

WAVERLEY GATEWAY GUIDE

Connecting International Capital with Emerging & Frontier Markets

OMAN

Middle East

Dialogue | Trust | Partnership

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WHERE AND HOW TO ENTER

KEY INVESTMENT LOCATIONS

Location / Region	Strategic Importance	Priority Sectors
Muscat	Capital and commercial, financial and administrative center; home to Muscat Securities Market and most multinational regional offices	Financial services, logistics, professional services
Duqm Special Economic Zone	Oman's flagship diversification project; drew roughly \$7.5 billion (2.9 billion rials) in new deals in June 2026 spanning green hydrogen, manufacturing, power and tourism	Green hydrogen, advanced manufacturing, port logistics, tourism
Sohar Port and Freezone	Established industrial port and free zone, anchoring Oman's petrochemical and metals-processing base	Petrochemicals, metals, port logistics
Salalah Port and Freezone	Major transshipment hub on the Arabian Sea, positioned outside the Strait of Hormuz chokepoint	Port logistics, transshipment, free-zone manufacturing
Al Mazunah Free Zone (Dhofar, near Yemen border)	Free-zone trade corridor adjacent to Yemen, offering tax incentives for cross-border trade	Cross-border trade, light manufacturing
Musandam Peninsula (Strait of Hormuz)	Oman's northern exclave overlooking the Strait of Hormuz, Oman's most acute point of exposure to any regional shipping disruption	Tourism, maritime logistics (conflict-adjacent)
Dhofar governorate (Salalah hinterland)	Agricultural and tourism region with growing green-hydrogen and renewables project pipeline	Agriculture, tourism, renewable energy

INVESTOR ENTRY ROUTES

- Public Authority for Special Economic Zones and Free Zones (OPAZ) incentives, particularly in Duqm, Sohar and Salalah
- 100% foreign ownership permitted in most sectors under Oman's Foreign Capital Investment Law
- GCC Common Market membership giving free movement of capital, goods and labor across the Gulf Cooperation Council
- US-Oman Free Trade Agreement (in force since 2009), giving preferential access to the US market
- Green hydrogen and renewable-energy project agreements, increasingly anchored in Duqm and Dhofar
- Sovereign bond and sukuk markets, increasingly accessible following Oman's return to investment-grade credit status

MARKET-ENTRY OBSERVATION

Oman has executed one of the Gulf's most credible fiscal turnarounds over the past five years, and 2026 data continues to confirm that trajectory. The Central Bank of Oman projects real GDP growth accelerating to about 4.0% in 2026 (from 2.4% in 2025), with S&P separately forecasting growth around 3.5% and a 2026 fiscal surplus of roughly 4.8% of GDP; average inflation is projected at a modest 2.6%. Public debt has fallen from roughly 65% of GDP in 2021 to about 35.5% by the end of 2024, government expenditure has dropped from an average above 41% of GDP (2016-2020) to under 29% in 2024, and the fiscal breakeven oil price has fallen from \$84 to under \$70 per barrel - all of which underpinned Moody's 2025 upgrade of Oman's sovereign rating from Ba1 to Baa3 and S&P's September 25, 2026 affirmation of Oman's investment-grade BBB- rating with a stable outlook, citing ongoing fiscal consolidation and

improved governance and transparency in public-finance management. Foreign exchange reserves stood at about \$19.5 billion at the end of June 2026, and the current account surplus is projected around 3.5-4.1% of GDP for the year.

Diversification momentum is genuine and broad-based: the Duqm Special Economic Zone alone drew roughly \$7.5 billion in new agreements in June 2026 spanning green hydrogen (led by ACME Group's downstream project), power generation, advanced manufacturing including electric-vehicle battery materials, and tourism and housing development, reflecting Vision 2040's diversification goals. The main structural friction is domestic: Oman's Tender Board now bars government entities from awarding contracts to private firms that fail mandated Omanisation targets (40% in the general private sector, with 100% targets in select transport, logistics and IT roles), reflecting persistent gaps - roughly 19,000 businesses report Omanisation rates below 17%, and over 245,000 companies employ no Omani nationals at all. Politically, Oman remains notably stable: Sultan Haitham bin Tariq, in power since January 2020, named Crown Prince Dhi Yazan as his designated successor in 2021, providing a clarity of succession rare in the region, and Oman's longstanding neutral diplomatic posture - including its historical role mediating with Yemen's Houthi movement - has helped insulate it from the direct conflict exposure affecting several Gulf neighbors, even as its Musandam exclave on the Strait of Hormuz and Dhofar border with Yemen remain geographically proximate to regional shipping and security risks.

INVESTOR RISK & MARKET ACCESS

KEY ENTRY BARRIERS

Issue	Potential Impact	Possible Mitigation
Omanisation compliance requirements	Government contracts now require mandated Omanisation targets (40% general private sector, up to 100% in select roles), with roughly 19,000 businesses below 17% compliance	Build Omanisation compliance into workforce planning before bidding on government-linked contracts
Continued oil-revenue dependence	Despite diversification progress, hydrocarbon revenue remains a significant share of government income and a key growth driver	Monitor oil-price developments alongside non-oil diversification progress
Geographic proximity to regional shipping risk	Oman's Musandam exclave sits directly on the Strait of Hormuz and its Dhofar region borders Yemen, exposing it to regional maritime security developments	Monitor Strait of Hormuz and Red Sea/Gulf of Aden shipping conditions, particularly for logistics-linked investment
Labor-market structural gaps	Over 245,000 companies reportedly employ no Omani nationals, indicating a persistent private-sector labor-nationalization gap despite policy pressure	Factor compliance costs and timelines into private-sector workforce planning
Execution risk on diversification pipeline	Duqm and other diversification projects are substantial in scale and still largely in early implementation phases	Monitor project-delivery milestones rather than announced deal values alone
Small domestic market	Oman's population (roughly 4.6-5 million) limits domestic-demand-driven investment theses outside export-oriented sectors	Favor export- and logistics-oriented investment theses over purely domestic-demand plays
Succession and governance continuity	While succession clarity is established (Crown Prince Dhi Yazan, designated 2021), any future transition carries the normal monitoring considerations of a hereditary system	Low-priority monitoring item given clear, already-designated succession

INVESTOR RISK NOTE

Oman presents one of the more genuinely stable and improving risk profiles in this series: a credible, multi-year fiscal consolidation now reflected in a regained investment-grade credit rating from both Moody's and S&P, real and broad-based economic diversification momentum anchored in Duqm, and a politically stable, neutrally-positioned monarchy with established succession. The principal risks are structural (Omanisation compliance, continued oil dependence, small domestic market) and geographic (proximity to Strait of Hormuz and Yemen-adjacent shipping risk) rather than acute political or security threats specific to Oman itself.

MARKET ACCESS

The US-Oman Free Trade Agreement gives preferential access to the US market, and GCC Common Market membership gives free movement of capital, goods and labor across the Gulf Cooperation Council. Oman's ports at Salalah, Duqm and Sohar position it as a logistics alternative to Strait of Hormuz-dependent routes, a structural advantage increasingly valued amid regional shipping-security concerns. The domestic market is modest (roughly 4.6-5 million people) but Oman's strategic coastal geography gives it an outsized regional trade and logistics role.

WHO SHOULD THE INVESTOR MEET?

INSTITUTIONAL LANDSCAPE

Actor	Why It Matters	Waverley Engagement Angle
Sultan Haitham bin Tariq	Head of state since January 2020; has driven the fiscal-consolidation and Vision 2040 diversification agenda	Not a direct commercial engagement channel; sets overall economic direction
Crown Prince Dhi Yazan bin Haitham	Designated successor since 2021, providing established succession clarity	Relevant to long-horizon political-continuity monitoring, low current priority
Public Authority for Special Economic Zones and Free Zones (OPAZ)	Central body overseeing Duqm, Sohar, Salalah and other free zones; signed the \$7.5 billion Duqm deal package in June 2026	Primary entry point for free-zone and special-economic-zone investment
Ministry of Labour / Tender Board	Enforces Omanisation compliance requirements for government-linked contracts via the Esnad e-procurement system	Relevant counterpart for workforce-compliance planning on government contracts
Central Bank of Oman	Manages monetary policy and publishes GDP and macroeconomic forecasts	Relevant source for macro-financial data and currency stability assessment
OQ Group	State energy company central to Oman's hydrocarbon and emerging green-hydrogen sector	Primary counterpart for energy-sector investment or supply agreements
ACME Group	Lead developer of Duqm's green hydrogen project (phases two and three, worth 1.6 billion rials)	Key private counterpart for green-hydrogen-linked investment

CURRENT INTERNATIONAL BUSINESS CHANNELS

Engagement channels run through OPAZ for free-zone and special-economic-zone investment, the Oman Chamber of Commerce and Industry, Invest Oman (Ministry of Commerce, Industry and Investment Promotion) for broader FDI facilitation, and bilateral business councils, particularly with the US, UK and Gulf states.

INVESTOR PROFILE BEST SUITED

Suited to investors seeking a genuinely stable, fiscally improving Gulf economy with real diversification momentum, strategic port and logistics positioning outside the Strait of Hormuz chokepoint, and a credible, established political-succession framework. Particularly well-suited to green hydrogen, logistics, tourism and manufacturing investors able to engage with Omanisation workforce requirements.

FROM INTELLIGENCE TO ENGAGEMENT

STEP 1: Engage OPAZ for free-zone opportunities

Approach the Public Authority for Special Economic Zones and Free Zones for Duqm, Sohar or Salalah project screening.

STEP 2: Build Omanisation compliance into planning

Structure workforce plans to meet mandated Omanisation targets before bidding on government-linked contracts.

STEP 3: Evaluate green-hydrogen and renewables pipeline

Assess co-investment or supply-chain opportunities tied to Duqm's green hydrogen and renewables project pipeline.

STEP 4: Assess logistics positioning advantage

Evaluate Salalah and Duqm's strategic position outside the Strait of Hormuz chokepoint for trade-dependent investment.

STEP 5: Monitor sovereign credit trajectory

Track continued fiscal-consolidation progress and credit-rating developments as a signal of macro stability.

WAVERLEY'S ROLE

- Investment facilitation and introductions to OPAZ and Invest Oman
- Omanisation compliance advisory for government-contract-linked investment
- Green hydrogen and Vision 2040 diversification-pipeline tracking
- Fiscal and sovereign-credit trajectory monitoring

INVESTOR CALL TO ACTION

Investors interested in Duqm's green hydrogen and manufacturing pipeline should engage Waverley for introductions to OPAZ and relevant project developers.

Investors planning government-linked contracts should commission an Omanisation compliance review from Waverley before bidding.

WAVERLEY INVESTOR INTELLIGENCE & OPPORTUNITY PIPELINE

Near-term opportunities are concentrated in Duqm-anchored green hydrogen and renewables, advanced manufacturing including electric-vehicle battery supply chains, port and logistics infrastructure leveraging Oman's non-Hormuz-dependent routes, and tourism development in Dhofar and Duqm. Sovereign bond and sukuk markets offer additional co-investment opportunities following Oman's regained investment-grade status.

POSITIONING

Waverley views Oman as one of the Gulf's genuine fiscal-turnaround success stories: a credible, multi-year consolidation that has halved public debt as a share of GDP since 2021, regained investment-grade credit ratings from both Moody's and S&P, and translated into real, broad-based diversification momentum anchored in the Duqm Special Economic Zone.

Combined with established political succession clarity and a historically neutral diplomatic posture that has helped insulate Oman from the direct conflict exposure affecting several Gulf neighbors, Oman presents one of the more stable, improving risk-reward profiles in this series - with structural Omanisation and execution risks to monitor rather than acute political or security threats.

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