gradually lowering government subsidies and

allowing the private sector to take a leading role. Private entities are keen to invest in new businesses and expand certain industries such as healthcare, education, logistics and digital transformation while actively using innovative technologies vital for economic growth that will generate new job opportunities for Omanis.

"Being an OIA subsidiary MSX is part of this divestment strategy, to liquidate government holdings, allow cash injections for newer projects and offer a piece of the pie for a larger pool of investors, as we at MSX provide an alternative divestment pathway for companies through IPOs rather than selling to specific investors."

Entrepreneurs look upward and outward

As the country opens up to the world, new businesses are charging beyond the local market towards international prospects

Like many nations in the Middle East, Oman recognized a need to diversify its economy to ensure it was not solely reliant on the somewhat turbulent oil and gas industry. The Sultanate wanted to empower the local population and create a dynamic SME sector where entrepreneurs could flourish.

Thanks in part to a series of effective incentives, the local business community has enjoyed staggering growth over the course of the last decade. In 2013 there were only 323 Omanis who had registered their own businesses, whereas that number had reached 4,300 just two years later and has continued to grow at a considerable rate. Such has been the success of the sector that the contribution of SMEs to Oman's GDP now stands at around 26% and Oman's Minister of Economy, Said Mohammed Al Saqri, is confident that this figure will continue to grow significantly in the years ahead.

"In numerous countries, the contribution of SMEs to their respective GDPs can be 60% or even higher, with contributions to job creation as high as 90%. For this reason, we have an authority that is dedicated to promoting SMEs and there are countless programs to enable these enterprises to contribute even more to the economy," says Al Saqri.

"We want to make sure they are stable and produce competitive products and services. In fact, we make sure all government procurement projects include direct or indirect contributions towards SMEs, with specific tasks reserved for these entities. Currently, around 10% of awarded projects go to SMEs."

Thanks to the hard work of the government over the last 10 years, Oman has created an ecosystem that allows startups and entrepreneurs to flourish in a variety of industries. One example of this is the CEO and Founder of Invest LLC,



Husam Baqawir, CEO and Founder of Invest LLC.

Husam Baqawir, who after graduating from university chose to start his own business.

Initially enjoying success in the food and beverage sector, Baqawir is now supporting young entrepreneurs in Oman and is exploring the burgeoning technology sector as he bids to take local products onto the international stage.

"After creating Invest LLC I was able to purchase a franchise brand from Kuwait that is one of the most famous brands in the food and beverage sector in the region. I also joined numerous international online courses and in-person programs to develop my leadership and executive management skills within the F&B industry," explains Baqawir, who is working as a consultant to the government to further develop the F&B industry and with the Authority of Developing Small & Medium Enterprises (Riyada) to help SMEs and startups develop their businesses.

"The hard work and investment paid off as I saw returns within the first year. Now the goal is to invest in other ideas and opportunities in the F&B sector, as well as the technology sector. I want to combine those two fields in order to develop Omani brands and penetrate them in the international market. It has become my personal vision to make it normal for SMEs, companies and projects based in Oman to move from the local market to the international market."

In order to further encourage this entrepreneurial spirit, Oman recently announced plans to open a National Centre for Entrepreneurship that will serve as an interactive space to attract patent owners, start-ups and SMEs. This is just one of many initiatives that are helping the country to become an SME-driven economy.

"There are many government programs to help SMEs. The Ministry of Higher Education is also helping students to focus on innovation, develop their own startups and overcome related challenges," reveals Baqawir. "For example, the Rising Omani Startup Program was established last year to stimulate an ecosystem based on advanced technologies and innovation and help emerging startups enter international markets. They are supporting entrepreneurs through consultation, funding and knowledge sharing.

**HUSAM BAQAWIR
FOUNDER & CEO, INVEST LLC**
"It has become my personal vision to make it normal for SMEs in Oman to move from the local market to the international market."

"Startups are also supported by the government-run information and communications technology association ITHCA Group, which focuses investments on technology and the fourth industrial revolution. Their goal is to drive Oman's digital transformation under the Vision 2040 initiative.

"They are currently supporting many Omani startups. The startup ecosystem is gradually improving, and entrepreneurs are now becoming more confident and doing much better. We need to put more spotlight on Omani youth and show them the path to getting more involved in business and succeeding."

Redefining boundaries with technology

With tech-related investments of more than \$775 million in 2022, Oman stands to lead the world's fourth industrial revolution

As one of the main focus areas of the government's long-term economic development plan, Oman has undergone a comprehensive digital transformation. There has been significant investment into the construction of a vital ICT infrastructure, new laws and regulations on issues such as cyber security have been introduced and an ecosystem of startups and SMEs has been created.

Even the government has embraced the digital revolution and earlier this year introduced Manjam Labs, an initiative that aims to simplify more than 1,000 government services.

"Digitalizing the government is crucial in ensuring our development process is done correctly. It is the nucleus for forming a digital economy and includes personnel development," explains Said bin Hamood bin Said Al Mawali, Minister of Transport, Communications and Information Technology (MTCIT).

"Our digitization involves not just employees, but companies, startups and society. We launched a center last year to simplify our digitization process that will remain active for two years. There are around 1,800 different processes that need updating, and work on each one takes about two weeks. The center is buzzing, with around 200 people working at the unit at any given point.

"Furthermore, more effort will be made to link the digital world to commerce alongside building up green energy. We expect a lot of activity in cloud services, specifically where green efficiency is required. There will also be plenty of investments focusing on the creation of startups on the back of the availability of a qualified and competent workforce. Many exciting things are going on.

In order to create a sizeable information technology sector and further digitize the economy, Oman has also invested heavily in subsea cables that provide excellent connectivity and reduce latency in communication.

"We have a direct line from Australia to Africa, with India and Southeast Asia and across Europe. These connections support our digital connectivity goals and are part of our plans to grow a significant data center hub, especially in areas where these cables land," adds Al Mawali.

"Currently, Oman has a high amount of cable and well-qualified information technology talent, but the digital economy is still underdeveloped. Our internal plan is to have 10% of the Omani economy coming from the information technology sector by 2040. An important component of this is logistics, which we also aim to grow to represent 10% of our economy.

"We have a national plan approved by the

cabinet for digital economy development that encompasses countless distinct sectors beneath it, namely space, e-commerce, e-government, artificial intelligence, information technology and manufacturing, as well as the fourth industrial revolution."

Assisting with this digital transformation is MADA, a company committed to improving ICT accessibility. Offering an array of enterprise resource planning (ERP) systems, its mission is to transform businesses by providing innovative solutions that enhance efficiency, reduce costs and drive growth.

"In the rapidly evolving world of technology and innovation, the future is full of endless possibilities. Our company offers a variety of products and services such as ERP systems designed to integrate and streamline various business processes within an organization," states Safa Al Salmi, General Manager at MADA.

**SAID BIN HAMOOD BIN SAID AL MAWALI
MINISTER OF TRANSPORT,
COMMUNICATIONS AND INFORMATION
TECHNOLOGY**
"Our digitization involves not just employees, but companies, startups and society."

"Our ERP system is powered by Google Workspace and includes applications for human resources, accounting, production, performance management, vendor management, sales management and inventory management. These solutions help optimize resource management across departments, from raw materials for manufacturing to hiring.

"The company aims to revolutionize the way businesses compete and grow by providing faster, simpler and more flexible financial, supply chain and production management solutions on a global scale. Our ERP systems are designed to be cost-effective and less complex compared to traditional ERP systems, allowing businesses to run more agile operations and fostering growth.

"Additionally, we have a partnership with SpinQ that involves the purchase of the Gemini-Mini portable nuclear magnetic resonance quantum computer 2-qubit desktop. The partnership emphasizes MADA's interest in quantum computing technology and its potential applications for enhancing business solutions."

Quantum computing is one piece of rapidly emerging technology that could well help to



Said bin Hamood bin Said Al Mawali
Minister of Transport, Communications and Information Technology



Safa Al Salmi
General Manager, MADA

revolutionize industries throughout Oman. A relatively new area of computer science, it uses unique behaviors of quantum physics to solve problems that are too complex for classical computing.

"The potential of Oman's quantum computing market depends on several factors, including the country's investments in research and development, its collaboration with international institutions and its ability to attract skilled researchers and professionals in the field," says Al Salmi.

"If Oman were to invest in quantum research and infrastructure, it could potentially position itself as a hub for quantum technologies in the region. Quantum computing's applications in areas such as energy optimization, logistics and finance would greatly benefit Oman's economy. However, building a quantum ecosystem requires substantial resources, as well as expertise and time.

"It is also still in its early stages and is not widely available. Several companies and research institutions have made progress in developing quantum computers and exploring their potential applications. The market value of the quantum computing sector is a challenging thing to pinpoint due to it being in its incipient stage. However, there are estimations that the quantum computing market could be worth several billion dollars in the coming years as it becomes more commercially viable."

While it may be some time before Oman is able to see the full benefits of quantum computing, the country's digital revolution is continuing apace and is playing an important role in transforming the logistics sector. The Sultanate already has a strong infrastructure of airports, ports and roads, but it is still in the process of maximising the efficiency of these assets.

"A lot of reorganization has taken place in the inter-mechanics of ports to enable seamless operations between the port operator, freight forwarder, clearance agents and shipping agents," reveals Al Mawali.

"We are now introducing digital port systems and connecting them with border cross-

ings. We recently opened a border crossing with Saudi Arabia for the first time, which we will continue to grow and will service the Omani economy and the larger region."

Another tech-forward sector that is attracting significant investment is the space industry. Next year Oman will host the Middle East Space Conference, with more than 350 global space experts, including senior executives from both governmental and private sectors, expected to attend.

The conference aims to address key challenges and opportunities in the space sector in the Middle East, with the MTCIT unveiling a national policy for the space sector earlier this year as it signalled Oman's ambition to boost space activities.

**SAFA AL SALMI
GENERAL MANAGER, MADA**
"The company aims to revolutionize the way businesses compete and grow by providing faster and more flexible production management solutions."

"We have a well-structured plan and are about to launch the economic part of our space policy, with investments expected very soon," says Al Mawali. We believe this represents a significant area of opportunity for investors. An ample number of opportunities exist in Oman's space sector, especially in low-orbit satellites and related communications. There is also a lot of work to be done regarding the downstream sector of the space industry, including data analysis.

"We typically see that US companies do not seek opportunities in traditional industries such as logistics as they do not consider them growth areas. However, they are very successful regarding opportunities within the digital economy, and we are open to working with them."

New age of connectivity

Oman's telecommunications sector seen as linchpin in digitization of new industries

It has long been acknowledged that the telecommunications industry is essential for the social and cultural development of society. Expanding and upgrading this sector has become even more important in recent years as we enter the age of information and countries around the world have been implementing new strategies to ensure they stay ahead of the curve.

In Oman, the improvement of services, increased consumer choice and competitive pricing have helped to improve the overall performance of the telecommunications sector as a whole and fueled economic growth. The key player in this industry is Omantel, which was founded in 1996 and is the primary provider of internet services in the country.

The first telecommunication operator in Oman to launch a 5G network and a provider of fixed-line, mobile, internet and data services, the company is one of the key drivers of Oman's digital transformation and connectivity efforts. It has significantly contributed to the development of advanced telecommunications infrastructure across the country, thus enabling better connectivity for individuals and businesses.

"By connecting people, we enrich and improve their everyday lives in many ways, including education and the way they conduct their work. Enabling the people of Oman is Omantel's primary purpose. We understand the sophistication of the market and what long-term strategic technological investments are required," states Talal Al Mamari, CEO of Omantel.

"We have built an ecosystem of companies that supports both ourselves and the information and communication technology program of the country. We are focused on digital transformation at a national level that serves both public and private sectors.

"In fact, we are the leading organization in



Talal Al Mamari
CEO, OMANTEL

the creation of a digital foundation for the government of Oman."

One of the leading operators in the region, Omantel is directly connected with around 120 cities around the world and has helped Oman to become a global data hub. Companies such as Amazon now host their servers with Omantel when covering the Middle East and North African region, while Equinix, the world's leading digital infrastructure company, has two data centers in the country.

Omantel's willingness to embrace the digital age has helped the company transform from a domestic player to one with a global foothold. It invested in a high-capacity submarine network that connects Oman with the rest of the world, launched a state-of-the-art 24/7 international network operations center for cloud and content-centric markets and rolled out internation-



State-of-the-art new office headquarters building for Omantel in Muscat.

al roaming with close to 700 operators in more than 210 countries.

"Technological advancement is a healthy dialogue that impacts all our lives," says Al Mamari. "In the first industrial revolution, technology replaced specific jobs but humans advanced. There is no real risk in technological advancements such as artificial intelligence. Instead of taking jobs, it will create new businesses and more opportunities. It is critical we invest in skills and personal development.

"The entire telecom sector has been undergoing a significant transformation. We are diversifying and transforming Omantel from a telecommunication company into a technology company that provides sophisticated tools. We must leverage growth areas to ensure Omantel is sustainable in the years to come."

In addition to providing telecommunications services, Omantel has also been involved in various other sectors of the economy. It has invested in technology and innovation and has supported the growth of technology startups to help foster a digital ecosystem in Oman.

The company wants to continue to play a significant role in enabling the nation's digital transformation and while it continues to work with global technology companies, it also recognizes the talent that exists within the Sultanate. This

program which provides recent graduates with the opportunity to hone their skills through an intensive course that equips them with knowledge for the future.

"Omantel has a responsibility to invest in our talent as we owe our success to the dedicated, skilled and continuously developing workforce," stresses Al Mamari. "We are experiencing exciting developments in technology that will improve our lives so we need to begin investing in our people and talent.

"On one side we are attracting global tech companies such as Equinix and Amazon, but on the other, we are creating an ecosystem within Oman by building up local companies in strategic technology segments such as data centers and cloud services.

"These entities have had the opportunity to work on many projects such as Oman Data Park, building up our IoT capabilities and smart cities alongside Tadoo. We also have a business process outsourcing company that is investing in blockchain technology."

"We are putting together an entire domestic ecosystem. We also have partnerships with domestic and international companies to address problems related to digital transformation in the public and private sectors."

Omani SMEs and startups should solve worldwide problems

TOP 10 MENA Ecosystem in Affordable Talent

TOP 10 MENA Ecosystem in Funding

TOP 15 MENA Ecosystem in Performance

Husam Baqawir

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Kestrel overflying environmental technology areas in Sohar.



Arid field of sustainable GMO corn plants.

Oman sets path to greener tomorrow

The nation's net-zero ambitions are driving green transformation across all segments of its industrial value chain

With the scientific community agreeing that in order to avert the worst impacts of climate change and preserve a liveable planet, the world needs to reach net-zero by 2050, countries around the world have begun to take action. More than 70 nations have now set a net-zero target, with Oman outlining their goal in late 2022 when a royal decree to approve an ambitious national plan was passed by Sultan Haitham bin Tariq.

In line with Vision 2040, Oman aims to reach net-zero carbon emissions by 2050 and is set to establish a sustainability center that will play a pivotal role in overseeing the delivery of the long-term strategy. One of the key areas within the plan is to explore green hydrogen and the country has set a target of producing one million tons by 2030.

Such is the enormity of transitioning to a net-zero world — which the United Nations describes as “one of the greatest challenges humankind has faced” — that for Oman to reach its target it requires cooperation and credible action to be taken across all segments of its industrial value chain.

When it comes to the aviation industry, cutting down the sector's carbon footprint is crucial to the success of the nation's net-zero ambitions. This is where the Civil Aviation Authority (CAA) have an important role to play.

“We have created and are leading an aviation

environment committee that is represented by the entire aviation sector including various airline operators, airports, academia and other related players,” declares Naif Al Abri, President of the CAA. “We aim to be a pioneer in green innovation in aviation and switching to sustainable aviation fuel will be a vast contributor to achieving our goals.”

NAIF AL ABRI
PRESIDENT, CIVIL AVIATION AUTHORITY

“We aim to be a pioneer in green innovation. Switching to sustainable aviation fuel will be a vast contributor to achieving our goals.”

“We are also looking to increase the use of electric vehicles in airports and utilize hydrogen in our operations. A project to utilize solar energy to power Oman's airports is also currently in its initial phase.”

While numerous changes will be introduced in the aviation industry in the years ahead, when it comes to developing new areas there is already a successful blueprint in place.

Khazaen Economic City is an integrated logistics and industrial hub that incorporated sustainable elements throughout the develop-

ment stage in order to substantially reduce its carbon footprint.

“Sustainability at Khazaen began in the concept stages and planning of the town. For example, we introduced a labor village in each 2.3-square-kilometre cluster to minimize carbon dioxide emissions from transportation,” explains Salim Al Thuhli, CEO of Khazaen Economic City.

“Laborers do not have to take a vehicle to work as factories, shops and warehouses are within an eight-minute walking distance. Each cluster contains around 8,000 laborers, which represents a heavy carbon footprint if commutes were done by vehicle.

“We started with the concept of sustainability, including introducing waste management and recycling. Now that these systems are on the ground, we are attracting similar-minded investors.”

Another company that has placed sustainability at the forefront of its operations is Oman Environmental Services Holding Company (be'ah). Responsible for solid waste management throughout the country, it aims to achieve an 80% diversion of generated waste from landfills by 2030 and reduce the average daily waste generation per person from 1.2kg to below 1kg by 2040.

“We serve Oman from the north to the south, with more than 50 million kilometers of travel required each year. We are implementing measures to cut our emissions by half between 2025 and 2030 and hit net-zero emissions before 2050. We are currently assessing our environmental impact and will use this as a basis to develop a solid plan,” reveals Tariq Ali Al-Amri, CEO of be'ah.

SOHAR Port and Freezone is also set to play a major role in supporting Oman's net-zero ambitions. Oman's largest port and industrial complex, handling almost 60 million tons of cargo

a year, it is one of the world's fastest-growing port and free zone developments and lies at the center of global trade routes between Asia and Europe.

“Being an industrial gateway, we deliver a considerable amount of the country's carbon dioxide emissions. The country has taken very promising steps in this direction due to advances and investments in the energy transition, renewables and green hydrogen,” explains Emile Hoogsteden, CEO of SOHAR Port and Freezone. “Oman is an attractive base for producing green products and shipping them worldwide. However, it is essential we not only export green hydrogen but expand our manufacturing base and attract foreign companies, factories and plants to make use of the green hydrogen we produce.”

“We want our green production facilities to create in-country value, jobs and wellbeing for our citizens.

“Sohar plays a crucial role in this because we already have a base and investors. Companies know they can develop if they come here, which is crucial to Oman's green strategy. By 2050, SOHAR Port and Freezone will be a fully functional integrated industrial logistics port complex with net-zero carbon emissions; we aim to be the best place in the GCC and the rest of the world for manufacturing green goods.”

EMILE HOOGSTEDEN
CEO, SOHAR PORT AND FREEZONE

“By 2050, SOHAR Port and Freezone will be a fully functional industrial logistics port complex with net-zero carbon emissions.”

“We need to address issues regarding energy storage and reliable power supply. We are also working on carbon capture technology for challenging industries. Direct air capture is a potential opportunity, and we are working with some industries to move in this direction.”

Pioneering the pivot to clean energy

Oman's oil and gas industry is paving the way for the nation's diversification plans as it prepares for its energy transition

Renowned for its abundant oil and gas reserves, the energy sector has been at the backbone of Oman's economy for the last 60 years. Accounting for a significant portion of the country's revenue, attracting significant foreign direct investment and providing employment opportunities across a variety of fields, it continues to play a vital role in the economic development of the Sultanate.

However, the government has been actively working on the diversification of the economy in recent years and efforts have been made to reduce the country's reliance on oil and gas. In a bid to create a more sustainable and resilient economy, one area that is being explored is renewable energy, especially in the form of solar and wind.

The country has set a target to generate 30% of its electricity from renewable sources by 2030 as it looks to expand its energy mix. With an overall aim of reducing its carbon emissions to virtually zero by 2050, Oman is committed to transitioning to cleaner and more sustainable energy sources.

“Oman can definitely reach net-zero emission levels by 2050. However, while it is not an impossible mission, it is not without challenges, including in some cases a lot of funding, explains Salem bin Nasser Al Aufi, Minister of Energy and Minerals.

“The government began by understanding baselines and what sectors have the most carbon emissions. Around 95% of emissions come from the four following sectors: power, oil and gas, mobility and industry.

“We devised a strategy for each of these sectors and a lead public entity for each one. For example, The Ministry of Energy and Minerals leads the oil, gas and electricity segments. While we could potentially electrify the whole country using renewable energy, challenges still exist during the night and when the wind is not blowing.

“We need to address issues regarding energy storage and reliable power supply. We are also working on carbon capture technology for challenging industries. Direct air capture is a potential opportunity, and we are working with some industries to move in this direction.”

Oman has already made investments in vari-

Salem bin Nasser Al Aufi
Minister of Energy and Minerals

ous renewable energy projects such as the Dhofar Wind Power Project and the Miraah Solar Plant. Oman Electricity Transmission Company has also signed a long-term power purchase agreement with renewable energy developers and a host of energy efficiency initiatives have been introduced in recent years.

SALEM BIN NASSER AL AUFİ
MINISTER OF ENERGY AND MINERALS
“With the potential of using renewables to produce hydrogen, Oman could play a significant role in the global energy transition.”

This commitment demonstrates the potential Oman has to become a hub for renewable energy and Al Aufi believes the country could play a significant role in the global stage.

“In terms of real potential using today's technology, we can produce around fourteen times what we currently generate through renewable energy. With the potential of using renewables to produce and export hydrogen and ammonia,



Solar panel installation for clean renewable solar energy at Mall of Oman.

Steve Phimister
Managing Director, Petroleum Development Oman

Oman could play a significant role in the global energy transition. It is an area we are pursuing aggressively,” he states.

“From March 2022 onwards, we began identifying primary concession areas for potential renewable energy generation, putting commercial structures in place, dividing areas into sizable blocks and inviting entities to begin competing for these concessions on a sequential basis. We began working on the infrastructure required to transport water to electrolysis facilities and hydrogen to ammonia facilities.

“We need to ensure that the grid connecting these facilities is in place so that we can support investors. Many urban planning works took place last year, which allowed us to proceed with putting our first two blocks on offer. We have begun discussing the commercialization of some projects with the goal of producing one million tons of green hydrogen and its derivatives by 2030. This target will likely be achieved, if not doubled. If we work on all the areas we identified, achieving our target of producing eight million tons of hydrogen by 2050 will be an underestimation of our total potential.”

As well as the huge amount of work being carried out by the government, pivotal players within Oman's energy sector are also doing their part.

The oil and gas industry is an integral part of the Vision 2040 strategy to diversify the economy and one of the most influential companies within this sector is Petroleum Development Oman (PDO), the leading oil and gas exploration and production company in the Sultanate.

Delivering the majority of the country's crude oil production and natural gas supply, PDO is set to play a hugely important role if Oman is to reach its goal of achieving net-zero carbon emissions.

“We are now growing our energy system by increasing sustainability in the oil and gas industry, addressing our existing emissions and investing in new technologies to utilize new forms of energy,” reveals Steve Phimister, Managing Director, PDO.

“We have developed a new strategy which is to build a sustainable and low-carbon future to maximize value for Oman. PDO has been an integral part of the country's planning for a net-zero 2050 strategy since the journey began a few years ago.

PDO not only has a plan in place to reduce its own emissions in-line with the country's net-zero commitment, but it also has a nearer term aspiration to halve its emissions by 2030 based on a 2019 baseline.

“The PDO strategy involves sustainably growing our business in both a cost and carbon competitive manner. This requires us to rise to the challenge of growing oil production beyond 700,000 bopd whilst halving our emissions,” explains Phimister. “Currently more than 60% of PDO's emissions come from power generation. Burning natural gas to generate power is a starting point in reducing emissions. We are moving from gas-fired power generation to renewables such as solar and wind.

“Today, about 10% of PDO's power generation comes from renewable sources, including the 100-megawatt Amin dedicated solar park, and we have an ambition to reach 50% renewable power by 2030. We are also exploring the use of CO2 for enhanced oil recovery with a pilot this year. This led to us recently signing a memorandum of understanding with Shell to provide CO2 storage facilities in support of their blue hydrogen plans.”

Fuelling a culture of safety

Modernization of Oman's oil and gas industry puts safety as first call of action

Traditionally one of the biggest drivers of economic growth, the oil and gas industry has played an important role in the development of Oman. Not only have companies within this booming sector contributed significantly to the GDP but they have been crucial to improving safety standards and developing a new generation of highly-skilled workers.

One of the leading players in the industry, CC Energy Development focuses on technology and innovation to be a sustainable and low-cost contributor to Oman's long-term hydrocarbon vision. The company employs a non-compromising attitude towards health, safety and protecting the environment, and aims to enable growth and development within the communities in which it operates.

This understanding that safety is of paramount importance and that energy companies have a responsibility to give back to the community has been crucial to the success of CC Energy Development. It has also helped to dictate how the company plans to grow in the years ahead.

WALTER SIMPSON
MANAGING DIRECTOR
CC ENERGY DEVELOPMENT
“It is critical that people understand we are looking after them... our in-house doctors help manage stress levels and address issues.”

“The following three things are valuable to us as a business: being a low-cost producer, having a low environmental footprint and being valued by the communities we work with,” states Walter Simpson, Managing Director of CC Energy Development. “These segments are interlinked; a company can only be a low-cost producer if it has an educated, efficient and capable workforce that understands the environment and gets support from the community through local companies.

“Our strategy has always been to hire the best people and make sure they are trained effectively and gain the same level of experience available in international markets. Fortunately, the Omani education system is excellent so when we advertise graduate positions, we receive several thousand graduates applying for each job. The graduates we select are comparable to anywhere else in the world; they are magnificent.

“We have a moral responsibility as international operators to develop our country and help people get educated. It is also in our best interest to develop local companies and capabilities and use these services to improve our

Walter Simpson
Managing Director, CC Energy Development

operations. For example, it is far more cost-effective for us to buy electrical cables from a manufacturer in Oman than importing products from China, the US or India.

“We also prioritize safety. It is critical that people understand we are looking after them. After the COVID-19 pandemic, we set up a mental health campaign. Many people were isolated, and we received feedback that people felt that life was not the same. We worked with our in-house doctors and medical teams to help manage stress levels and address mental health issues.”

In addition to supporting the community, implementing strict safety protocols and promoting a culture of safety throughout the organization, CC Energy Development is also taking measures to protect the environment. This aligns with Oman's target of achieving net-zero emissions by 2050.

“Internally, we will achieve zero flaring by 2027 along with a significant reduction in greenhouse gas emissions. Additionally, we are constantly looking at how we can manage our water and waste more effectively,” reveals Simpson.

“Environmental stewardship is not only about addressing greenhouse gas emissions. We have directly engaged with our staff, with some of our best ideas coming directly from the team such as exploring technology used to treat saline water and composting our food waste.

Tariq Ali Al-Amri
CEO, Oman Environmental Services Holding Company (be'ah)Naif Al Abri
President, Civil Aviation AuthoritySalim Al Thuhli
CEO, Khazaen Economic CityEmile Hoogsteden
CEO, SOHAR Port and Freezone

Iron factory in Sohar Port, Oman.

Mining Oman's wealth

After signing 12 licenses in 2022, Oman readies for a new age of mining development

Despite having a mining industry that dates back thousands of years, it is only in recent times that Oman has chosen to explore the possibilities of the sector. One of the major focuses of the Vision 2040 initiative, mining is set to play a major role in diversifying the country's economy away from a reliance on oil and gas.

One of the key figures in the emerging industry is Badar Al Kharusi, Chairman of Minerals Development Oman (MDO), whose remit is to build a successful and long-lasting mining sector that leads the way in the Middle East.

“If we look back 10 years from now, we want to see that we have created a mining industry that is comparable to the local oil and gas industry or emerging industries such as logistics and tourism,” reveals Al Kharusi.

To help achieve this, MDO signed 12 concession agreements in Oman with the intention of building a database of the minerals that exist in the Sultanate and then creating projects to invest in and monetize.

“We see immense potential for different minerals in Oman and have already tapped into a wide portfolio,” says Al Kharusi. “We are looking at the upstream sector and also downstream segments of mining.

“Never in the history of the country has there been such an extensive exploration program in the mining sector, and perhaps even in the oil and gas environment, which points to how much the government is enabling its success.

“We currently have a few flagship developments. On the metallic front, we have the Ma'oon copper mining project on Block 10 which consists of five copper mines. The project focuses on the mining of copper and potentially some associated gold and involves constructing a \$350-million processing plant.

Badar Al Kharusi
Chairman, Minerals Development Oman

“Our other flagship development is the industrial mining project in Shuwaimiyah. We have already found significant volumes of gypsum, limestone and dolomite. We are building a port at the site, which is currently being designed. It is possible we will float a bid for the construction of the port at the beginning of 2024.”

Al Kharusi also stresses the importance of utilizing sustainable practices and technologies for Oman's new mining sector.

“In tune with the government's goals, we aim to not use conventional power generation and stick only to renewables,” he adds. “Currently we produce most of our power through conventional gas feedstock and are moving rapidly into electrification. Overall, the entire sector is very conscious of the United Nations' Sustainable Development Goals.”

Behind the curtain of Oman's circular economy

Oman's goal to become a leader in hydrogen and sustainability is sparking global interest

In recent years, the government in Oman has been actively promoting sustainability and circular economy practices as they aim to minimize waste gen-

eration, maximize resource efficiency and transition towards green energy solutions. Creating a supportive environment for these practices has been crucial and the country is al-

ready attracting interest from investors around the globe.

One of the areas in which Oman has already enjoyed great success is in its move towards sustainable waste management. The Sultanate now boasts 67 waste recycling facilities that collect and recycle 31% of the country's waste collected in engineered landfills. The country has also launched a national waste management register which efficiently monitors and records waste collection and transportation from various sources to treatment sites.

“One of the main drivers right now is green initiatives; protecting the environment is critical for global investors,” explains Tariq Ali Al-Amri, CEO of Oman Environmental Services Holding Company (be'ah). “By building our new facilities and ensuring a circular economy in Oman at the highest level, we are enabling the participation of investors who are keen to safeguard the environment.”

Renewable energy is another area where Oman hopes to become a global leader as the country plans to take full advantage of the abundance of sunshine and the potential for wind power. These high-quality renewable energy resources and vast tracts of available land make it well-placed to produce huge quantities of low-emissions hydrogen.

Oman aims to produce at least one million tons of renewable hydrogen a year by 2030 and up to 8.5 million by 2050. This could transform the fledgling industry into one that is capable of attracting significant investment and at the same time reducing the country's natural gas consumption and emissions.

“US companies are welcome to enter Oman and introduce any technologies that can benefit and accelerate projects, especially in green hydrogen and new energies,” reveals Abdul Rahman Al Yahyaee, CEO of The Oman Energy Association.

“We have a well-regulated process for foreign companies interested in entering Oman. The government has established Hydrogen Oman as the main focal point for foreign investors wanting to invest in green hydrogen.

“We have also developed a one-stop shop for investors with clear incentives and regulations in place. We currently lack the necessary infrastructure and technologies, but local companies are on board to support the transformation. We need to develop our resources.

“Oman is focusing on transitioning towards a diversified energy mix. We currently produce electricity from solar energy and developed the first wind farm in the Gulf region in Dhofar, which powers more than 500 houses in the area. There are also solar projects in Ibra that produce 500 megawatts of power, with further phases expected to ramp up output by another one gigawatt.”

OMAN'S NET-ZERO TARGETS



Oman is targeting **\$140 billion** of investment in the green hydrogen industry. The Sultanate is on track to become the **sixth largest exporter of hydrogen globally, and the largest in the Middle East, by 2030**



Oman aims to produce at least **1 million tons of renewable hydrogen a year by 2030, up to 3.75 million tonnes by 2040 – and up to 8.5 million tonnes by 2050**



Oman can cost-effectively achieve its targets of renewables reaching **20% of the country's electricity mix by 2030 – and 39% by 2040**

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Creative talent shines bright

Industry leaders are pushing Oman's unique heritage as a competitive advantage in design and tourism

In recent years the government has recognized the potential of Oman's thriving creative sector in contributing to economic growth, creating jobs and showcasing the Sultanate's culture to the rest of the world. One of the key initiatives aimed at fostering the growth of this industry has been the establishment of dedicated creative hubs and cultural districts.

Not only do these areas act as a space for artists and designers to collaborate and showcase their work, but the galleries, studios and art festivals showcase Oman's rich cultural heritage and attract visitors from around the world, providing a boost for tourism and the local economy.

It comes as no surprise that Oman is keen to support and showcase its creative industries as art culture has played a significant role in Omani society for centuries. Preserving this heritage is hugely important, as is promoting it on a global level. That is why the government has been willing to invest in education and skills development programs to nurture a creative workforce.

This has led to the creation of numerous local companies that offer creative services, such as Shine Mark.

"We started in design and web development and later introduced printing services. We are now trying to get our new creative ideas to the market and are opening a new off-set workshop. We are also further developing state-of-the-art products and providing fresh

SALIM AL ZEIDI
CEO, SHINE MARK

"We are trying to get our new creative ideas to the market and are further developing state-of-the-art products."

innovative products for our clients," explains the CEO of Shine Mark, Salim Al Zeidi.

"Oman is a good market to operate in, particularly in the provision of creative products. The country is now developing its creative segments and will require more companies to help both the public and private sector reach the country's ambitious 2040 targets. The Vision 2040 program represents an incredible opportunity for investors and those looking to join the market to study what products and services are in demand."

In addition to the local talent that is driving the industry forward, Oman has been able to attract creatives from around the world. This is in part thanks to the recent introduction of a new ten-year cultural visa that is available for writers, artists and intellectuals who wish to collaborate with professionals and institutions in the Sultanate.

Aimed at fostering the country's burgeoning arts community, aligning with a progressive cultural strategy designed to build and promote creative talent in Oman, the visa is intended to attract creatives and underscores the significance of cultural heritage, literature, calligraphy, sculpture, drawing and a variety of other artistic fields.

Telling the story of Oman

Oman is also utilizing its booming creative sector to bolster its tourism industry. One of the ways it is achieving this is through the Creatourism program which promotes the country's diverse art, culture and heritage. The most recent initiative saw the opening of a unique 'Walk-in' Creative Art Space at The Oman Convention and Exhibition Centre, a permanent platform to display the works of prominent Omani artists.

This is hugely important as the Sultanate wants visitors to understand its unique history and ancient traditions. This is done not only through exhibitions but also through the artisans who continue to demonstrate skills that have been handed down from generation to generation.

"A focus of the Oman Vision 2040 initiative



Salim Al Zeidi
CEO, Shine Mark



Khalid Al Balushi
CEO, TANMIA



Nailesh Kanaksi Khimji
Director, Khimji Ramdas Group

is tourism. We have a great deal of tourism potential, and we do not need to try very hard because our people are naturally hospitable, welcoming and multilingual due to our trade history," says Nailesh Kanaksi Khimji, Director of Khimji Ramdas Group, a leading business conglomerate known for delivering quality and innovation for over a century.

"In fact, visitors will be able to visit many small villages scattered across the country that are thriving, with people who are continuing to live, farm and preserve our old cultures and heritage."

Highlighting the country's culture and wealth of creative talent could also be crucial as Oman attempts to attract investment into the tourism sector.

"As a place for investment, Oman's tourism industry has huge potential for further development. The Ministry of Tourism and Culture, as well as other players within the market, are rapidly developing the sector and its related infrastructure," explains Khalid Al Balushi, CEO of TANMIA, a company formed to manage investment funds in the tourism industry, among numerous others.

"Ultimately, tourism is being positioned to play a crucial role when it comes to developing the local economy and creating jobs."



Abdulwahab Al Maimani at Abdulwahab's Office meeting.

Utilizing the power of partnership

As Oman diversifies under Vision 2040, innovators are bringing Oman's new sectors to the forefront

In the following interview we hear from Abdulwahab Al Maimani, Owner of Abdulwahab's Office, about the ambitious financial targets for his investment management company and its exciting plans for 2023.

How is Abdulwahab's Office part of your personal drive to support Oman's Vision 2040 initiative?

Our goal is to act as a private-sector player that contributes to the achievement of Vision 2040. We engaged with the Oman Chamber of Commerce to become part of the consultancy that goes into major policy making. There are many things that only the public sector can do, and many things that only the private sector can do. In Oman, the public sector is closely related to policymaking. Additionally, we continually assess whether Oman's Vision 2040 is applicable or if it will help us leverage opportunities in every country we penetrate.

We began a couple of initiatives in the UK and even a couple at the level of the United Nations. The decision to support Oman's Vision 2040 is comprehensive; one can transfer this knowledge and implement it within global strategies and initiatives. Building a sustainable ecosystem is a very unique concept. We are committed to supporting companies or individuals by selling them products, providing services and delivering whatever they need.

The main target we want to achieve before 2040 as a company is to represent at least 1% of Oman's GDP. Given that the country's GDP is around \$88 billion, this is a very ambitious target.

What was the reason for extending Abdulwahab's Office's reach beyond Oman to markets such as the US and UK?

We have one objective; which is to build an ecosystem of numerous companies that operate in different areas and in different countries. This gives us many advantages, such as access to office space, commercial registration, company formation and company operations.

We have a comprehensive presence in the UK and are focused on the financial sector, while in New York we have access to major financial institutions. In France you have access to many technology startups, some of which we have equity in, while in Italy there is access to robust luxury and watch manufacturing sectors. We have offices in all these places and follow trends that enable foreign investors. Additionally, we have companies from other countries wanting to come to Oman.

Being present in many markets also allows us dual facilitation. We opened offices in these countries with the main purpose of facilitating foreign investors coming to Oman. However, we are also helping foreign investors on a global scale. We can facilitate investors wanting to establish companies in the US or UK, for example.

There are also opportunities north of Eu-

ABDULWAHAB AL MAIMANI
ABDULWAHAB'S OFFICE

"We have one objective; which is to build an ecosystem of numerous companies that operate in different areas."

rope in countries moving towards digitization. We want to explore different regions. We have established a digital bank with no branches through a partnership with the Central Bank of Lithuania. It is a fully formed digital bank, not simply an electronic money institution that handles only cash-handling services. All transactions can be done from our client's mobile phones, and they have access to all services without the need to go to any branches. We launched it in 2021, and the bank's client base is growing.

Can you give us a description of the company's software and computer subsidiary MADA and its trajectory since it was established?

MADA was a brave move. It began solely in software development; we were trying to design our own software in the most efficient way. We were invited to present the MADA concept of a smart or lean enterprise resource planning system in Paris, France, in 2018, which was the first main global marketing campaign for the company.

We then went on to sign an agreement with

Google to become a Google Cloud partner. Following that, we began developing inside the Google environment.

Around the same time, we signed agreements to be the main distributors of web hosting entity GoDaddy's services in the region. We then moved into developing our own computers and we should now have a model that will be available for sale either at the end of 2023 or the beginning of 2024.

We went from being a very niche software-oriented company towards providing comprehensive software development, hosting domains and selling hardware. We sell laptops and have agreements to sell commercial quantum computers.

What marketing strategy are you utilizing to bring the company's watch subsidiary to customers around the world?

Waqt, the Arabic word for time, is our watch brand. When we first started we introduced unique models before developing models for retail use. Waqt is unique as we do not produce more than 100 pieces of any model we are selling. All the models are limited edition, and usually only one of each is kept with us.

We have hit numerous sales records in Eu-

ABDULWAHAB AL MAIMANI
ABDULWAHAB'S OFFICE

"The main target we want to achieve before 2040 is to represent at least 1% of Oman's GDP. This is a very ambitious target."

rope of late, especially with our Arabic calligraphy models. We have been using multiple models and trying to lead some of the patents in the watch industry. We ensure that each of our watches can easily last for at least five to 10 years without serious problems.

We want to introduce unique watches that can be competitive with luxury brands such as Rolex and other big players in the market. However, we are not looking to sell something that is completely top-shelf material; we aim to become a fashion brand that is accessible to the people.

However, we are working on something that is highly competitive in the high-end market, especially regarding materials and the manufacturing process, that will be introduced at the end of the third quarter of 2023. This will be a very limited edition, with only 10 or 20 pieces produced for every model.

Why is Oman an attractive place for foreign investment, particularly from the US?

Oman plays a large role in maintaining the political stability of the region. Our current population is almost 50% Omani and 50% expatriates. We work to maintain good relations with every country in the world, which provides us with a competitive advantage.

Oman is not on any political side, and we are not usually influenced by geopolitical activities. We maintain neutrality in the region and have peaceful agreements with all markets. We act as a mediator.

US investors entering Oman were not very visible in the past. However, it is becoming more and more visible today and we are now seeing companies operating in Oman that are fully owned by US investors. This has been enabled by government policies in order to facilitate foreign investors.

The government also established Invest Oman, an entity dedicated to facilitating all investments happening in the country that has representatives from all relevant government bodies under one ceiling. Investors can go into one place and complete all the necessary paperwork without the need to apply in different places. In countries like the US, investors need to spend around one month to complete all of the required paperwork, especially in certain states such as New York and California. In Oman, this can be completed in around one week or less if commercial activities are not overly complicated.

Furthermore, US investors will not solely benefit economically from investing in Oman. People do not want to live in a country solely for economic gain.

The Sultanate provides many social incentives that attract people from countries around the world, including quality healthcare and a very high level of safety.

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