



Economic Report 2023

Oman

31 July 2023

Executive Summary

Oman struggled for a long time with a **low oil price**, a precarious **financial situation** and declining assessments of the country's **creditworthiness** - in addition to the economic challenges with **Covid-19** that were present worldwide. Since mid-2021, these variables have improved (oil price, finances) or stabilized (credit rating), but the Omani economy is still characterized by **volatility** (oil price), **sluggish diversification** and rising (youth) unemployment. The current high hydrocarbon price allows Oman to repay loans earlier, while the stabilized credit rating allows it to take out new loans at improved conditions. Nevertheless, the Omani authorities will be forced to implement **austerity measures** in 2022-25 to contain the budget deficit. However, an austerity program poses significant domestic political risks due to growing discontent among the population. Small-scale measures to reduce public sector employment have already caused great resentment; the May 2021 **protests** against **youth unemployment** were the most violent since those in the Arab Spring of 2011. The government is currently unable to offer the necessary number of new jobs in the public sector. The same applies to the private sector, which is not very strong after Covid-19, although the state is creating various incentives for entrepreneurship and SMEs. Due to the social situation, the government will also be able to implement the urgently needed **reforms of the economic structures** only much more slowly than planned. Nevertheless, the country is seeking to diversify its economy by implementing reforms under Vision 2040, especially through its **green hydrogen** projects and its support for private sector development.

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1 ECONOMIC OUTLOOK AND ECONOMIC POLICY DEVELOPMENTS

After taking office in January 2020, Sultan Haitham bin Tariq carried out a **government reform** as early as August 2020 to bring Oman into line with Vision 2040, which aims to diversify and reform Oman's economy for greater competitiveness. The government reform will focus on improving the competence and performance of ministers and their ministries, while at the same time reforming legislative and oversight processes to introduce real accountability of the public sector for the first time.

The **double blow of low oil prices and Covid-19** shortly after Sultan Haitham took office came at a very inopportune time. This was particularly so because the sultanate's financial situation had deteriorated massively in recent years under Sultan Haitham's predecessor Sultan Qaboos (public debt, for example, had soared from 10% to 70% since 2014) and corruption had spread in its wider environment. Under the precarious financial and economic conditions, the focus in 2020 and the first half of 2021 was on **reducing spending**, the budget deficit and overall public debt. To justify these measures, the Sultan made it clear vis-à-vis the Omani population that the implementation of strategic **development projects of Vision 2040** could not be achieved for the Sultanate without fiscal sustainability of the state. His government also tried to cushion the effects of the Covid crisis **with a focus on health, social and economic policies**. The Central Bank of Oman had approved a **stimulus package** for banks, financial and leasing companies in March 2020 in response to the Covid 19 crisis, which was extended until March 2021. The package included financial incentives to tap urgently needed cash of about OMR 8 billion (about CHF 20 billion) for the benefit of companies affected by the economic downturn and Covid-19. Nevertheless, the crisis pushed the financially fragile Sultanate **to the brink of insolvency** in 2020 and raised the question of where Oman can raise funds from donor countries without sacrificing its foreign policy equidistance. The situation has significantly improved since 2022, and by 2023, Oman is set to be the fastest growing economy within the Gulf Cooperation Council (GCC), with growth projected to reach 4.3 percent, according to a report by the World Bank.

The **most important structural change** was made by Sultan Haitham with regard to his own responsibilities. While his predecessor, Sultan Qaboos, was also foreign and **finance minister as well as chairman of the Central Bank of Oman** (and the relevant ministers were formally subordinate to him), Sultan Haitham appointed ministers directly responsible for these economically central portfolios. In addition, he created the **Oman Investment Authority (OIA)** in June 2020, which took the boards of directors of Oman's 15 largest state-owned enterprises under its auspices and filled them with technocrats or experts instead of ministers. This is intended to free the Omani economy from encrusted, corruption-prone structures and make it more competitive.

The new government has also introduced a paradigm shift in the **labor market**. Whereas previously the **minimum wage** for Omani workers was linked to their level of education, now a monthly minimum wage of 325 OMR (approx. 780 CHF) applies to all. The wage is no longer based on the level of education, but on the practical experience and effective performance of the employee. With the increased costs due to rising inflation, oil prices and the rise in food prices due to the war in Ukraine, the purchasing power of minimum wage earners has decreased significantly. Efforts to adjust the minimum wage were therefore announced in May 2022. In March 2023, The Ministry of Labor has announced that it is studying the possibility of increasing the minimum wage to between 360 OMR and 400 OMR. At the same time, the government pushed ahead with the **Omanisation of the economy**, amid growing discontent among the population over the austerity measures and rising costs. The first visible consequence was the massive **exodus of foreign workers** from the middle of 2020, affecting both "white collars", especially from Europe but also India, and "blue collars" from Asia and the Indian subcontinent. The fact that the massive loss of expertise due to the departure of foreign workers cannot be easily replaced in many areas is problematic for many

companies - including Swiss companies - and is likely to be reflected in lower productivity in the short and medium term as well as caution concerning investments.

Since April 2021, **VAT** at the rate of 5% is levied on goods and services in the Sultanate and on imports into Oman. Exempted from VAT are goods and services in the areas of basic foodstuffs, oil and gas (incl. derivatives), medical care, transport and vehicles, real estate as well as investments in gold, silver and platinum. The VAT in Oman is intended to help strengthen government revenues and thus combat the high budget deficit. However, the VAT generated only 301 Mio OMR (CHF 674 million) in additional revenue in 2021 due to the prominent exemptions. With this measure, Oman complies with the GCC guidelines from 2016 (minimum tax of 5%), which only Saudi Arabia followed with 15%, as well as the UAE and Bahrain (5% each). Originally, the first **introduction of an income tax** was planned for 2021. However, after the social unrest in May 2021, the government decided to **postpone** this project. The latest information suggests a possible introduction from 2024. Similarly, the previously planned gradual increase in value-added tax has been postponed for the time being.

As part of the **Oman 2040 vision**, the government sets out its economic and financial objectives in five-year plans. The **medium-term financial plan («Tawazon») 2020-2024**, presented in November 2020, aims to achieve a balanced budget in the medium term. Its implementation includes improving the business environment, boosting investment in Oman and creating a social safety net that reduces the impact of fiscal measures (VAT, income tax) on fragile groups in society. As a communication tool, the plan also served to create transparency regarding Oman's situation and to reassure the international financial markets. The **National Programme for Financial Sustainability and Development of the Financial Sector**, a three-year fiscal stability program, started in January 2023. In May 2023, the country announced the creation of a 2 billion Omani rial (\$5.2 billion) investment fund, called the **Oman Future Fund**, to boost its economy. The purpose of this fund is to encourage the private sector to enter into partnerships or finance profitable investment projects to diversify the economy.

Following a decision by the EU Council of Ministers on 6 October 2020, Oman **was removed from the "blacklist"** of non-cooperative countries and territories for tax purposes. The EU acknowledges that Oman has now fulfilled all the necessary obligations: 1) ratification of the OECD Convention on Mutual Administrative Assistance in Tax Matters, 2) enactment of legislation allowing for the automatic exchange of information, and 3) taking all necessary steps to activate the exchange of information with the EU or its member states. The removal from the list means for the Sultanate, but also for investors, the lifting of the reputational damage caused by this.

2 PRIORITY SECTORS AND OPPORTUNITIES FOR SWISS COMPANIES

Energy: The **oil and gas sector** remain dominant in the Omani economy. The sultanate is striving to promote **renewable energies**. The state-owned energy company **Energy Development Oman (EDO)**, newly established for this purpose, was founded in December 2020. In 2022, Oman launched Hydrom, owned by EDO and regulated by the Ministry of Energy and Minerals, which is in charge of the development of **green hydrogen** projects. The ambition of the Sultanate is to produce 1 MTA green H2 by 2030 and 8 MTW by 2050 in order to achieve net carbon neutrality. Oman is expected to host some of the world's largest green hydrogen projects, making the oil-producing nation a pioneer in renewable energy technology. Salim Nasser Al Afi, Minister of Energy and Minerals and Chairman of the Board of Directors of Hydrom is very active in seeking foreign investors. German certification body TÜV Rheinland has issued a clean hydrogen certificate to Oman's "Greenfield" project. The first stage of the project in Duqm, with participation by Norway's Scatec and India's ACME Group, will use 500MW of solar energy to power electrolysis with a capacity of 300MW. The resulting hydrogen will then be combined with nitrogen to produce

nitrate and exported. In addition to "Greenfield", OQ is planning another 500MW hydrogen project called "Hyport Duqm" together with Belgium's DEME and Germany's Uniper. In March 2023, Hydrom signed six OMR 20 billion (>USD 50 billion) agreements with developers in Belgium, the Netherlands, the UK, Japan, Singapore, Germany, India, Kuwait and the United Arab Emirates. These agreements include contracts for 47 years. In June 2023, new agreements in the development of green hydrogen were signed. Two agreements were part of the "Legacy Initiatives", which are projects signed prior to the establishment of the green H2 regulatory framework, with BP Oman and Green Energy Oman (GEO) consortium (OQ, Shell Oman, EnerTech, InterContinental Energy and Golden Wellspring Wealth for Trading). Additional contracts were signed with the POSCO-ENGIE consortium (French + South-Korea) and Hyport Duqm with a total investment expected to exceed USD 10 billion.

Oman's first public auction bid under the new H2 regulatory framework that entails development of a green hydrogen plant to supply 200 KTPA of green H2 from 4.5 GW of installed renewable energy capacity within so-called Block Z1-01 of Duqm was awarded to the AMNAH consortium (Copenhagen Infrastructure Partners, Blue Power Partners, Al Khadra). The second public auction is still running and awards to winning bidder expected beginning of 2024.

Finally, EDO has signed a Research & Development MoU with Siemens Energy with focus on green electricity generation.

Lastly, Oman offers opportunities for negative emission technologies (NET), be it through permanent mineralization of carbon dioxide in peridotite rock, be it through re-forestation of mangroves along the coastline.

Mining: As part of the diversification of the economy, the mining sector is being greatly expanded. The newly created state-owned mining company Mining Development Oman (MDO) takes over the management of concessions in parallel to PDO/EDO in the energy sector. In spring 2023, the Ministry of Energy and Minerals was inviting the Mining International and local companies having experience in Mining projects to participate in the Mining Concession bid round Blocks. In doing so, Oman wants to be seen as a hub for mining activities.

Digitalization: Digitalization is being driven as part of the diversification and modernization of the economy. In many areas, Oman is skipping an entire generation of development - typically desktop computer-based applications - and going straight to mobile applications. While websites and emails are hardly used, chat applications on mobile phones and social media are the preferred sales and communication channels among SMEs. Oman is also one of the world's leading nations in cybersecurity.

Transport: Oman has a number of projects to develop its public transport network. Firstly, within the city of Muscat, with the construction of a metro supplemented by a bus network. The Muscat metro route plan has been finalised and published by the Ministry of Housing and Urban Planning in June 2023. There are also joint rail network projects with the UAE and with Saudi Arabia. This could be an opportunity for Swiss companies. To improve the efficiency of the road network, there are a number of projects to build tunnels in the country's mountainous regions. This would also be an opportunity to promote Swiss expertise.

Logistics: There is an interest of Oman to expand and develop its port infrastructures and services especially around Salalah and dry-ports along the border with Saudi Arabia and the UAE. Omanis wish to become a prime gateway to Gulf markets. In 2022, the three major ports of Oman (Salalah, Sohar and Duqm) achieved an 8% growth.

Pharmaceutical products: Oman has declared its ambition to produce medicine in the country. The aims are to reduce the dependence on imports and also enhances national aspirations to reach drug security. In July 2023, Opal Bio Pharma (OBP), celebrated laying the foundation stone for the

first Omani factory for vital medicines and vaccines in the Sultanate of Oman. This could be a potential for Swiss pharmaceutical companies to establish production sites in Oman.

SMEs: Oman realizes that it has to invest and develop more SMEs in order to diversify its economy. One of the priorities of the Oman Vision 2040 has been the creation of the Omani Promising Start-ups Programme, whose honorary president is H.H. Sayyid Bilarab bin Haitham Al Said. The SME- and start-up development ecosystem in Switzerland is seen as a model. Evidence of this is the visit to Switzerland in June 2023 of the Omani delegation headed by Sayyid Bilarab bin Haitham Al Said that included inter alia the Minister of Commerce and Industry, Qais Mohammed al Yousef. The delegation came to Switzerland to study the potential for start-up- and SME-incubators in Switzerland to play a role in Oman.

3 FOREIGN ECONOMIC POLICY

3.1 Host country's policy and priorities

The **Gulf Cooperation Council (GCC)** is and remains Oman's priority in the concert of its international economic agreements. After the GCC had also been severely paralyzed economically since the Qatar crisis in 2017, the "reconciliation" of the conflicting parties at the GCC summit in Al-Ula at the beginning of 2021 also brought a certain **relaxation** in economic terms. This allowed Oman, for instance, to benefit from both Saudi and Qatari investments and aid (disguised as investments) in 2021. While technical cooperation in the GCC is going better, coordination in terms of economic policy still has room for improvement, which is also important for the implementation of existing and the conclusion of new **free trade agreements**.

A possible new **free trade agreement** between Oman and the GCC is under discussion with the **United Kingdom**. As part of its post-Brexit strategy, the UK is relying heavily on increased economic cooperation with the Gulf states and is trying to implement this policy as quickly as possible with Oman as its closest ally in the GCC, i.e. before the GCC-EU FTA, which has been under discussion for some time, is implemented in an agreement. A third round of talks towards an agreement was completed in March 2023 in Riyadh. The next round is expected to kick-off later in 2023 in the UK.

At the end of March 2021, Chinese Foreign Minister Wang Yi also visited Oman on his tour of the Middle East, where talks with Foreign Minister Sayyid Badr Al-Busaidi revolved around Oman's support for the **Belt and Road Initiative (BRI)**. The focus is on the sultanate's strategically located **sea ports**. However, after its first experiences with Chinese investments (Duqm port on the Indian Ocean, electricity grid), Oman is showing noticeable reluctance for further joint ventures with the Middle Kingdom. The Sino-Omani free trade zone was opened in Duqm at the end of 2021 and further ministerial meetings were held in early 2022. China and Oman also signed an MoU to promote tourism relations.

India and Oman share strong and historic ties. For India, Oman represents an important interlocutor at the Gulf Cooperation Council (GCC) and the Arab League. Together, the two countries signed the POC for Cooperation in the fields of Science and Technology for the period 2022-2025. In 2023, in order to deepen the economic ties, India invited Oman to the G20 Summit. In March 2023, Oman Chamber of Commerce and Industries (OCCI) and the Indo Gulf & Middle East Chamber of Commerce (INMECC) signed a Memorandum of Understanding (MOU), to boost economical, commercial and trade activities in Oman and India.

3.2 Outlook for Switzerland (potential for discrimination or comparative advantage)

A possible free trade agreement between Oman or the GCC with the UK as a powerful trading partner could push the EFTA-GCC agreement further into the background. However, at this

point in time, it is not possible to identify any actual discrimination potential of this agreement for Switzerland. At the same time, the EFTA-GCC agreement, which should be a comparative advantage for Switzerland compared to other European countries, doesn't seem to yield a significant gain yet.

4 FOREIGN TRADE

4.1 Developments and general outlook

4.1.1 Trade in goods

According to data from the Omani statistics authority, **exports** from Oman rose again by 36% in 2022. China remains the most important customer (with a share of 39%) of Omani export goods, namely oil, with an increase of 30%. India and South Korea are also in the top three. **Imports** increased by 20%. The UAE remains in first place in terms of imports, with a share of 28%. The major change concerns Saudi Arabia, which last year accounted for just a 5% share of goods imported into Oman, compared with 12% this year. It is now in second place, ahead of China and India at 9% and 8%, respectively.

4.2 Bilateral trade

4.2.1 Trade in goods

In bilateral trade, imports rose in 2022 (+56.5%) while exports fell (-2.8%). In terms of **imports** into Switzerland, the sharp increase in imports of metals and precious stones was particularly noticeable in 2020. The main reason for this is the significant increase in imports of aluminum from the Sultanate. In 2022, imports of Precision instruments, clocks and watches and jewelry grew particularly strongly. In terms of **exports** from Switzerland, the watch industry isn't the most important sector anymore with a 32% share and a decline of 10%. The 44% increase in watch exports in 2020 was due to the fact that the upper classes were unable to travel to Europe because of Covid-19, and watches were therefore increasingly imported instead of being bought locally; however, this phenomenon has been declining since 2021. Pharmaceutical products rank now first with a 38% share. Since 2021, in third place are machinery and electronics, with a share of 23%. Military equipment has disappeared from the top 3 exports since 2021.

5 DIRECT INVESTMENTS

5.1 Developments and general outlook

Attracting foreign direct investment is central to the **financial stability** of the sultanate and necessary for the medium-term realization of Oman's economic **diversification projects**. One instrument for this is the **free trade zones**, mostly located near the deep-sea ports, which offer advantageous conditions for foreign investors. Until recently, one of these advantages was the exclusive ownership of 100% of the capital of an Omani company (this is now also possible outside the FTZs). In addition, these zones are also exempt from customs duties and offer reduced Omani tax rates.

The new **Foreign Capital Investment Law**, which came into force on 1 January 2020, significantly eased restrictions on foreign investment, streamlined registration and licensing procedures for foreign investors, and aligned the rights of foreign investors with those of local investors. One of the biggest changes in the new law was the **allowance of 100% foreign ownership** in a number of sectors. Oman's Ministry of Commerce and Investment issued a list of **activities prohibited for foreign investors**, effective since 14 December 2020. The list was updated on the 23rd of July 2023 with new activities prohibited for foreign investors. While most of these activities are of little

interest to large international investors, the following restrictions could be relevant for **Swiss investors** in the logistics and food & beverage sectors: 1) the restriction on shipping and unloading of goods, which could be interpreted very broadly, and 2) the reservation of drinking water for Omani investors, which eliminates competition from foreign investors. The restrictions were a response to the low oil price and Covid 19 pandemic and intended to protect core Omani activities in hard times.

On 22 March 2021, the Ministry of Commerce unveiled the new **National Programme to Attract Private Investment in Oman** and Support Omani Exports to Foreign Markets. The program is part of the Executive Plan for "Vision Oman 2040" and among others includes:

- Simplified regulation of investments,
- stringent investment planning by the government, including indicators for its implementation,
- the promotion of special economic zones and free zones as investment incubators,
- an improved methodology for selecting investment projects,
- increased promotion of Oman's investments abroad.

The **program**, developed in close cooperation with the private sector, is in line with the Sultan's desire to make Oman's economy more competitive by reducing administrative bureaucracy and making processes shorter and more transparent. The big challenge will be to quickly make the Sultanate as attractive as possible to foreign investors as its direct competitors in the region (UAE, Qatar), which Oman lags behind in terms of "ease of investment and doing business" despite improvements in international rankings. In addition, Oman now grants long-term visas (5 or 10 years) to foreign investors. Holders of such visas can now also purchase land and real estate outside the zones designated for expats. However, the quota of required local Omani staff and related challenges in getting working visa for expats, combined with the current labor law that renders virtually impossible to dismiss underperforming local staff, keeps the Omani business environment at a disadvantage compared with its regional competitors.

The Ministry of Commerce, Industry and Investment Promotion intends to develop a National Strategy on Intellectual Property assisted by WIPO. This could be an important step to better protect intellectual property rights and might make it more attractive for R&D-intensive companies to invest in Oman.

Oman's seas and **ports** were **removed from the list of high maritime risk zones** by the London-based leading marine insurance companies in May 2021. In May 2019, the panel had classified the entire Omani waters as a high-risk zone following attacks on cargo ships in the Gulf of Oman's Fujairah (UAE) port, which had increased insurance sums for ships up to tenfold. By removing Oman from the high-risk zone, the Sultanate hopes for a substantial increase in the number of international ships and cargo companies calling at Omani ports, as well as a significant **increase in the volume of investment** in the logistics sector.

5.2 Bilateral investment

Switzerland is one of the **top 10 investors** in Oman (see Annex 5), but there is little information on the **origin** of these investments.

Priority areas for future investment, in addition to the **three core areas** of logistics/infrastructure, finance and tourism identified at the Switzerland-Oman Business Forum in October 2022, are renewable energy/(green) hydrogen, waste management and medtech/health/wellness. In the medium term, Switzerland can offer added value in the **five key technologies** defined by Switzerland Global Enterprise: *artificial intelligence, robotics, personalized health, blockchain, advanced manufacturing*.

6 ECONOMIC AND TOURISM PROMOTION

6.1 Swiss foreign economic promotion instruments

The Dubai-based **Swiss Business Hub Middle East** (SBHME) is responsible for implementing Switzerland's export strategy in Oman as the representative of the official trade and investment promotion agency Switzerland Global Enterprise. It is the first point of contact for Swiss companies wishing to export to or establish themselves in Oman. In October 2022, a **business delegation** travelled to Muscat organized by the Swiss Business Hub Middle East and the Embassy of Switzerland. They met inter alia with the Minister of Economy and discovered that numerous opportunities existed in the fields of infrastructure, finance, cybersecurity and energy. Despite the challenges of the Omani context, the results seem positive and it is hoped that these delegations will be organized on a regular basis.

The **Oman-Switzerland Friendship Association (OSFA)**, founded in November 2016 with honorary presidents Abdulla Al Busaidy, former Minister of Housing, and former Federal Councillor Adolf Ogi (until the end of 2021), reconstituted itself in the spring of 2021 and, under its **CEO** Hani-Al-Zubair, put together a powerful, economically well-connected **board of representatives** from Oman and Switzerland. Vincent Maître, a Geneva lawyer and member of the National Council, was recruited as the new honorary president from the Swiss side. OSFA organized the first Oman-Switzerland Business Forum in Bern on 29 April 2019 with the following focal points: Logistics/Production, Financial Industry, Tourism. The second Business Forum, originally scheduled for April 2020 and postponed due to Covid, took place in October 2022 in Muscat. The **third Business Forum** took place on the 23rd of June 2023 in Lucerne. This time, the focus was on the following topics: Cleantech & renewable energies, infrastructure, finance & investment, vocational education, and sustainable tourism.

A **quarterly trilateral exchange** between the Embassy, OSFA and Swiss Business Hub Middle East with the aim of creating synergies has been encouraged by the Embassy since 2021 and has produced some results (delegation trip of ICT specialists to Expo Dubai).

Since 1974, the Geneva-based **Arab-Swiss Chamber of Commerce and Industry (CASCI)** has promoted business relations between Switzerland and countries in the Arab world, including Oman. Omani diplomat Hinda Al Hinai was appointed as CASCI's new Secretary General in 2021 and has taken up her functions in fall 2022.

Once or twice a year, **Switzerland Tourism's branch office in Dubai** invites Omani tour operators in Muscat to a roadshow with dinner in the presence of various Swiss destinations.

In March 2023, the Embassy of Switzerland participated for the first time to the **Oman Sustainability Week** inviting Swiss companies active in the sectors of cleantech or sustainable production to showcase their products. The Embassy is assessing with Swiss companies if the participation to such exhibitions under the Switzerland/Embassy umbrella should be repeated in future.

6.2 The host country's interest in Switzerland

Switzerland is well known and appreciated in Oman at the level of **classical stereotypes** and as a **tourist and luxury destination**. Due to the parallels between the two countries in terms of stability, neutral or equidistant foreign policy aimed at peace, dialogue and constructive coexistence between the different communities (religious, linguistic, etc.), Omanis often refer with pride to the fact that Oman is called "the Switzerland of the Middle East".

As a brand outside the political context, Switzerland is known for its natural beauty. For wealthy and influential Omani families, Switzerland is a prime **educational location** (public schools, especially in Western Switzerland) and a second home, which they use especially during the hot summer

months in Oman.

Increasingly, Switzerland is seen as a center for innovation – be it for start-ups, new technologies or research & development.

ANNEX 1 – Economic structure

Economic structure of the host country

	2017	2022
Distribution of GDP*		
Primary sector	1.8%	1.8%
Manufacturing sector	48.5%	55.2%
Services	49.7%	43%
- of which public services	12.7%	7.8%

	2017	2021 ¹
Distribution of employment**		
Primary sector	4.1%	5%
Manufacturing sector	43.3%	32.9%
Services	52.6%	62.1%
- of which public services	10.3%	18.2%

Sources:

* National Centre for Statistics and Information, Monthly Statistical Bulletin: [April 2018](#), [April 2023](#)

** National Centre for Statistics and Information, Statistical yearbook: [August 2018](#), [August 2022](#)

¹ The Statistical Yearbook is published each year in August, which means that the numbers for 2022 are not yet available.

ANNEX 2 – Main economic data

Host country's main economic data

	2021	2022	2023 ²
GDP (USD bn)*	88.2	114.7	104.9
GDP per capita (USD)*	19'479.4	24'772.5	21'960.1
Growth rate (% of GDP)*	2.9	4.3	1.7
Inflation rate (%)*	1.5	2.8	1.9
Unemployment rate (%)**	2.5	2.3	-
Fiscal balance (% of GDP)*	-3.2	6.3	0.3
Current account balance (% of GDP)*	-4.9	3.3	2.1
Total external debt (% of GDP)**	93	70.6	71.9
Debt-service ratio (% of exports)**	173.4	116.3	127.4
Reserves (months of imports)**	5.3	5.8	6.6

Sources:

- * IMF, World Economic Outlook (April 2023)
 - www.imf.org/external/pubs/ft/weo
- ** IMF, Article IV Consultation (November 2022)
 - www.imf.org/external/country/index.htm
- *** World Bank Data, Unemployment, Oman (last accessed: 06.06.2023)
 - <https://data.worldbank.org/indicator/SL.UEM.TOTL.ZS?locations=OM>

² Projections for the year.

ANNEX 3 – Trade partners

Trade partners of the host country Year: 2022

Rank	Country	Exports from the host country (OMR ³ million)	Share	Chang e ⁴	Rank	Country	Imports to the host country (OMR million)	Share	Chang e ¹⁰
1	China	9'314	38.9%	30.4%	1	UAE	4'296	28.9%	1.6%
2	India	2'049	8.6%	39.2%	2	Saudi Arabia	1'779	12%	68.5%
3	South Korea	1'815	7.6%	43.7%	3	India	1'259	8.5%	37.9%
4	Japan	1'599	6.7%	72.5%	4	China	1'108	7.5%	24.9%
5	Saudi Arabia	857	3.6%	35.6%	5	Qatar	913	6.1%	16.2%
6	USA	840	3.5%	25.2%	6	Japan	467	3.1%	-0.6%
7	Singapore	795	3.3%	45.7%	7	Brazil	446	3%	-30%
8	UAE	771	3.2%	-3.3%	8	USA	395	2.7%	30.4%
9	Qatar	346	1.4%	33.6%	9	Bahrain	354	2.4%	21.4%
10	South Africa	298	1.2%	81%	10	Iraq	214	1.4%	62%
27	Switzerland	75	0.3%	70.4%	43	Switzerland	16	0.1%	39.2%
	Total	23'936	100 %	36.3%		Total	14'862	100 %	20%

Source: NCSI, [Manafeth](#) (last accessed: 29.05.2023)

Comment: The statistics published by the Omani authorities do not correspond at all to those published by the Swiss authorities (see Annex 4).

³ Original source data in OMR. Exchange rate: 1 OMR = 2.6 USD (as of 29.05.2023). Total Export in USD: 62'213 mio; Total Import in USD: 38'628 mio

⁴ Change from the previous year in %

ANNEX 4 – Bilateral trade

Bilateral trade between Switzerland and the host country

	Export (CHF million)	<i>Change (%)</i>	Import (CHF million)	<i>Change (%)</i>	Balance (in million)	Volume (in million)
2017	331	+19.4	9.1	+58.5	321.9	18.5
2018	258	-22	8.3	-9.6	249.7	15.4
2019	254	-1.4	9.2	+11.2	244.8	16.2
2020	297	+16.8	12.7	+26.1	284.3	8.3
2021	254	-14.6	13	+9.7	241	8.5
<i>(Total 1)*</i>						
2022 (I-VI)**	246	-2.8	20.4	+56.5	225.6	12

*) 'Economic' total (total 1): not including gold bars and other precious metals, currencies, precious stones and gems, works of art and antiques

***) Change (%) from the previous year

Exports	2021 (% of total)	2022 (% of total)
1. Products of the chemical and pharmaceutical industry	30.9%	37.6%
2. Precision instruments, clocks and watches and jewellery	41.8%	32%
3. Machines, appliances, electronics	21.3%	22.8%
4. Forestry and agricultural products, fisheries	2.5%	3%

Imports	2021 (% of total)	2022 (% of total)
1. Precision instruments, clocks and watches and jewellery	26.6%	47.5%
2. Metals	16.7%	20.8%
3. Products of the chemical and pharmaceutical industry	17%	16.5%
4. Machines, appliances, electronics	19.1%	7.5%

Source: [Federal Office for Customs and Border Security](#)

ANNEX 5 – Main investing countries

Main investing countries in the host country

Year: 2021

Rank	Country	Direct investment (OMR ⁵ , stock)	Share	Variation (stock)	Inflows over past year (OMR)
1	UK	8'044.5	45.3%	+15.7%	1'259.9
2	USA	2'753.1	15.5%	+25%	687.7
3	China	1'050.3	5.9%	+56.1%	589.6
4	UAE	951	5.4%	-7%	-66.1
5	Kuwait	800.5	4.5%	-0.9%	-6.9
6	Qatar	457.5	2.6%	+17.8%	81.5
7	Bahrain	371.2	2.1%	-0.1%	-0.4
8	India	324.8	1.8%	+25.3%	82.1
9	Netherlands	281.8	1.6%	-1.3%	-3.6
10	<i>Suisse</i>	163	0.9%	-2%	-3.2
	Total	17'762.6	100 %	+19.7%	3.501.5

Source: National Centre for Statistics and Information, [Statistical Bulletin: Foreign Investment](#), no.16, 2017-21, February 2023 (last accessed: 29.05.2023)

⁵ Original source data in OMR. Exchange rate: 1 OMR = 2.6 USD (as of 29.05.2023). Total in USD: 46133.02