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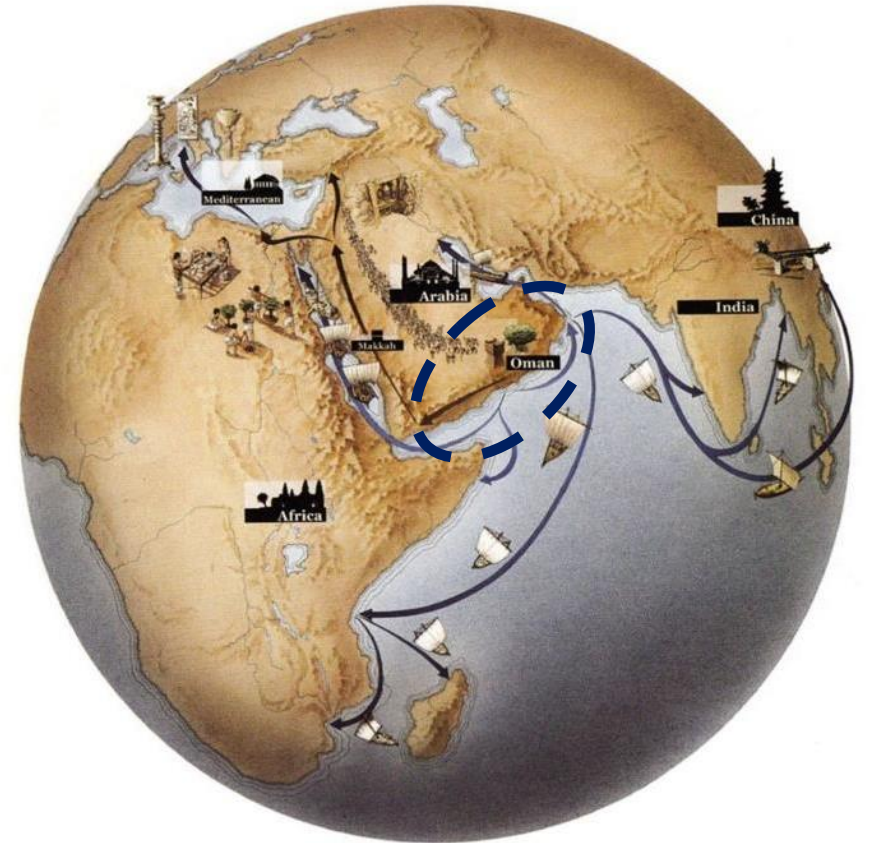
# **Oman 9<sup>th</sup> Five-Year Development Plan and the Strategic Economic Sectors (2016-2020)**

Presented by HE Talal al Rahbi, *Deputy Secretary General of the Supreme Council of Planning in the Sultanate of Oman*  
Berlin, March 29, 2017

# Oman: A Historical Perspective

Oman has several comparative advantages that could put its economy on the high growth trajectory path

- The **strategic geographical location**
- Oman is endowed with **abundant level of energy supply**
- High level of **world quality infrastructure**
- Very **young and vibrant labor force**
- **Stable political and business environment**
- **Effective pro FDI industrial policy**
- **Supportive macroeconomic policies**



The Periplus map was prepared by a Greek sailor in the first century it shows the importance of Oman as a hub for the main sailing routes at a time when the frankincense trade was important.

*(Rights courtesy : The Office of His Majesty's Counselor for Cultural Affairs)*

# The Vision of His Majesty Sultan Qaboos Bin Said

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The Council of Oman, which comprises two Councils: The Majlls Ash'shura – a trailblazing experiment which has proved its success over the past years – and the Council of State, which we hope will be yet another strong building-block in the edifice of Omani society – a building-block that will reinforce Oman's achievements and reaffirm the principles we have laid down. These principles include the establishment of solid foundations for a genuine consultative process based on the nation's heritage, values and Islamic Shariah, which takes pride in its history while adopting the best that the modern world has to offer.”

**Qaboos bin Said, Sultan of Oman**



# A transformational Journey for the past 45 years

Achievements of Oman Socio Economic Development 1970-2015 after a major role played by the vision 2020

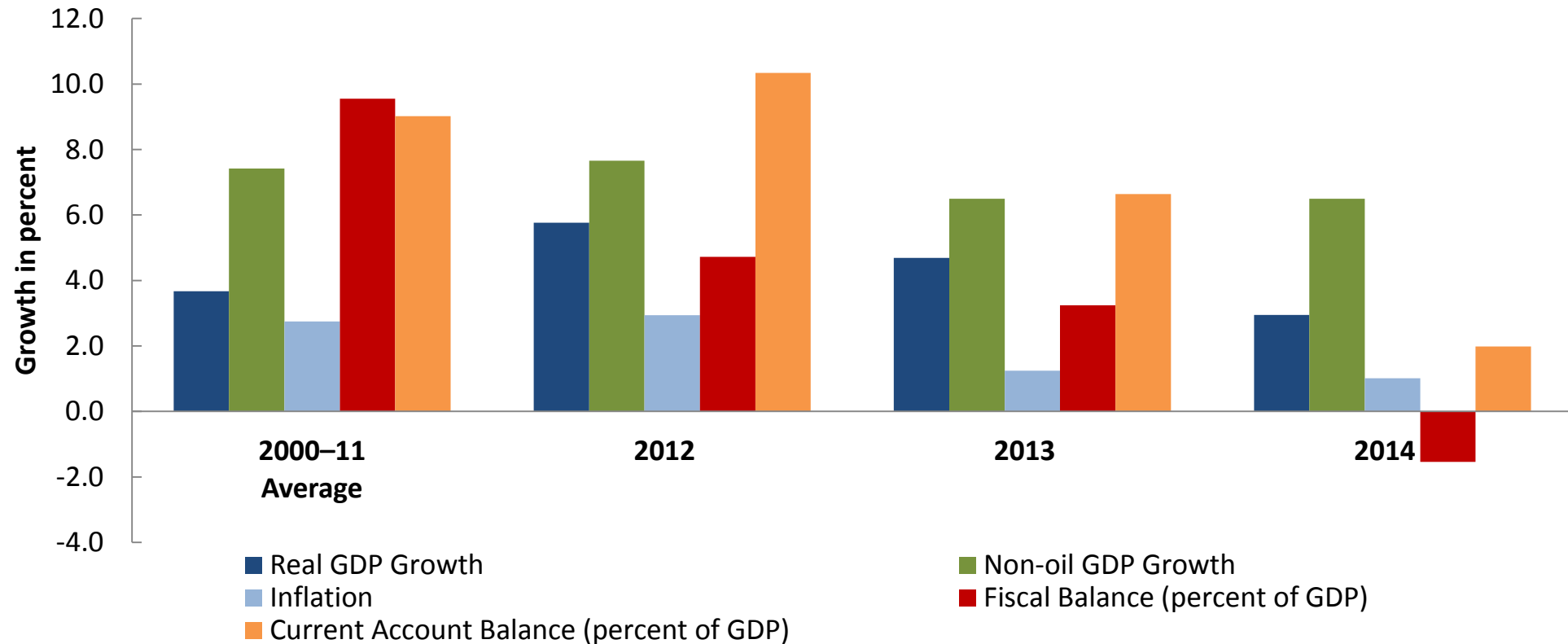
Indicator		1970	2015
Population (in 000)	Omani	658	2,345
	Expats	~0	1,814
Oil extraction in 000 b/day		332	981.1
GDP at current prices (Mn.R.O.)		104.7	26,850.3
GDP per Capita in R.O		159	6,456
Life Expectancy at birth (years)		47.4	76.4
Pupils in general education in 000*		7	724.4
Students in Higher Education Institution in 000*		0.4	136.5*
Water Production in bn. Gallons		0.16	79.357
Population with access to Safe water %			94.9%
Girls in general education % of total Pupils		16.2%	49%

- Role of Private Sector in national economy has been expanding and strengthened .
- Infrastructure has been brought to advance modern standards over much of the country .

# Economic Fundamentals of the Omani Economy

Oman has enjoyed a Strong Economic Fundamentals for the past Fifteen Years (2000-14)

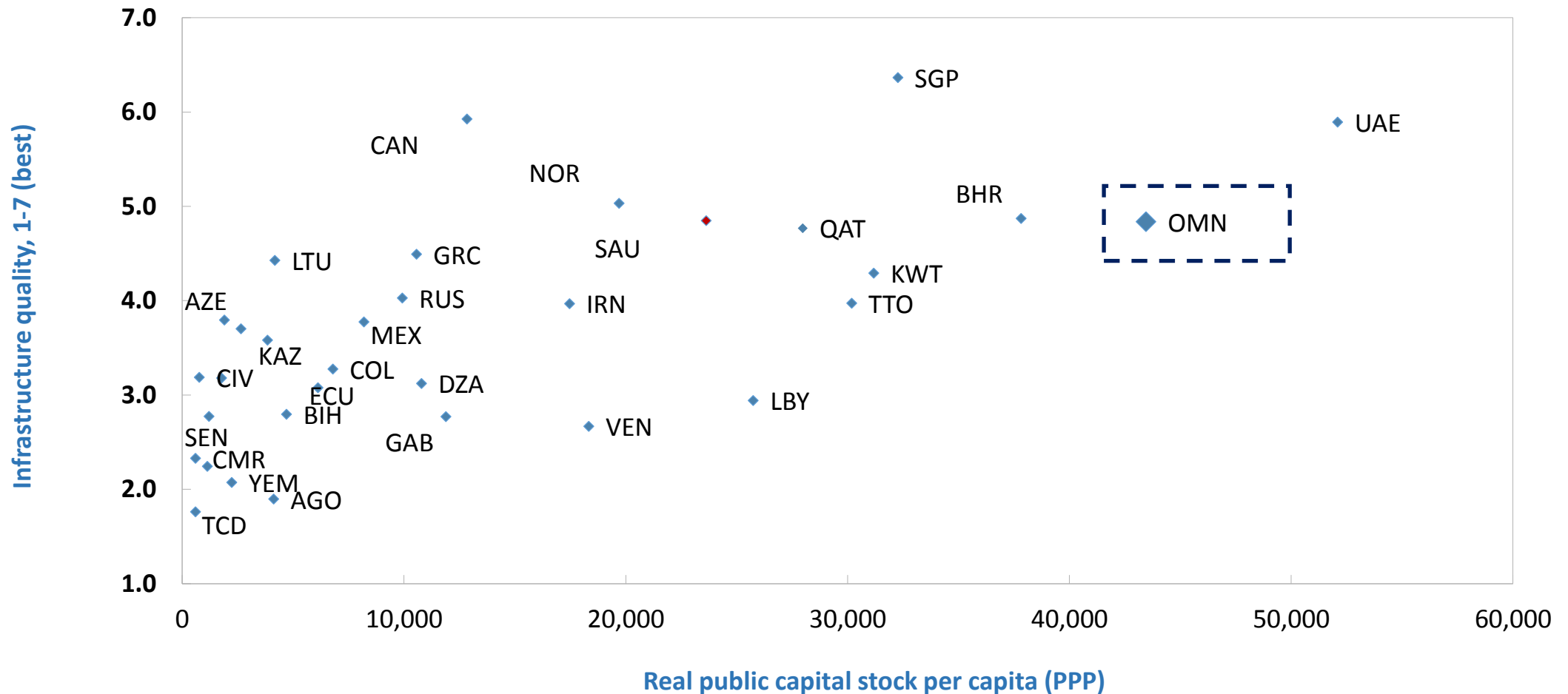
**Growth of Non-oil GDP accelerated in the past 15 years with low inflation and internal and external surpluses**



# Economic Fundamentals of the Omani Economy

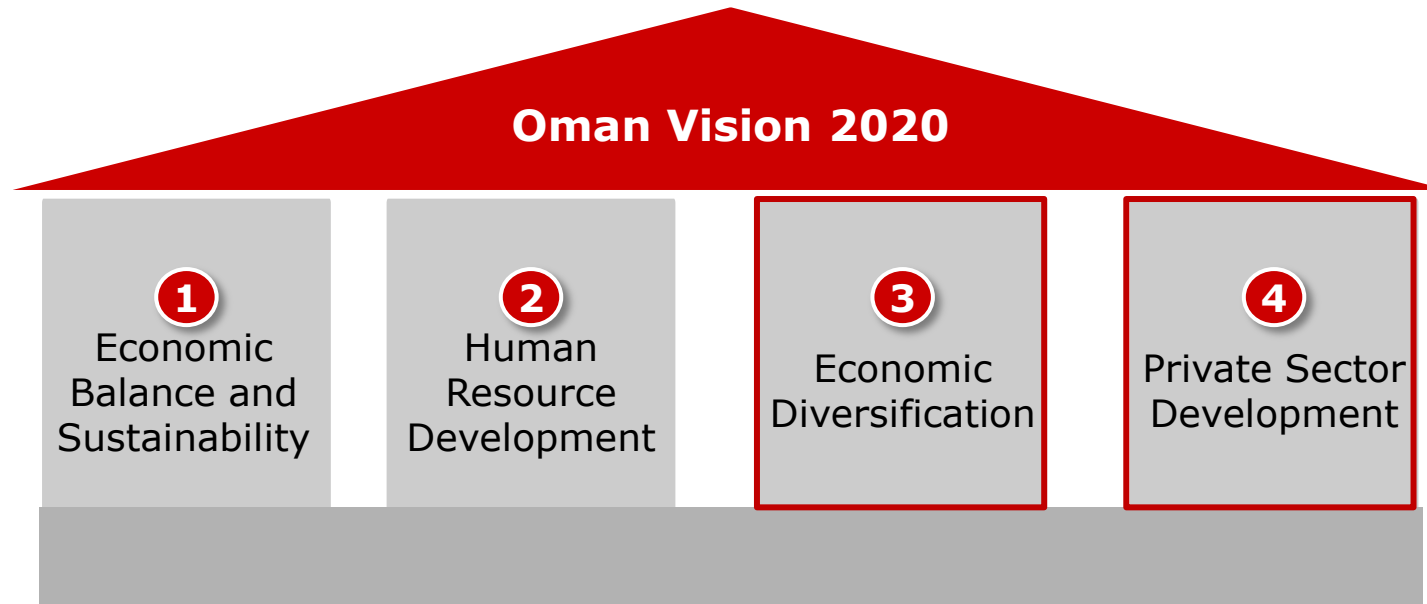
## - Oman: Public Capital Stocks and Infrastructure (2005-14)

Quality of infrastructure is high, due to large investment in the past 20 years



# In the Vision 2020, Oman lays a roadmap for a sustainable economy rooted in diversification and private sector

## THE VISION 2020 IS BASED ON 4 PILLARS INCLUDING DIVERSIFICATION...



## ...REINFORCED BY A SET OF 6 POLICY AGENDA GUIDING PRINCIPLES

*Developing Human Resources and Upgrading Omani Skills And Competences*

*Encouraging the Establishment of an Effective & Competitive Private Sector*

*Enhancing the Standard of Living of the Omani People While Ensuring Social Equality & a Balanced Development Across All Regions*

*Creating a Stable Macroeconomic Framework Aimed at the Development of a Private Sector Capable of Operating Efficiently*

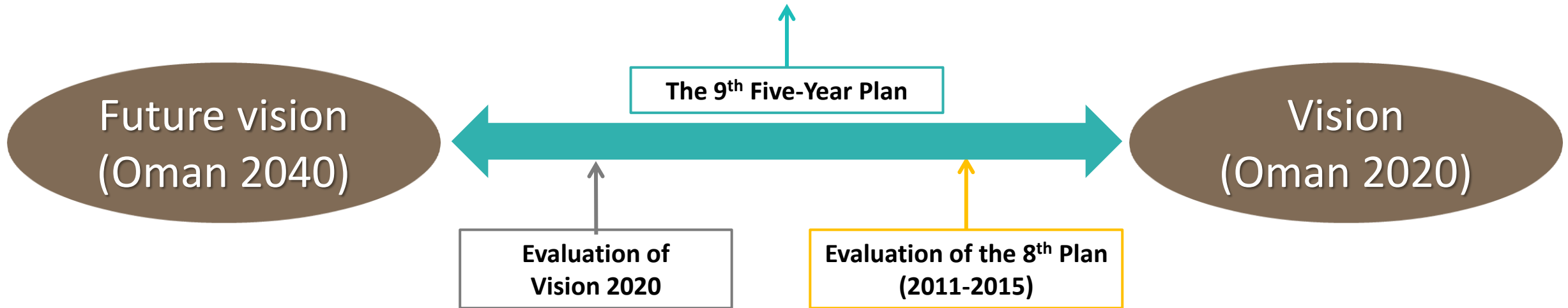
*Enabling Economic Diversification & Striding Towards an Optimal Use of Natural Resources and the Geostrategic Location Of Oman*

*Preserving, Developing & Building on the Achievements Accomplished in the Past 25 Years*



# The 9th Five-Year Development Plan

## The 2020 vision paving the way for the Future Vision (Oman 2040)

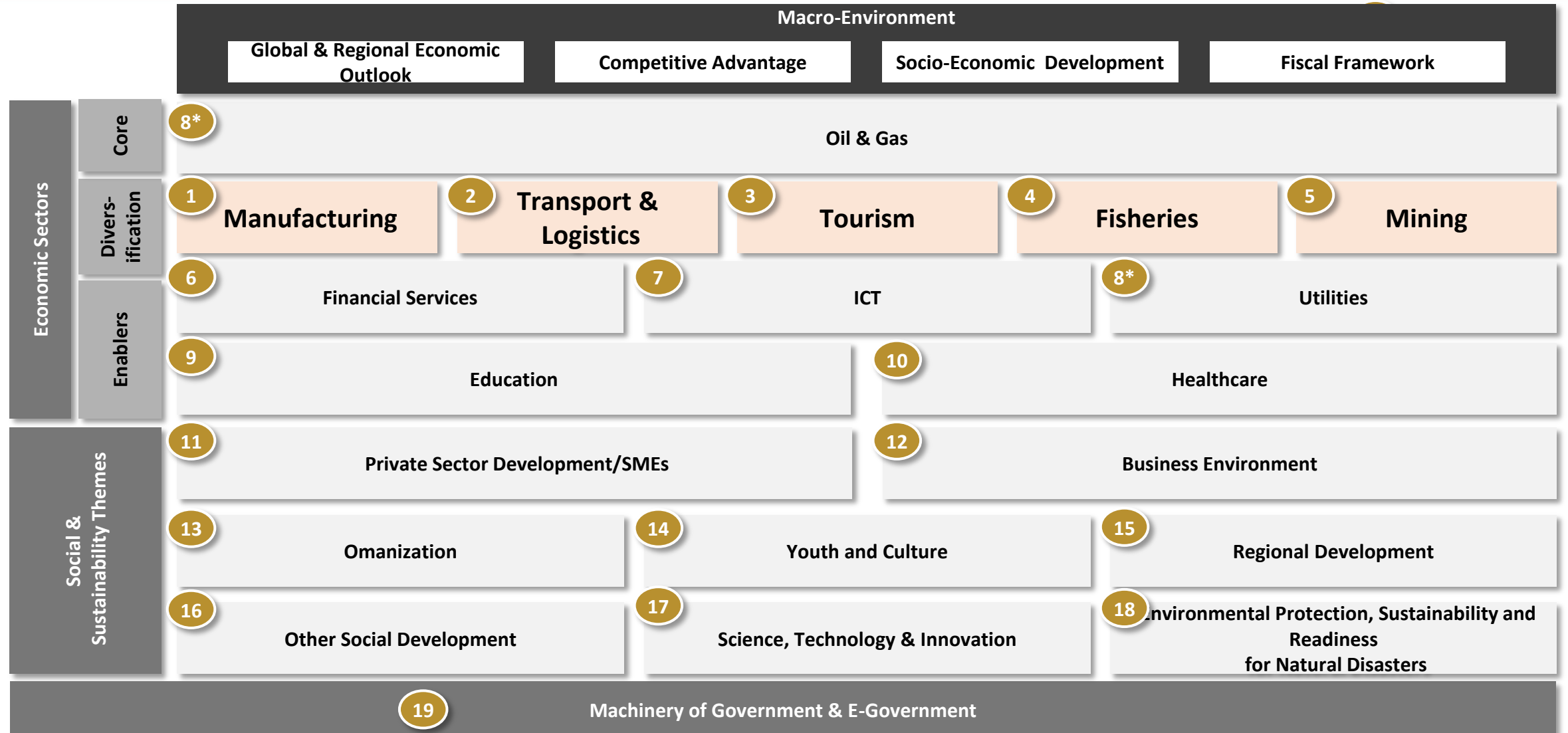


- Oman has **succeeded in maintaining steady GDP growth** in line with its 8th Development Plan targets, largely **driven by non-oil sector growth** and combined with **declining levels of inflation**
- **Lessons learnt** from Vision 2020 and the 8th Development Plan: Adopt a **focused approach for economic sectors**, redouble efforts to **develop the private sector**, **create national champions** to drive growth and **build national human capital**



# The 9<sup>th</sup> Five-Year Development Plan

Developed through analysis of 19 economic, support, social sectors and enablers



\*Oil & Gas and Energy sectors have been combined

# The 9<sup>th</sup> Five-Year Development Plan

## Policy Targets for the Strategic and Economic Diversification Sectors in the 9<sup>th</sup> 5YDP

### Criteria for choosing the Diversification Economic Sectors

1

Ability to create job opportunities

3

Ability for sustainable and continuous growth

2

High competitiveness internationally

4

Ability to develop growth in other sectors



### Mining

- Share of the sector in GDP is 0.4% and is expected to achieve 0.5% by 2020.
- Average growth is forecasted at 6.5% per annum.
- Total investment is expected to increase to 739 billions OMR .



### Fisheries

- Share of the sector in GDP is 0.5%.and is expected to achieve 0.6% by 2020.
- Average growth is forecasted at 7% per annum.
- Total investment is expected to increase to 1.1 billions OMR .



### Tourism

- Share of the sector in GDP is 3% and is expected to achieve 3.3% by 2020.
- Average growth is forecasted at 5.3% per annum.
- Total investment is expected to increase to 1.6 billions OMR .



### Transport & Logistics

- Share of the sector in GDP is 6.2% and is expected to increase to 7% in the Plan.
- Average growth is forecasted at 5.4% per annum.
- Total investment is expected to increase to 6.1 billions OMR in the Plan.



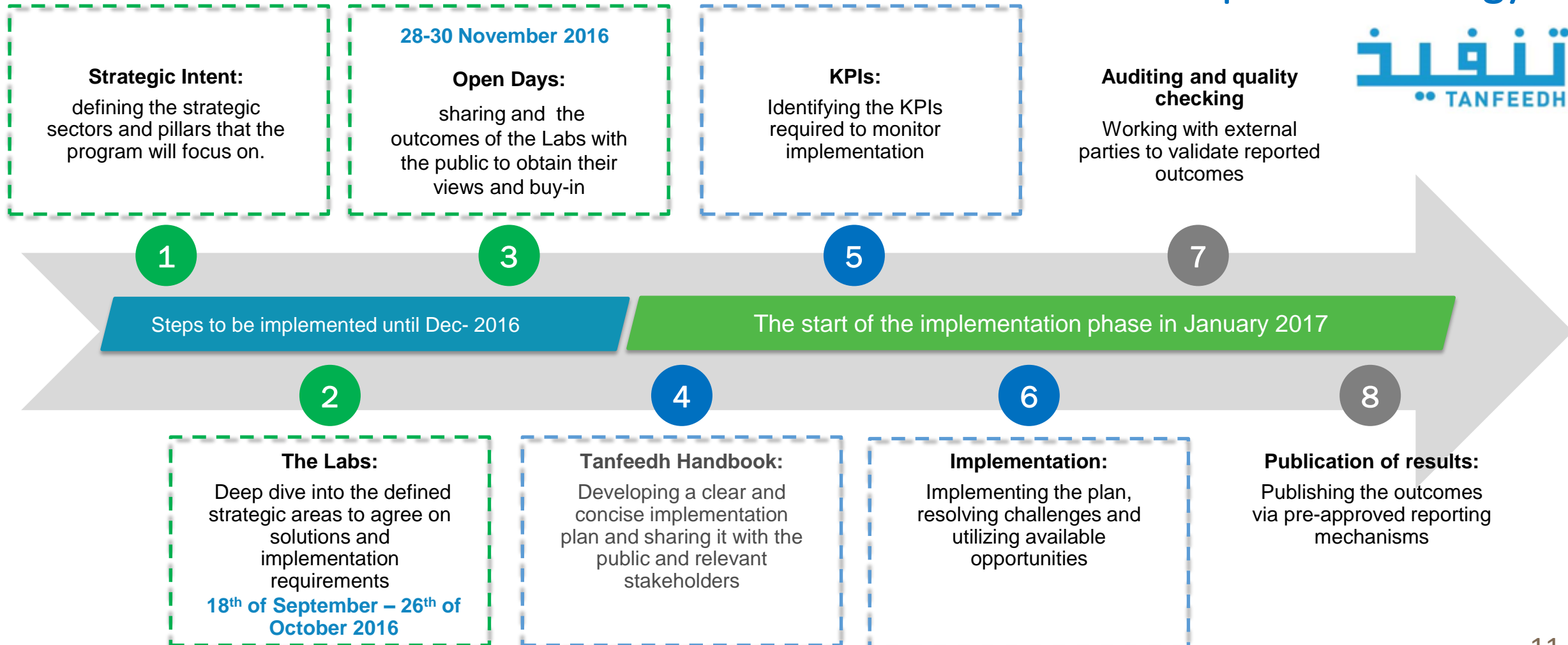
### Manufacturing

- Share of the sector in GDP is 9.8% and is expected to achieve 11% by 2020.
- Average growth in the 9<sup>th</sup> Plan is 7.8%.
- Total investment is expected to increase to 2.6 billions OMR.

# The National Program for Enhancing Economic Diversification (Tanfeedh)

A focused program to **accelerate** and **enable** implementation of the 9<sup>th</sup> 5 year development plan

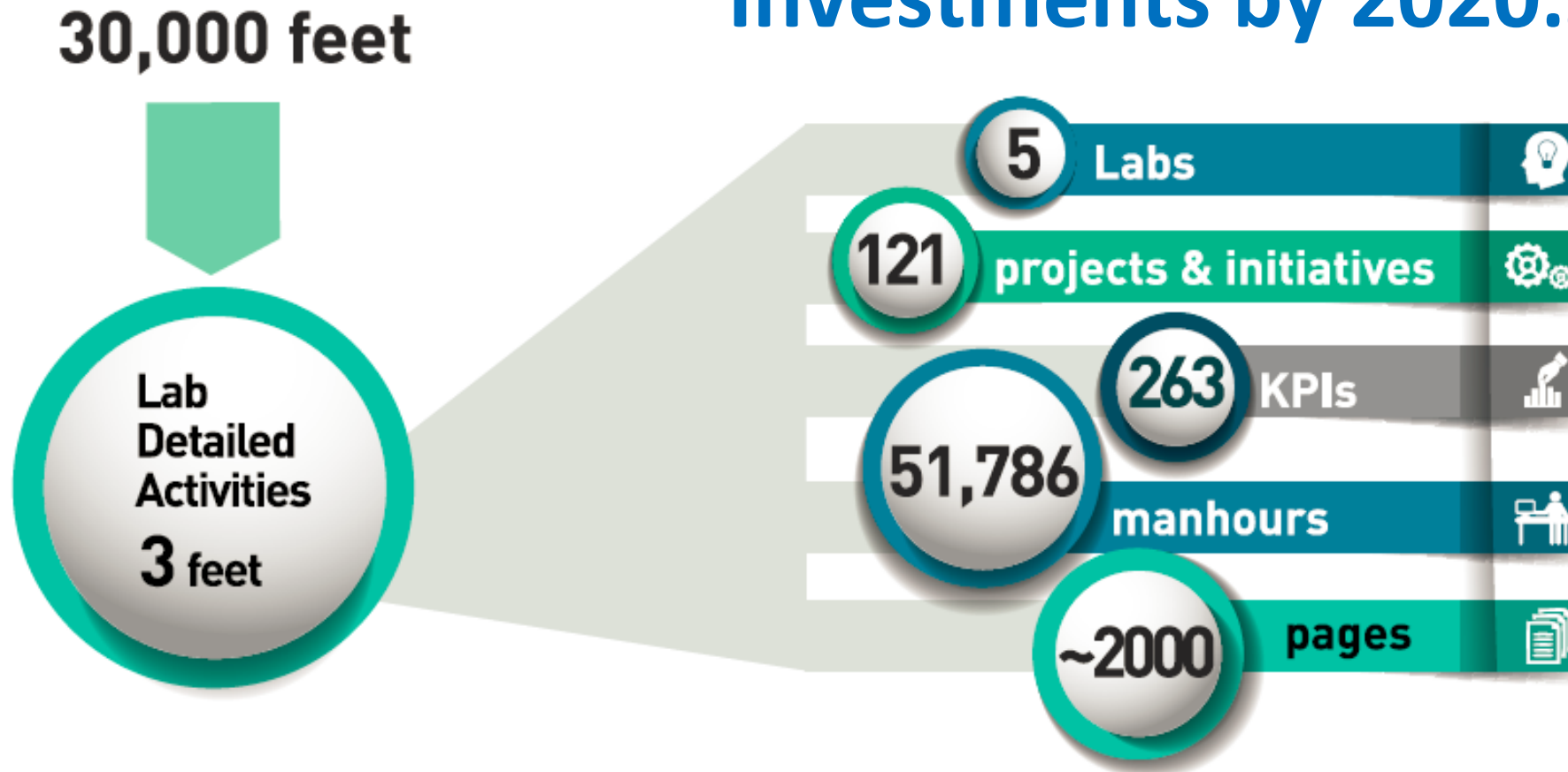
.. an 8 steps methodology



For 6 weeks, on a daily average of 250 participants from the private and public sector

By the end of the 6 weeks the labs have produced lab reports with detailed activities for each of the proposed initiatives

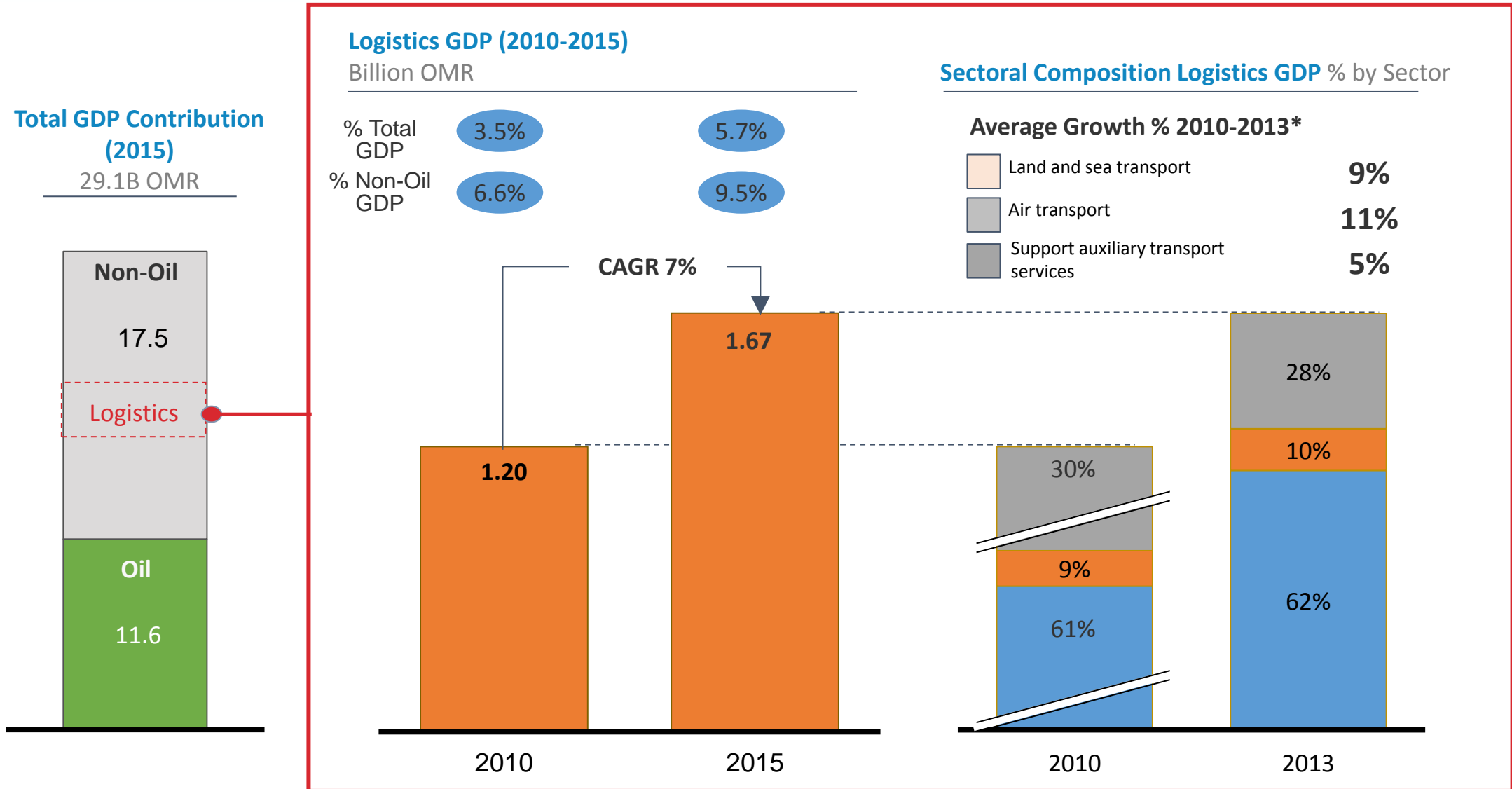
## ... 14 Billion Omani Riyal Investments by 2020... (32 Billion Euros)



# Strategic Sectors - Logistics



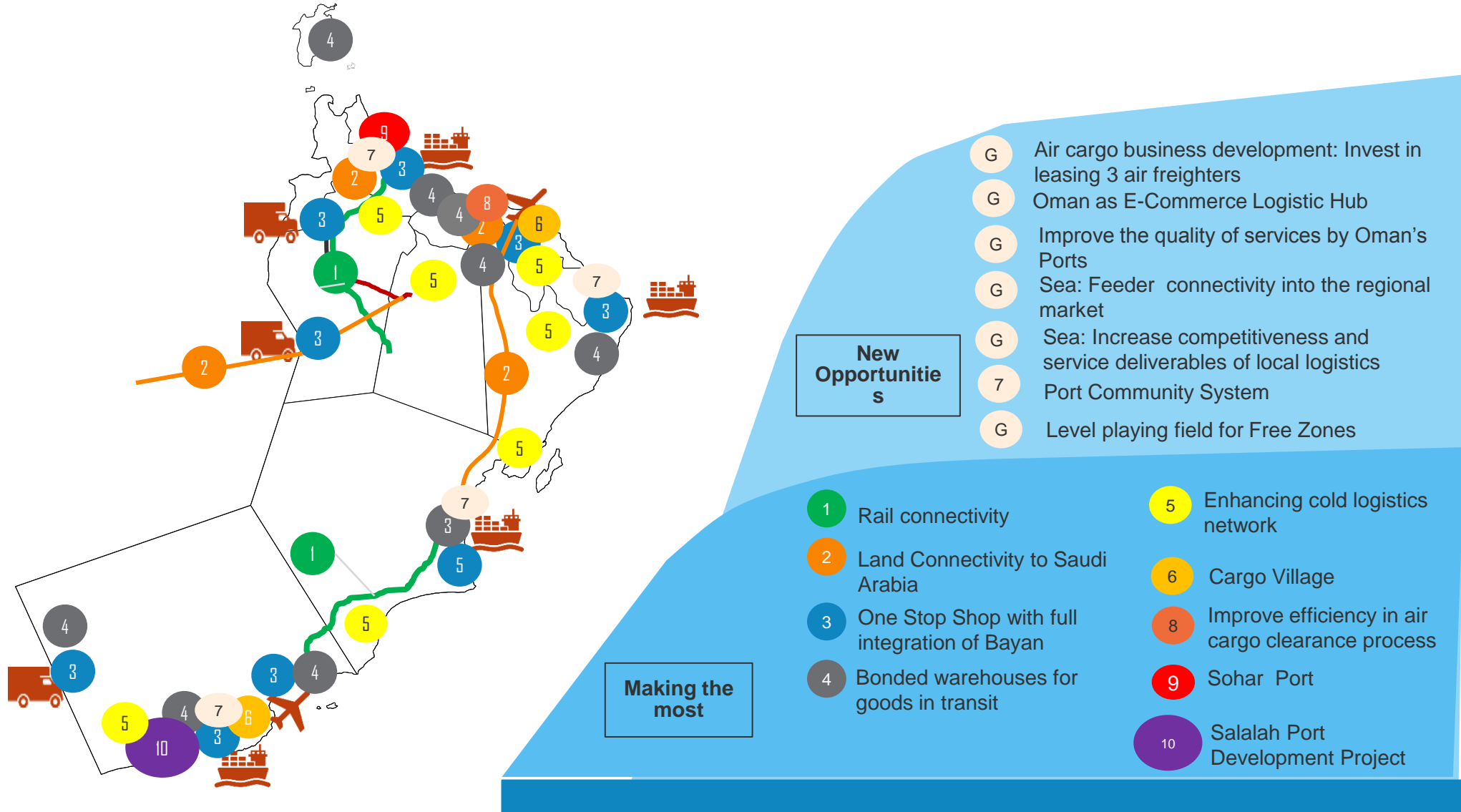
The sector has been growing at a stable rate of ~8% since 2010, of which land & sea transport contributed more than 60%



# Strategic Sectors - Logistics



Various infrastructure and enabling projects on top of existing developments, which can be syndicated with investors



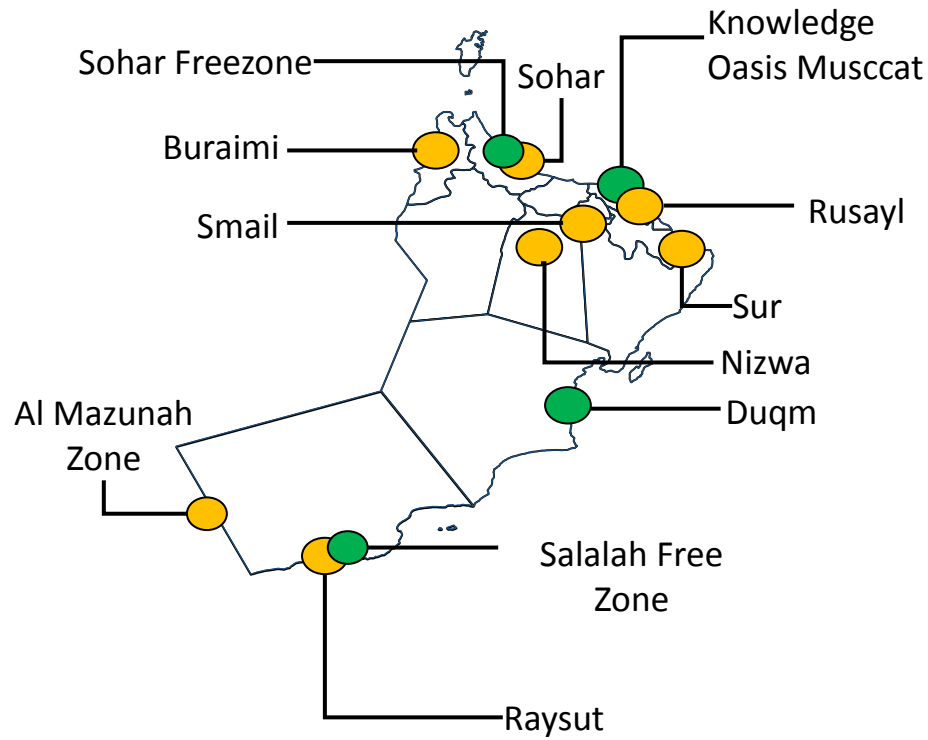
# Strategic Sectors - Manufacturing



3 promising clusters in Oman: Chemicals, Building Materials and Food

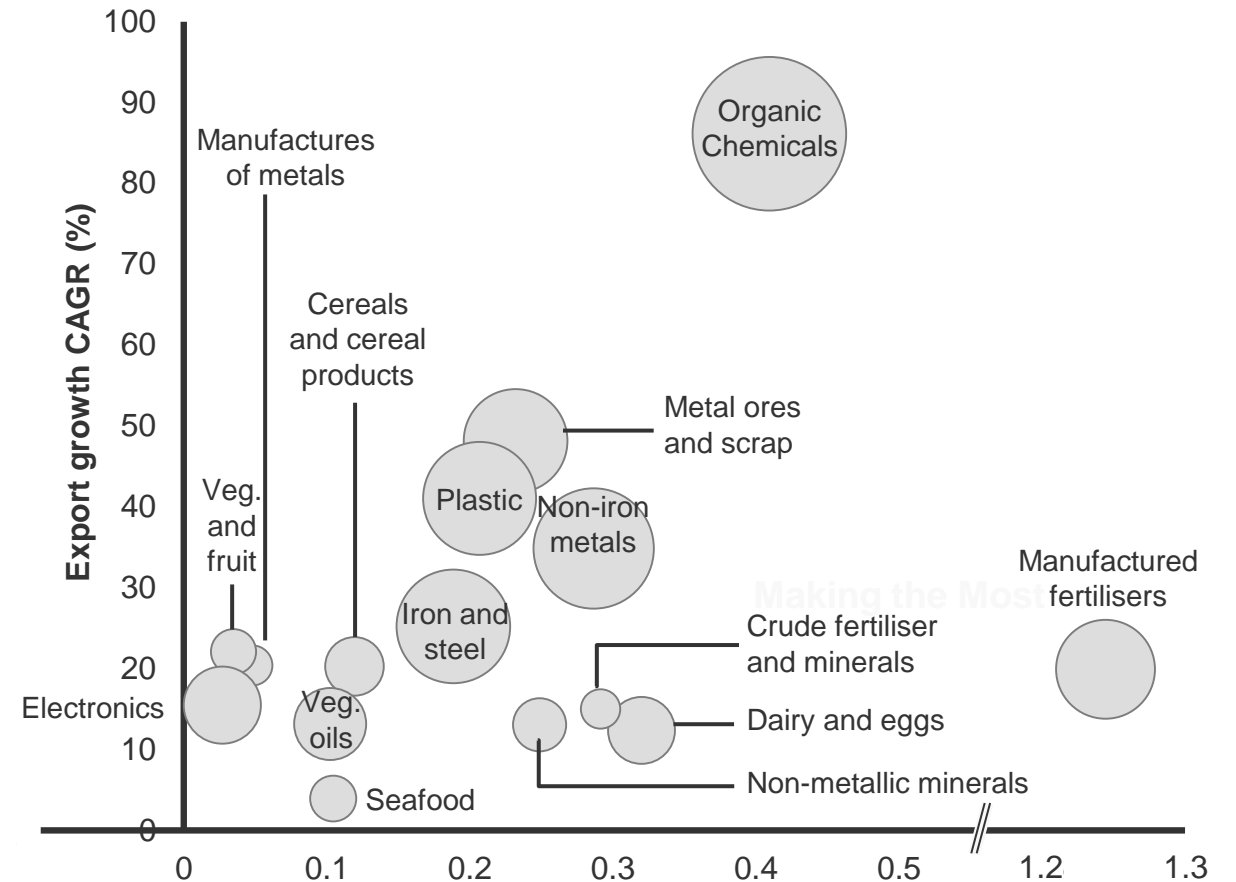
## Industrial and Free Zones in Oman

- Free Zone
- Industrial Zone



## Oman's export competitiveness

Export growth CAGR in 2005-2014 vs world market share; with 2014 export volume (bubble size); 14 sectors with >100M USD exports are included

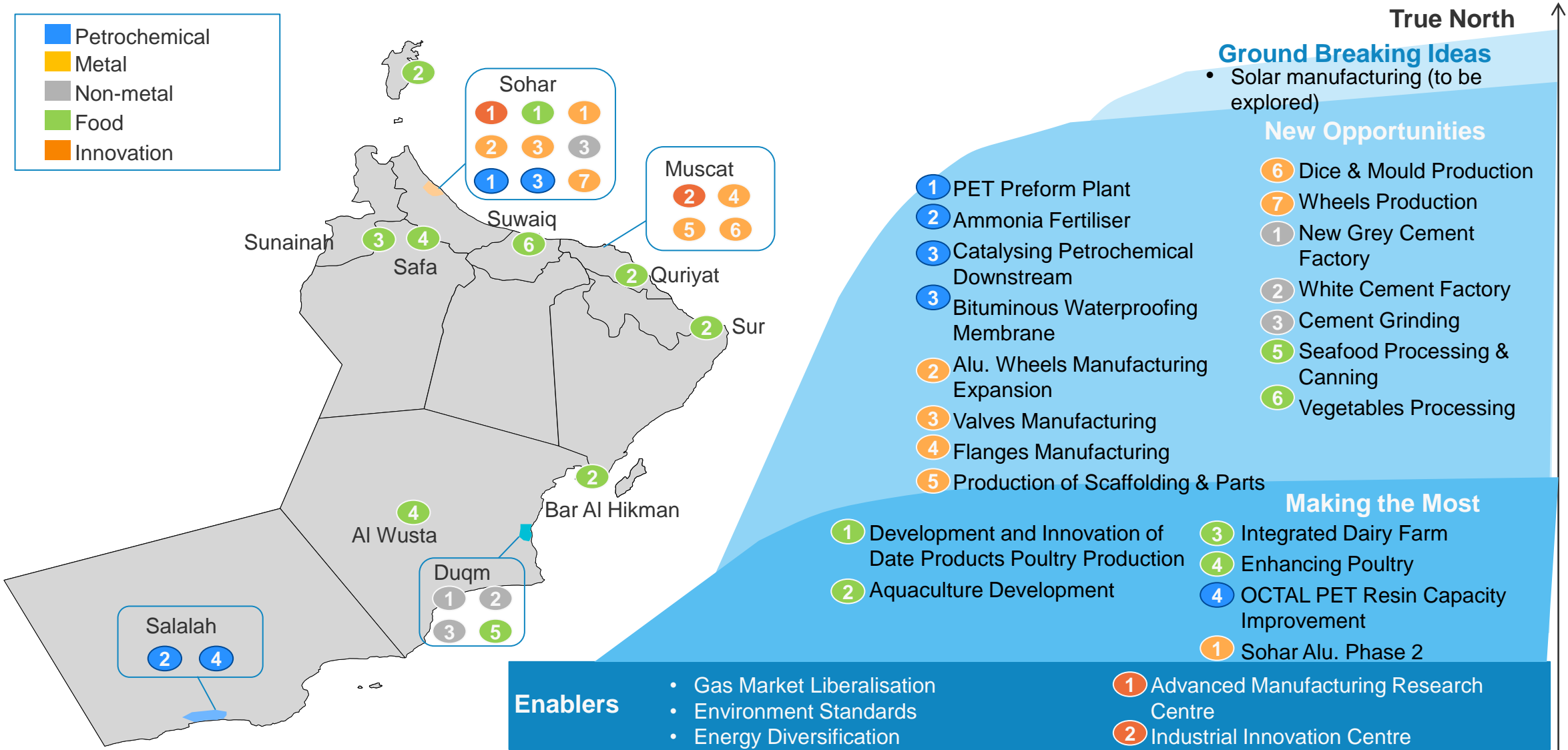




# Strategic Sectors - Manufacturing



Various projects to unlock, and also business opportunities of which can be syndicated with investors















# Strategic Sectors - Tourism

Oman's Tourism sector has its strengths in its culture and heritage, and exceptional natural endowment

## Culture and Heritage

- Rich culture, traditions, heritage & values
- Many cultural attractions including forts and castles, souks, oil alleys & ancient mosques
- Forts and castles classified as World Heritage Sites such as: Bahla Fort and Wall, Jabreen, The Five Falajs, and the Bat Tombs.



## Exceptional Natural Endowment

- Strategic, central location accessible to potential tourists from the East & West
- Exceptional natural sights placing it at an advantage relative to GCC peers, sights include:
  - Natural reserves & water springs
  - Natural caves, Mountains & several islands





# Strategic Sectors - Tourism



Oman's Tourism sector has its strengths in its culture and heritage, and exceptional natural endowment

## 2020 Targets

**Attract private investments of at least 1.8B OMR**  
**Increase international tourist arrivals from 1.9M to at least 2.7M**  
**Create 10,000 jobs for Omanis in the tourism sector**

<p style="text-align: center; font-weight: bold;">Nature and Adventure</p>  <ol style="list-style-type: none"> <li><span style="background-color: #00838f; color: white; border-radius: 50%; padding: 2px 5px;">1</span> Private management of nature sites and protected areas</li> <li><span style="background-color: #00838f; color: white; border-radius: 50%; padding: 2px 5px;">2</span> Enable niche nature / adventure activities</li> </ol>	<p style="text-align: center; font-weight: bold;">Culture and Heritage</p>  <ol style="list-style-type: none"> <li><span style="background-color: #00838f; color: white; border-radius: 50%; padding: 2px 5px;">3</span> Private management of heritage sites</li> </ol>	<p style="text-align: center; font-weight: bold;">Events Meetings, Incentives, Conventions and Exhibitions</p>  <ol style="list-style-type: none"> <li><span style="background-color: #00838f; color: white; border-radius: 50%; padding: 2px 5px;">4</span> Develop a year round calendar of events</li> </ol>	<p style="text-align: center; font-weight: bold;">Leisure and Recreation</p>  <ol style="list-style-type: none"> <li><span style="background-color: #00838f; color: white; border-radius: 50%; padding: 2px 5px;">5</span> Creation of cultural and F&amp;B precincts</li> <li><span style="background-color: #00838f; color: white; border-radius: 50%; padding: 2px 5px;">6</span> Creation of iconic tourism projects</li> <li><span style="background-color: #00838f; color: white; border-radius: 50%; padding: 2px 5px;">7</span> Facilitate delivery of ITCs / hotels / themed attractions</li> </ol>
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 <b>Regulations</b>	<ol style="list-style-type: none"> <li><span style="background-color: #00838f; color: white; border-radius: 50%; padding: 2px 5px;">8</span> Expedite cluster plans for Musandam / Nizwa / Muscat / Sur</li> <li><span style="background-color: #00838f; color: white; border-radius: 50%; padding: 2px 5px;">9</span> Set up a client service center for tourism related approvals</li> </ol>	 <b>Marketing</b>	<ol style="list-style-type: none"> <li><span style="background-color: #00838f; color: white; border-radius: 50%; padding: 2px 5px;">10</span> Extending usufruct lease options</li> <li><span style="background-color: #00838f; color: white; border-radius: 50%; padding: 2px 5px;">11</span> Introduce visa facilitation for new target markets</li> <li><span style="background-color: #00838f; color: white; border-radius: 50%; padding: 2px 5px;">12</span> Establish a centralised infrastructure board</li> </ol>
 <b>Employment</b>	<ol style="list-style-type: none"> <li><span style="background-color: #00838f; color: white; border-radius: 50%; padding: 2px 5px;">13</span> Establish the Oman Tourism &amp; Convention Bureau</li> <li><span style="background-color: #00838f; color: white; border-radius: 50%; padding: 2px 5px;">14</span> Activating Tourism Development Fund</li> <li><span style="background-color: #00838f; color: white; border-radius: 50%; padding: 2px 5px;">15</span> Introduce a labour solution package</li> </ol>		

Source: Targets: Arrivals + Value Add: NCSI, Investment: MOT Tourism Strategy 2040, Jobs: Lab Analysis

Despite the challenges posed by global economic uncertainties

**Oman is Open for Business**



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