

Sultanate of Oman

Major Business Sectors

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I. Overview and trends

The Sultanate of Oman is aiming at reducing its dependency on oil by investing in various industries and encouraging investments in the country. The main sectors in Oman present opportunities for Swiss companies including small and medium size enterprises (SME's).

II. Main business sectors in Oman

1) Liquefied Natural Gas (LNG)

With its large proven gas reserves, Oman has the resources to become a major player in the LNG market. The Sultanate of Oman plans (vision 2020 plan) to increase its export of LNG. Oman is aiming at decreasing its dependency on oil revenues by realizing industrial projects. Those projects will increase the domestic demand of the natural gas (i.e. power generation). Therefore the Omani government has been investing and continues to invest heavily in its gas industry.

It is worth noting that the Sultanate of Oman has invited foreign companies to participate in the expansion of its gas industry. The Omani government also plans to increase its revenue by investing in projects abroad (i.e. petroleum refinery plant in India and the Caspian Sea Pipeline project).

2) Minerals

Besides oil and natural gas, Oman has large mineral and metal deposits. The Government encourages investment and participation of foreign companies in its mineral sector.

3) Manufacturing Industry

The Omani government plans to reinforce its national industrial sector and increase its contribution to the national economy. Currently, the industrial production is concentrated on non-metallic and wood products, oils, perfumes, and detergents. Oman aims at increasing the national industrial production by the year 2020 (Vision 2020 plan). The Omani government has allocated up to USD 20 billion as investment budget for the manufacturing industry.

4) Tourism

The Omani government plans to involve foreign and national private sector in the development of the Omani tourism industry by exploring its 1700 Km coastline and numerous historical and natural sites. Aware of this importance, Oman has decided to develop its tourism infrastructure and included it as one of the planned goals for the Vision 2020 plan.

Deciding to bolster its tourist facilities, Oman has requested the advice of consultancy firms such as the International Development Ireland (IDI) Ltd to identify tourism opportunities. There are opportunities for Swiss companies in the construction of tourism projects (resorts, hotels...) and industries supporting the tourist sector such as management consultancy, transportation and catering.

5) Ports and Free Trade Zones

The Omani Government has invested to upgrade its ports and created Free Trade Zones to enable efficient export of Omani gas and manufacturing products. Omani ports are placed in a very strategic position. Salalah port provides easy access to the Gulf, the Red Sea, the Indian Ocean and the East coast of Africa. Thanks to this advantage, Oman has a great potential to become an important hub for cargo relay from the Middle East and East Africa to the main East-West ocean routes. The Port Salalah is the only port between Europe and Singapore that can accommodate the S-class, the largest container vessel class.

The Omani government is also reviewing plans to build two other free trade ports: one in Mazyouna (near the Yemen border), and another at Musandam, which is on the edge of the southern tip of the Strait of Hormuz. Those ports will not just enlarge Oman's free trade facilities and port handling capacity but also would encourage trade with Iran and Yemen.

6) Vocational Training

One of the major opportunities in the Sultanate so far is vocational training. Aware of the necessity to improve the Omani youth skills, the Omani government has invested heavily in the training as part of the "Omanization" programme. Thus, many opportunities are available in the vocational training sector for Swiss educational entities especially in management, finance and engineering.

7) Information Technology (IT)

Oman is willing to become a leader in the Gulf IT market by investing in the availability of IT for governance (e-governance) as well as Government-2-Business and Government-2-Government interaction.

One of the Omani Government's goals is the training of the Omani students in IT skills. The Ministry of Education works in partnership with International Computer Driving License (ICDL) Oman to integrate the ICDL standards and syllabus in its teaching of computer to 11th grade students.

8) Agriculture and Fishery

The agricultural sector employs a substantial part of the working population. Irrigation studies show potential arable land to be twice that under cultivation. However scarcity of water is a major constraint.

Omani fishing sector is a traditional industry. More than 150 species of fish and crustaceans have been identified in Omani waters.

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