



Oman Offers an Attractive Investment Environment



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His Excellency Dr. Mohamed Said Al Busaidi was appointed Ambassador Extraordinary and Plenipotentiary of the Sultanate of Oman to Japan in 2018. Prior to assuming his duties in Japan, Ambassador Al Busaidi started his career as the Professor of Physics at Sultan Qaboos University and joined the Ministry of Foreign Affairs in 2009 and held prominent positions such as the Chief of the North American Affairs Department.

Introduction

The Sultanate of Oman is located in Southwest Asia on the southeastern coast of the Arabian Peninsula and built a long-term prosperity as the centre of dominant trade routes with extensive trading ties between ancient civilisations in China, India, and Mesopotamia, as well as the Eastern Mediterranean, the Nile Valley, and North Africa over the Sultanate's long history. Even in the present-day Oman's strategic geographic location, situated outside the Strait of Hormuz, is a pivot point for fast and safe access to many of the world's leading markets. Under the wise leadership of the late Sultan, His Majesty Sultan Qaboos transformed Oman into a modern and prosperous nation, rightfully proclaimed to be an oasis for peace and henceforth one of the most attractive places in the world for business investments and tourism.

Current Economic Overview of Oman

The International Monetary Fund has predicted that Oman will become the fastest growing economy in the GCC region in 2020. The Sultanate's real GDP is projected to grow by more than six percent in 2020. Governmental proactive and balanced policy initiatives combined with its rich natural and human resources spur sustainable economic growth. Over the longer term, pro-business reforms such as foreign ownership, FDI, SME support and PPP laws are expected to increase trade and investment. Numerous, divers and dynamic private and government-initiated projects are under implementation in various sectors including industry, manufacturing, logistics, agriculture, mining, textiles, retail, tourism, fisheries, transport, communication, oil, gas, tourism and real estate.

Under the wise leadership of His Majesty Haitham bin Tarik the Sultan of Oman, fortified by Vision 2040

strategy, the Sultanate continues to focus on diversifying its economy by boosting non-oil revenue and aims to further grow the economic sectors by fostering technology, promoting responsible ecosystems, and ongoing enhancement of the competitiveness of its free industrial/trade zones. Oman's controlled economic development program, the transparent business environment, stable political climate and diversification of the economy are expected to yield positive results on the development of the Sultanate's economy.

Investment Environment in Oman

To attract substantial foreign direct investments, Oman continues to systematically liberalize its economy and has introduced tailored policy and legislative changes that have successfully and steadily attracted prodigious foreign investment. To help support investors and boost the development of commerce and investment of the non-oil products in Oman, The Public Authority for Investment Promotion & Export Development (Ithraa) was established. Ithraa also aims to support and sustain investment projects by providing guidance and advice.

Oman has created a favourable climate for new investments by developing a free, competitive economy with equal opportunities for all.

The Sultanate can offer;

- Up to 100% foreign ownership.
- Provision of industrial land at economical lease rates.
- Developed and equipped lands with basic services (water, electricity, telecom, roads)
- Provision of loans with low interest rates and easy payback periods through ODB.
- Exemption from customs duty on import of plant equipment, spare parts, raw materials semi-

processed materials, packaging materials directly required for industrial production.

- Relief from customs duty on raw materials for up to 10 years.
- Exemption from personal income tax.
- Corporate tax holiday of up to 10 years.
- Full repatriation of capital, net profit royalties.
- Export credit insurance through export.
- Guarantee Financing Agency.

Free Trade Zones/Areas

The Sultanate established several free zones; Al Mazyounah Free Zone, Sohar Free Trade Zone, Knowledge Oasis Muscat Free Trade Zone, Salalah Port Free Trade Zone, and Duqm Special Economic Zone.

Among those with a land area of 2,000 square kilometres and 90-kilometres of coastline along the Arabian Sea, the Duqm Special Economic Zone is the largest in the Middle East and North Africa region and one of the most promising investments in Oman. It is a model of an integrated economic development composed of sectors containing a deep-water port; a dry dock; a regional airport; a heavy or medium and light industries zone, including a refinery and petrochemical complex; a residential and commercial area; a tourism area; a logistic services area; and an industrial fisheries area with a designated port. The special economic zone is administered, regulated and developed by the Duqm Special Economic Zone Authority, a financially and administratively independent government entity which provides various services for investors such as registration, licenses, visa and residency for non-Omanis as the role of “one-stop shop”.



Oman's Modern Road Network



Dolphin watching and cycling adventure are parts of unforgettable experience

Investment Opportunity for Japanese Industries

The friendship between the peoples of Japan and the Sultanate of Oman extends to nearly 400 years with this year marking the 48th formal anniversary of the establishment of diplomatic relations in 1972. The Omani-Japanese relations were founded on mutual respect and have developed with reciprocal trust and continue to expand rapidly in various fields, particularly in energy, trade and investments, finance, knowledge transfer and human resource. Trade exchange between the two countries increased by 17.86% over the previous year.

Oman and Japan signed in January 2014 an agreement for the avoidance of double taxation, followed by the Agreement for The Reciprocal Promotion and Protection of Investment in June 2015. These two bilateral agreements greatly cultivate more favourable environment for our two countries to invest in various industries and sectors. Oman presents an obvious competitive advantage to Japanese companies looking to establish a base in the region to enter the fast-growing Gulf Cooperation Countries, African and Southwest Asian markets. 🌐

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