



NATIONAL U.S.-ARAB CHAMBER OF COMMERCE

غرفة التجارة الأمريكية العربية الوطنية

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## AT OMAN'S PERMANENT MISSION IN NEW YORK, NUSACC CO-HOSTS THE SULTANATE'S MINISTER OF COMMERCE & INDUSTRY

*Five Groundbreaking Laws Promise to Make Oman  
More Business-Friendly Than Ever*

*Oman's Vision 2040 Emphasizes Key Sectors: Manufacturing, Tourism,  
Fisheries, Mining, Logistics, and "Quality of Life" Sectors*

The National U.S. - Arab Chamber of Commerce (NUSACC), in partnership with Oman's Permanent Mission to the United Nations, recently co-hosted an Expert Roundtable in New York City featuring H.E. Ali Al-Sunaidy, Oman's Minister of Commerce & Industry and Deputy Chairman of the Sultanate's Supreme Council for Planning. Thirty NUSACC stakeholder companies participated in the Roundtable, including companies currently doing business in Oman, as well as companies that are considering Oman as a prospective hub for the region.

"Our Chamber has been privileged to work with Minister Al-Sunaidy for many years," stated David Hamod, President & CEO of NUSACC. "In light of his responsibilities in Oman, there are very few people who can share such a comprehensive vision of where the Sultanate is today and where the Sultanate intends to go tomorrow."

Oman's strategic location connects the Middle East, the Indian Subcontinent, Africa, and the Far East. Straddling some of the world's most important shipping lanes, the Sultanate provides rapid, easy access to emerging markets with billions of consumers.



H.E. Ali Al-Sunaidy, Oman's Minister of Commerce & Industry and Deputy Chairman of the Sultanate's Supreme Council for Planning.



H.M. Sultan Qaboos bin Said al Said.  
(Photo courtesy of Times of Oman.)

Under the leadership of H.M. Sultan Qaboos bin Said al Said, Oman has made extraordinary progress in recent decades in education, connectivity, infrastructure, healthcare, industry, tourism, and such “quality of life” issues as resource management and environmental protection. As a result of His Majesty’s forward-looking policies – including the new *Vision 2040* development plan – Oman today is transitioning from a hydrocarbons-based economy to a knowledge-based society that leverages technology to empower individuals, grow businesses, and enhance life in the Sultanate.

### Oman: More Business-Friendly Than Ever

Over the years, the Government of Oman has been working to make the Sultanate a world-class destination for trade and investment. These efforts have begun to bear fruit, Al-Sunaidy suggested, reflecting the priorities and vision of H.M. the Sultan. This process has now accelerated, he noted, with the recent adoption of a “package” of five groundbreaking laws designed to promote joint ventures and to make Oman even more business-friendly:

The **Public-Private Partnership (PPP) Law**, which establishes a framework for Omani businesses to work in partnership with the government. The objectives of the law are to improve the economy by encouraging the private sector to invest in infrastructure projects and public services, to diversify sources of income, to attract foreign investment and expertise, and to provide a transparent regulatory framework for PPPs.



Executives from more than 30 NUSACC stakeholder companies attended the Roundtable.





The **Foreign Capital Investment Law**, which facilitates investment in Oman by minimizing red tape and removing potential obstacles, including certain agency requirements. (E.g.- Foreign investors will no longer be required to have local Omani partners.) The new law will streamline procedures and permits needed by foreign investors, as well as offer new incentives and guarantees to those investors.

The **Privatization Law**, which encourages portions of the Omani economy to move from state enterprises to private enterprises. This law will expand the role of the Sultanate's private sector in ownership and management, thereby building capacity and attracting expertise, technology, and investment.

The **Bankruptcy Law**, which will create a legislative and legal framework that enables businesspeople to overcome the debt stage, as well as reviving distressed companies.

The **Commercial Companies Law**, which focuses on building an even more robust capital market. It addresses recent developments in financial sectors – including Islamic finance products such as sukuk – and overhauls procedures for joint stock companies, especially for holding companies. The new law replaces the previous law, which had been in place since 1974.

Another significant development has been the establishment of a new **Public Authority for Privatization and Partnership (PAPP)**, which will serve as the implementing body for the new PPP law and Privatization law. PAPP covers privatization, partnership projects, transfer projects for companies, development of a strategic framework, and preparation of plans and procedures needed to implement key projects.

PAPP will also be responsible for improving the efficiency of infrastructure projects and public utilities. Moreover, PAPP will implement and manage Oman's Offset Program – formerly known as the Partnership for Development Program – in which companies with government contracts worth more than five million Omani Riyals (\$13 million) must commit to investing 50 percent of the contracts' value into economic projects in the Sultanate.



H.E. Ali Al-Sunaidy chats with Mr. David Hamod, NUSACC President & CEO. Looking on are Mr. Hamood Al Towaiya, Oman's Deputy Permanent Representative to the United Nations, and Mr. Khalid Al-Shuaibi, Minister Plenipotentiary at the Permanent Mission in New York.

These new laws have just been promulgated. Official translations of the laws are not yet available in English, but unofficial translations will be available shortly through NUSACC.



## Oman's National Program for Enhancing Economic Diversification

Oman has historically relied on oil & gas as the main driver of the Sultanate's economy, with nearly 80 percent of government income derived from that sector. In recent years, Al-Sunaidy noted, Oman has begun to diversify its economy, consistent with the Sultanate's National Program for Enhancing Economic Diversification (*Tanfeedh*). At the Roundtable, Al-Sunaidy highlighted *Tanfeedh*'s key sectors: Manufacturing, tourism, fishing, mining & minerals, and logistics.

**Manufacturing** – Consistent with the Sultanate's last development plan, Vision 2020, Oman's manufacturing is on track to increase its share of GDP to 15 percent by the end of next year. Some of the recent growth in this sector comes from:

- *Sohar*, which is undergoing a \$1.5 billion expansion of Oman's largest oil refinery, promoting downstream opportunities in aluminum, and laying groundwork for a new textiles facility that will create more than 1,000 new jobs.
- *Duqm*, which is building a refinery with Kuwait that will produce naphtha, jet fuel, diesel, and other derivatives.



Duqm is Oman's #1 Development Project.

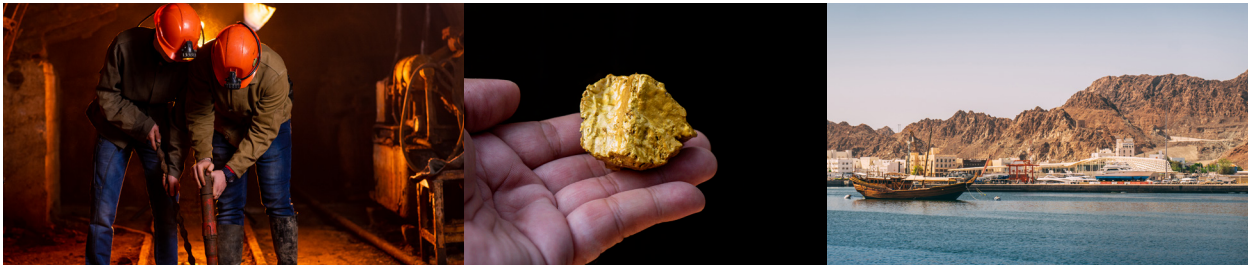
- *Salalah*, where Oman Octal Petrochemicals is among the world's largest producers of polyethylene terephthalate (PET), and where Raysut Steel Industries recently began work on a facility designed to produce 250,000 tons annually of reinforced steel bars.

**Tourism** – In recent years, the Sultanate has taken a number of steps designed to raise awareness of Oman as an important tourism destination: Built additional luxury hotels, constructed Muscat International Airport, expanded Oman Air's fleet of aircraft, invited more cruise ships to visit Oman, enhanced Oman's heritage and historic sites, opened the new Oman Convention and Exhibition Centre, and more.

As Chairman of [Omran](#), the Government of Oman's tourism development company, Al-Sunaidy has been at the forefront of this effort. One of Omran's flagship projects is the redevelopment of Sultan Qaboos Port, Oman's oldest, which is being repurposed as a waterfront destination. This \$2 billion project is on track to become the largest waterfront project in the region.

Not long ago, *Lonely Planet* named Muscat the best city in the world to visit and, more recently, Oman – with more than 500 forts – won the Heritage Tourism Destination Award at the Internationale Tourism Börse (ITB) in Berlin.





**Fisheries** – According to [Business Gateways International](#), a Platinum member of NUSACC, Oman’s Ministry of Agriculture and Fisheries will soon offer large plots for fishing fleets and processing facilities. Currently, Oman has more than 30 fisheries projects, along with a growing number of aquaculture projects.

The biggest change in this sector, noted Al-Sunaidy, is that the private sector is now investing in – and owning – ports. More than 90 percent of investment for new fisheries projects, according to the Government of Oman, will come from the private sector. Oman remains very committed to environmental protection, Al-Sunaidy noted, so aquaculture projects must continue to be sustainable and compatible with the Sultanate’s marine habitat.

**Mining & Minerals** – According to the [Oman Country Commercial Guide \(CCG\)](#), produced by the U.S. Department of Commerce, mining & minerals is a “best prospect” industry sector for the Sultanate. Oman’s mineral resources, that study notes, “are still relatively untapped, with large deposits of metals and industrial minerals waiting to be unearthed.”

Oman’s mountains feature ophiolites, which could contain such metal deposits as chromite, cobalt, copper, gold, lead, magnesium, manganese, nickel, palladium, platinum, silver, vanadium, and zinc. The *CCG* concludes, “Along with the discovery of sizeable reserves of minerals such as gold, copper, and rare earth, there could be significant opportunities for U.S. companies in the mining sector once the new mining law is enacted.”

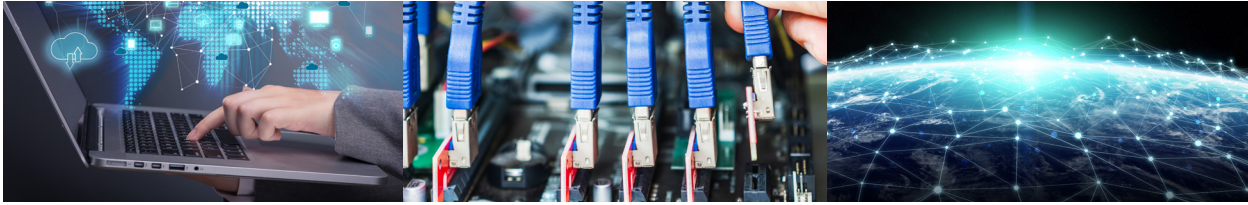
**Logistics** – According to the U.S. Department of Commerce, transportation & logistics also represents a “best prospect” industry sector for Oman. The *CCG* identifies Duqm as “Oman’s flagship development project,” one that will eventually include a new port, naval base, dry dock, industrial free zone, power and desalination plants, a refinery, and other features.



Sultan Qaboos Port, which is being repurposed as a \$2 billion waterfront destination.

(In recent months, NUSACC hosted a high-level delegation from the Special Economic Zone Authority for Duqm. To read that report, please click [here](#).)

In addition, work is underway on a 52 million-square-meter economic city, Oman’s largest public private partnership (PPP) project. Khazaen Economic City in Barka will include an inland dry port, free zone with tax benefits, logistics and warehousing facilities, industrial, commercial, residential and mixed-use developments.



## Oman's Vision 2040 and "Quality of Life" Sectors

Oman's *Vision 2040* development plan aims to elevate the country's real GDP growth to five percent and to ensure that non-oil contributions to GDP exceed 90 percent. This ambitious undertaking also aspires to increase participation of Omani nationals in the private sector to 42 percent by 2040 and to expand foreign investment to 10 percent of GDP. To accomplish these goals, Oman will need to place special emphasis on the Sultanate's "quality of life" sectors.

With one of the fastest population growth rates in the world, Oman is working to ensure that the Sultanate maintains and expands its high quality of life. With that in mind, the Government of Oman is looking for partners in such essential sectors as information and communications technologies (ICT), healthcare, and education & workforce training.

**ICT** – ICT makes up the backbone of Oman's digital infrastructure, with 25 percent of college graduates entering that sector. Oman's strategic location astride some of the world's most important shipping lanes – like the Strait of Hormuz – means that connectivity is at the heart of Oman's growth strategies. ICT is an essential part of transforming the Sultanate into a knowledge-based, digital society that is no longer dependent on hydrocarbons.

Oman was ranked #1 in the Middle East and #24 globally among 75 countries in a 2017 *Inclusive Internet Index* commissioned by Facebook and developed by the Economist Intelligence Unit. Moreover, Oman is ranked #3 in the world for countries best prepared for cyberattacks, according to the Global Cybersecurity Index, trailing only the USA and Canada.



NUSACC recently organized a high-level visit to the USA in partnership with Oman's Information Technology Authority (ITA). From left to right: H.E. Dr. Hammed Salim Al-Rawahi, CEO of the Telecommunications Regulatory Authority; Ms. Julie Monahan, Business Development Manager at Washington State Department of Commerce; Ms. Diane Mooney, Director at the U.S. Export Assistance Center Seattle; Mr. David Hamod, NUSACC President & CEO; H.E. Ahmed Al-Dheeb, head of the ITA delegation and Undersecretary of the Ministry of Commerce & Industry; Honorable Cyrus Habib, Lieutenant Governor of the State of Washington; Dr. Salim Al-Ruzaiqi, CEO of the ITA; Eng. Matar Saif Al-Ma'amri, ITA Board Member; H.E. Tahir Salim Abdullah Al-Amri, Executive President of Oman's Central Bank. For more information about this visit to Seattle and Silicon Valley, please click [here](#).





**Healthcare** – According to Al-Sunaidy, private healthcare opportunities are on the rise in Oman, with increasing numbers expressing an interest in establishing private hospitals and clinics. *Oman’s Health Vision 2050* plan highlights growing opportunities in this critical sector: expanding specialist services, reducing costs, decentralizing management, and enhancing collaboration among providers. *Expat.com* notes, “There is a wide range of private health insurance providers in the country . . . Medical treatments can be accessed quickly, and the private system provides care to a very high standard.”

The *Oman CCG* identifies healthcare as a “best prospect” industry sector. The *CCG* states, “Over the past four decades, Oman has invested heavily in the health sector and succeeded in creating an impressive health care system . . . At the same time, the Government of Oman’s determination to provide all of its citizens with free, basic health care – along with treating persistent diabetes and cardiovascular disease – means that health-related expenditures are growing.”

According to the *Oxford Business Group*, Oman’s Ministry of Health has placed a strong emphasis on greater “Omanization” among health professionals in the public and private sectors. More than one-third of the Sultanate’s doctors are now Omani nationals, and Oman is estimated to need an additional 7,000 doctors by the year 2050.

**Education & Workforce Training** – Al-Sunaidy spent considerable time discussing education in Oman and the Sultanate’s efforts to narrow the skills gap through “Omanization,” training Omanis to replace expatriates in the workforce. As a result of these efforts, he suggested, increasing numbers of Omanis are now working in the private sector rather than the government.

Within the Gulf Cooperation Council (GCC) nations, Oman boasts one of the highest populations of local (national) workers. But there is consensus within Oman that more needs to be done, so government policies are focused on creating more employment opportunities for Omanis.



H.E. Ali Al-Sunaidy meets with Mr. Andrew Whalley, Chairman of Grimshaw Architects, a Platinum member of NUSACC that is working on projects in Oman.

The Government of Oman recently increased Omanization quotas in the industrial, tourism, and travel sectors, and the logistics sector is expected to increase the number of Omani workers to 20 percent by next year. These increases have the potential to create opportunities for U.S. firms, Al-Sunaidy suggested, because American companies excel in workforce training.



For example, [Schlumberger](#), a Platinum Plus member of NUSACC, has been building capacity in Oman for more than 60 years. In the Sultanate today, 83 percent of Schlumberger’s workforce is Omani, with a strong focus on placing professionals locally and internationally. More than 75 Omanis currently hold Schlumberger positions in nations outside of Oman, from the United States to Europe and the Middle East to Asia. With this investment and talent “in the pipeline,” Schlumberger believes that it is well positioned to support future growth in the Sultanate and beyond.

### SMEs and Entrepreneurship: Looking to the Future

Al-Sunaidy is Chairman of the General Authority for SME Development and the Al Raffd Fund, designed to encourage entrepreneurs and small & medium-sized enterprises (SMEs). During a speech at the United Nations in New York on July 18, he highlighted the importance of capacity-building for Oman’s youth. (See Inset box on page 10.) These observations mirrored his remarks at the NUSACC Roundtable.

For example, he discussed the work of the [Al Raffd Fund](#), which is committed to:

- Support the culture of entrepreneurship in Oman
- Diversify Oman’s economy by developing new Omani enterprises
- Promote employment opportunities for citizens and Omani youth
- Empower rural women and low-income Omanis by integrating them into the national economy and helping them to achieve financial independence



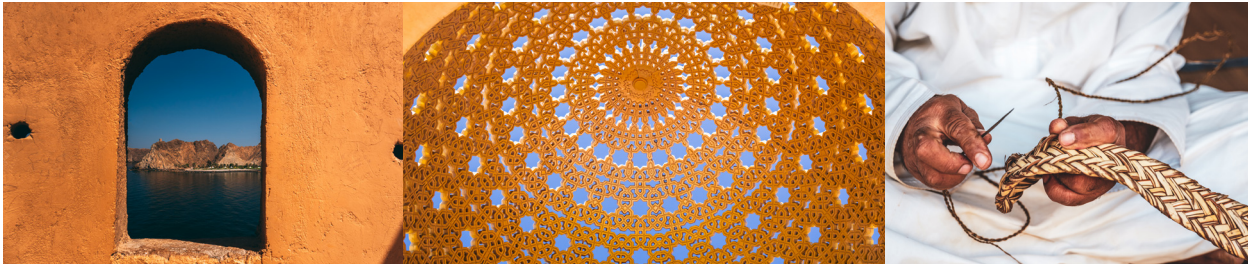
Dr. Hadil Al-Moosa, Omani Academic  
 “Khadija bint Khuwaylid, the wife of the Prophet Muhammad, was famous as a trader. This cultural, social, and historical connection makes women’s entrepreneurship socially acceptable.”

(Photo courtesy of agsiw.org.)

In this same spirit, Oman’s sovereign wealth fund, the State General Reserve Fund, where Al-Sunaidy serves as a Board member, has created the [Oman Technology Fund](#). The investment vehicles of this fund are three-fold:

- To invest in early stage ideas through **Techween**
- To invest in the acceleration stage through **Wadi Accelerator**
- To invest in the growth stage through **Jasoor Ventures**





In this way, the Oman Tech Fund aims to become the innovation hub in the region, positioning Oman as a preferred destination for national and international entrepreneurs.

The Fund recently partnered with global startup accelerator “500 Startups” to create [Wadi Accelerator](#), a \$15 million seed stage program open to startups from around the Middle East and North Africa (MENA) region.

Al-Sunaidy also discussed [Ithraa](#), Oman’s investment promotion and export development agency. By working with Ithraa and utilizing the Oman – U.S. Free Trade Agreement, Al-Sunaidy suggested, U.S. companies would be well positioned to identify Omani SMEs that are ripe for investment and export promotion. Invest in one or more of these Omani companies that have created a stellar product or service, Al-Sunaidy advised Roundtable attendees, and then help that company to penetrate the U.S. market.

He concluded, “Markets are like a hard eggshell. You need to crack that shell to get at the good stuff. If you do that with an Omani company, you and they will learn how to compete, and everyone will benefit.”



Six Flags International attended the Roundtable to learn more about Oman. From right to left: Mr. David McKillips, President & CEO at Six Flags International; H.E. Ali Al-Sunaidy; Mr. David Hamod, NUSACC; Ms. Stephanie Borges, Global Vice President of Partnerships at Six Flags International.

## The Cornerstones of Oman's Vision 2040

In a speech at the United Nations in New York on July 18, Minister Ali Al-Sunaidy noted that Oman's *Vision 2040* is aligned with the UN's Sustainable Development Goals (SDGs). "Developing people and creating a knowledge-based economy that focuses on individuals and their ideas, as well as maintaining peace, are the cornerstones of *Vision 2040*," he said. "Oman is focusing on innovation, technology, and protecting the environment as pillars for completing the vision and leading Oman to a future in tune with the United Nations' goals."

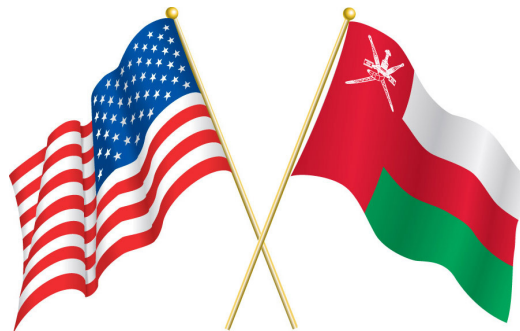
According to Al Sunaidy, the nexus between the UN's SDGs and Oman's *Vision 2040* may be summed up in four ways:

- The first and main element is people, so that no one is left behind.
- The second element is an economy based on knowledge, which helps to move beyond hydrocarbons.
- The third element is protecting and preserving the environment, which is an important goal that should be tackled collectively, he noted, not as single countries.
- The fourth element is peace, the basis of development. "Without peace," Al-Sunaidy suggested, "there can be no such thing as sustainable development."

Al Sunaidy's comments came during a visit to a United Nations summit, where he presented Oman's first Voluntary National Review. After meeting with U.N. Secretary General António Guterres, Al Sunaidy turned his attention to young people.

"Our latest discussions around 2040 were centred on people, and we decided to focus on the youth," Al-Sunaidy said. "We asked them: 'What do you want in 2040, and what do you expect from it?' The answers covered many things, including a lot of technology, the fourth industrial revolution, and empowering youth and women in society," he concluded.

- Excerpted from *Times of Oman*, July 21, 2019



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*The National U.S.-Arab Chamber of Commerce, widely regarded as the voice of American business in the Arab world, is in touch with business communities across the United States and serves as the U.S. point of contact for the national chambers of commerce in the 22 Arab nations. On a daily basis, NUSACC works closely with leaders throughout the Arab world, as well as high-level decision makers in the U.S. business community, public policy research centers, multilateral institutions, nongovernmental organizations, media, and the U.S. Government.*