

Oman

March 2018

Executive Summary

This country fact sheet provides key trade and investment related statistics for Oman. Specifically, it shows Oman's trade and investment flows including an analysis of top markets and products with South Africa and the Western Cape highlighting the largest and fastest growing products and subsectors. The key highlights in the Oman country fact sheet are provided below:

Economy

Oman's economic growth will accelerate in 2018 due largely to a recovery in hydrocarbon production. From 2019 onwards, headline economic growth is expected to remain relatively robust despite a bleak outlook for oil production as the investment in the non-oil sector gathers momentum (BMI, 2018).

Economic growth will accelerate to 3.8% in 2018, up from an estimated 0.02% in 2017, owing largely to increasing oil and gas production. Over the period 2018 to 2022 Oman's economy is expected to expand by an average annual growth rate of 2.6% (BMI, 2018).

Trade

Exports for Oman in 2016 were valued at USD24.5bn while global imports from Oman were valued at USD23.3bn in 2016. Over the period analysed, Oman's trade balance over the period has been consistently positive.

South Africa exported goods to Oman valued at USD64m in 2017, while imported goods were valued at USD615m. The leading export product to Oman from South Africa in 2017, was citrus fruit valued at USD9.4m, followed by chromium ores and concentrates (USD8.8m).

The Western Cape exported goods to Oman valued at USD15m in 2017 while imported goods were valued at USD98m. The leading export product to Oman from the Western Cape was citrus fruit valued at USD6.5m, followed by fresh apples, pears and quinces (USD6.3m). The fastest growing export products were apricots, cherries, peaches (47%), transfers (decalcomanias) (45%) and other live animals (43%).

Investment

Between January 2003 and December 2017 a total of 85 FDI projects were recorded from Oman. These projects represent a total capital investment of USD9.01bn. Financial services received the largest FDI from Oman by projects accounting for 26%, followed by transportation and, food and tobacco, at 14% and 11% respectively.

Between January 2003 and December 2017 a total of 2 FDI projects were recorded from South Africa into Oman. These projects represent a total capital investment of USD21.60m which is an average investment of USD10.80m per project. During the period, a total of 26 jobs were created.

Tourism

The outbound travel market from Oman is small; however, high levels of growth are expected, reaching 1.77 million by 2022. The number of Oman's outbound tourists are expected to increase by an average annual growth rate of 1.6% between 2018 and 2022.

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1. General Information

Oman is an Arab country on the south eastern coast of the Arabian Peninsula in Western Asia. Holding a strategically important position at the mouth of the Persian Gulf, the country shares land borders with the United Arab Emirates to the northwest, Saudi Arabia to the west, and Yemen to the southwest, and shares marine borders with Iran and Pakistan. The coast is formed by the Arabian Sea on the southeast and the Gulf of Oman on the northeast. The Madha and Musandam exclaves are surrounded by the UAE on their land borders, with the Strait of Hormuz (which it shares with Iran) and Gulf of Oman forming Musandam's coastal boundaries.

Oman is a member of the United Nations, the Arab League, the Gulf Cooperation Council, the Non-Aligned Movement and the Organisation of Islamic Cooperation. Oman takes place in a framework of an absolute monarchy whereby the Sultan of Oman is not only head of state, but also the head of government.

GENERAL INFORMATION	
Capital City	Muscat
Government Type	Absolute Monarchy
Chief of State	Sultan and Prime Minister Qaboos bin Said Al-Said
Population	4,613,241 (July 2017 est.)
Life Expectancy	75.7 years
Literacy	93%
Ethnic Groups	Arab, Baluchi, South Asian (Indian, Pakistani, Sri Lankan, Bangladeshi), African
Religions	Muslim 85.9%, Christian 6.5%, Hindu 5.5%, Buddhist 0.8%, Jewish <0.1%, other 1%, unaffiliated 0.2% (2010 est.)
Languages	Arabic (official), English, Baluchi, Urdu, Indian dialects
HDI Value (2016 Report)	0.796 (Rank 52)
Exchange Rate	1 Omani Rial is 30,70 Rands

Sources: CIA World Factbook, 2018; World Bank Data, 2018; United Nations Data 2018

2. Economic Overview

By regional standards, Oman has a relatively diversified economy, but remains dependent on oil exports. Oman is heavily dependent on its dwindling oil resources, which generate 84% of government revenue. In 2016, low global oil prices drove Oman's budget deficit to USD11.5 billion, or approximately 19% of GDP, but the budget deficit was reduced to 13% of GDP in 2017 as Oman reduced government subsidies.

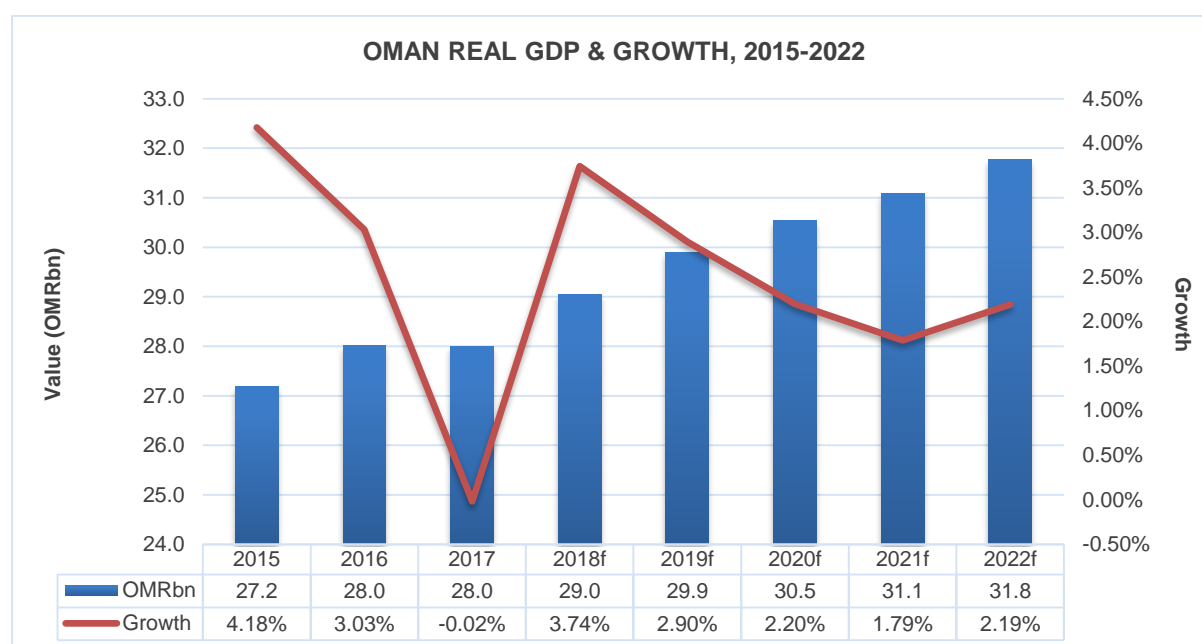
Oman is using enhanced oil recovery techniques to boost production, but has simultaneously pursued a development plan that focuses on diversification, industrialization, and privatization, with the objective of reducing the oil sector's contribution to GDP from 46% at present to 9% by 2020 in accordance with Oman's ninth five-year development plan. Tourism and gas-based industries are key components of the government's diversification strategy.

ECONOMIC INFORMATION	
GDP (PPP) (2017 est.)	USD187.9 billion
GDP growth (2017 est.)	0%
GDP per capita (PPP) (2017 est.)	USD45,500
Inflation (Avg. 2017)	3.2%
Commercial Bank Prime Lending Rate (31 December 2017 est.)	5.4% (31 December 2017 est.)
Unemployment rate (2014)	15%
Doing Business, 2018 Report (ranking out of 190)	71
Total Exports (2017)	USD31.9 billion
Total Imports (2017)	USD22.71 billion

Sources: CIA World Factbook 2018; Doing Business Report 2018; World Bank International Labour Organisation, 2018

According to BMI (2017), Oman's economic growth will accelerate in 2018 due largely to a recovery in hydrocarbon production. From 2019 onwards, headline economic growth is expected to remain relatively robust despite a bleak outlook for oil production as the investment in the non-oil sector gathers momentum.

Economic growth will accelerate to 3.8% in 2018, up from an estimated -0.02% in 2017, owing largely to increasing oil and gas production. Over the period 2018 to 2022 Oman's economy is expected to expand by an average annual growth rate of 2.6%.



Source: IMF, 2018

Oman's main industries include crude oil production and refining, natural and liquefied natural gas production; construction, cement, copper, steel, chemicals, optic fiber. While the main agricultural products produced in the country are dates, limes, bananas, alfalfa, vegetables; camels, cattle; fish.

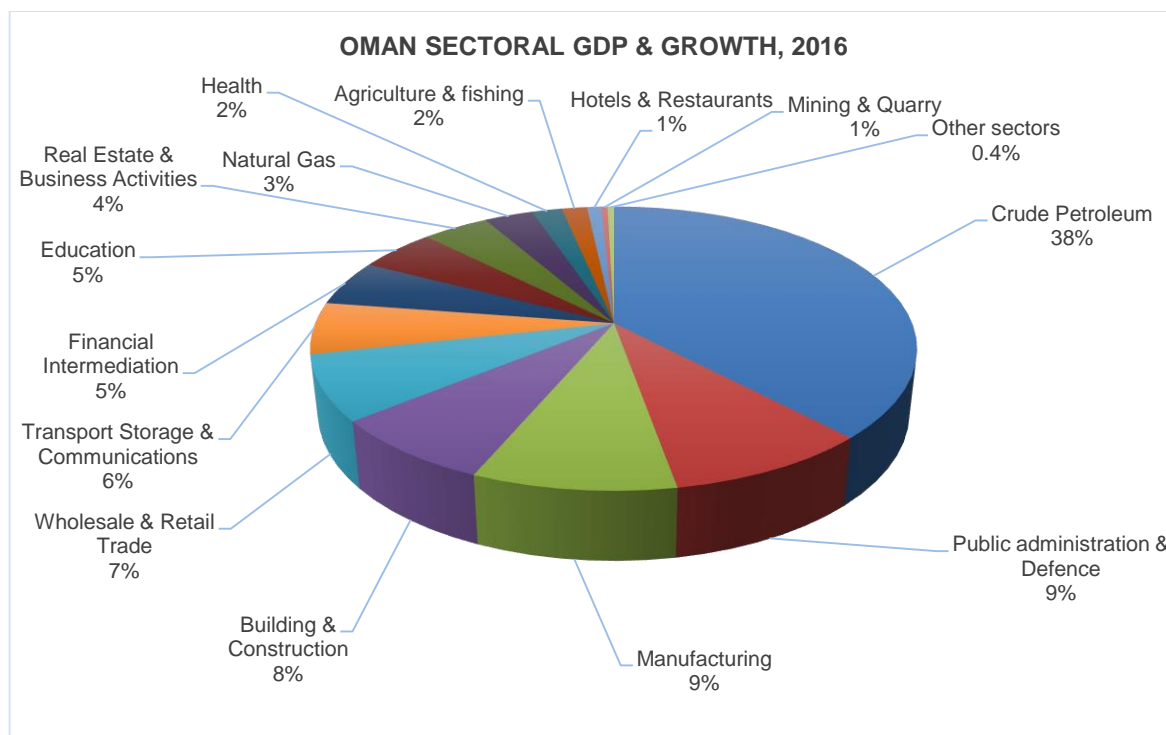
Oil and gas

Oman's proved reserves of petroleum total about 5.5 billion barrels, ranks 25th largest in the world. Oil is extracted and processed by Petroleum Development Oman (PDO), with proven oil reserves holding approximately steady, although oil production has been declining. Oman's natural gas reserves are estimated at 849.5 billion cubic meters, ranking 28th in the world, and production in 2008 was about 24 billion cubic meters per year.

Tourism

Tourism in Oman has recently grown considerably, and it is expected to be one of the largest industries in the country. The World Travel & Tourism Council stated that Oman is the fastest growing tourism destination in the Middle East. Oman has one of the most diverse environments in the Middle East with various tourist attractions and is particularly well known for cultural tourism.

As indicated in the graph below Oman's crude petroleum sector, with its contribution of 38% towards GDP, accounted for the largest share of economic output in 2016.



Source: Oman National Centre for Statistics and Information, 2018

The companies in the table below represent the top companies in Oman's stock exchange in 2017.

TOP OMAN COMPANIES ON THE STOCK EXCHANGE, 2017		
RANK	COMPANY	MARKET CAPITAL (2017) (Omani Rial)
Financial Sector		
1	Bank Muscat	1,067,488,570
2	Bank Dhofar	501,244,414
3	Ominvest	325,906,409
4	National Bank Of Oman	309,704,068
5	Bank Sohar	271,266,229
Industrial		
1	Raysut Cement	156,000,000
2	Oman Cement	135,657,811
3	Oman Cables Industry	101,809,500
4	Al Anwar Ceramic Tiles	36,434,283
5	Al Jazeera Steel Products	34,971,429
Services		
1	Oman Telecommunication	903,750,000
2	Ooredoo	342,396,665
3	Sembcorp Salalah	219,551,549
4	Phoenix Power	201,839,001
5	Oman Investment And Finance	27,400,000

Source: Oman Stock Exchange-Muscat Securities Market, 2018

2.1 Doing Business in Oman

The World Bank Group in its annual *Doing Business 2018* report ranked Oman 71st out of 190 countries monitored in terms of its ease of doing business.

Oman's relative strengths in terms of ease of doing business include paying taxes, with the country ranking 11th globally in this category, starting a business (31st), registering property (54th) and dealing with construction permits (60th).

OMAN'S RANKINGS - DOING BUSINESS, 2018 REPORT	
INDICATORS	2018 RANKING (OUT OF 190 COUNTRIES)
Starting a Business	31
Dealing with Construction Permits	60
Getting Electricity	61
Registering Property	54
Getting Credit	133
Protecting Investors	124
Paying Taxes	11
Trading Across Borders	71
Enforcing Contracts	67
Resolving Insolvency	98
Doing Business 2017	71

Source: World Bank Group's *Doing Business, 2018 Report*

2.2 Oman's Sovereign Credit Ratings

"A sovereign credit rating is the credit rating of a country or sovereign entity. Sovereign credit ratings give investors insight into the level of risk associated with investing in a particular country and also include political risks. At the request of the country, a credit rating agency will evaluate the country's economic and political environment to determine a representative credit rating". Source: Investopedia

While a number of credit agencies exist, the three most recognised credit ratings agencies globally are Fitch Ratings, Moody's Investors Services and Standard & Poor's (S&P). Reasons for a country/sovereign to seek a credit rating from one of these three agencies include not only to access funding in international bond markets via the issuance of bonds in external debt markets, but it is a means to attract foreign direct investment. Obtaining a good sovereign credit rating instils confidence in investors seeking to invest in that country, with the credit rating a means for the country to demonstrate financial transparency and credit standing.

Two key rating 'standards' exist, with the highest possible rating category being "AAA" according to S&P, which indicates that the rated country has extremely strong capacity to meet its financial commitments. A wide range of rating categories exists below this, with the categories ranging all the way down to SD (i.e. defaulted), which means the rated country has failed to pay one or more of its financial obligations when it came due.

In November 2017, Standard and Poor's lowered its long-term foreign and local currency sovereign credit rating on Oman to 'BB' from 'BB+'. According to the rating agency, Oman's ratings are constrained by its dependence on the hydrocarbon sector, despite efforts to diversify. In July 2017, Moody's downgraded Oman's long-term bond rating to Baa2 from Baa1, citing the country's limited-than-expected progress towards addressing "structural vulnerabilities".

OMAN'S SOVEREIGN CREDIT RATINGS, 2016			
CREDIT RATING AGENCY	STANDARD & POORS	MOODY'S INVESTOR SERVICES	FITCH RATINGS
CREDIT RATING	BB	Baa2	BBB-
OUTLOOK	Stable	Negative	Negative

Sources: Standard & Poor's; Moody's Investors Services; & Fitch Ratings

A number of alternative measures and rating scales exist to assess risks posed to companies and banks, particularly those pertaining to political and commercial risks when undertaking international commercial transactions. One such company which offers these services is Belgium's Delcredereuroire, the country's official export credit agency and public credit insurer.

The table below shows Delcredereuroire's current risk assessment of Oman in terms of export transactions and direct investments. Ratings are between 1 and 7, and between A and C, with 7 and C being the maximum risk indicators.

- In terms of political risk associated with exports transactions in Oman, these are deemed to be low in the short- and medium in the long-term.
- Commercial risk in turn is considered to be high risk.
- Regarding direct investment, with the exception of risk associated with expropriation and government action, all other categories are considered to be relatively low as indicated by scores awarded below but transfer risk is considered to be medium.

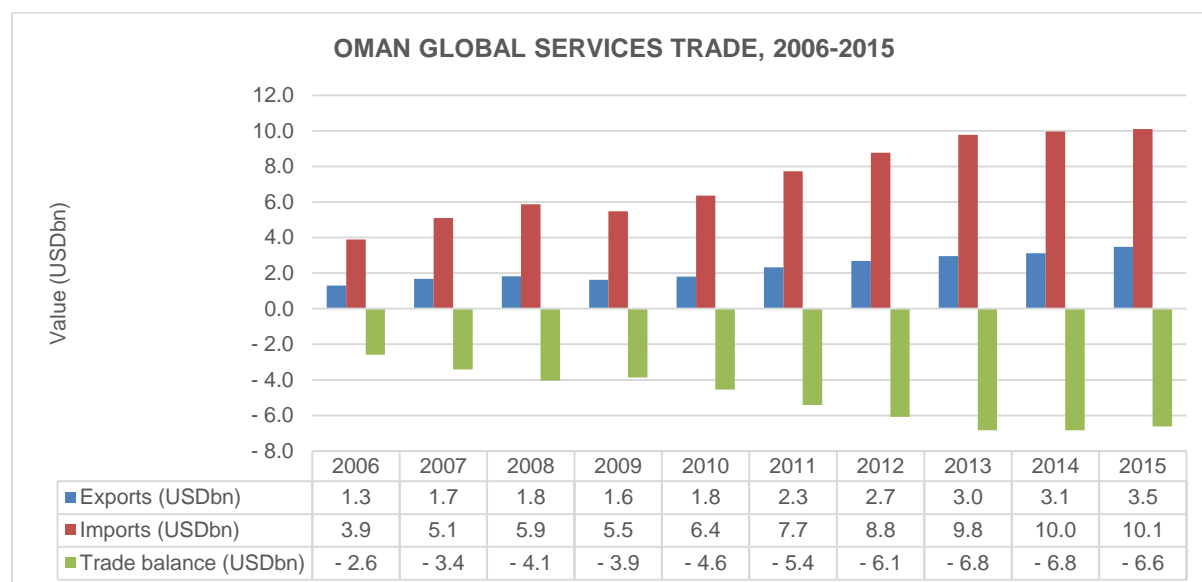
OMAN'S RISK ASSESSMENT - DELCREDEREDUCROIRE		
EXPORT TRANSACTIONS (Scale 1 – 7)*		
Political Risks	Short Term	2
	Medium-Long term	5
	Special Transactions	3
Commercial Risk	C	
DIRECT INVESTMENTS		
War risk	2	
Risk of expropriation and government action	3	
Transfer risk	5	

Source: ONDD, 2018

3. Trade

3.1 Oman Trade in Services

Oman's exports in services grew by 11.3% in 2015 to reach USD3.5bn. Over the period analysed Oman has consistently maintained a negative trade balance with imports outperforming export of services over the period analysed.



Source: TradeMap, 2018

Travel (defined as covering goods and services for own use or to be given away, acquired from an economy, by non-residents during visits to that economy) was the largest services export from Oman valued at USD1.5bn followed by transport valued at USD1.3bn.

Transport was the largest import service into Oman's valued at USD3.9bn followed by other business services (includes merchant activity and other trade-related services, operational leasing (rental), miscellaneous business, professional, and technical services and other services) valued at USD3.3bn.

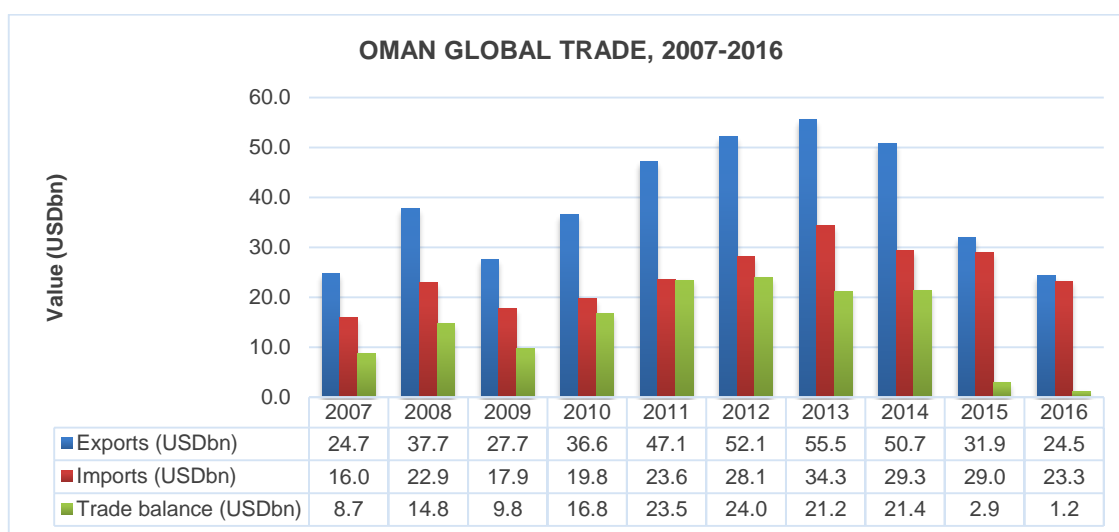
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SERVICES EXPORTED BY OMAN, 2015				SERVICES IMPORTED BY OMAN, 2015			
CODE	SERVICE	VALUE 2015 (USDm)	% GROWTH 2011-2015	CODE	SERVICE	VALUE 2015 (USDm)	% GROWTH 2011-2015
4	Travel	1 540	14.72%	3	Transport	3 909	8.63%
3	Transport	1 257	21.58%	10	Other business services	3 336	12.10%
10	Other business services	556	8.18%	4	Travel	1 739	11.75%
9	Telecommunications, computer, and information services	89	4.49%	6	Insurance and pension services	1 006	7.07%
6	Insurance and pension services	41	10.82%	9	Telecommunications, computer, and information services	114	31.16%
TOTAL EXPORTS		3 483	14.27%	TOTAL IMPORTS		10 102	9.94%

Source: TradeMap, 2018

3.2 Oman Global Trade

Exports for Oman in 2016 were valued at USD24.5bn while global imports from Oman were valued at USD23.3bn in 2016. Over the period analysed, Oman's trade balance over the period has been consistently positive.

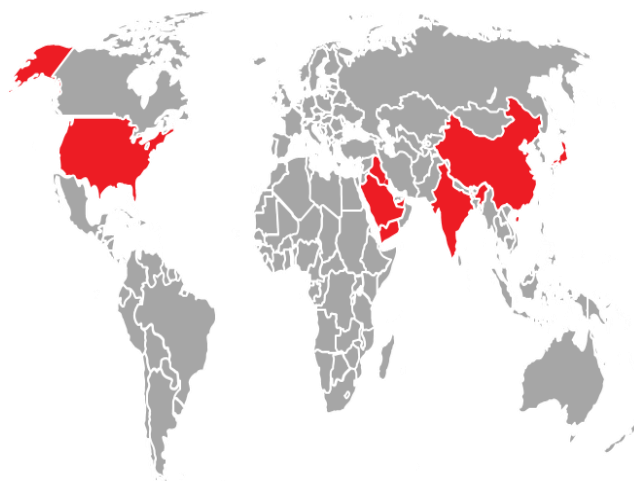


Source: TradeMap, 2018

China was the leading export market for Oman with a value of USD10.7bn in 2016. The United Arab Emirates and India rank second and third valued at USD1.8bn and USD924m respectively. South Africa was Oman's 12th largest export market valued at USD307m.

TOP 10 DESTINATION COUNTRIES FOR OMAN'S EXPORTS, 2016			
RANK	COUNTRY	VALUE 2016 (USDm)	% GROWTH 2012-2016
1	China	10 665	255.49%
2	United Arab Emirates	1 841	11.10%
3	India	924	-22.18%
4	Taipei, Chinese	881	570.36%
5	United States	812	25.30%
6	Iraq	759	109.82%
7	Saudi Arabia	710	8.55%
8	Japan	608	939.90%
9	Korea, Republic of	560	269.49%
10	Yemen	518	111.78%
12	South Africa	307	71.01%
TOTAL EXPORTS		24 455	-10.38%

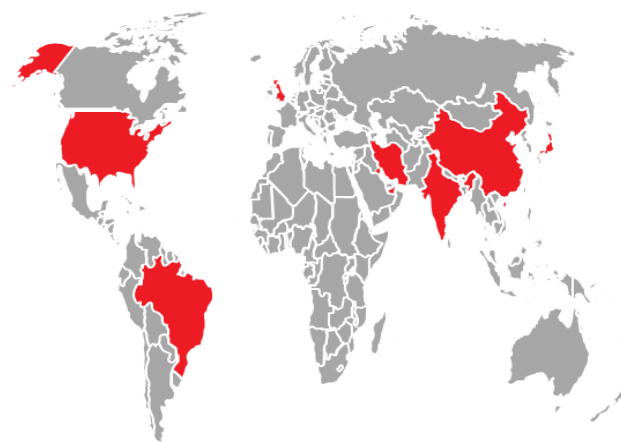
Source: TradeMap, 2018



The United Arab Emirates was the leading import market in 2016, valued at USD10.5bn. China and India were ranked second and third valued at USD1.1bn and USD924m respectively. South Africa was ranked the 50th largest import market for Oman valued at USD11m.

TOP 10 SOURCE MARKETS FOR OMAN'S IMPORTS, 2016			
RANK	COUNTRY	VALUE 2016 (USDm)	% GROWTH 2012-2016
1	United Arab Emirates	10 480	12.11%
2	China	1 125	3.33%
3	India	1 122	15.40%
4	Saudi Arabia	813	-0.34%
5	United States of America	767	-9.31%
6	Iran, Islamic Republic of	642	50.80%
7	Japan	506	68.27%
8	Brazil	375	0.20%
9	Singapore	356	45.39%
10	United Kingdom	342	-5.10%
50	South Africa	11	-13.25%
TOTAL EXPORTS		23 260	1.13%

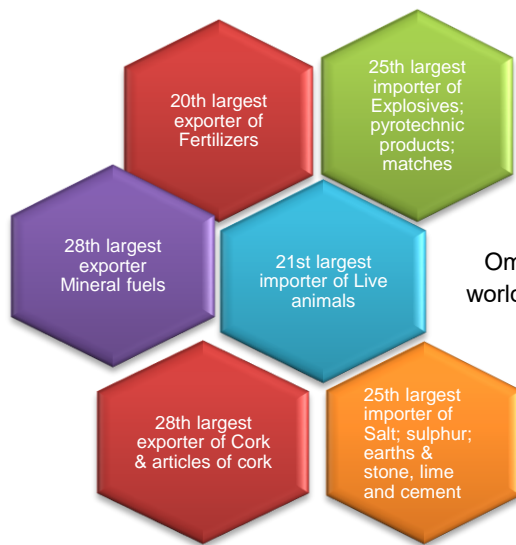
Source: TradeMap, 2018



Crude petroleum oils was the leading export product from Oman valued at USD12.9b, followed by refined petroleum oils valued at USD2.4bn. Refined petroleum oils was the leading imported product into Oman, valued at USD1.9bn, followed by gold valued at USD559m.

TOP 10 PRODUCTS EXPORTED BY OMAN 2016				TOP 10 PRODUCTS IMPORTED BY OMAN, 2016			
RANK	PRODUCT	VALUE 2016 (USDm)	% GROWTH 2012-2016	RANK	PRODUCT	VALUE 2016 (USDm)	% GROWTH 2012-2016
1	Crude petroleum oils and oils obtained from bituminous minerals	12 868	-10.46%	1	Refined oils and oils obtained from bituminous minerals (excluding crude	1 861	44.50%
2	Refined petroleum oils and oils obtained from bituminous minerals	2 357	18.52%	2	Gold, incl. gold plated with platinum, unwrought	559	58.25%
3	Mineral or chemical nitrogenous fertilisers	502	-11.10%	3	Telephone sets, incl. telephones for cellular networks	508	1894.46%
4	Unwrought aluminium	477	2.03%	4	Cement, incl. cement clinkers, whether or not coloured	415	18.39%
5	Cyclic hydrocarbons	464	4.43%	5	Articles of jewellery and parts thereof, of precious metal	373	29.23%
6	Acyclic alcohols and their halogenated, sulphonated, nitrated or nitrosated derivatives	358	-10.63%	6	Iron ores and concentrates, incl. roasted iron pyrites	338	2.36%
7	Semi-finished products of iron or non-alloy steel	273	112.65%	7	Taps, cocks, valves and similar appliances for pipes, boiler shells, tanks, vats	335	12.13%
8	Insulated "incl. enamelled or anodised" wire, cable "incl. coaxial cable"	258	3.14%	8	Palm oil and its fractions, whether or not refined	315	28.67%
9	Oils and other products of the distillation of high temperature coal tar	213	228199.61%	9	Milk and cream, concentrated or containing added sugar	290	1.74%
10	Milk and cream, concentrated	175	-3.61%	10	Medicaments consisting of mixed or unmixed products for therapeutic or prophylactic	278	7.84%
TOTAL EXPORTS		24 455	-10.38%	TOTAL IMPORTS		23 260	1.13%

Source: TradeMap, 2018



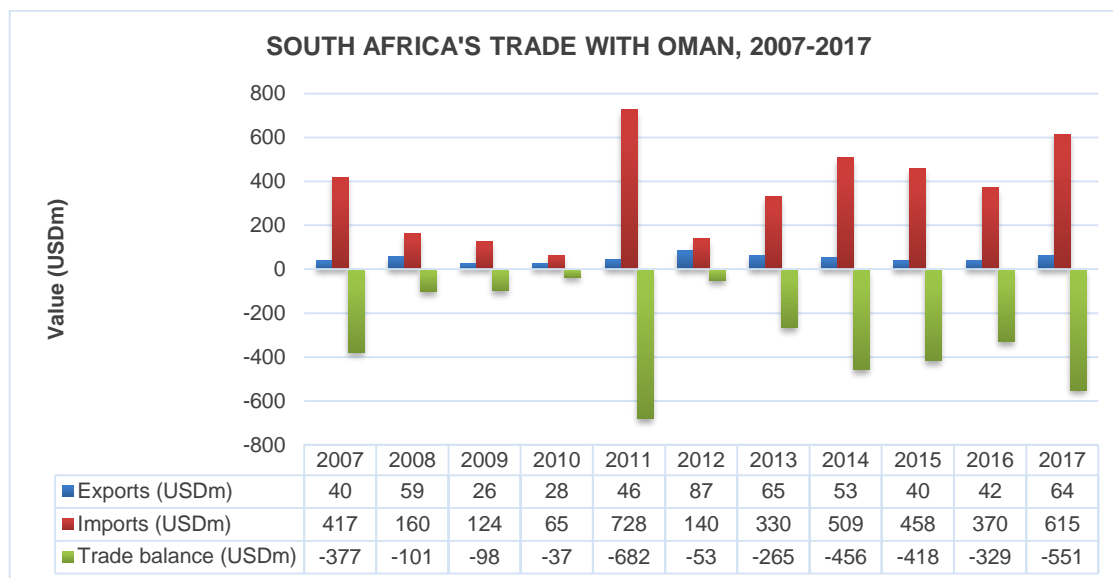
Oman's imports represent 0.2% of world imports and is the world 64th largest importer.

Oman's exports represent 0.1% of world exports and is the world's 66th largest exporter.

Source: TradeMap, 2018

3.3 Trade with South Africa

South Africa exported goods to Oman valued at USD64m in 2017, while imported goods were valued at USD615m. South Africa has maintained a trade deficit with Oman, with imports exceeding exports over the period 2007 to 2017. The huge trade deficit over the period is attributed to refined petroleum that represented 95% of all imports from Oman into South Africa from 2007 to 2017.



Source: Quantec, 2018

The leading export product to Oman from South Africa in 2017 was citrus fruit valued at USD9.4m, followed by chromium ores and concentrates (USD8.8m). The leading import product into South Africa from Oman was refined petroleum valued at USD585m with a share of 95%.

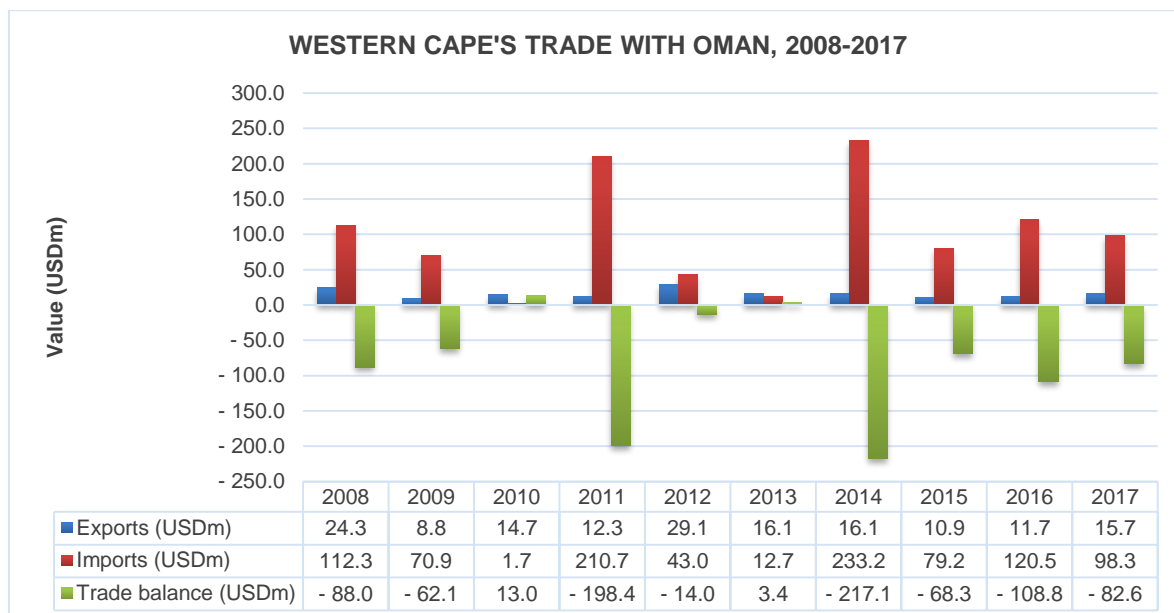
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SOUTH AFRICA'S EXPORTS TO OMAN, 2017				SOUTH AFRICA'S IMPORTS FROM OMAN, 2017			
RANK	PRODUCT	VALUE 2017 (USDm)	% GROWTH 2013-2017 (USD)	RANK	PRODUCT	VALUE 2017 (USDm)	% GROWTH 2013-2017 (USD)
1	Citrus fruit, fresh or dried.	9.4	17.70%	1	Refined petroleum oils and oils obtained from bituminous minerals	585.3	57.15%
2	Chromium ores and concentrates.	8.8	-	2	Aluminium wire.	18.4	17.31%
3	Apples, pears and quinces, fresh.	7.0	7.19%	3	Other plates, sheets, film, foil and strip, of plastics	2.8	3.55%
4	Copper bars, rods and profiles.	4.0	-	4	Gypsum; anhydrite; plasters	1.9	-
5	Motor cars and other motor vehicles principally designed for the transport of persons	3.2	-	5	Sauces and preparations thereof; mixed condiments and mixed seasonings; mustard flour	1.3	231.21%
6	Air or vacuum pumps, air or other gas compressors and fans; ventilating	2.5	5370.89%	6	Polyacetals, other polyethers and epoxide resins, in primary forms; polycarbonates, alkyd resins	1.1	-
7	Copper tubes and pipes.	2.1	19.07%	7	Other aircraft (for example, helicopters, aeroplanes); spacecraft	1.0	-
8	Motor vehicles for the transport of goods.	1.8	181.01%	8	Articles for the conveyance or packing of goods, of plastics; stoppers, lids	0.5	17.27%
9	Structures and parts of structures (for example, bridges and bridge-sections, lock-gates, towers, lattice masts	1.7	175.42%	9	Margarine; edible mixtures or preparations of animal or vegetable fats	0.4	-
10	Machinery for sorting, screening, separating, washing, crushing, grinding, mixing or kneading earth, stone, ores	1.6	722.89%	10	Natural calcium phosphates, natural aluminium calcium phosphates	0.4	-
TOTAL EXPORTS		64.0	-2.15%	TOTAL IMPORTS		615.1	45.36%

Source: Quantec, 2018

3.4 Western Cape Trade with Oman

The Western Cape exported goods to Oman valued of USD16m in 2017 while imported goods were valued at USD98m. Except for 2010 and 2013, the Western Cape has maintained a trade deficit with Oman, with imports exceeding exports over the period analysed. The huge spikes in imports in 2011 and 2014 are attributed to the increase in refined petroleum oils into the Western Cape from Oman.



Source: Quantec, 2018

The leading export product to Oman from the Western Cape was citrus fruit valued at USD6.5m, followed by fresh apples, pears and quinces (USD6.3m). The fastest growing export products were apricots, cherries, peaches (47%), transfers (decalcomanias) (45%) and other live animals (43%).

The leading import product into the Western Cape from Oman was refined petroleum valued at USD95m and accounting for 97% of all imports in 2017.

WESTERN CAPE'S EXPORTS TO OMAN, 2017				WESTERN CAPE'S IMPORTS FROM OMAN, 2017			
RANK	PRODUCT	VALUE 2017 (USD)	% GROWTH 2013-2017 (USD)	RANK	PRODUCT	VALUE 2017 (USD)	% GROWTH 2013-2017 (USD)
1	Citrus fruit, fresh or dried.	6 511 190	7.90%	1	Refined petroleum oils and oils obtained from bituminous minerals,	95 437 914	473.64%
2	Apples, pears and quinces, fresh.	6 322 943	7.92%	2	Other plates, sheets, film, foil and strip, of plastics, non-cellular and not reinforced, laminated	2 106 223	42.04%
3	Grapes, fresh or dried.	1 115 578	24.86%	3	Polyacetals, other polyethers and epoxide resins	674 494	-
4	Apricots, cherries, peaches (including nectarines), plums and sloes, fresh.	432 532	47.53%	4	Sauces and mixed seasonings; mustard flour and meal and prepared mustard.	36 765	-
5	Transfers (decalcomanias).	268 829	44.84%	5	Machines and mechanical appliances having individual functions	20 713	-
6	Fruit juices and vegetable juices,	213 983	-	6	Antiques of an age exceeding one hundred years.	9 790	-
7	Other floating structures (for example, rafts, tanks, coffer-dams, landing-stages, buoys and beacons).	105 424	-	7	Articles for the conveyance or packing of goods, of plastics; stoppers, lids, caps and other closures, of plastics.	3 416	74.14%
8	Fruit, nuts and other edible parts of plants, otherwise prepared or preserved	103 264	-	8	Perfumes and toilet waters.	2 070	-

WESTERN CAPE'S EXPORTS TO OMAN, 2017				WESTERN CAPE'S IMPORTS FROM OMAN, 2017			
RANK	PRODUCT	VALUE 2017 (USD)	% GROWTH 2013-2017 (USD)	RANK	PRODUCT	VALUE 2017 (USD)	% GROWTH 2013-2017 (USD)
9	Beauty or make-up preparations and preparations for the care of the skin	91 568	-	9	-	-	-
10	Other live animals.	78 871	43.36%	10	-	-	-
TOTAL EXPORTS		15 693 994	-7.10%	TOTAL IMPORTS		98 293 017	325.72%

Source: Quantec, 2018

3.5 Tariffs

Oman is a member of the Gulf Cooperation Council, which allows for duty-free trade between its members and with other countries with which it has a free trade agreement. The GCC has a free trade agreement with EFTA (Iceland, Liechtenstein, Norway, and Switzerland) countries (2010).

Tariffs imposed by Oman on imports from South Africa for 2016 are listed below. South Africa's tobacco has the highest tariff (172%) of all goods imported into Oman.

TARIFFS IMPOSED ON SOUTH AFRICAN IMPORTS BY OMAN, 2016					
HS CODE AND PRODUCT DESCRIPTION	TARIFF (%)	HS CODE AND PRODUCT DESCRIPTION	TARIFF (%)	HS CODE AND PRODUCT DESCRIPTION	TARIFF (%)
H01: Live animals	0	H33: Essential oils, perfumes, cosmetics, toiletries	5	H65: Headgear and parts thereof	5
H02: Meat and edible meat offal	5	H34: Soaps, lubricants, waxes, candles, modelling pastes	5	H66: Umbrellas, walking-sticks, seat-sticks, whips	5
H03: Fish, crustaceans, molluscs, aquatic invertebrates	3	H35: Albuminoids, modified starches, glues, enzymes	5	H67: Bird skin, feathers, artificial flowers, human hair	5
H04: Dairy products, eggs, honey, edible animal product	5	H36: Explosives, pyrotechnics, matches, pyrophorics	5	H68: Stone, plaster, cement, asbestos, mica, articles	5
H05: Products of animal origin	6	H37: Photographic or cinematographic goods	5	H69: Ceramic products	5
H06: Live trees, plants, bulbs, roots, cut flowers	4	H38: Miscellaneous chemical products	5	H70: Glass and glassware	5
H07: Edible vegetables and certain roots and tubers	2	H39: Plastics and articles thereof	5	H71: Pearls, precious stones, metals, coin	4
H08: Edible fruit, nuts, peel of citrus fruit, melons	1	H40: Rubber and articles thereof	5	H72: Iron and steel	5
H09: Coffee, tea, mate and spices	1	H41: Raw hides and skins (other than furskins) and leather	6	H73: Articles of iron or steel	5
H10: Cereals	0	H42: Articles of leather, animal gut, harness, travel goods	5	H74: Copper and articles thereof	5
H11: Milling products, malt, starches, inulin, wheat gluten	2	H43: Furskins and artificial fur, manufactures thereof	5	H75: Nickel and articles thereof	5
H12: Oil seed, oleagious fruits, grain, seed, fruit	2	H44: Wood and articles of wood, wood charcoal	5	H76: Aluminium and articles thereof	5
H13: Lac, gums, resins, vegetable saps and extracts	5	H45: Cork and articles of cork	5	H78: Lead and articles thereof	5
H14: Vegetable plaiting materials, vegetable products	5	H46: Manufactures of plaiting material, basketwork, etc.	5	H79: Zinc and articles thereof	5
H15: Animal, vegetable fats and oils, cleavage products	5	H47: Pulp of wood, fibrous cellulosic material, waste	5	H80: Tin and articles thereof	5
H16: Meat, fish and seafood food preparations	9	H48: Paper & paperboard, articles of pulp, paper and board	5	H81: Other base metals, cermets, articles thereof	5
H17: Sugars and sugar confectionery	1	H49: Printed books, newspapers, pictures	2	H82: Tools, implements, cutlery, of base metal	5
H18: Cocoa and cocoa preparations	18	H50: Silk	5	H83: Miscellaneous articles of base metal	5
H19: Cereal, flour, starch, milk preparations and products	3	H51: Wool, animal hair, horsehair yarn and fabric thereof	5	H84: Nuclear reactors, boilers, machinery	4
H20: Vegetable, fruit, nut food preparations	9	H52: Cotton	5	H85: Electrical, electronic equipment	3
H21: Miscellaneous edible preparations	5	H53: Vegetable textile fibres paper yarn, woven fabric	5	H86: Railway, tramway locomotives, rolling stock, equipment	5
H22: Beverages, spirits and vinegar	47	H54: Manmade filaments	5	H87: Vehicles other than railway, tramway	2

TARIFFS IMPOSED ON SOUTH AFRICAN IMPORTS BY OMAN, 2016					
HS CODE AND PRODUCT DESCRIPTION	TARIFF (%)	HS CODE AND PRODUCT DESCRIPTION	TARIFF (%)	HS CODE AND PRODUCT DESCRIPTION	TARIFF (%)
H23: Residues, wastes of food industry, animal fodder	2	H55: Manmade staple fibres	5	H88: Aircraft, spacecraft, and parts thereof	0
H24: Tobacco and manufactured tobacco substitutes	172	H56: Wadding, felt, nonwovens, yarns, twine, cordage	5	H89: Ships, boats and other floating structures	4
H25: Salt, sulphur, earth, stone, plaster, lime and cement	5	H57: Carpets and other textile floor coverings	5	H90: Optical, photo, technical, medical apparatus	5
H26: Ores, slag and ash	5	H58: Special woven or tufted fabric, lace, tapestry	5	H91: Clocks and watches and parts thereof	5
H27: Mineral fuels, oils, distillation products,	5	H59: Impregnated, coated or laminated textile fabric	5	H92: Musical instruments, parts and accessories	5
H28: Inorganic chemicals, precious metal compound, isotopes	5	H60: Knitted or crocheted fabric	5	H93: Arms and ammunition, parts and accessories thereof	5
H29: Organic chemicals	3	H61: Articles of apparel, accessories, knit or crochet	5	H94: Furniture, lighting, signs, prefabricated buildings	5
H30: Pharmaceutical products	0	H62: Articles of apparel, accessories, not knit or crochet	5	H95: Toys, games, sports requisites	5
H31: Fertilizers	5	H63: Other made textile articles, sets, worn clothing	5	H96: Miscellaneous manufactured articles	5
H32: Tanning, dyeing extracts, tannins, derivatives, pigments	5	H64: Footwear, gaiters and the like, parts thereof	5	H97: Works of art, collectors pieces and antiques	5

Source: Market Access Map, 2017

NOTE: Exporters should not take the HS2 tariff as conclusive and as the actual tariff that will be applied to the exported product. The tariffs indicated above are average tariffs and for products within the category it may be higher or lower than indicated. Where the tariff is zero it can be assumed that there is zero tariff applicable to all products within that HS code. Tariffs are determined according to the importing country's national tariff line from the HS6 level and upwards. Exporters are advised to visit www.macmap.org to determine the exact tariff applicable to the product at HS6.

3.6 Trade Regulations Markings and Standards

Import Requirements and Documentation

According to the Royal Oman Police Customs Directorate (ROP Customs) website, the following are required for clearance of imported goods:

- An accredited copy of commercial registration and an activity form or permission for importing if such a form doesn't exist.
- A valid copy of the affiliation certificate to Oman Chamber of Industry and Commerce (OCIC).
- A valid certificate from the manufacturer.
- A valid quotation list.
- Packing lists.
- Bill of lading at sea and air custom offices only.
- A manifest of the shipment (a document which contains a detailed description of the cargo).
- A permission of deliverance from the shipping agent.
- A comprehensive valid written authorization from the person in charge for custom clearance.
- Filling in the import statement and the form of clearing and classifying the goods according to the operating system along with other required documents which should be submitted To Whom It May Concern.
- In case there is an absence of a valid purchase invoice or a valid certificate from the manufacturer, the clearance will cost R.O 20 paid in cash. This money could be reimbursed if the required documents are submitted within 90 days from the date of payment.
- Providing an approval from the authority in charge for the restricted goods only.
- Paying the required taxes and custom fees for the total value of the shipment including cargo and insurance (CIF).

All imports into Oman above RO 1,000 must be accompanied by: an accredited copy of commercial registration; a copy of the affiliation certificate to the Oman Chamber of Commerce and Industry (OCCI); a commercial invoice, a bill of lading or airway bill; the relevant certificate or permit for restricted imports (section 3.2.6); and a certificate of origin for preferential imports.

Certain classes of goods require a special license (e.g., alcohol, firearms, pharmaceuticals, and explosives). All media imports are subject to censorship. The Ministry of Heritage and Culture may reject or expunge morally or

politically sensitive material from imported videos. The Ministry of Information delays or bars the entry of magazines and newspaper editions if it takes exception to a story on Oman or deems the content morally inappropriate. In practice, the effect of this censorship on non-pornographic materials is usually mild. Imports of pork products and alcoholic beverages are restricted. Oman generally does not comply with the Arab League boycott of Israel-origin imports, although in 2011 and 2012 there were reports of tenders featuring outdated language enforcing the boycott.

Labelling Requirements

Food labels must include product and brand names, production and expiration dates, country of origin, name and address of the manufacturer, net weight in metric units, and a list of ingredients in descending order of importance. All fats and oils (including gelatins) used as ingredients must be specifically identified on the label. Labels must be in Arabic only or Arabic/English, although some English-only labels may be approved for exceptional marketing purposes. Arabic stickers are accepted.

Oman enforces GCC Shelf Standards GS 150/1993, Part I, which affects 44 food products. The manufacturer-established shelf life is accepted for other food products. The manufacturer must print production and expiry dates on the original label or container; dates cannot be added to the package via a sticker.

For meat and poultry products, Oman requires slaughtering according to Islamic halal procedures. Packaged fresh or frozen meat and poultry must also carry the following information in Arabic: country of origin; production (slaughtering or freezing) and expiry dates; shelf life of the product; metric net weight; and product identification. Pre-packaged processed meat and poultry must be accompanied by production and expiry dates as well as the net weight of the product.

All precious metals, jewelry, and gemstones, whether imported or locally produced, must be hallmarked under Royal Decree 109/2000. The gold hallmarked scheme is operated by the Directorate General for Specifications and Measurements (DGSM's) precious metal assaying laboratory.

Oman prohibits exports of antiques, ancient manuscripts, and Maria Theresa Thalers (historic Omani currency tender). Export restrictions apply to date seedlings, and to three species of fish (lobster, abalone, and shark) during the breeding and reproduction seasons when fishing of these sea creatures is prohibited. In addition, export permits are needed for locally mined or quarried products. Oman has repeatedly banned or restricted the export of various species of fresh or frozen fish.

Prohibited Goods

Oman indicates that category "I" products, including live swine and illicit drugs, currently subject to prohibition, will become free of duty as of January 1, 2019, but will remain subject to prohibition.

Standards for Trade

As part of the GCC Customs Union, Oman is working toward unifying its standards and conformity assessment systems with those of the GCC, through the Gulf Standards Organization (GSO). Most Omani standards are either GSO standards or those derived from another international standards organization.

Source: The International Trade Administration (ITA), U.S. Department of Commerce

3.7 Port-to-Port Rates

Oman have 3 SeaPort and 2 industrial Port. The Port of Salalah is the largest port in Oman. The table below shows that it takes an estimated 17 hours from Cape Town port terminal to Oman's port Sohar.

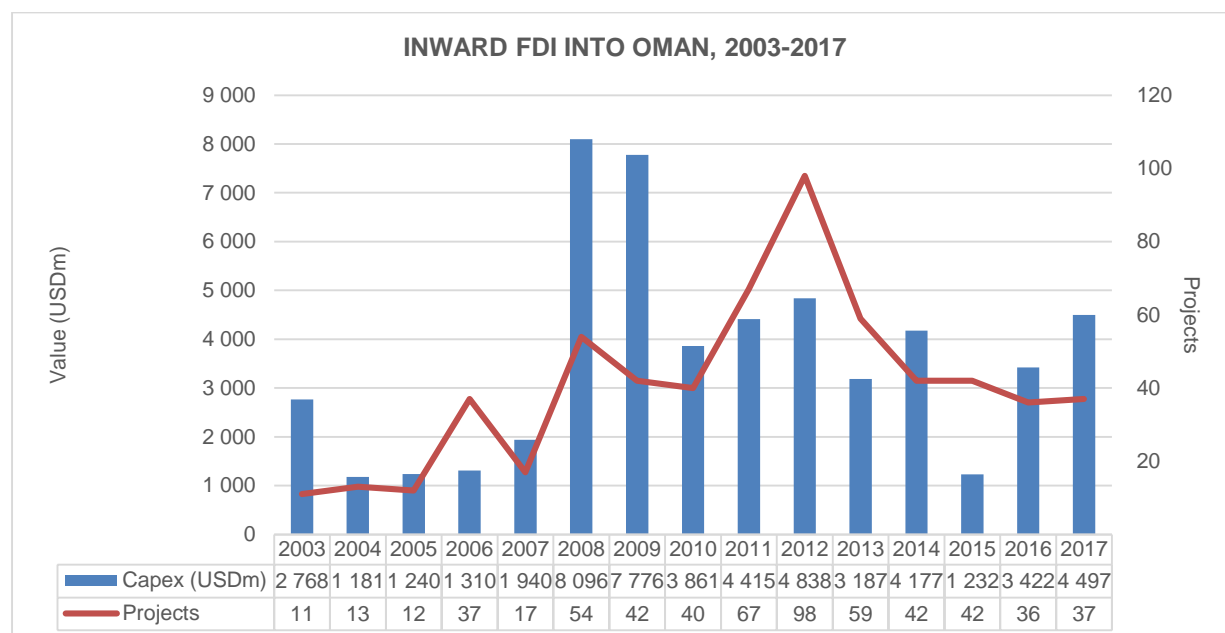
TRANSIT TIME FROM CAPE TOWN TERMINAL TO THE FOUR LARGEST PORTS IN OMAN, 2016		
TERMINAL	DISTANCE	TRANSIT TIME
Sohar	232.94 mi (431.41 km)	17 hours

Source: SeaRates, 2018

4. Investment

4.1 Global Investment into Oman

Between January 2003 and December 2017 a total of 607 FDI projects were recorded into Oman. These projects represent a total capital investment of USD53.94bn which is an average investment of USD88.90m per project. During the period, a total of 102,735 jobs were created.



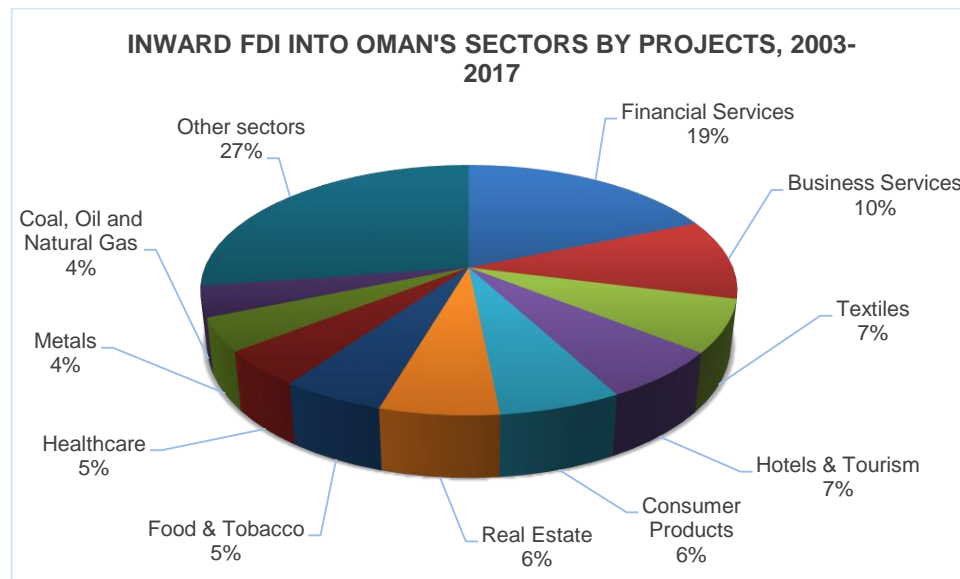
Source: FDI Intelligence, 2018

UAE was the largest source market for inward FDI into Oman in terms of projects, with 164 investment projects, accounting for 27.02%. India and the United States are ranked second and third accounting for 16.5% and 8.9% respectively.

TOP SOURCE MARKETS FOR FDI INTO OMAN, 2003 - 2017							
RANK	COUNTRY	PROJECTS	% PROJECTS	CAPEX (USDm)	% CAPEX	COMPANIES	% COMPANIES
1	UAE	164	27.02%	5 343	9.90%	94	21.27%
2	India	100	16.47%	7 282	13.50%	71	16.06%
3	United States	54	8.90%	6 737	12.49%	44	9.95%
4	UK	43	7.08%	4 890	9.07%	40	9.05%
5	Qatar	25	4.12%	3 697	6.85%	17	3.85%
6	France	20	3.29%	937	1.74%	17	3.85%
7	Saudi Arabia	20	3.29%	559	1.04%	9	2.04%
8	Kuwait	19	3.13%	2 059	3.82%	17	3.85%
9	Sri Lanka	19	3.13%	278	0.52%	2	0.45%
10	Germany	16	2.64%	2 018	3.74%	16	3.62%
Total		607	100%	53 940.3	100%	442	100%

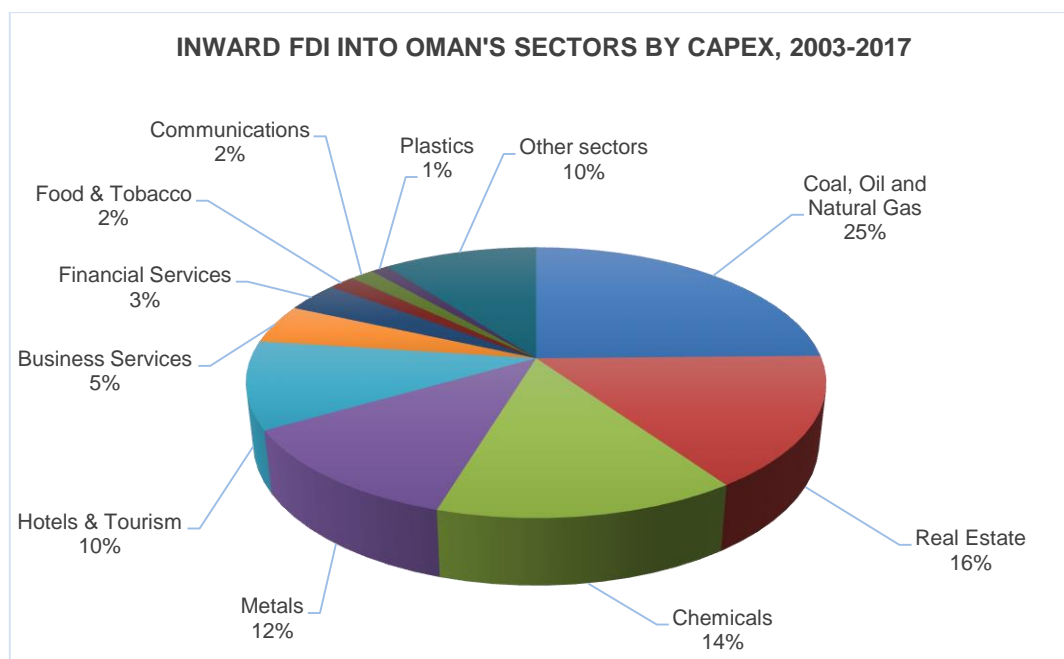
Source: FDI Intelligence, 2018

The financial services sector received the largest FDI, accounting for 19%, followed by the business services sector at 10%.



Source: FDI Intelligence, 2018

The coal, oil and natural gas sector received the largest FDI by capex accounting for 25% followed by the real estate sector at 16%.



Source: FDI Intelligence, 2018

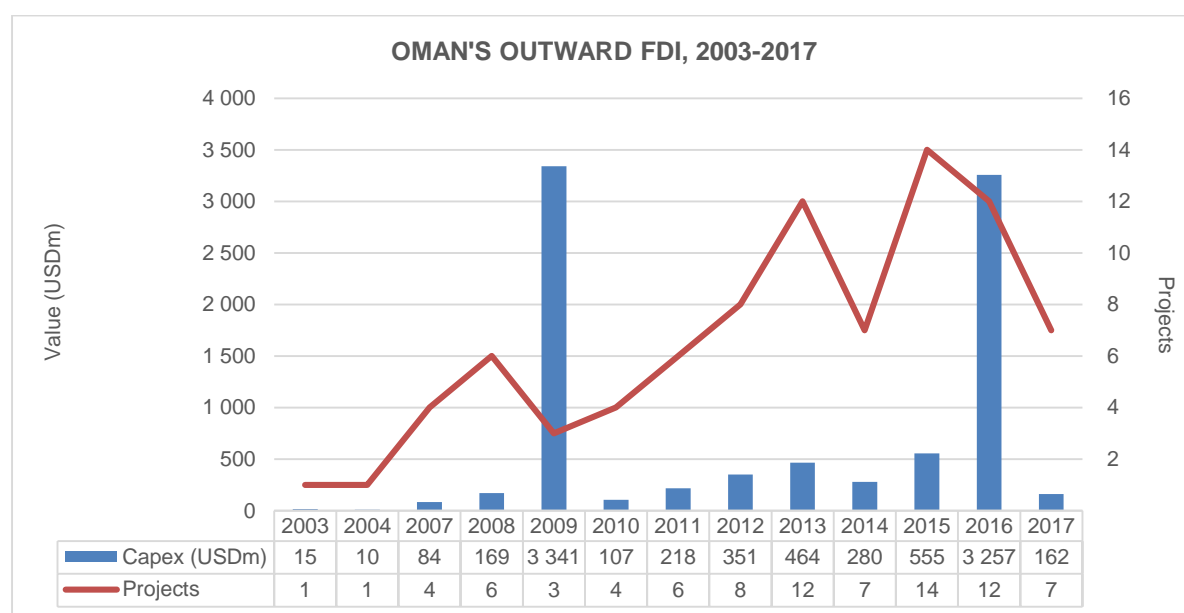
The top 10 companies for inward FDI into Oman for the period 2003 to 2017 are shown below.

TOP 10 INWARD FDI COMPANIES INTO OMAN, 2003 - 2017			
COMPANY	SECTOR	PROJECTS	CAPEX (USDm)
Asia Express Exchange	Financial services	18	272
Global Money Exchange	Financial services	17	257
Oman UAE Exchange	Financial services	14	211
Shifa Al Jazeera Medical Group	Healthcare	12	308
Landmark Group	Textiles	11	254
LuLu	Food & tobacco	8	547
Majid Al Futtaim Group (MAF Group)	Food & tobacco	8	319
Malabar Gold and Diamonds	Consumer Products	7	67
American International Group (AIG)	Financial services	5	128
Qatar National Bank (QNB)	Financial services	5	76
Total		607	53 940

Source: FDI Intelligence, 2018

4.2 Global Investment from Oman

Between January 2003 and December 2017 a total of 85 FDI projects were recorded from Oman. These projects represent a total capital investment of USD9.01bn which is an average investment of USD106.10m per project. During the period, a total of 7,971 jobs were created.



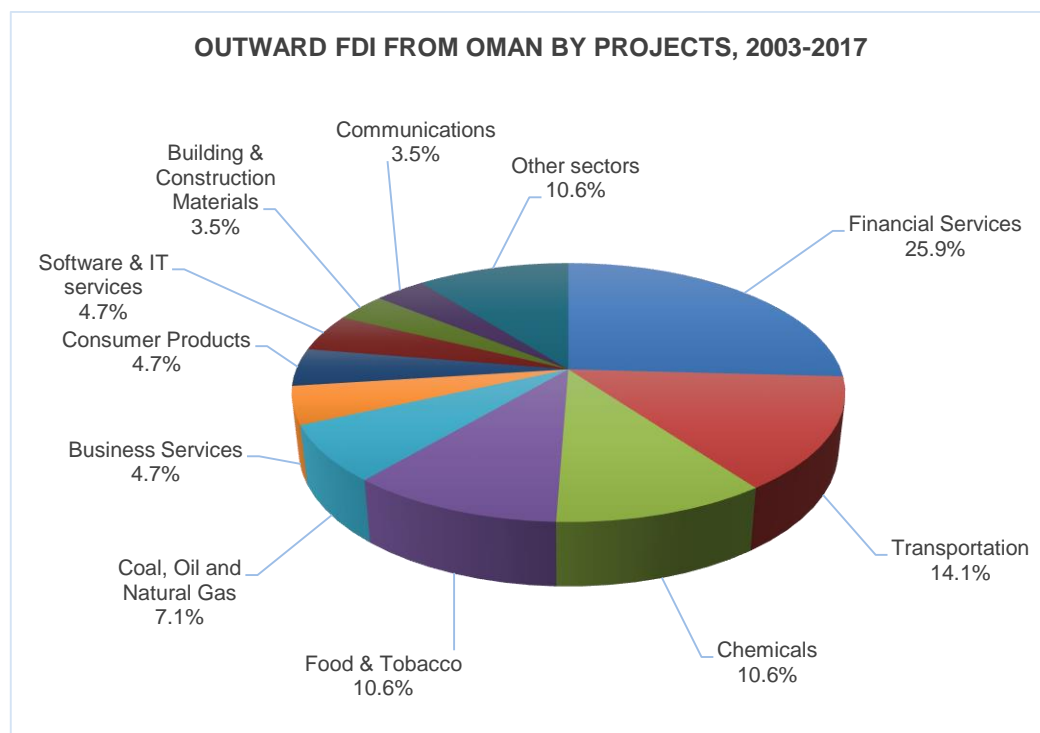
Source: FDI Intelligence, 2018

Bahrain was the largest destination market in terms of projects from Oman, with 15 investment projects, accounting for 17.65%. Saudi Arabia and UAE are ranked second and third accounting for 15.29% and 11.76% respectively.

TOP DESTINATION MARKETS FOR FDI OUT OF OMAN, 2003 - 2017							
RANK	COUNTRY	PROJECTS	% PROJECTS	CAPEX (USDm)	% CAPEX	COMPANIES	% COMPANIES
1	Bahrain	15	17.65%	230	2.56%	6	15.79%
2	Saudi Arabia	13	15.29%	1 164	12.91%	8	21.05%
3	UAE	10	11.76%	300	3.33%	10	26.32%
4	Kuwait	5	5.88%	91	1.01%	5	13.16%
5	Qatar	5	5.88%	105	1.16%	5	13.16%
6	Indonesia	4	4.71%	2 745	30.45%	2	5.26%
7	India	3	3.53%	2 446	27.14%	3	7.89%
8	Germany	2	2.35%	56	0.62%	1	2.63%
9	Iran	2	2.35%	30	0.34%	2	5.26%
10	Singapore	2	2.35%	70	0.77%	2	5.26%
Total		85	100%	9 015	100%	38	100%

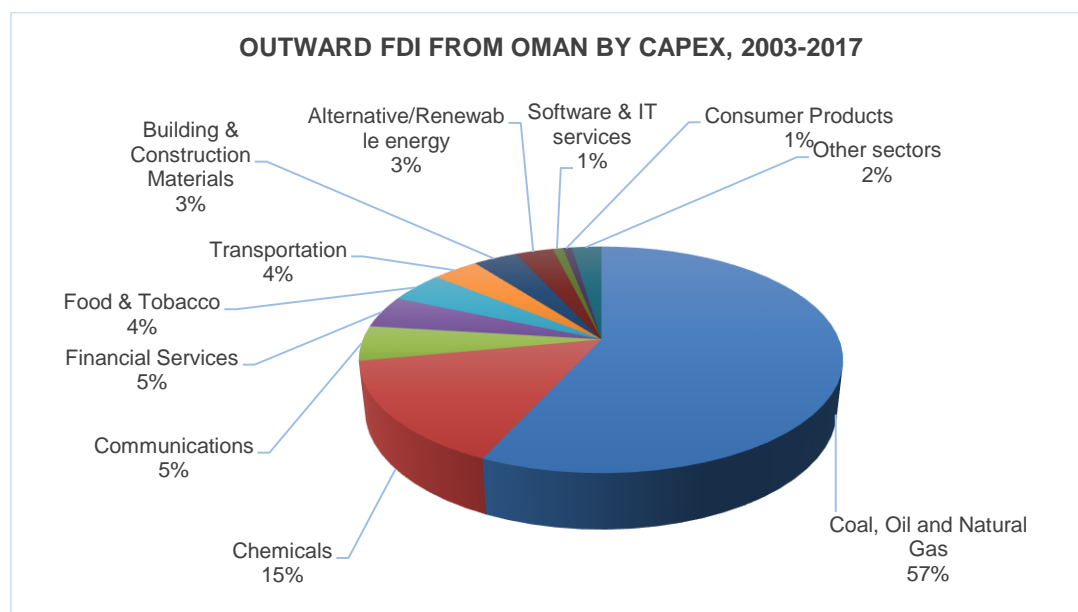
Source: FDI Intelligence, 2018

Financial services received the largest FDI from Oman by projects accounting for 26%, followed by transportation and food and tobacco at 14% and 11% respectively.



Source: FDI Intelligence, 2018

Coal, oil and gas sector received the largest FDI from Oman by capex accounting for 57%, followed by chemicals accounting for 15%.



Source: FDI Intelligence, 2018

The table below shows the top 10 companies from Oman investing globally.

TOP 10 OUTWARD FDI COMPANIES FROM OMAN, 2003 - 2017			
COMPANY	SECTOR	PROJECTS	CAPEX (USDm)
Modern Exchange Company (MEC)	Financial Services	10	151
Daud Arabian	Food & Tobacco	8	351
Oman Air	Transportation	7	261
Bank Muscat	Financial Services	6	139
Oxea	Chemicals	5	303
ATS	Transportation	4	61
BankMuscat	Financial Services	3	65
Oman Telecommunications Company (Omantel)	Communications	3	450
Overseas Oil & Gas	Coal, Oil & Gas	3	2 675
Amouage (Oman Perfumery)	Consumer Products	2	39
Total		85	9 015

Source: FDI Intelligence, 2018

4.3 Investment Relations between South Africa and Oman

Between January 2003 and December 2017 a total of 2 FDI projects were recorded from South Africa into Oman. These projects represent a total capital investment of USD21.60m which is an average investment of USD10.80m per project. During the period, a total of 26 jobs were created.

There was no recorded FDI into South Africa from Oman recorded by FDI Intelligence.

SOUTH AFRICAN FDI INTO OMAN, 2003 - 2017							
DATE	INVESTING COMPANY	SOURCE CITY	SECTOR	SUB -SECTOR	INDUSTRY ACTIVITY	CAPEX (USDm)	JOBS
Dec 2014	DRA Group	Johannesburg	Business Services	Heavy & civil engineering	Business Services	6.5	10
Feb 2006	Investec	Johannesburg	Financial Services	Corporate & investment banking	Business Services	15.1	16
Total						21.6	26

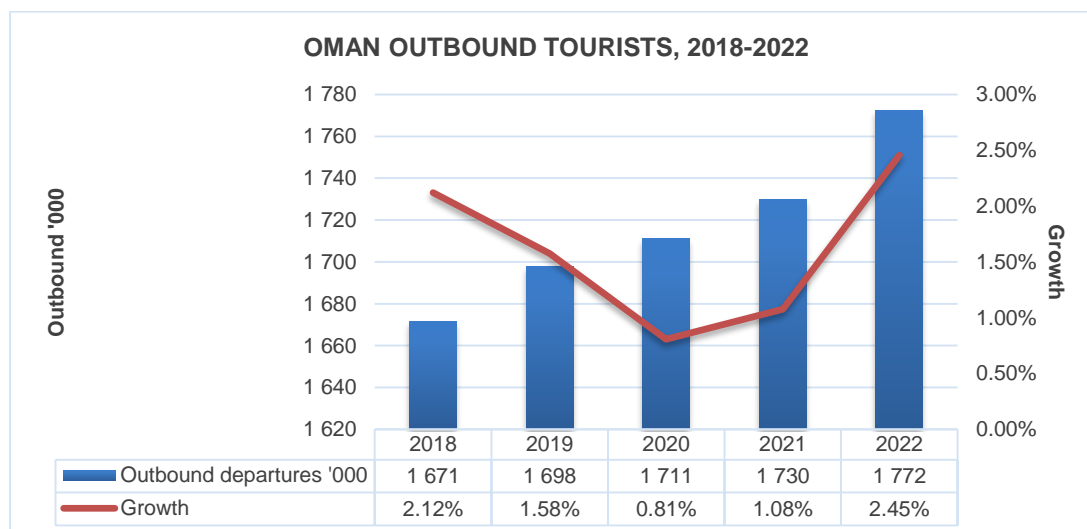
Source: FDI Intelligence, 2018

5. Tourism

5.1 Oman's Trends and Travel Patterns

According to Business Monitor International (2018), the outbound-travel market from Oman is small; however, high levels of growth are expected over the forecast period, reaching 1.77 million by 2022. Omani passport holders face some restrictions when travelling abroad: they have visa-free (or visa-on-arrival) travel to around 70 countries globally. For many, the cost of long-haul travel is also prohibitively high, which means that neighbouring and nearby states such as the UAE, Saudi Arabia, India, Qatar and Bahrain dominate the outbound-travel market. Over the longer term, as average household income rises and international air travel beyond the Middle East and North Africa regions expands, an already-small domestic industry will potentially be disrupted.

The figure below shows that the number of Oman's outbound tourists are expected to increase by an average annual growth rate of 1.6% between 2018 and 2022.



Source: BMI, 2018

Note: there was no tourism data between South Africa and Oman

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