Oman Investment Forum in Tokyo

On 23rd - 24th October 2014, the “Oman Investment Forum” was held in Tokyo, which was attended by more than 30 officials from Omani government and which attracted more than 250 Japanese businessmen interested in various investment opportunities in Oman. When Japanese Prime Minister Shinzo Abe visited Oman and had a meeting with His Majesty Sultan Qaboos in January 2014 (which was a Japanese Prime Minister’s first visit to Oman in a quarter century), both governments have agreed to promote further private sectors business activities. It was announced in the Joint Communiqué “Strengthening of the Comprehensive Partnership towards Stability and Prosperity Between the Sultanate of Oman and Japan” that an investment forum would be held in Tokyo within the year 2014. We believe that it was a great occasion for Japanese businessmen to have better understanding the potential of business opportunities in Oman.

Why Oman

“Strategic Location”: The Sultanate of Oman occupies a geographically important strategic location, lying in the south-east corner of the Arabian Peninsula, which overlooks three seas- the Arabian Gulf, the Sea of Oman and the Arabian Sea. It is the center of one of the largest trading areas in the world; the east-west nexus joining markets in Europe, Asia and Africa.

“Stable Economic Environment”: The Sultanate was ranked as the 46th most competitive country out of 144 countries in the World Economic Forum’s Global Competitive Index 2014-2015. Oman’s cost of living is lower than many of its regional competitors and a combination of market access and economic diversity provides the resources a company needs to flourish.

“Excellent Infrastructure”: Ports, roads and airports are ranked as some of the best in the world and we boast world-class ICT, manufacturing and business properties. More than 460 manufacturing companies with a total investment of over US$11 billion operate at industrial estates such as Rusayl in Muscat, Sohar, Sur, Salalah, Al Buraimi, Nizwa, Sumail and Duqm. In addition, the mixture of well-established ports and free zones in Sohar, Duqm and Salalah, which are an ideally located trans-shipment hub between east and west, offers a range of incentives to companies that set up in them.

“Educated Young Workforce”: Our skilled, young and multi-lingual workforce helps Oman to compete effectively with other locations in the region.

“Free Trade and Open Market”: Oman is part of the Greater Arab Free Trade Area which came into force in 2005, and offers access to 18 countries with a population of more than 300 million. Oman is also a member of the GCC Common Market.
from 2008, which has 46 million people. In addition, Oman entered into a Free Trade Agreement with US in 2009 and with Singapore in 2013, respectively.

Oman is still undergoing significant transformation and development to make the country ever more business friendly. For example, Oman’s 8th Five-Year Plan (2011-2015) features investment of US$78 billion, representing a 113% increase over the 7th Five-Year Plan. Our Ministry is playing a leading role to promote more investment to our country as well as to develop further exporting activities, together with our investment and export promoting authority.

**Cooperation with Japan**

Japan is a longtime partner of Oman in the field of development assistance and technical cooperation. Japan was one of the largest providers of official development assistance which was disbursed mainly in the forms of technical cooperation and training programs through Japan International Cooperation Agency (JICA). More than 500 Omani government officials have been invited to take part in such programs in Japan.

Japan also contributed to the economic development of Oman through financial support to various infrastructure projects. The Japan Bank for International Cooperation (JBIC) has provided untied loans to the Government of Oman for the development of infrastructure projects such as Sohar Industrial Estate (1989), the Sohar Port Construction (1999), construction of a highway between Quriyat and Sur (2004), the Sohar Port Expansion (2006) and the construction of port facilities including dry docks for rehabilitating LNG and other tankers in Duqm district (2007). In addition, JBIC was a main lender for the Sohar Refinery Project (2003), Sohar Fertilizer Project (2005), Sur IPP Project (2011), Al Ghubrah IWP Project (2013) which Japanese companies participated in and which were financed on a project finance basis. The finance from JBIC has boosted both exports and investment activities of Japanese companies in Oman.

**Five-Year Development Plan and National Vision 2020**

Since 1970, the economic development of Sultanate of Oman has been steered through a series of five-year plans. Oman’s current and 8th Five-Year Development Plan runs from 2011 to 2015 which focuses on accelerating economic diversification, improving infrastructure and job creation, while maintaining real GDP growth of at least 3 percent and keeping inflation at around 4 percent. One of the main focal points is the expansion of the Sohar Industrial Estate and the Sohar Port.
points of this plan is a thrust on development of the non-hydrocarbon sector to accelerate the economic diversification process. The plan’s objectives focus on the development of various sectors such as Manufacturing, Tourism, Agriculture and Fisheries sectors, and the growth in non-hydrocarbon income is directly related to the improved contributions from the private sector. Hence, the plan gives paramount interest to enhancing private sector participation as well as the development of small and medium scale enterprises towards boosting economic growth. The development of national human resources by providing high quality education and health services are also the key areas of the strategic five-year plan. It plans to focus on the development of new job opportunities for local people, aiming to create 200,000 - 275,000 new jobs, which is an annual average of 40,000 - 55,000 new jobs. The government is currently preparing its 9th Five-Year Development Plan (2016-2020).

In 1995, the government announced Vision 2020 to complement its five-year plans and provide a longer-term framework for economic diversification. The aim of the vision is the complete structural transformation of the economy, so that by 2020, it will no longer be highly dependent on hydrocarbon revenues and the primary source of national income will be the non-hydrocarbon sector.

The main policy areas of the vision are:
• Development of human resources, and upgrading the skills of Omani nationals to keep pace with technological progress;
• Creation of a stable macroeconomic framework in order to develop a private sector capable of the optimal use of human and natural resources of the Sultanate in an efficient and ecologically sound way;
• Encouraging the establishment of an effective and competitive private sector, and consolidation of the mechanisms and institutions that will foster shared visions, strategies and policies between the private sector and government;
• Providing appropriate conditions for the realization of economic diversification, and striving towards optimal use of natural resources and the geostrategic location of the Sultanate;
• Enhancing the standard of living of the Omani people, reducing inequality among regions and among various income groups, and ensuring that the fruits of development are shared by all citizens.

Message for Japanese Companies

Oman needs to strive for further economic diversification and the cooperation of foreign companies is necessary to achieve such a goal. Japan is one of the main trading partners for both exports and imports and we highly value the long history and the strong relationship between both countries, but at the same time, we expect more direct investment into the country. We are looking forward to cooperating further with Japanese partners to strengthen our relationship.