



# Oman offers an attractive investment environment

**Khalid Al-Muslahi**

**Ambassador of the Sultanate of Oman to Japan**

Khalid Al-Muslahi was born in Ibra, Oman, in 1967, and earned his B.A. in Economics from Nottingham Trent University in the United Kingdom in 1992. After entering the Foreign Ministry in 1993, he has worked in the office of the Foreign Minister and the Office of the Secretary General of the Foreign Ministry, and as Deputy Head of Mission in London. H.E. has been serving as the Ambassador of the Sultanate of Oman to Japan since February 2008. Married with 3 children. Twitter: @muslahi



## Oman - Japan Relations

The Sultanate of Oman and Japan share 400 years of friendly contacts based on reciprocal trust and friendship, and since the official establishment of the diplomatic relations in 1972, the two countries' relations have been growing with cooperation in various fields, particularly in energy, trade and investments, finance, knowledge transfer and human resource development that have been the backbone of a long and fruitful relationship.

The visit of Prime Minister Shinzo Abe to Oman in January 2014 was an important milestone in the relations. His Majesty Sultan Qaboos bin Said and Prime Minister Abe expressed their satisfaction with the growing bilateral relations, as well as the intent to further strengthen partnership and cooperation between the two countries on all levels and fields for a comprehensive partnership

towards stability and prosperity.

Japan was one of the first countries to receive Omani crude oil, and Oman is happy to be a reliable energy supplier to its Japanese partners for many decades now.

Being among the top 10 suppliers to Japan, the imports of Omani oil and LNG make Japan one of the most important markets for Oman's exports. Oman is also a major importer of Japanese automobiles, machinery, chemicals, and technology among other products, making Oman the 3rd largest market for Japanese exports in the MENA region. A number of Japanese corporations are engaged in important projects in Oman, particularly in the fields of oil and gas, electricity generation and water desalination. This vast trade and investment relationship makes Japan an important partner to Oman.



Mirraah Solar Park: One of the world's largest solar parks. Miraah (meaning mirror in Arabic) is a 1,021 MW solar thermal facility in South Oman, harnessing the sun's rays to produce steam for injection into an Omani oil field.



Royal Opera House Muscat: Oman's premier venue for musical arts and culture.

To create a more favorable environment, the Japan-Oman Agreement on Avoidance of Double Taxation was signed in January 2014, and the bilateral Agreement for the protection and promotion of investment was signed in June 2015. These two bilateral agreements provide the legal umbrella for our two countries' businesses to invest easily in various industries and sectors. I hope Japanese participation in Oman's economic development will continue to grow as we are steadily developing our economy in manufacturing, petrochemicals, food, agriculture and fisheries, ports and logistics, tourism and hospitality.

## Economic Climate in Oman

Since the oil price drop in mid 2014, Oman has taken a number of measures to support public finance, continue economic growth and diversify sources of national economy. Performance of the national economy in 2017 has been positive in a number of economic indicators.

The International Monetary Fund (IMF), in its recent Regional Economic Outlook, expects Oman's real GDP growth to slow to 0.4 per cent in 2017 as a result of government spending cuts and lower oil prices. However, the Fund forecasts that Oman's economic growth would bounce back to 3.8 per cent in 2018. The IMF projects that the spending cuts and the increase in oil prices are helping to lower budget deficits, hailing it as progress in efforts to transform the economy from reliance on hydrocarbons for more than five decades. The IMF expects Oman's non-oil GDP to grow 2.5 per cent in 2017, while oil GDP to shrink by 2 per cent. For 2018, the IMF projects non-oil GDP growth at 3.5 per cent and oil GDP growth at 4.2 per cent.

## Investing in Oman

With a policy to use the proceeds from oil and gas to develop the country's infrastructure and human resources, Oman's government has deliberately fostered the country's growth while preserving its culture and heritage, and developed the national economy on the principles of justice and free market. Through significant investments in infrastructure and ensuring easy access to both domestic and international markets, Oman continues to attract new businesses operating in a variety of sectors, and offers an ideal investment environment with its strategic location and its access to the markets in the Middle East, Europe, the United States, and Asian and African markets.

Oman also ensures political and economic stability, a full convertible stable currency, free repatriation of capital and profits, no personal income tax, free trade and open market policies. Also, Oman has a committed policy of privatization and close relations between public and private sectors.

Furthermore, Oman offers excellent financial services and financial assistance to investors, such as a wide range of credit facilities and financial services that are provided to investors through a strong financial sector.

More information on Investment

Ithraa

The Public Authority for Investment  
Promotion and Export Development

tel: 968-24 62 33 00  
fax: 968-24 62 33 36  
www.ithraa.om

