

# Oman - Paving the Way for Growth and Investment with a Diversified Economy

According to the International Monetary Fund (IMF), Oman's GDP experienced a notable 4.2% growth in 2022, a testament to its diversified economy's ability to withstand global crises. Since His Majesty Sultan Haitham bin Tariq ascended to the throne in January 2020, he has been a strong advocate of a 'Renewed Renaissance,' vowing to steer away from short-term pandemic-focused governance and instead pursue a long-term vision of fiscal sustainability. This vision places the private sector as the backbone of the economy while maintaining Oman's commitment to open global trade. As he declared in his anniversary speech on January 11, 2022: "All sectors of the State and the private sector will play the role expected of them. We are resolved to lend them our support and encourage entrepreneurship. We will offer necessary support and incentives to small and medium enterprises."

Echoing the late Sultan Qaboos' focus on social development, Sultan Haitham aims to raise living standards and tap into the significant potential of the country's sizable youth population. Recently, he unveiled plans for a state-of-the-art city to be constructed on the outskirts of Muscat, accommodating up to 100,000 residents across an expansive 14.8 million square meters. Geared towards low-income families, this city offers a substantial investment opportunity with the inclusion of schools, places of worship, hospitals, shopping centres, transportation infrastructure, and a dedicated university.

Sultan Haitham's ambitions for diversification, as outlined in the flagship Oman Vision 2040 strategy, are being impressively realised. In the first quarter of this year, Oman's economy experienced an astounding 7.4% growth, with the non-oil sector playing a pivotal role, contributing 6.5% more to the GDP than in Q1 2022, as reported by the Government Statistics Centre. Particularly noteworthy was the remarkable performance of the agriculture, forestry, and fishing sector, which exhibited an 8.4% year-on-year growth in its contribution to Oman's GDP. Moreover, in the preceding year, Oman recorded a fiscal surplus of USD 2.9 billion over the first nine months, enabling the government to increase public spending by 12.5%. This trend continued this year with a fiscal surplus of USD 1.35 billion between January and April.

These sound public finances and the country's increasingly diverse economy present a wealth of new opportunities for foreign investors. The government has actively supported Oman's openness to trade through an array of pro-business reforms and incentives. Notably, foreign investors in 'Oman Vision 2040' target sectors such as tourism, healthcare, education, and information technology (IT) can now avail themselves of a 10-year renewable residency visa, starting from September 2021.

Oman also holds immense potential as a logistics hub due to its strategic location and significant government investments. With five international airports, an extensive road and



His Majesty Sultan Haitham bin Tariq Al Said, the Sultan of Oman

railway network, and three major ports beyond the Strait of Hormuz, the country offers excellent connectivity. Notably, the recently opened Port of Duqm, overlooking the Indian Ocean, adds to its impressive infrastructure within the renowned Special Economic Zone at Duqm (SEZAD), a 2,000 square kilometer area that links businesses to the rapidly expanding markets in the Middle East, South Asia, and East Africa.

The SEZAD operates under the supervision of the Public Authority for Special Economic Zones and Free Zones (OPAZ). OPAZ also takes charge of three other Free Zones: the Al Mazunah Free Zone, serving as a commercial, service, and industrial hub with access to Yemen and East Africa; the Salalah Free Zone, acting as a launchpad to the Middle East, Africa, Southern Europe, and Asia; and the Solar Free Zone, strategically positioned as a deep-water port.

Oman's Free Zones present investors with some of the most attractive pro-business policies in the region, including tax exemptions,

streamlined business registration processes, the freedom to commence operations without a local Omani agent, and exemption from import and export duties. Other advantages have also been embedded in Oman's wider investment framework, such as the Foreign Capital Investment Law (FCIL), which permits foreign investors 100% business ownership in most sectors, eliminating the minimal capital requirement for doing business.

Moving forward, foreign investors can anticipate additional incentives and reforms, as Sultan Haitham has clearly conveyed his message: "We have lucrative investment opportunities at hand in all fields, and we look forward to seeing our country as a destination for pioneering investments. Oman boasts a wide range of competitive industries, great potential, and promising opportunities that need to be utilised. The government will unleash all its efforts and capacities to foster cooperation and integration."

# Ooredoo Oman - Pioneering Connectivity and Digital Advancements in Oman's Thriving Economy

Following an era of rapid socio-economic development, Oman is actively pursuing diversification and private sector-led growth to secure its future. Two years ago, the Sultanate unveiled its flagship initiative 'Vision 2040,' resulting in strong growth in non-oil sectors and a significant rise in foreign direct investment (FDI).

Equal access to connectivity plays a vital role in Oman's private sector success. In 2016, the Telecommunications Authority of the Sultanate of Oman (TRA) opened up the telecommunications sector in order to bring in new investment and resellers, and with the future prospect of further operator licenses. This led to intense competition and continuous innovation to meet growing customer demands.

Leading the way with a unique, digital-first customer experience is Ooredoo Oman, part of the global Ooredoo Group, now the Sultanate's second-largest full service operator and a digital innovation leader. With about 3 million customers, including SMEs and large enterprises, Ooredoo Oman provides reliability, super-fast connectivity with countrywide 5G, and a seamless end-to-end customer journey.

"Ooredoo Group may be an international entity, but our services are tailored to the local community. Understanding our customers' needs is crucial, and our range of products and services reflects that," says Ooredoo Oman's CEO, Mr. Bassam Yousef



Bassam Yousef Al Ibrahim  
CEO

Al Ibrahim, pointing out Ooredoo's 'office in a box' ready-made service for businesses as one example.

Having previously steered the success of Ooredoo Algeria, Al Ibrahim sees Oman as the most significant opportunity. "The telecom sector here is the most advanced I've experienced, and we're now leading the way in digital services." Ooredoo's achievements include winning Bronze in the Stevie Awards Middle East's "Excellence in Innovation in Technology Industries" category and the Telecom Review's "Best Middle East Digital Customer Experience Award" last year. Digitalisation is a central pillar of Vision 2040,

and Ooredoo is strategically investing to cater to the growing and diversifying needs of its customers. In a tight market like Oman's, even small differences can yield significant rewards. "While all providers essentially offer the same technology, our customer service sets us apart. Customer feedback is crucial to us and forms the core of our strategy moving forward. We understand the value our services bring to people," says Al Ibrahim.

Ooredoo's mission is to digitally enrich communities and businesses and building relationships is also vital in expanding Oman's network. Al Ibrahim added, "We're currently pursuing partnerships in the B2B space, with global companies such as Amazon or Google. Oman could easily be a preferred destination for such hyperscalers, and we could be their hub with the connectivity and technology we have."

Oman's future lies in being a digitally advanced and knowledge-based economy, and Ooredoo is working at the cutting edge of its transformation. "Oman's telecom market is experiencing rapid growth and Vision 2040 is creating exciting new opportunities, with projects like The Sustainability City in Yiti. Indeed, the government is fully committed to supporting the economy through local and foreign investment, in order to fully realise the plans it has in place," says Al Ibrahim.



## Al Madina Group Driving Oman's Digital Transformation

Oman has made "decisive strides" in delivering its structural agenda under Vision 2040, according to a recent report by the IMF. The country's forward-looking approach to governance has supported the development of its public IT infrastructure and services. In the UN's 2020 e-government survey, the Sultanate ranked second in the Arab World.

Al Madina Group, a leader in digitalisation, holds the distinction of being the oldest privately owned security printing press in the Gulf Cooperation Council member states. According to Sheila Hopper Jamal, CEO of Al Madina Group, "We have been in digital transformation for over 20 years now. We have been instrumental in driving the digital transformation, improving governance, and enhancing public services, thus promoting government efficiency and transparency."

Al Madina Group is strongly committed to supporting Oman's government and the delivery of the Oman Vision 2040, which outlines a roadmap for economic and social development and the creation of a knowledge-based society. The company aims to overcome challenges, adapt to global changes, seize opportunities to enhance economic competitiveness and social well-



Sheila H. Jamal  
CEO

being, stimulate growth, and "build confidence in all economic, social, and developmental relations nationwide." Embracing digital transformation, particularly in e-government services, is a key component of this strategy.

With a 39-year track record of successful projects in IT and e-government solutions, Al Madina Group has emerged as a go-to partner for eServices and secure printing

solutions for e-passports, national IDs, and other sensitive materials. Their clientele spans the Middle East, Africa, Europe, and the Americas. Building on its achievements in Oman, the company has expanded its operations into other markets, notably in Africa.

"Al Madina Group caters to both B2B and B2G businesses, serving as a preferred partner for top companies and governments. Its private ownership is a significant competitive advantage, providing the flexibility and independence required for successful collaborations with governments worldwide. In Oman, the company serves clients that include the Ministries and top ten banks. Overseas, their initial contract for government services related to driving licenses and vehicle registration were so successful that Al Madina now provides solutions for national IDs, work permits, e-passports and e-visas. The company maintains an unwavering commitment to delivering quality services both in its home market and overseas.

Jamal emphasises the significance of digital transformation in Oman's Vision 2040, stating, "Digital transformation is one of the key pillars of Oman 2040, which will bring a lot of development to Oman and create a lot of long-term jobs."



# Oman Data Park



## Powering Oman's Digital Transformation and Economic Growth

Following Oman's highly successful post-pandemic economic recovery, the International Monetary Fund projects "higher growth over the medium term." This optimistic outlook is owed to several factors: soaring oil prices, continued fiscal consolidation, and low government debt. Moreover, Fitch Ratings reaffirmed Oman's credit rating as 'Positive,' citing the impressive turnaround of Oman's fiscal deficit into a surplus of 3.4% of its GDP over the past year. Additionally, the reduction of government debt as a percentage of GDP from 61% at the end of 2021 to 40% further solidifies the positive trajectory.

Looking ahead, Oman's ambitious socio-economic initiative, Oman Vision 2040, promises sustainable growth driven by the non-oil sector. A key driver of this vision is the expansion of Oman's digital economy and the widespread adoption of cutting-edge technologies such as big data and artificial intelligence (AI). Positioned strategically overlooking the Indian Ocean and bolstered by its submarine cable connections to Asia, Africa, and Oceania, Oman has transformed into a thriving data centre hub. According to Statista, revenue from Oman's data centres is projected to reach USD 61.5 million this year, attracting the attention of some of the world's largest hyperscalers. This trend positions the sector to potentially double in size by the end of the decade.

At the forefront of Oman's data centre market, capturing an impressive 70% market share is Oman Data Park (ODP). Recognised for its excellence, ODP offers award-winning managed cloud, cybersecurity, and AI services, as well as software products. Its clientele ranges from private and public enterprises to renowned hyperscalers like Amazon Web Services (AWS). By partnering with ODP, businesses gain the flexibility and security required to stay competitive in today's fast-paced digital landscape.

Maqbool Al Wahaibi, CEO of Oman Data Park, explains the company's inception was driven by two crucial government mandates. The first mandate focused on data localisation, while the second aimed to maximise the contribution of data centre services to Oman's GDP. ODP's journey began in 2013 by providing data centre services to Oman's banking sector, starting with Bank Nizwa. Today, nearly all banks in Oman entrust their data to ODP, cementing its position as a trusted partner within the banking industry. Al Wahaibi asserts, "Our primary sector is banking. Given the sectors' regulations, our involvement in the banking sector has provided us invaluable risk and compliance experience."

ODP's influence extends to the oil and gas sector, where it offers companies flexible digitalisation plans, leveraging tools such as Microsoft Azure, resulting in up to 25% reductions in total cost of ownership (TCO). Recently, ODP inked a significant agreement with Schlumberger,



Maqbool Al Wahaibi  
CEO

the world's largest offshore drilling company, to automate parts of its oil drilling process.

In addition to its prowess in banking and oil & gas, ODP provides tailor-made Infrastructure as a Service (IaaS) products for the telecommunications sector. Oman's early adoption of 5G technology has been supported by ODP, assisting the government in achieving its network targets. The company currently collaborates with industry giant Vodafone, playing a pivotal role in the launch of their services in Oman. Al Wahaibi proudly states, "All Vodafone infrastructure is now cloudified in our data centres and managed by our Oman Data Park team. It's one of the most sophisticated projects of its kind in Oman."

Innovation lies at the core of Oman Data Park's DNA, exemplified by its pioneering achievements. The company has introduced two Omani firsts: an AI-enabled IaaS system in collaboration with Nvidia, and the creation of the Nebula system, the first virtual data centre. Nebula revolutionises the traditional data centre model, reducing TCO by up to 55% and enabling businesses to be up and running within hours, a fraction of the time typically

required for a traditional data centre setup.

Al Wahaibi envisions ODP as one of the world's top 10 managed service providers (MSPs) by 2025, emphasising the importance of international partnerships in achieving this goal. With esteemed partnerships that include hyperscalers such as AWS, Oracle, Dell, and Cisco, Al Wahaibi aims to leverage these alliances to expand into new markets. Saudi Arabia is a primary focus, with ongoing discussions with internet providers, while East Africa, particularly Tanzania, presents exciting opportunities. ODP has already committed to establishing a data centre in Zanzibar as part of the recent Memorandums of Understanding (MOUs) between Oman and Zanzibar. Additionally, the data centre in Duqm is being prepared to welcome GCC and international investors. Al Wahaibi also expresses interest in collaborating with US-based robotics and AI companies, while exploring opportunities in Europe.

ODP's unrivalled reliability and exceptional customer care standards make it an ideal partner for prospective clients. With a remarkable uptime guarantee of 99.9825% and round-the-clock monitoring, coupled with military-grade cybersecurity, ODP ensures the utmost security and uninterrupted service. Al Wahaibi emphasises, "Service management is about building capacities and skills. We provide expert support from proven industry leaders who know how to take care of our partners. We have solutions architects and technical specialists—everything hyperscalers need."

As Oman actively pursues diversification, Oman Data Park embodies the transformative economic landscape. In addition to supporting SMEs and start-ups with three years of free cloud storage, ODP is steadfast in its mission to fully cloudify Oman's public and private sectors. Al Wahaibi reveals plans to establish a strategic enablement body, working in tandem with the government to expedite digitalisation plans. Furthermore, ODP is poised to offer e-procurement products and collaborative software from Cisco. Al Wahaibi concludes, "Oman is strongly focused on building its capacity to provide professional services, and for investors, the resources here are far more cost-effective than in the USA or Europe."

# Muscat Pharmacy and Stores

## Half a Century of healthcare excellence

Since announcing Oman Vision 2040, the Sultanate's government has embarked on legislative reforms to ready its investment climate for increased FDI, diversification, and private-sector-led growth. These include tax incentives, increased access to capital, and offers of long-term residency to expatriates with work visas.

One of Oman's greatest achievements is its world-class healthcare sector. Oman had just two hospitals and 13 physicians in 1958, and when His Majesty Sultan Qaboos started his reign in 1970, life expectancy in the Sultanate stood at 49.3. In 2021, that number rose to 73.8, and today Omani nationals enjoy free and easy access to 70 hospitals and specialist clinics.

Founded in 1968 by HE Dr. Asim Al Jamali and the late HE Qais bin Abdulmunim Al Zawawi, Muscat Pharmacy and Stores has grown to become one of Oman's most successful and trusted healthcare leaders. Muscat Pharmacy and Stores operates a record 62 outlets across Oman, including perfume and cosmetics stores, and is a multi-award-winning distributor for global brands like Pfizer, Johnson & Johnson, AstraZeneca, and Bristol-Myers Squibb.

As Oman's healthcare sector rapidly expanded, Muscat Pharmacy collaborated



Bakul Mehta  
Managing Director

Dilip Mehta  
Deputy Managing Director

with the government to ensure pharmaceutical supplies reached new hospitals and covered all regions. "Today, when we open new outlets, we look at patient requirements and local medical needs, which is why we've opened many in remote areas to ensure all Omani citizens have access to the medical supplies they need," says Muscat Pharmacy's Managing Director, Bakul Mehta.

Mehta cites the success of Muscat Pharmacy's outlets to the company's progressive ethos of decentralised responsibility, which he believes gives its pharmacists the power to

respond swiftly to local patient needs.

Mehta also believes international partnerships will be key to securing the company's continued expansion and is particularly interested in working with biopharmaceutical companies or firms with novel treatments.

Muscat Pharmacy has one of the strongest logistics and distribution networks of any pharmaceutical company in Oman, comprising eight GDP-compliant warehouses totalling 14,000 square metres of temperature-controlled storage space and a 120-strong fleet of commercial delivery vehicles.

"It's crucial for international companies entering Oman to have a local partner," highlights Mehta. "Understanding local legal systems and regulations, particularly in sectors like pharmaceuticals, is vital. We are committed to assisting both local companies and international players in navigating these requirements."

Mehta expresses confidence in the government's approach. "We have several specialised hospitals, including one dedicated to cancer treatment and research centres looking into our higher cancer rates. We have some of the best facilities in the world."



# Target LLC - Driving the Future of Oman through Infrastructure Development

Over the past decades, fueled by its hydrocarbon resources, Oman has achieved extraordinary growth and development. The Sultanate has also begun to diversify, liberalise, and 'greenify' its economy. This is one of the key objectives of the Oman Vision 2040 flagship program, which promises enhanced market flexibility, structural reforms, and increased investment in non-hydrocarbon sectors such as tourism, logistics, and renewables.

Strengthening Oman's inherent transport and logistics potential also forms a central part of Oman Vision 2040, with the Sultanate strategically located at the entrance to the Gulf. Looking ahead, Oman's recently improved public-private partnerships (PPPs) law and investment plans for its industrial, energy, and infrastructure projects present many opportunities for international businesses.

Founded in 1976, Target LLC is one of Oman's leading contractors and has played an integral role in several development projects over the years. Target specialises in civil construction related to water and wastewater infrastructure, energy, earthworks, and developments. The company also provides electromechanical, metal fabrication, and joinery works.

Target is selective in its projects and primarily works with Oman's government and top-tier organisations, such as various ministries and semi-governmental entities, utility providers, and energy companies. These include the Diwan of Royal Court, the Ministry of Defence, Nama Water Services, Petroleum Development Oman,



Youssef G. Shammass  
Managing Partner

Petrofac, and OQ. More recently, Target has been involved in water infrastructure projects of strategic importance, such as a major project comprising water reservoirs, pump stations, and pipelines for the populous Batinah region.

Target has cemented its position as a market leader by consistently delivering superior, results-driven services to its clients. "One of our biggest achievements was the Jebel Akhdar Water Supply Project, which had run into severe delays as the

previous contractor only completed 10% of the project after seven years. We were subsequently tasked with the remainder of the project, and we finished it within one and a half years," says Target's Managing Partner, Youssef Shammass.

As Oman's demand for infrastructure continues to rise, Shammass anticipates significant expansion opportunities for the company. Moreover, with his four sons actively involved in the operations, Shammass has instilled in the next generation the importance of upholding his values, a respectful business approach, and ensuring the continuity of the company and its employees.

Shammass also aims to further reinforce Target's value proposition by increasing its service lines and forming constructive partnerships. "We're currently seeking partners for promising infrastructure projects, such as dams, and others as well, particularly in the northern region of Oman. Transparency, commitment, and honesty are crucial to me. I have a strong ethical foundation, and I'm looking for partners who share my values."

Target has a deep knowledge of Oman's market and underlying infrastructure demands. It has an excellent reputation with its clients and has earned their trust. Being an owner-managed company, coupled with its strong track record, make it the ideal local partner for businesses looking to tap into this high-potential sector. "In general, the construction industry in Oman focuses on meeting people's needs. Whenever there is a requirement, there is a project," says Shammass.

