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INVEST

FOREIGN DIRECT INVESTMENT

According to UNCTAD's [World Investment Report 2023](#), foreign direct investment (FDI) inflows to Oman amounted to USD 3.7 billion in 2022, showing a 7.6% decrease from USD 4 billion the previous year. By the end of the same period, the total stock of FDI reached USD 49.5 billion, equivalent to around 43.2% of the country's GDP. The United Kingdom was the largest investing country, followed by the United Arab Emirates, Kuwait, Qatar, and Bahrain, as reported by the National Centre for Statistics and Information (NCSI). The majority of FDI was directed towards the oil & gas sector, with lower shares allocated to the financial services, manufacturing, and real estate sectors. Oman's foreign direct investments experienced a growth of 3.78%, reaching approximately USD 59.54 billion by the conclusion of the third quarter of 2023, based on data from the National Center for Statistics and Information.

The enactment of the new Foreign Capital Investment Law in 2020 marked a significant step towards attracting further foreign investment in Oman. This law removed the minimum 30% Omani ownership requirement for Oman-based companies, aimed at streamlining registration and licensing procedures for foreign investors, and aligned foreign investors' rights and incentives with those given to local investors. Special Economic Zones have also been instrumental in attracting substantial foreign investment, although there is potential to enhance spillover effects from these economic zones to the local economy, according to the IMF. Additionally, Oman introduced new incentives for foreign investors, including exemptions from certain fees and operational requirements for investment projects in the country's less-developed regions. However, Oman currently lacks a screening mechanism for investments concerning competition considerations, and there is no active competition commission in the country. Overall, Oman ranks 69th among 132 economies on the [Global Innovation Index 2023](#) and 56th out of 184 on the latest [Index of Economic Freedom](#).

Foreign Direct Investment	2020	2021	2022
FDI Inward Flow <i>(million USD)</i>	2,889	4,021	3,716
FDI Stock <i>(million USD)</i>	41,841	45,844	49,560
Number of Greenfield Investments*	24	35	50
Value of Greenfield Investments (million USD)	6,205	4,708	10,005

Source: UNCTAD - Latest available data.

Note: * Greenfield Investments are a form of Foreign Direct Investment where a parent company starts a new venture in a foreign country by constructing new operational facilities from the ground up.

Country Comparison For the Protection of Investors	Oman	Middle East & North Africa	United States	Germany
Index of Transaction Transparency*	8.0	6.4	7.0	5.0
Index of Manager's Responsibility**	5.0	4.8	9.0	5.0

Country Comparison For the Protection of Investors	Oman	Middle East & North Africa	United States	Germany
Index of Shareholders' Power***	3.0	4.7	9.0	5.0

Source: Doing Business - Latest available data.

Note: *The Greater the Index, the More Transparent the Conditions of Transactions. **The Greater the Index, the More the Manager is Personally Responsible. *** The Greater the Index, the Easier it Will Be For Shareholders to Take Legal Action.

WHAT TO CONSIDER IF YOU INVEST IN OMAN

Strong Points

Oman has a strategic location within the east-west nexus joining markets in Europe and Asia. Its ports are one of the most strategically placed in the world and provide fast sailing times to major markets in Asia. Good air connectivity and road infrastructure facilitate access to other GCC countries. Currency risk is low as the country's currency, rial, is pegged to the US Dollar and the Central Bank of Oman has high levels of foreign exchange. Oman does not impose any personal income tax and allows full repatriation of capital, net profit and royalties. The local labour force is highly skilled (most finish their studies in the UK or in the US).

Weak Points

Some challenges for foreign investors seeking to establish in Oman: The time it takes to set up a local business outside of free trade zones and to obtain operating licenses, local ownership requirements outside of free trade zones (setting up a 100% foreign-owned is nearly impossible), Omanisation policy (requirement to employ Omani nationals)

Government Measures to Motivate or Restrict FDI

The Foreign Investment Law (FCIL), promulgated by the Royal Decree No. 102/94 is the main legislation regulating foreign investment in Oman. The law provides for interest-free loans to the private sector in agriculture, fisheries, industry, mining and quarrying. Industrial firms enjoy low-interest loans from the Oman Development Bank. Custom duties are exempted on import of equipment and raw material. Corporate tax is exempted for the first five years of activity (can be extended for another period of five years). There are no limits on the repatriation of capital, net profit and royalties. Free trade zones in Duqm, Salalah, and Sohar provide enhanced tax-free holiday, duty-free treatment of all imports and exports and have lower Omanisation requirements. The Free Trade Agreement with the United States allows US citizens to bypass requirements regarding the process of setting up a business and to be treated as Omani (or GCC) nationals.

INVESTMENT OPPORTUNITIES

Tenders, Projects and Public Procurement

[Electronic Tender Board](#), Tender Board of the Sultanate of Oman

[Tenders Info](#), Tenders in Oman

[Oman Projects](#), Tenders, projects, enquiries and business deals from the Sultanate of Oman

Finding Assistance For Further Information

Investment Aid Agency

[Ithraa - Public Authority for Investment Promotion & Export Development](#)

Other Useful Resources

[Invest Easy Initiative](#)

[Oman Investment Corporation](#)

[Investor's Guide \(Oman Chamber of Commerce and Industry\)](#)