

# Economic reforms boosting investment

In a bid to diversify the economy, Oman has introduced a host of key reforms that have led to increased foreign direct investment across a broad range of sectors

Launched in 2020 and serving as an ambitious road map for Oman's future, one of the key objectives of Oman Vision 2040 is to create a diverse and competitive economy. To achieve this, the sultanate is actively moving away from its dependence on oil and gas, and is exploring sectors such as manufacturing, tourism, logistics and agriculture.

The government has also identified numerous ways that it can promote economic diversification, such as introducing pro-investment laws and reducing bureaucracy. Oman also now allows 100% foreign ownership of companies across a broad variety of sectors.

"We are reimagining economic growth by streamlining and digitizing procedures to foster a more diversified, enterprise-driven environment," explained Qais Mohammed al Yousef, minister of commerce, industry and investment promotion. "Oman is leveraging regional cooperation, innovation and public-private partnerships, areas where we've seen more than 25 years of success.

"We're also implementing key reforms laying the foundation for long-term stability. These include the introduction of a 5% value added tax and the Foreign Capital Investment Law 2020, allowing 100% foreign ownership. The Commercial Companies Law has also reduced bureaucratic hurdles.

"The impact of these reforms is reflected in our foreign direct investment figures. By the end of the third quarter of fiscal 2024, FDI in Oman reached approximately \$69.28 billion, marking a 16.2% increase from the same period in 2023," he said.



**Qais Mohammed al Yousef**  
Minister of Commerce, Industry  
and Investment Promotion

These impressive FDI figures are a testament to the work being carried out by the government, in particular Invest Oman, which aims to facilitate large-scale investments in sectors crucial to Oman Vision 2040.

"We provide end-to-end support, helping investors navigate the entire process from exploration to establishment. Each client is assigned a specialist relationship manager to expedite arrangements and formalities. We also have 15 government bodies within our building, making vital information and connections easily accessible," said Nasser al-Kindi, CEO of Invest Oman. "Currently, we are seeing significant atten-



**Nasser al Kindi**  
CEO, Invest Oman

tion being paid to the renewable energy sector, particularly as Oman positions itself as a competitive producer of green hydrogen, with projections of 1 million tons produced annually by 2030 and up to 8.5 million tons by 2050.

"This creates opportunities across the value chain, including the manufacturing of wind turbines and solar panels. Moreover, Oman's manufacturing sector has seen remarkable growth, attracting \$5.45 billion in FDI by September 2024, marking a 51.9% increase over 2023.

"Downstream manufacturing, such as automotive production and white goods, as well as processing metallic and nonmetallic minerals in

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The Oman Pavilion is introducing Japan to the sultanate at the Osaka Expo.

mining, are key areas of opportunity. In logistics, integrated cold chain solutions and e-commerce fulfillment are emerging as key growth areas, while in agriculture and fisheries, food processing and aquaculture are gaining significant attention," al-Kindi said.

With Oman making significant strides in its renewable energy and green hydrogen sectors — including a wave of projects to help the country reach its target of having renewables account for 30% of the energy mix by 2030 — Invest Oman has seen increased overseas interest in the sustainability sector.

"Sustainability is becoming a key driver of investment, with Oman's rigorous efforts to achieve its target of carbon neutrality by 2050 through initiatives like the National Strategy for an Orderly Transition to Net Zero, the establishment of the Net Zero Centre and policies promoting sustainability," al-Kindi said.

Sustainability is also playing a role in expanding Oman's export markets, al Yousef noted.

"Sustainability is key, with manufacturers focusing on compliance with packaging, labeling and product design regulations, which also contribute to our 2050 net-zero target.

To further grow, we're negotiating free trade agreements, including the Gulf Cooperation

Council and Japan FTA, which will strengthen trade with Japan."

The diversification of the export market is another major focus for Oman, which has traditionally been dominated by petroleum products.

"Our exports cover oil, gas and fertilizers, but it also includes metals, seafood, agro-products, textiles and niche items like health foods,"

**'We are reimagining economic growth to foster a more diversified, enterprise-driven environment.'**

Qais Mohammed al Yousef, Minister of Commerce, Industry and Investment Promotion

al Yousef said. "This helped us to reach \$62.6 billion in exports in 2024, a 6.8% increase from the previous year. This growth is supported by incentives, infrastructure, tax benefits in Oman's free zones, and free trade agreements with markets like the U.S. and Singapore."

Oil and gas have traditionally dominated Oman's exports to Japan, but new opportunities

are arising that are set to enhance bilateral economic cooperation between the two countries.

"Looking ahead, Oman's renewable energy resources will play a pivotal role in future collaborations, particularly in clean energy. The visit of Japan's liquefied hydrogen carrier, Suiso Frontier, to Muscat in August 2023 symbolizes this growing partnership," al Yousef said.

"Additionally, there's potential for increased collaboration in tourism, especially with new sports tourism experiences complementing Oman's cultural, luxury, eco and culinary offerings.

"Oman's agriculture and fisheries sector also offers substantial opportunities, demonstrated by investments such as the Gulf Japan Food Fund's \$10 million investment in Oman Fisheries and a joint venture in poultry farming. These examples illustrate the diverse and expanding opportunities for deeper economic cooperation."

Al Kindi added: "We are focused on deepening Japanese participation in our economy. We aim to present Japan with new opportunities as we diversify our economy and pursue sustainable development, and Invest Oman is here to support both existing and potential investors in this exciting journey."

# Creating a thriving digital economy

With the global economy undergoing rapid digitalization, the government in Oman has introduced numerous programs to support the adoption of technologies that can drive innovation and economic growth in an increasingly electronic world

With digitalization a key pillar of its economic transformation agenda, Oman is actively driving innovation across numerous sectors. This has led to the government investing heavily in digital infrastructure, including telecommunications, government services and the development of the digital economy.

It has also introduced various strategic initiatives to achieve the overarching goal of increasing the contribution of the digital economy to gross domestic product from its current rate of 2% to 10% by 2040.

"Oman is advancing its transition to a knowledge-based economy with a focus on building a thriving digital economy. This is being driven through the National Digital Economy Program and the National Program for Artificial Intelligence and Digital Technologies," explained Minister of Economy Said Mohammed al Saqri.

"Oman has improved its rankings in global indexes, advancing nine places in the

E-Government Development Index and climbing 26 positions in the Telecommunications Infrastructure Index. We also ranked 74th in the 2024 Global Innovation Index.

"Furthermore, to achieve our goal of the digital economy contributing 10% of GDP by 2040, we are implementing several initiatives, including our smart government program, upskilling 10,000 information technology graduates and equipping school graduates with essential digital literacy skills. Additionally, we're expanding research and development funding in collaboration with the Ministry of Higher Education to foster a knowledge-based economy driven by innovation," al Saqri said.

Oman also hopes to leverage the latest advancements in technology to accelerate the transition to a sustainable energy future. This has led to the sultanate exploring ways to improve existing technologies like solar and wind power, as well as the development of new energy storage

solutions. "We aim to invest in renewable energy, particularly solar and wind, to integrate sustainability into our economy. By 2030, we plan to produce at least 1 million tons of green hydrogen,

**'Oman is advancing its transition to a knowledge-based economy with a focus on building a thriving digital economy.'**

Said Mohammed al Saqri  
Minister of Economy

reducing our reliance on hydrocarbons," he said. "This will also open up opportunities in manufacturing, including the production of solar panels and wind turbines. Oman will need 40 million solar panels and numerous turbines by 2030."

Innovation also plays an important role in transforming Oman's financial landscape, as there is a growing appetite for digital financial services and alternative financial solutions. This has led to Bank Muscat introducing a host of digital transformation initiatives, including leveraging fintech to enhance customer experience and operational efficiency.

"Bank Muscat is strongly aligned with Oman Vision 2040, serving as a pillar of financial strength and innovation. With over \$36 billion in assets, a 34% market share, and 190 branches, we ensure accessible banking across Oman," said Waleed al Hashar, CEO of Bank Muscat. "We are at the forefront of digital transformation, leveraging advanced fintech to deliver seamless, secure and efficient services. We prioritize convenience, giving customers the ability to manage their finances anytime and from anywhere.

"Our digital initiatives include application programming interfaces-based integration for corporate clients, streamlining operations and enhancing service delivery. We also utilize automation and artificial intelligence to optimize back-office processes and boost customer service efficiency.

"To stay ahead of emerging trends, we actively collaborate with local and international fintech



**Said Mohammed al Saqri**  
Minister of Economy

firms. This includes accelerator programs for prototype development, participation in tech expos, and strategic investments in fintech innovation. These efforts ensure we remain agile, responsive, and aligned with evolving customer needs in a fast-changing digital landscape," he said.

Determined to support Oman's ambitious plans for the future, Bank Muscat is not just introducing a new range of digital services but also empowering micro, small and midsize enterprises.



"Bank Muscat continues to lead with a broad range of customer-focused services. Digital transactions rose by 44.8% from 2023 to 2024, reflecting



**Waleed al Hashar**  
CEO, Bank Muscat

strong demand for our digital services. In corporate banking, we serve MSMEs, large businesses, and government clients with tailored lending, transaction banking, and working capital solutions — now enhanced by digital tools like e-mandates," al Hashar said.

"Bank Muscat also plays a vital role in empowering MSMEs. Through our Al-Wathbah Academy, we help entrepreneurs gain essential skills and practical tools to grow their businesses. We've also developed tailored financial products to boost MSME inclusion, earning international recognition."



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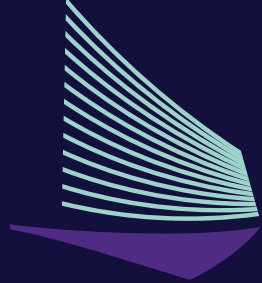
Foreign Ownership

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# Omani-Japanese bond tightens through trade

Japanese firms and officials have played a vital role in the sultanate's socioeconomic development and this relationship is continuing to go from strength to strength with the help of leading names like Saud Bahwan Group, as well as a friendship association

Having first established diplomatic relations with Oman in 1972, Japan has contributed greatly to the sultanate's impressive socioeconomic development and positive economic trajectory for over half a century via close fiscal and technological cooperation in key industries and projects.

Through the design and construction of crucial infrastructure such as roads, ports, harbors and oil and gas projects, the pair have enjoyed a close and mutually beneficial partnership that has aided Oman's economic diversification. This drive toward expanding nonpetroleum sectors includes tourism and renewables. Indeed, the latter comprises a core part of the country's efforts to achieve its plan for net-zero carbon emissions by 2050, a goal known as CN 2050.

Spearheading this collaboration since the 1960s is Saud Bahwan Group, a highly successful company that has represented several leading Japanese brands, such as Komatsu, Seiko and Toshiba, in Oman for many years. This strong track record helped it acquire the Toyota distributorship in the 1970s, a relationship that flourishes to this day, as illustrated by the long list of marketing and customer service awards presented to SBG by the automotive giant.

Such has been SBG's importance to the growth and development of Japanese brands and products in Oman, that Chairman Sheikh Mohammed Saud Bahwan was awarded one of the most prestigious Japanese decorations: The Order of the Rising Sun, Golden and Silver Star. The honor was presented to the prominent businessman at a special ceremony at the Imperial Palace in Tokyo.

The prestigious award, one of the highest accolades bestowed upon a foreign national, was presented in 2018 in recognition of the entrepreneur's substantial contributions toward promoting bilateral cultural relations and mutual understanding between the nations.

"The Sultanate of Oman and Japan share a very deep rooted relationship that dates back hundreds of years," explained SBG CEO Abdullah Mohamed Bahwan, the chairman's son.

"These remarkable bonds have been created through timeless shared values. Under the wise leadership of Sultan Haitham bin Tariq, Oman is on a path of rapid growth, with a firm focus on development, stability and good governance.

"The ambitious Oman Vision 2040 lays out a blueprint that will pave the way for Oman's evolution into one of the most rapidly growing and diversified economies in the region. The government has already taken several initiatives, such as permitting 100% foreign direct investment in priority sectors, single window and fast-track clearances for investment proposals and new private-sector-friendly policies for mining — in which Oman holds good potential — among others," he said. "Oman offers a very investment friendly and business-enabling policy framework. The country has a stable currency, very low inflation, excellent infrastructure, and an attractive tax regime. Several free zones are available at attractive rates with single window quick clearances for investment proposals. The government is unveiling more initiatives to attract FDI. Investors will find Oman a very rewarding and stable investment destination."

**Golden investment opportunities**

According to the highly respected senior executive, while there are many areas where Oman offers openings for collaboration with Japan, the sectors that present the greatest potential are maritime logistics, renewables and tourism.

"Oman is advantageously located between the fast-growing Asian and African economies, making it ideal as a transshipment hub," he added.

"Toward this, the Oman government has already made substantial investments in developing the port city of Duqm as well as Salalah, both of which allow free passage of marine traffic bypassing the Strait of Hormuz.

"In renewables, Oman is aggressively transitioning from hydrocarbons to clean energy generation. The country is blessed with natural resources, especially for harnessing solar and wind energy. The government has already announced many projects, several of which are being implemented. Of special focus is green hydrogen production,



Saud Bahwan Group is driving Oman forward with cutting-edge technologies from major Japanese brands.

blue-chip names in Japan's auto industry.

The company has drawn up comprehensive plans for the introduction and promotion of electric and hybrid vehicles, as the group seeks to celebrate its 50th anniversary of working with Toyota by launching the latest high-tech models.

"Toyota has adopted a 'multipathway' strategy toward carbon neutrality," Bahwan stated. "This emphasizes there are several paths to achieve our carbon neutrality goals through offering choice of carbon reduction mobility solutions to our customers. We are fully aligned with Toyota's vision.

"We have launched a wide range of hybrid electric vehicles and are promoting them aggressively through customer education. These have been well received. We shall soon launch plug-in hybrid electric vehicles and battery electric vehicles for Toyota and Lexus models," the CEO said.

**High-tech challenges met head-on**

While noting the availability of charging facilities is a "major challenge in our pivot toward electrified mobility," the expert confesses hurdles will be overcome. "We are exploring various partnerships to provide personalized charging solutions for customers and to expand the public charging infrastructure," he said. "This is a key focus area for SBG in the future. Oman has aggressive plans for

green hydrogen and this project dovetails well with Vision 2040 and our CN 2050 goals."

With this year's world expo being held in Osaka, leading Omani firms such as SBG will have the exciting chance to display their rich potential and promote Oman as a lucrative investment destination to major Japanese trading houses, as well as wider public- and private-sector audiences.

"Expo 2025 is a good opportunity to create awareness about Oman as a country among Japanese audiences," Bahwan added. "Oman has a rich heritage and culture, with natural pristine beauty and other exciting attractions. Omanis are very friendly and are well known for their hospitality."

In his role at OJFA, the experienced businessman is working to promote links in the fields of culture, society, the economy, arts and science. The entity plays a vital role in tightening the bonds

among diplomatic, business and trade partners. Founded several decades ago, the association recently sponsored the Japanese Orchestra performance at the prestigious Royal Opera House in Muscat. "The event was graced by several high-profile dignitaries, including the Japanese ambassador to Oman, and was very well received," Bahwan said.

He added that OJFA is dedicated to strengthening and fostering greater understanding and collaboration, with such events serving as a testament to the harmony between the nations and the potential for cultural and economic partnerships.

"We are conducting Japanese-language courses in Oman and a Japanese teacher has been hired specifically for this task," he said. "Several Omani students interested in learning Japanese are benefiting from this facility."



## Utilizing technology to enhance the customer experience

Digital transformation is a crucial focus for Bank Dhofar as it endeavors to satisfy the demands of its customers and ensure there is financial inclusion in Oman

The second-largest bank in Oman in terms of branch network, Bank Dhofar has demonstrated a commitment to enhancing accessibility and delivering a comprehensive suite of banking services tailored to meet the evolving needs of its diverse customer base.

This has led to the bank undergoing a sizeable transformation in recent years, both in terms of growing its branch network and utilizing innovative technology to streamline internal processes and enhance the customer experience.

The bank expanded its footprint by opening more than 40 new branches in the last two years and invested heavily in digital banking solutions, being among the first in the sultanate to introduce Apple Pay and Samsung Pay, as well as Easy Biz, a digital collections and settlement platform for enterprises.

"In the past two years, we have doubled our branch network, recognizing that banking must be both physical and digital (phygital). While mobile banking is highly popular for daily transactions, the culture in Oman values personal interactions," said Karumathil Gopakumar, acting CEO of Bank Dhofar.

"Many customers still prefer visiting branches to engage with relationship managers and discuss their financial needs. Our phygital approach ensures we meet these diverse preferences while expanding our reach.

"We have implemented several initiatives to enhance the customer experience. Our customer relationship management system, integrated with all branches, links debit card check-ins to customer profiles, allowing tellers and personal bankers to identify and assist clients instantly. We are now upgrading this system for our premier banking relationship managers.

"Additionally, we launched Knowledge Hub over a year ago, providing employees with on-demand training and resources. Accessible from any branch or head office, it helps staff stay informed and improve service efficiency."



Karumathil Gopakumar  
Acting CEO, Bank Dhofar



particular with those in Japan.

"Oman and Japan share a long, strong relationship, with iconic Japanese brands highly valued here in the sultanate. At Bank Dhofar, we welcome collaborations with Japanese banks looking to do business in Oman and invite them to consider us as their local partner. We are also open to exploring strategic partnerships for deeper cooperation," Gopakumar said.

The partnership between Oman and Japan has grown significantly over the years, particularly in trade and investment, and Sheikh Faisal bin Abdullah al Rawas, chairman of the Oman Chamber of Commerce, is confident that the partnership between the two countries will expand into new sectors.

"In recent years, the economic ties between Oman and Japan have witnessed notable growth in trade exchange. We believe this will continue to grow and expand into areas such as sustainable trade, space, medical equipment, metals, agriculture and heavy industries," al Rawas said. "These sectors present promising opportunities to develop the partnership further, achieving

mutual aspirations for progress and prosperity while ensuring the sustainability of economic relations between Oman and Japan.

"Both nations align on several interests, particularly in achieving net-zero carbon emissions. There are significant opportunities for cooperation in renewable energy, the circular economy, information technology and green infrastructure," al Rawas said.



# A gateway for global digital connectivity

Thanks to a strategic location, robust infrastructure and a commitment to investing in advanced technologies, Oman has emerged as a leading destination for global tech leaders that prioritize innovation

In recent years, there has been a profound shift in the way businesses and governments operate, with the rapid adoption of digitalization transforming societies and economies around the globe. Countries are looking to harness the power of digital, realizing it has far-reaching effects on a broad range of industries.

This is one of the major reasons that Oman has set digitalization as a key pillar of its economic transformation agenda, with various initiatives being deployed to achieve the overarching goal of increasing the contribution of the digital economy to 10% by 2040.

The sultanate is seeking to scale up digitalization and develop local capabilities in innovation and creativity. To help achieve this, the government launched the National Digital Economy Program, which aims to provide a strategic direction for its development.

"Information and communications technology is a cornerstone of Oman's economic and social transformation," noted Said bin Hamood al Mawali, minister of transport, communications and information technology.

"In recent decades, Oman has made significant progress in developing a robust and modern telecommunications sector, ensuring seamless connectivity for businesses and individuals.

"The country's strategic location as a gateway to Asia, Africa and the Middle East has positioned it as a key regional hub for digital infrastructure.

"Oman has made notable strides in telecommunications and digital transformation. By mid-2024, the country had 5,431 operational 5G stations, with 99% of telecom stations supporting both 4G and 5G networks. The transition from 3G to 4G and 5G is ongoing, keeping the country at the forefront of developments in next-generation cellular networks.

"Regarding high-speed connectivity, 61% of residential units are covered by fiber-optic networks, and 101,359 fiber connections were completed in 2024, further expanding the national fiber infrastructure. Moreover, Oman's position as a digital hub is reinforced by 21 submarine internet cables, enhancing its global connectivity.

"The growth of Oman's telecommunications ecosystem is also reflected in the increasing number of licensed telecom companies and cloud service providers. In 2024, 10 telecom companies were licensed, and six data centers support the growing demand for cloud computing and data storage.

"Mobile broadband penetration has reached 98%, ensuring widespread internet access across all governorates. On the government side, 67% of priority services were digitalized by November 2024, with plans to reach 80% by the end of 2025.

"In 2024, government digital transactions surpassed 27 million, a significant increase from 9.5 million the previous year, showcasing rapid digital adoption.

"These advancements demonstrate Oman's

Said bin Hamood al Mawali  
Minister of Transport, Communications and Information Technology

Talal Said al Mamari  
CEO, Omantel

growing digital capabilities, positioning it as a regional leader in digital transformation, telecommunications infrastructure, and innovation, while reinforcing its commitment to cybersecurity and technological readiness," he said.

One of the companies that has consistently driven innovation and set new benchmarks in the industry is Omantel. The leading provider of ICT solutions and integrated telecommunications in Oman, the company has helped to create an advanced telecom infrastructure and

**'Through strategic partnerships and alliances, Omantel is driving digital transformation and technological innovation.'**

Talal Said al Mamari, CEO, Omantel

has invested heavily in advanced technologies.

"We focus on key priorities to maintain our leadership in the technology space, expand Oman's digital landscape, and support economic diversification while contributing to national development and meeting the broader goals of Oman Vision 2040," said Talal Said al Mamari, CEO of Omantel.

"We are committed to enhancing Oman's core telecommunications and digital infrastructure by investing in advanced core technologies such as fiber optics and 5G/6G. We also invest in emerging technologies spanning data centers, cloud facilities, cybersecurity, the Internet of Things, applications and artificial intelligence and machine learning.

"These investments aim to provide high-speed internet access and digital applications to individuals, ensure robust domestic and international connectivity, as well as offer bespoke ICT solutions for a range of businesses," he said.



Said bin Hamood al Mawali  
Minister of Transport, Communications and Information Technology



Talal Said al Mamari  
CEO, Omantel



Omantel is the leading integrated telecommunications services provider in the sultanate.

"While data centers are an infrastructure play, Omantel differentiates itself by being an enabler, not just an investor, allowing other carriers to connect freely to these data centers. This open access, combined with our subsea cables and global data center ecosystem, positions us as a key player in the region, supporting innovation and talent development.

"Building on that success and taking it to the next level, we have partnered with Zain to create a joint venture called Zain Omantel International.

"ZOI signifies a substantial advancement in the telecommunications industry and is becoming a global powerhouse due to Zain's extensive regional presence and success in the retail and digital arenas, combined with Omantel's exceptional wholesale capabilities and comprehensive international subsea and terrestrial networks.

"The joint venture caters to the end-to-end telecommunications needs of operators in the Middle East, as well as international carriers, data centers, hyperscalers, content providers and cloud providers seeking services within the region and beyond.

"ZOI now operates in eight countries, serving more than 50 million customers, making it the global gateway for our region."

Looking to the future, Omantel not only plans

to expand its international presence, but is also determined to support Oman's startup ecosystem and provide opportunities for young Omanis looking to enter the sector.

"Our international expansion creates opportunities for both organic and inorganic growth, supporting enterprise businesses and government ministries in accelerating their digital transformation journeys," al Mamari said.

"As part of our strategic vision, we remain focused on investing in advanced network and digital infrastructure, the cultivation of a diverse startup ecosystem, and developing emerging skills and knowledge-based opportunities for young Omanis, ensuring a future-ready workforce for the digital economy."

While Omantel is working with global leaders to drive innovation, its commitment to supporting local enterprises has led to it investing in Etlaq Spaceport. A subsidiary of the National Aerospace Services Company (NASCOM), the strategic investment showcases Omantel's commitment to advancing technology and innovation, aligning with its vision to lead in emerging technologies and space solutions as part of its ambitious strategy.

Launched by NASCOM in 2022, Etlaq Spaceport is seeking to attract global launch providers, space agencies and research institutions to Oman. Capitalizing on the unique geography of Wilayat Al Duqm, Oman launched its first experimental rocket, Duqm-1, from the spaceport late last year.

Aiming to have three launch pads that can cater to global companies for diverse orbits, Etlaq Spaceport is also positioning itself as a fast-track launch site for start-ups, offering quick access to rocket testing.

"This year, Etlaq Spaceport expects five experimental launches under the Genesis Program, designed to build Oman's space launch heritage between 2025 and 2027," said Sayyid Arzhan bin Qais al Said, founder and CEO of NASCOM.

"By the time we open our commercial spaceport in 2027, we aim to have established operational capacity. These launches, involving multiple international companies, are a key step toward that goal.

"Our vision is for Duqm's coast to become the Cape Canaveral of the GCC, hosting launches from Etlaq and beyond. We also aim to collaborate with Japan, potentially expanding its launch capabilities in Oman.

"While our current focus is the spaceport, we fully support deep space missions and are working to attract the right rocket companies to make them a reality," al Said said.

"Ultimately, our goal is to inspire the next generation and create an environment where Oman's space industry can thrive," al Said noted.

### Omantel Group: The key telecom and technology player in the MENA region

Omantel was the first GCC operator to land undersea cable in Europe. Spanning approximately 25,000 kilometers, the AAE-1 submarine cable is one of the first unique cable systems to connect Hong Kong to Singapore, Africa and Europe, all via Oman.

Omantel collaborates with numerous major international technology companies to attract the latest technological and innovative advancements. This includes Amazon Web Services, Google and Microsoft.

Since its foundation in 1996, Omantel has grown substantially and now boasts more than 52 million customers across the MENA region. It also recorded revenue of \$7.64 billion for the 2023 financial year.

Through Omantel Innovation Labs, a dynamic hub for fostering startup growth and technological breakthroughs, the company provides mentorship through local and international experts, strategic networking opportunities and invaluable resources.





# Highlighting unique tourism offerings

Oman Airports is playing a crucial role in expediting the transformation of the tourism sector in the sultanate by helping to ensure that growth in the industry remains responsible and environmentally friendly

Identified as a priority sector that can help to deliver the objective of creating a diversified and sustainable economy, the tourism industry in Oman is experiencing a transformative period. Major investments have been announced in recent years and there has been significant growth in domestic and international traffic.

The ultimate aim is for the sultanate to position itself as a leading destination in the Middle East. To achieve this, there are plans to enhance its tourism offerings by differentiating itself in an increasingly competitive region. This has seen Oman prioritizing responsible tourism developments that preserve the natural environment and cultural heritage.

The government is actively promoting cultural and historical sites, including UNESCO World Heritage locations such as Bahla Fort, the ancient city of Qalhat and the so-called Land of Frankincense near Salalah. Oman is also leveraging its diverse landscapes, from soaring mountains and vast deserts to picturesque coastlines, to attract adventure travelers through initiatives like ziplines, cable cars and mountain trails.

In addition to the work being carried out by the Ministry of Heritage and Tourism, Oman Airports is supporting the development of the tourism industry by enhancing airport infrastructure. The state-owned management company is actively involved in developing and improving airports across the country.

"Oman Airports operates the key airports in the sultanate, including Muscat Airport, which is the biggest in the country, Salalah Airport, which is the second-biggest, and Sohar Airport, which also operate Duqm Airport on behalf of the special economic zone there," said Hamood al Alawi, the acting CEO of Oman Airports. "In addition,



Hamood al Alawi  
Acting CEO, Oman Airports

Europe, for Salalah, and we are now seeing these initiatives bearing fruit, in the form of increased tourist numbers in both Muscat and Salalah."

With Oman aiming to attract 12 million visitors annually by 2040, connectivity has become increasingly important. That is why Oman Airports is implementing new strategies to attract new international airlines and expand direct routes to and from key global markets.

"Route development is the cornerstone of our commercial strategy. One of our many strategies is to develop a package of incentives and offerings, which we promote at international events, such as international travel symposiums, and world travel markets," he said.

"We are very selective about where to participate and use targeted strategies to make value propositions to other airlines to encourage them to come to Oman. This brought six airlines to Oman in 2024, and we hope there will be more by the end of 2025.

"We are working on several fronts to make it easy and appealing for airlines to establish themselves in Oman. We see this working, especially in Salalah, where chartered flights saw a big increase in the second half of 2024 and early

2025. We also began scheduled flights between Zurich and Muscat to Salalah, which is unprecedented and is one of the few direct international connections between Salalah and Europe.

"We are also working on joint offerings with Oman Air to provide loyalty schemes that can be used at duty-free or our other facilities. We have increased the number of car rental outlets, and we are reviewing and revamping the entire food-and-beverages part of the duty-free area. To further support these initiatives, we are also helping to develop real estate around the airport, centered around the airport's three main gates."

Improving connectivity remains vitally important and already this year Oman Air has announced that it will improve its European network to include an Amsterdam service and daily flights to Moscow.

Furthermore, Oman Airports is working tirelessly to create an exceptional travel experience through a host of new initiatives. "Our focus on technology and innovation distinguishes Oman's airports. Initiatives like e-gates streamline processes, enhancing both the passenger experience and revenue," al Alawi said.

"We're also revamping duty-free areas to offer authentic Omani experiences, setting us apart regionally. Our ongoing ICT (information and communications technology) transformation includes upgrading systems at Muscat Airport and using AI (artificial intelligence) and passenger diagnostics to improve crowd management. "By 2026, we expect noticeable improvements in passenger experiences, and we continue to gather feedback to ensure we meet traveler needs."

**A focus on sustainability**  
Investing in sustainability has become a cornerstone of Oman's tourism strategy and the country remains on a mission to preserve its natural treasures by embracing eco-friendly initiatives. One of the ways it is achieving this is through the development of eco-lodges, or green inns, which provide sustainable accommodation and contribute to local economies.

By the end of 2024, there were more than 150

eco-lodges throughout the sultanate. What they all have in common is that they offer tourists authentic experiences of Oman's natural beauty and cultural heritage.

Such is the dedication to sustainable tourism practices that Sultan Haitham bin Tariq issued three royal decrees in 2024 establishing new nature reserves. Reaffirming a commitment to safeguarding its rich biodiversity, unique ecosystems and geological heritage, the newly designated reserves — Al Jabal al Gharbi, Al Dhahirah and Wahat al Buraimi — take the total number of nature reserves in Oman to 30.

Oman Airports is also doing its part by incorporating sustainability into its operations in a bid to reduce its environmental footprint.

"We are addressing sustainability in two ways. The first is to review the basics and make sure that our existing facilities and practices are as efficient as possible. We are reducing our operational energy and water consumption. We are working with a consultant to drive down energy consumption in a mutual-benefit arrangement, which will reduce our consumption and our carbon footprint," al Alawi said.

**'We are addressing sustainability on several fronts, and it will always feature prominently in our portfolio.'**

Hamood al Alawi, Acting CEO, Oman Airports

"Secondly, in line with Oman's push for renewable energy, we recently opened the region's first hydrogen fuel station at the airport with Shell, supporting hydrogen-powered vehicles. We're also exploring solar panel installations. Sustainability standards are part of all agreements with facility users, ensuring carbon-emission targets are met. The cargo company has achieved 96% electrification of its fleet, showcasing our commitment to sustainability

at all levels. So we are addressing sustainability on several fronts and at various levels, and sustainability will always feature prominently in our portfolio."

## Attracting visitors from Japan

One of the ways that Oman hopes to reach its ambitious tourism targets is by enhancing connectivity with Japan. The two countries share deep cultural and historical connections, particularly as maritime nations. Cultural ties have also flourished in recent years, with numerous events being held throughout the sultanate.

Last year, a group of Japanese manga artists were invited by the Ministry of Culture, Sports and Youth to visit Oman and share the art of manga creation. The Oman Japan Friendship Association also organized an event that saw a Japanese orchestra perform at the Royal Opera House Muscat.

More recently, Oman and Japan signed an agreement to allow the national carriers to extend their operational networks and begin planning to operate direct passenger and air cargo flights between the countries.

"This collaboration between Oman and Japan aims to enhance connectivity. We are exploring the best ways to make this partnership work, possibly through new models involving both Japan Airlines and Oman Air. Our main objective is to make sure that Japanese visitors to Oman get the best that we have to offer, and so we will continue to explore the expectations and dynamics of the Japanese market in association with our partners, and incorporate that into our work," al Alawi said.

"As our slogan says, Oman is the gateway to beauty and opportunity. Oman distinguishes itself from other countries in the region by preserving its character and heritage — a unique value proposition, which is something that we have in common with Japan.

"We're committed to welcoming the Japanese market, and the positive feedback has set us apart in the region. The journey has just begun, and while there's much ahead, our hopes and expectations are high."

# Delivering digital transformation

Ably supported by the government, Ithca Group is helping to drive Oman's digital agenda by developing information technology infrastructure, enhancing networks and investing in emerging technologies that drive diversification

A major factor in Oman's forward-looking economic development strategy, the information and communications technology sector is playing a vital role in the modernization of the economy thanks to its position as a breeding ground for innovation. This has led to the sector experiencing significant growth, driven by a focus on digital transformation and the development of a smart society.

Not only is the government actively investing in infrastructure, promoting e-governance, and fostering innovation in areas like cybersecurity and artificial intelligence, but companies such as Ithca Group are ably supporting the digital revolution by enhancing networks and investing in a range of emerging technologies.

Founded in 2019, Ithca Group was created by the Oman Investment Authority with a clear mandate of enhancing strategic investments in the ICT sector.

"The OIA consolidated its investments under Ithca and tasked us with fostering synergy among portfolio companies and shaping a strategic investment framework. Our core mission is to enhance the sector's contribution to GDP (gross domestic product) and job creation through targeted investments, while our strategy focuses on optimizing existing assets and identifying new investment opportunities to strengthen the sector," explained Said al Mandhari, CEO of Ithca Group.

"Ithca's portfolio consists of three pillars. The first is focused on infrastructure that serves as a foundation for technology development and enablement. Here, we have significantly invested in Oman Broadband, our open-access fiber-optic infrastructure company, and expanded our involvement in tower-sharing initiatives to support telecom growth.

"We are investing in space communication infrastructure, submarine cables, and data centers in Oman. In space communication, our subsidiary Space Communication Technology is dedicated to launching Oman's satellites on behalf of the government, providing services to various telecom players," al Mandhari said.

"Our second pillar is focused on digital transformation and cloud services. In partnership with the Ministry of Transport, Communications and Information Technology, we bridge digital gaps by managing and commercializing government digital services through close cooperation with local companies. The third pillar is the most exciting and focuses on emerging technologies. We invested in five venture capital funds to sup-



Abdullah al Harrasi  
Minister of Information

port early-stage companies. On the other side, we have directly invested in 14 companies that are in the growth stage. The general idea is to cover the entire lifecycle from early stage to maturity. Once the companies that were initially supported by VCs reach the growth stage, Ithca invests directly to scale them beyond Oman into the Gulf Cooperation Council, regional and global markets," he said.

Aside from investing in growth-stage companies, the group is also dedicated to financing and developing strategic projects that help develop new industry segments.

"We have invested in five different projects thus far, with the first one being semiconductor design company and partnered with



Said al Mandhari  
CEO, Ithca Group

provide scholarships for high-achieving yet underprivileged students, reinforcing our vision of fostering inclusivity and talent development. This is the future of education, where industry and academia merge to create a powerful learning ecosystem," he said.

Providing opportunities for real-world experience ensures the next generation of highly skilled workers is being produced while simultaneously helping to shape the future of Oman. "At Muscat University, research is not just about publications, it's about solutions. Our students at ARA Petroleum, a subsidiary of Zubaib, conduct applied research that merges academic theory with industry challenges," al Yahyaee explained.

"We are pioneers in renewable energy research, having introduced one of Oman's earliest programs in this field. Our collaboration with various institutions ensures our research remains aligned with national industry needs, driving innovation and sustainability."

Committed to transforming lives, empowering industries and expanding Oman's academic footprint on the global stage, Muscat University also hopes to attract international students and form relationships with some of the world's most prestigious universities.

To achieve this, the university aims to take advantage of the strong and long-standing relationship between Japan and Oman.

"We are eager to strengthen our academic ties with Japanese institutions, exploring opportunities for research collaboration, student exchange programs and joint initiatives," al Yahyaee said.

"We welcome Japanese students to experience Oman's rich cultural heritage and world-class education through education programs and summer schools. Our doors are always open to researchers, investors and students looking to be part of a future-driven academic institution that is contributing in shaping the next generation of global leaders."

When it comes to the university's future, the hope is that it can help shape the future of higher education in Oman and continue to contribute to the sultanate's ambitious plans to diversify the economy.

"We want to deliver high-quality academic programs and foster a robust research and innovation ecosystem," al Yahyaee said. "We are committed to aligning our curriculum with globally renowned institutions, ensuring that our graduates are well-equipped with the skills demanded by a rapidly evolving job market."

"A key focus area is the commercialization of research. We aim to bridge the gap between academic discoveries and market applications, fostering entrepreneurship and innovation. By nurturing small and midsize enterprises, we also contribute directly to Oman's economic diversification and growth."

"Financial sustainability and infrastructure developments are also central to our strategy. We are investing in a state-of-the-art campus in Madinat Al Irfan, designed to be a hub for creativity, research and industry partnerships.

"By combining academic excellence, professional integration and global reach, Muscat University is uniquely positioned as a premier, future-focused institution that produces highly skilled, industry-ready graduates. Our commitment to practical learning, internationalization and research-driven impact makes us among the leaders in shaping the future of higher education in Oman and beyond," he said.



Muscat University's new state-of-the-art campus in Madinat Al Irfan.

## A proactive approach to higher education

Muscat University provides an innovation-driven curriculum that empowers graduates to lead in an ever-evolving global marketplace

Located in the heart of Oman's capital, Muscat University was established in 2016 with a mission to transform individuals through industry-engaged and research-informed teaching. Initially collaborating with the U.K.'s Aston University and Cranfield University, the educational center now offers its own distinctive programs, while the student body has grown from 500 to nearly 4,000.

However, what sets the university apart from many in the region is its placement year program, which sees students presented with the opportunity to gain real-world experience in the workplace.

"Our emphasis on academic excellence is coupled with practical exposure. Unlike traditional universities, Muscat University ensures that students gain hands-on experience before they graduate," said Khamis al Yahyaee, vice chancellor of Muscat University.

"Third-year students work full-time in leading companies, both locally and internationally, for an entire year. This approach bridges the gap between academia and industry, ensuring students graduate career-ready."

Furthermore, Muscat University is among the first Omani educational institutions to integrate globally recognized certifications within its academic programs, giving students an additional competitive edge. These certifications are highly sought after in industries such as finance, technology and engineering.

"As part of our strategic vision, Muscat University aims to establish itself as a leading center for professional certifications. By partner-



Khamis al Yahyaee  
Vice Chancellor, Muscat University

ing with global accrediting bodies and industry leaders, the university seeks to offer specialized certification programs that cater to the evolving needs of professionals in various sectors.

"This initiative provides students and working professionals with globally recognized qualifications, enhancing their career prospects and contributing to the development of a skilled workforce in Oman and beyond," he said.

Collaboration is another cornerstone of Muscat University's values, with students benefiting from strategic relationships with industry leaders.

"We go beyond traditional education as we believe in transforming classrooms into real-world laboratories where students engage with cutting-edge industry challenges," al Yahyaee said. "Our work with renowned conglomerates such as Zubaib Corp. exemplifies this approach. Through this partnership, our students gain exclusive internship opportunities, working on live projects that sharpen their problem-solving and leadership skills."

"More than just trainees, our students are embedded as integral team members, gaining real-world exposure that makes them career-ready from day one. Additionally, Zubaib's commitment extends beyond internships. They

an American company to build a design team in Oman. The second is AI. We developed strong AI capabilities, focusing on applications rather than large language models.

"The third is the Internet of Things. We made significant investments in IoT, enabling a local company to develop proprietary internet protocols and solutions. The fourth is 3D printing, and we are leveraging this technology to reduce low-skill jobs and increase high-skill employment. Finally, we have drone manufacturing. We have heavily invested in this sector and recently launched our first production lines.

"Beyond these emerging sectors, we continue to support traditional fields such as software development and cybersecurity. Our goal is to expand Omani companies internationally while creating high-skilled job opportunities for youth, a key factor in economic growth."

Highlighting the importance of the work carried out by Ithca Group, Abdullah al Harrasi, minister of information, underlined Oman's push to embrace digital transformation.

"This is a key pillar of Oman's development," he emphasized. "The National Program for Digital Economy aims to increase the digital sector's contribution to GDP from 2% in 2021 to 18% by 2040."

"Investments in AI, big data analytics and automation have modernized public services, education and infrastructure, laying the groundwork for a fully connected society. The ministry is actively involved in implementing these digital advancements within the media sector, ensuring efficient content production, seamless digital broadcasting and enhanced accessibility for audiences worldwide," al Harrasi said.

Aside from investing in growth-stage companies, the group is also dedicated to financing and developing strategic projects that help develop new industry segments.

"We have invested in five different projects thus far, with the first one being semiconductor design company and partnered with



Ithca supports Oman's Vision 2040 through investments in infrastructure.

nology investments, particularly from Japan, to bridge gaps in Oman's tech sector," al Mandhari said. "Rather than reinventing the wheel, we seek to leverage Japan's advanced technologies. We offer Japanese companies two expansion paths: establishing operations in Oman through manufacturing, design or development, or using Oman as a regional hub. Ithca is the ideal partner, not only facilitating market entry but also co-investing to ensure success. We are committed to supporting Japanese firms and welcome discussions on how we can drive regional expansion together."

With Japan being a global leader in advanced technologies, cybersecurity and telecommunications, it is not just Ithca that is looking to explore opportunities with Japanese companies. The government in Oman is also determined to solidify its relationship with the country and will be showcasing the many opportunities available

in the sultanate by attending the Osaka Expo.

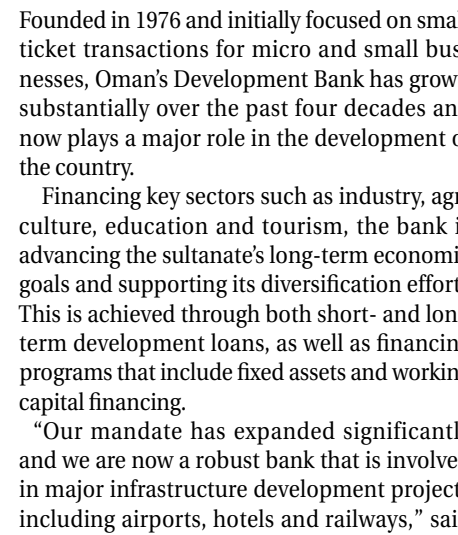
"Oman's participation in Expo 2025 further solidifies its global engagement strategy," al Harrasi said. "Our pavilion will highlight the country's commitment to sustainability, innovation and international cooperation, aligning with Expo 2025's sub-theme of 'Saving Lives.'"

"This platform allows Oman to showcase its advancements in renewable energy, economic diversification and cultural heritage while strengthening its ties with Japan."

Al Mandhari added: "I invite Japanese companies to explore opportunities in Oman, as we offer two key advantages. One is skilled human capital, as we have a strong talent pool that is recognized across the region. Second is our strategic location, making us a prime logistics hub with excellent sea and air connectivity. I look forward to engaging with Japanese technology firms to build lasting partnerships."

## Advancing Oman's economic goals

Oman's Development Bank is the leading player in financing projects that deliver change in the sultanate



Hussain al Lawati  
CEO, Development Bank

Founded in 1976 and initially focused on small-ticket transactions for micro and small businesses, Oman's Development Bank has grown substantially over the past four decades and now plays a major role in the development of the country.

Financing key sectors such as industry, agriculture, education and tourism, the bank is advancing the sultanate's long-term economic goals and supporting its diversification efforts. This is achieved through both short- and long-term development loans, as well as financing programs that include fixed assets and working capital financing.

"Our mandate has expanded significantly and we are now a robust bank that is involved in major infrastructure development projects including airports, hotels and railways," said Hussain al Lawati, CEO of the Development Bank.

"As our liquidity is lower than commercial banks, we play an important role in financing supply chains for large projects rather than funding them solely. To meet this growing demand, our capital has been increased from \$260 million to \$1.3 billion.

"As for our role in helping achieve the goals and ambitions of Oman Vision 2040, this is something that the bank is proud to be entrusted with. Essentially, what we do is bridge the gross domestic product contribution gap through our support of priority sectors, which are renewables, manufacturing, logistics, tourism, mining, agriculture and fisheries."

"With a broad appetite for risk than commercial banks who traditionally are involved in areas such as contracting and trading, we are in areas where financing is harder to come by. Involved in the early stages of projects, we provide funding until they mature, at which point we transition them to commercial banks," al Lawati said.

Over time, the Development Bank has been able to adjust its lending strategy and identify the projects with the most potential. This led to the bank last year approving 7,398 loans across various sectors and governorates, worth a total of \$610 million.

One of the priority areas that received significant backing was the industrial sector, which accounted for 18% of the loans. A total of 1,318 industrial projects worth \$236 million were granted in 2024, demonstrating the bank's determination to support the government's desire to strengthen national industries.

"Last year, we fine-tuned our lending strategy, defining it around five key pillars: job creation, self-sufficiency, food security, regional development and technology," al Lawati said.

"While creditworthiness is, of course, important, our priority is a project's economic impact, so an A-grade company may not always be our top choice for lending.

"To ensure we make the right choices and

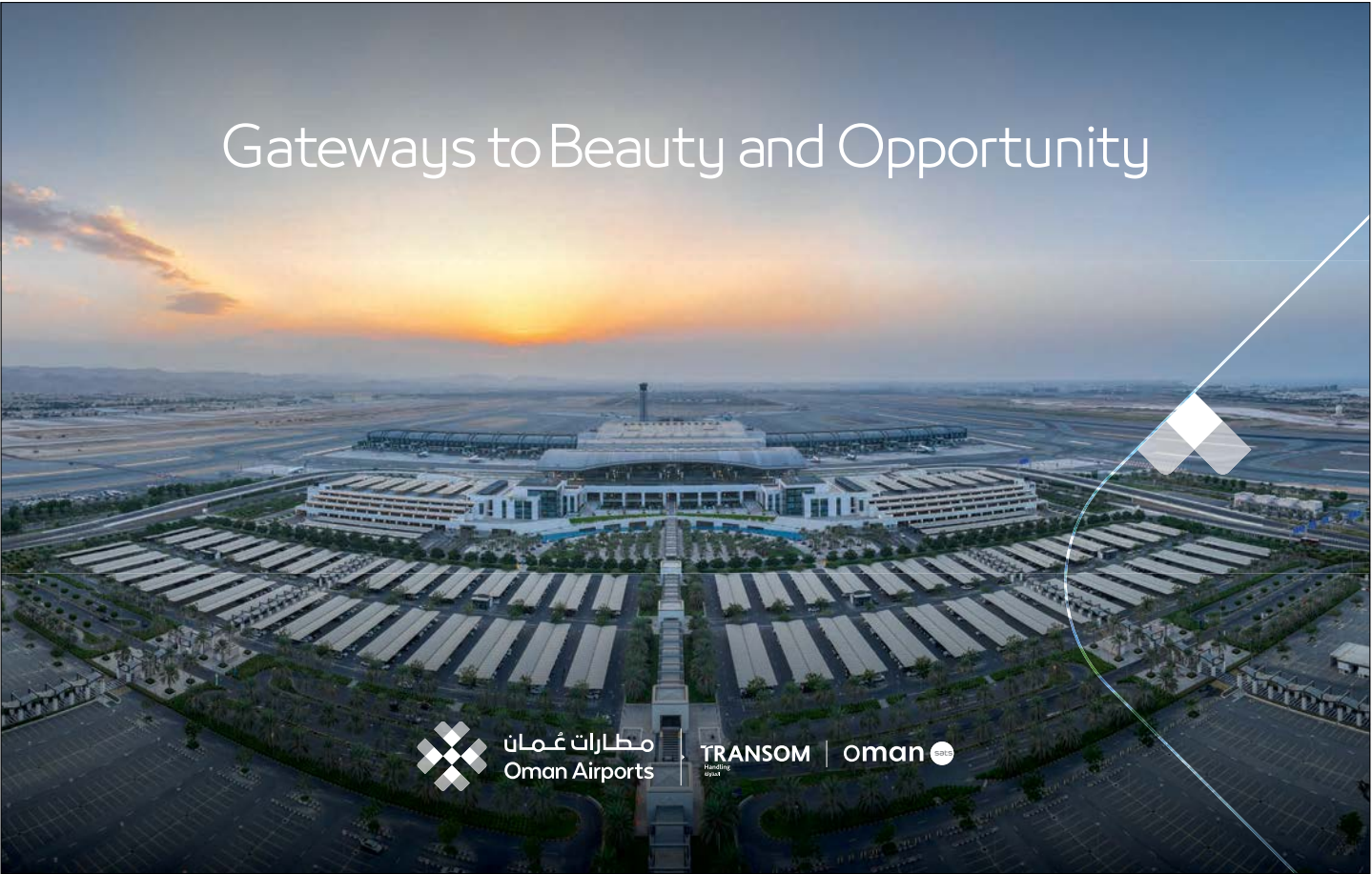


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# Al Mouj Muscat sets benchmark

The truly awe-inspiring high-end residential and tourism development is blazing a luxury trail for others to follow

Al Mouj Muscat has not only redefined urban living in Oman by creating a world-class waterfront community with a growing portfolio of hospitality, retail and leisure facilities, but also set new benchmarks toward its completion.

One of the final tourism-focused stages of the incredible development will be the Okura Resort Muscat – the first Japanese hotel in the sultanate – which will boast stunning views of the award-winning Al Mouj Golf course when it welcomes its first guests in just a couple of years' time.

"We strategically chose the golf location for this hotel to attract Japanese visitors, knowing their love for golf and the ocean," said Al Mouj Muscat CEO Nasser al Sheibani. "We are excited to bring Japanese culture to Al Mouj Muscat through authentic cuisine, unique outlets and culturally inspired interiors. We are a vibrant community of nearly 90 nationalities, with 50% Omani residents and the rest from around the world."

With the majority of the Al Mouj Muscat development already finished, tourists from Japan and elsewhere can enjoy the experience of a lifetime at one of the most impressive and welcoming mixed-use developments luxury tourism ever created.

"Al Mouj Muscat is an integrated tourism complex with interconnected components, making it

a unique community," al Sheibani said. "The project features two key anchors: the Greg Norman-designed golf course and a marina with 400 berths for yachting, enhancing its leisure and tourism appeal. Once completed, Al Mouj Muscat will offer a total of 2,000 rooms across seven luxury hotels."

The development includes a shopping center, waterfront promenade, office park with eight grade-A buildings spanning 40,000 square meters, 80 restaurants, and a variety of residential units. As a walkable, self-sufficient community, Al Mouj Muscat offers everything people need within its 2.5-million sq. m of oceanfront land, creating a vibrant, year-round lifestyle destination.

Al Mouj Muscat originated from Oman's Vision 2020, a comprehensive and ambitious socioeconomic development strategy established in 2006 as part of state efforts to reduce dependency on oil and gas through tourism initiatives.

"Given its status as an integrated tourism complex, Al Mouj Muscat allows non-Omanis to own freehold properties, granting lifelong residency, renewable every two years," al Sheibani said. "You can bring family, including first-degree relatives, with no restrictions on the number of children. We offer a diverse range of homes, from 60-sq.-m studios to 2,000-sq.-m mansions, catering to different needs and budgets. Our inclusive approach ensures a variety of options."



Nasser al Sheibani  
CEO, Al Mouj Muscat

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Al Mouj Muscat also achieves that rare feat of balancing luxury lifestyle with environmental responsibility, he said. Detailed planning for sustainability and climate friendliness ensure its environmental footprint is minimal, a key factor for many visitors.

"Al Mouj Muscat is the first project in Oman to feature a central district cooling plant, providing energy-efficient air conditioning for the entire community," he said. "Leveraging our waterfront location, we have created islands with circulating seawater, enhancing the vibrant coastal ecosystem."

"Al Mouj Muscat is proud to be the benchmark for development rose 3.6% in Oman. Our vision is to create a world-class waterfront community that showcases Oman's lifestyle and leisure, bringing together people, business and culture."

www.almouj.com



Al Mouj Muscat's range of luxurious lifestyle accommodations includes the upscale Zunairah Mansions.



Residents can unwind over a round of golf at Al Mouj Muscat's beautiful 18-hole oceanfront championship course.

# A global leader in the green hydrogen sector

In line with its future energy needs, Oman is planning to the future and aims to produce 1 million tons of renewable hydrogen a year by 2030 and up to 3.75 million tons by 2040

In 2022, Oman announced an ambitious target to achieve net-zero emissions by 2050 and immediately began to reduce fossil fuel use in its domestic energy mix. The government also began to assess various forms of renewable energy and quickly determined that it was well placed to produce large quantities of low-emission hydrogen.

This led to the establishment of an independent entity, Hydrom Oman (Hydrom), which was tasked with leading and managing the hydrogen strategy. Determined to position itself as a global leader in the emerging hydrogen sector, more than 1,500 square kilometers of land have been put aside for development and up to 40 times more land has been identified for potential production in the long term.

Oman now aims to produce at least 1 million tons of renewable hydrogen a year by 2030, up to 3.75 million tons by 2040 and as much as 8.5 million tons by 2050, which would be greater than total hydrogen demand in Europe today. The 2040 hydrogen target would represent 80% of Oman's current liquefied natural gas exports in energy-equivalent terms, while achieving the 2050 target would almost double them.

"Hydrom was officially launched in 2022 by royal directive to lead Oman's green hydrogen strategy execution. As the national orchestrator, its mandate includes setting the strategy and advising the government on policies and the legal framework for the sector, in addition to delineating government-owned lands earmarked for hydrogen," said Abdulaziz al Shidhani, managing director of Hydrom.

"Hydrom is also responsible for structuring large-scale ventures, managing the allocation process to developers and enabling the development of shared infrastructure and related industrial hubs."

"In November 2022, Hydrom launched Oman's first green hydrogen auction round, focused on the Duqm region, successfully concluding with the signing of two 47-year contracts with international consortia. To ensure a fully integrated ecosystem, Hydrom either addresses gaps directly or engages in strategic partnerships. In parallel, we launched a separate work stream, called 'legacy initiatives' to collaborate with developers who had already identified land, provided they aligned with regulatory frameworks."

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"Through this approach, we signed three additional projects in Duqm, bringing the total to five consortia with diverse investors from Europe,

Asia and Oman. In June last year, we opened new opportunities in Dhofar, successfully closing round two with two public auction signings and one legacy initiative. Japanese companies played a key role, with Marubeni leading the Salalah2 legacy project in Salalah and J-Power joining EDF Group in a publicly awarded bid.

"Our road map is divided into three phases. The first phase, from 2025 to 2030, focuses on project launches, securing offtake agreements and establishing long-term hydrogen production and consumption deals. The second phase, from 2030 to 2040, expands our role and creates more local opportunities. The third phase, from 2040 to 2050, is a full-scale integration of hydrogen into Oman's energy economy. Our vision is to position Oman as a global green hydrogen hub, while our mission is to maximize economic value through this sector."

While many nations are competing to establish themselves as leaders in green hydrogen, Oman has a unique opportunity to leverage its geographical advantages and renewable energy resources. In fact, based on an analysis of the country's current project pipeline by the International Energy Agency, the sultanate is on track to become the sixth-largest exporter of



Salim Nasser al Afi  
Minister of Energy and Minerals

hydrogen globally, and the largest in the Middle East, by 2030.

"Oman has a competitive advantage, geographically, it provides direct trade routes without passing through the Strait of Hormuz, which is an important selling point. We are close to internationally operated ports, including Salalah, with a strong global track record. The country also has vast uninhabited lands with year-round solar and wind potential, enabling high renewable output at globally competitive costs," al Shidhani said.

"What was missing was a clear vision and regulatory framework, both of which have now been established through Hydrom. This has instilled confidence in investors, helping Oman secure a leading position in green hydrogen in just two years."

While much has already been achieved in the three years since Hydrom was founded, it is just the start of the process and a third round of public bidding on lands for green hydrogen projects has already been opened. This bidding process aims to attract international and local investors, with a focus on enhancing in-country value and preparing the necessary infrastructure.

The new bidding round will introduce innovative mechanisms like double-sided auctions, refined block strategies and streamlined processes to align hydrogen production with industries such as green steel and fertilizers.

"We are aiming to receive bids by Christmas, with contracts awarded in early 2026," al Shidhani said. "Oman is open, ready, and committed to leading the next chapter of the global energy transition and we welcome companies



Abdulaziz al Shidhani  
Managing Director, Hydrom

that share our vision and are ready to grow with us."

While Hydrom is positioning Oman as a leader in green hydrogen production, the Ministry of Energy and Minerals is advancing the country's renewable energy sector through large-scale solar and wind projects. The sultanate aims to develop 5,000 megawatts of solar and 1,150 megawatts of wind energy by 2030, which will be key to achieving 30% to 40% renewable electricity production.

To meet these targets, Oman has initiated several major projects and has received significant support from companies in Japan. "Japan's



Walter Simpson  
Former Managing Director,  
CC Energy Development

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involvement in this transition to renewable energy has been instrumental," said Salim Nasser al Afi, minister of energy and minerals. "Marubeni Corp. has led the development of Oman's first 100-MW solar independent power producer project at Amin. Additionally, Mitsubishi Heavy Industries is collaborating with Oman to advance gas and hydrogen-powered electricity generation, reinforcing both nations' commitment to energy transition."

Furthermore, Oman's Ministry of Energy and Minerals and Japan's Ministry of Economy, Trade and Industry recently signed a memorandum of understanding with the Japan Organization for Metals and Energy Security to strengthen cooperation in crude oil, natural gas and clean energy. "Japan is a strategic partner for Oman, and this relationship has gained momentum over the past two years," al Shidhani said. "The MOU signed with Japan's Ministry of Economy, Trade and Industry has established a strong framework for clean energy collaboration. Since then, high-level government exchanges have taken place, and Japanese investment in Oman's power, logistics



# Balancing Oman's heritage and natural beauty with modernity secures a sustainable future for tourism

Oman is transforming its tourism sector, creating unforgettable, authentic experiences for travelers while preserving its historical, cultural and natural resources

The Oman Vision 2040 development plan sets a clear path for the country's economic diversification and sustainable development, with heritage and tourism identified as key sectors for growth. Under the leadership of Sultan Haitham bin Tariq, the Ministry of Heritage and Tourism has a vital role in promoting economic opportunities in these two sectors, while preserving Oman's cultural identity.

In the following interview, Minister of Heritage and Tourism Salim Mohammed Almahruqi spoke about the country's tourism sector and described the main priorities of his ministry.

**Global Insight: Oman's tourism sector is transforming and expanding. In 2024, the country received 3.89 million visitors, 11% more than it did in 2019. Between 2023 and 2024, the number of guests staying in Oman's 3- to 5-star hotels rose 3.6% and those operators' revenues grew by 6.2%. By 2040, the country wants to be welcoming 11.7 million tourists a year. Could you summarize some of Oman's other goals for its tourism sector?**

Almahruqi: Vision 2040 outlines Oman's road map for reducing its reliance on oil by focusing on diversification, job creation and leveraging its national resources to enhance the country's competitiveness in a dynamic global economy. As far as tourism is concerned, the vision aims to increase the sector's gross domestic product contribution to around 10% by 2040 and to generate 5 to 8 million jobs for both Omanis and foreigners who live here.

To achieve those targets, we are encouraging national and foreign investments and launching programs aligned with our goals. Investment levels are expected to grow significantly. Our tourism sector's recovery from COVID-19 has been swift, mirroring trends across the Middle East. Oman is now poised to showcase its rich culture, heritage, natural landscapes and potential for delivering memorable tourist experiences.

Oman benefits from breathtaking natural environments, including lush valleys, mountains, deserts and a fabulous coastline. The country's wealth of cultural heritage and its many historical sites are also central to its identity and appeal as a tourist destination. At the same time, infrastructure development and modernization are essential for the sector's growth and Oman has a young population that is highly internationalized. How does your ministry balance these factors?

Oman's strategy has been to balance modernity with authenticity, a challenging task in today's dynamic world but one we have managed to achieve. Heritage in Oman is not just about monuments and ancient settlements, it is also about the principles that set us apart from other nations.

Our geographical location has shaped Oman's identity, with over 7,000 years of interactions with regions as diverse as East Africa, Europe and China that have left a lasting impact on our nation.

This rich history is deeply ingrained in the Omani identity. While globalization significantly influences our younger generations, we rely on fundamental principles that are embedded in



Salim Mohammed Almahruqi  
Minister of Heritage and Tourism

our education system and governance to preserve our heritage.

Through museums and other platforms, both locals and international visitors can experience Oman's traditions. We remain confident that we can maintain this balance between modernity and our enduring cultural identity.

**The ministry is prioritizing eco-friendly development projects. How else is your ministry promoting sustainable tourism practices in Oman?**

The tourists of today value sustainability, the principles of which guide our efforts in managing the sector effectively. The Ministry of Heritage and Tourism is implementing initiatives to ensure local communities benefit from tourism. We prioritize involving those communities in decision-making, creating job opportunities for them and fostering in-country value through the sector.

Our environmental policies focus on waste management, resource preservation and alignment with international protocols. Oman is committed to achieving net-zero emissions by 2050, with tourism playing a key role in this strategy.

Globally, the tourism sector accounts for 8% of greenhouse gas emissions and we are determined to contribute to its reduction. Megaprojects like Sustainable City Yiti, a fully sustainable mixed-use community development that utilizes green energy and efficient waste management practices, and the upcoming Oman Botanic Garden near Muscat exemplify our commitment to balancing sustainability with expanding our tourism sector.

**The Oman Pavilion at the Osaka Expo draws inspiration from the country's diverse natural landscapes and topographical features. The expo offers Oman an exceptional platform for highlighting its heritage, culture and tourism potential to a global audience. Is your ministry leveraging the expo to strengthen relationships and promote partnerships in tourism between Oman and Japan?**

We aim to sustain the momentum created by events like the expo to ensure the long-term promotion of Oman. While the expo is temporary, we plan to extend its impact by appointing promotional representatives in Madrid, followed by Singapore and Japan.

I have had the privilege of visiting Japan twice before. Both nations share similarities in heritage and traditions, and Japan serves as a model for balancing tradition with modernity. We aim to attract more Japanese visitors and investments to Oman, and we need to do more to achieve this.

Notably, a Japanese hospitality entity is set to begin operations in the Al Mouj area near Muscat within the next two to three years. We also plan to establish a regional office in Singapore to expand our promotional reach

across Asia, including Japan, Australia and New Zealand. Improving connectivity is essential, too. With effective management, Japanese travelers can easily include Oman in their itineraries involving Europe or other regions.

We will continue leveraging various platforms, including media, supplements and showcases, as part of an ongoing effort to expand our tourist numbers. Europe remains a key market for us and we hope to replicate the success we have had there in Japan.

**Investment in Oman's tourism sector is rising. Last year, the ministry revealed a plan to invest more than \$31 billion in improving and promoting the country's tourism offerings by 2040. Furthermore, Oman has recently secured around \$2 billion in foreign direct investment for tourism projects. What makes Oman an attractive destination for Japanese investors and tourists?**

'We aim to attract more Japanese visitors and investments to Oman, and we need to do more to achieve this. Notably, a Japanese hospitality entity is set to begin operations in the Al Mouj area near Muscat.'

Salim Mohammed Almahruqi, Minister of Heritage and Tourism

Oman offers various incentives for investors and stands out in the region with its unique landscapes, heritage and culture. We welcome increased Japanese investment, building on the long-standing trade relationship between our countries.

Beyond trade, Japan has played a leading role in archaeology in Oman, with a Japanese archaeological team working here for over 30 years. One of 35 foreign archaeological groups in Oman, the Japanese team is renowned for its meticulous work. Their contributions highlight

the strong academic and cultural ties between our nations.

Oman offers tourists unique attractions that showcase its natural beauty and cultural heritage, such as the planned botanical garden. Visitors should also explore the captivating landscapes of the Hajar Mountains near Nizwa, the Strait of Hormuz in northern Oman and Sur, a historic maritime city that will host a new maritime museum within four years. In addition, our Masirah Island project aims to capitalize on that island's strategic location in the Indian Ocean, offering breathtaking scenery and significant tourism potential.

**Do you have any closing remarks for readers who are considering visiting or investing in Oman?**

Oman, part of the Gulf and Arab world, is witnessing significant transformation, especially in tourism. The region is investing heavily in

capacity-building to enhance its competitiveness with traditional markets, such as those in Europe and the Far East. Rich in history and authentic experiences, Oman aims to become a major global tourism destination.

Tourism serves as a bridge for peace and understanding between nations. Our region has been affected by polarization for a long time, but it is now focusing on contributing significantly to world tourism. Post-COVID, the Gulf has seen a strong recovery in tourism and we hope this trend continues.



The Musandam Khasab Oman Zipline offers panoramic views of the region's dramatic landscapes.

# Sultanate home to some of the most thrilling adventures on the planet

The Oman Adventure Center hosts the longest overwater zipline in the world and is the gateway to many other attractions for adventure seekers and fitness buffs

With five UNESCO World Heritage Sites, including 4,000-year-old irrigation systems and Bronze Age towers plus amazing landscapes, a glorious coastline, diverse cultural offerings and world-class facilities for adventure, business, medical, wellness and marine tourism, Oman is the perfect place for any traveler.

For those visitors seeking adventure in stunning natural environments, "The Strait of Hormuz and the Musandam region in northern Oman is an essential destination for high-quality, thrilling experiences," said Minister of Heritage and Tourism Salim Mohammed Almahruqi.

The gateway to those experiences is the Oman Adventure Center in Khasab, a small harbor city in Musandam. Opened in 2023, this extensive cutting-edge center was created by the state-owned Oman Group in collaboration with the Ministry of Heritage and Tourism, the region's government, and Leisure and Entertainment Operations Services, a specialist in the management of major global leisure and entertainment properties.

Oman is dedicated to developing sustainable and authentic tourism projects that garner worldwide attention. It has certainly met that goal with the Oman Adventure Center, which has gained a place in the Guinness Book of Records for its standout attraction that is the longest over-water zipline on the planet.

The dizzyingly exciting Musandam Khasab Oman Zipline spans around 1,800 meters and allows those brave enough to fly at speeds of around 80 kph and about 200 meters above

water. Participants are also rewarded with panoramic views of the Musandam region's majestic mountains, green valleys, rugged fjords and soft-sanded beaches. After receiving guidance from trained professionals, individuals or couples can enjoy unforgettable trips along the dual zipline, which meets the most rigorous international safety standards. Visitors can combine a zipline flight with some of the many other adventure activities available from the integrated center. These include snorkeling with sea turtles, kayaking, wakeboarding and scuba diving in underwater caves and coral reefs that are teeming with marine life, as well as cruising, dolphin-watching and fishing in state-of-the-art modern vessels or traditional Musandam Omani boats.

On land, travelers can take spectacular mountain safaris in four-wheeled jeeps or hike along well-marked trails to explore Musandam's cool

Salim Mohammed Almahruqi  
Minister of Heritage and Tourism



An astounding 98,000 native plants will be on display when the Oman Botanic Garden opens later this year.







# experience oman

[www.experienceoman.om](http://www.experienceoman.om)

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