

Oman

An overview of the economy and of the business environment

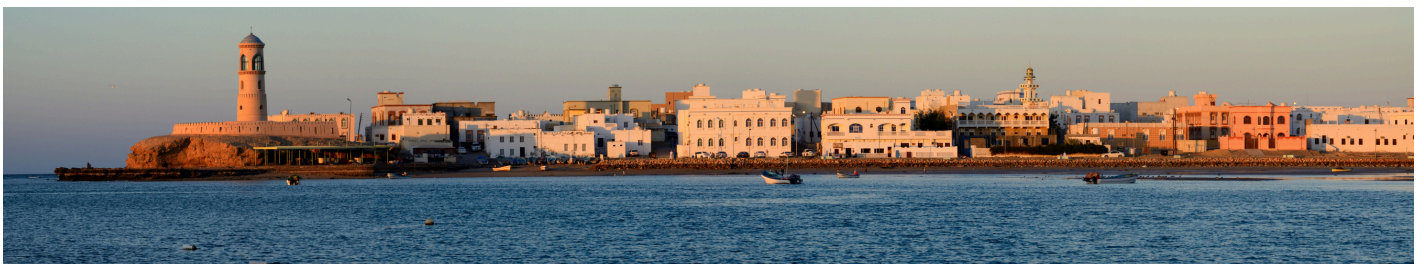


In Oman, shuwa is not simply a dish; it is an event that reveals how the country thinks about time, community, and value. The meat, typically lamb or goat, is marinated with an aromatic blend of spices, wrapped in leaves, and cooked slowly in an underground oven for many hours, sometimes stretching to a day or more, until it becomes exceptionally tender.



The ritual matters as much as the result: it is prepared for Eid celebrations, weddings, and major gatherings, and it is often a communal activity where families contribute to shared cooking and then gather to eat together. That combination of heritage and patience makes a useful lens for understanding Oman's economy today, which is modernizing deliberately under the long-term umbrella of Oman Vision 2040 while still drawing heavily on long-established strengths such as geography, trade routes, and resource endowments.

Oman's primary sector is dominated by hydrocarbons, with oil and natural gas shaping exports, public revenues, and the overall balance of payments, even as policymakers work to reduce dependence. The persistence of this dominance shows up very clearly in the export basket: in recent trade profiles, mineral fuels and oil-related products represent the overwhelming majority of merchandise exports, highlighting both the strength of the hydrocarbon base and the vulnerability to price cycles. Official national accounts reporting also illustrates how the economy is gradually rebalancing: data for the end of 2024 shows oil activities contributing roughly about a third of GDP while non-oil activities expanded, reinforcing the policy narrative that growth is increasingly carried by non-hydrocarbon activity. This does not mean hydrocarbons are fading quickly; rather, it means the country is trying to convert resource wealth into the infrastructure, skills, and investment climate needed for a broader economic base.



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Within the primary sector, agriculture, forestry, and fisheries play a smaller role in headline GDP, but they matter strategically for food security, regional livelihoods, and linkages into manufacturing and tourism. Official figures for late 2024 place agriculture, forestry, and fisheries value added at just over one billion Omani rials, while early 2025 reporting shows this segment posting strong growth relative to many other activities, suggesting that productivity gains and better market connections can have an outsized impact despite the sector's modest size.



Mining and quarrying beyond oil and gas also sit naturally in the primary category, and Oman's trade pattern confirms its relevance: "ores, slag, and ash" appear among the higher-value non-fuel export groups, indicating that mineral extraction is already integrated into the export economy and can feed downstream processing.

The secondary sector is where Oman's diversification ambitions become most visible, because industry transforms primary outputs into tradable value-added products. Official national accounts show industrial activities contributing several billions of rials in value added by late 2024, underlining that industry is already a major pillar of the non-oil economy. The country's industrial direction is frequently framed around expanding downstream capacity in refining and petrochemicals, scaling metals and mineral processing, and deepening manufacturing capability in and around major logistics nodes.

This orientation is reflected in what Oman sells abroad: alongside crude petroleum, refined petroleum and petroleum gas are among the most important export products, which signals industrial processing capacity rather than simple extraction. The presence of semi-finished iron and nitrogenous fertilizers among top exports reinforces that Oman's industrial base extends into metals and chemical industries with export reach.



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Construction sits at the heart of the secondary sector's multiplier effects because it links public and private investment to real economy outcomes, from industrial zones and ports to housing, roads, and tourism assets. Official national accounts summaries for late 2024 explicitly identify construction as a meaningful contributor, and broader development messaging ties current investment cycles to the expansion of infrastructure and productive capacity.



In practice, the construction channel also shows up on the import side, because machinery, transport equipment, and electrical components often need to be sourced internationally to build domestic capacity. Utilities and industrial services, while not always discussed as a stand-alone “sector,” are part of the secondary ecosystem that enables energy-intensive activities such as metals and petrochemicals and supports emerging investment themes like green hydrogen, which relies on large-scale power generation, water management, and port-linked export infrastructure.

The tertiary sector, services, is increasingly the connective tissue of the diversification model, tying together trade, logistics, tourism, public services, finance, and the digital economy. Official data for late 2024 shows services activity as the largest block of non-oil value added, and early 2025 reporting indicates services continued to expand, consistent with the thesis that diversification is as much about service capability as it is about factories and mines.



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Logistics and trade services deserve special attention because Oman's location on the Arabian Sea and its port infrastructure make it a natural gateway between Asia, Africa, and the Gulf, and national strategy documents and investment promotion narratives repeatedly present logistics as a priority sector. This logistics role is not only about moving containers; it also supports re-exports and cross-border supply chains, which are explicitly measured in Oman's official trade datasets that distinguish between exports, re-exports, and imports.



Tourism is another tertiary pillar, positioned as a source of employment and foreign exchange anchored in Oman's cultural heritage and natural landscapes, and it is repeatedly cited as a target area within the broader diversification agenda. Financial and business services also matter because they determine how easily capital can be attracted and deployed into industrial projects and SMEs, and Oman has framed parts of its recent agenda around strengthening investment architecture and improving the investor environment.

Under the umbrella of Oman Vision 2040, the throughline is an economy where services amplify the productivity of industry and make non-oil growth more resilient, while governance and human capital are treated as central economic variables rather than peripheral social goals.

Oman's foreign trade is large relative to the size of the economy and remains structurally shaped by hydrocarbons, which means trade performance often tracks global energy markets, even as non-oil exports slowly broaden. International trade summaries show Oman exporting and importing tens of billions of dollars' worth of goods annually, typically maintaining a positive merchandise trade balance in the most recent consolidated international reporting, although the surplus can narrow or widen with price and volume shifts. A more recent narrative based on official preliminary indicators notes that merchandise exports increased in 2024 while imports also rose, which is consistent with an investment and demand cycle alongside the continued strength of oil and gas exports.

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On the export side, the product story is straightforward but revealing. The most recent detailed product rankings available in international datasets list crude petroleum as the largest export, followed by refined petroleum and petroleum gas, with semi-finished iron and nitrogenous fertilizers also ranking among the top export lines. This mix shows that Oman is not only exporting raw crude but also exporting processed energy products and industrial outputs, which aligns with the country's focus on downstream activity and industrial zones. Broader product-group views for 2024 reinforce the concentration: mineral fuels and oil dominate export value, while plastics, ores/slag/ash, iron and steel, and fertilizers form the next tier, pointing to industrial and mineral diversification that remains secondary in scale but meaningful in direction.



The geography of exports reflects energy demand and regional trading networks. China is the leading destination by a wide margin, with India, the United Arab Emirates, Saudi Arabia, and South Africa also among the top export markets. Other trade partner summaries likewise emphasize China as the main export partner and highlight major flows to Asian markets such as South Korea and Japan, consistent with the logic of oil and gas trade routes.

The implication is that Oman's export earnings remain deeply connected to Asian industrial demand and shipping lanes, while regional Gulf markets support a significant layer of non-oil and re-export activity.

On the import side, Oman's profile reveals what the domestic economy needs to sustain consumption, construction, and industrial expansion. The most recent detailed product rankings show refined petroleum among top imports, along with cars, crude petroleum, iron ore, and telephones, a combination that may look paradoxical for an energy producer but is common in economies where refining configurations, seasonal supply balance, and re-export activity all affect the final trade ledger. Category-level summaries support this interpretation by showing major import weight in transport equipment and in electrical and mechanical machinery and parts, which are typical of economies investing in infrastructure and productive capacity.

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Imports are also geographically concentrated in ways that reflect regional supply chains. The United Arab Emirates is the largest source of imports, followed by Saudi Arabia, India, China, and Qatar. This pattern is consistent with Gulf trade realities in which the UAE functions as a distribution hub for a wide array of goods, while Saudi Arabia and Qatar supply significant volumes of energy and industrial products, and India and China supply machinery, manufactured goods, and consumer products. Oman's own official trade infrastructure recognizes the complexity of these flows by offering data that classifies merchandise trade by commodity group and country and that separates re-exports from domestic imports and exports, which is essential for interpreting partner rankings in a region where transshipment is common.



Taken together, the structure of Oman's economy, its diversification trajectory, and the scale and composition of its international trade clearly underline that the Sultanate offers a wide range of business and investment opportunities across energy, industry, logistics, services, and emerging non-oil sectors.

However, the same characteristics that make Oman attractive — a relatively concentrated corporate landscape, strong state involvement in key sectors, and deep integration into regional and global value chains — also mean that establishing safe, sustainable, and profitable business relationships requires careful preparation. For foreign companies and investors, it is essential to obtain a full and accurate picture of any potential or existing local partner.

This level of understanding can only be achieved by relying on authoritative, up-to-date local information sources. Through SkyMinder, businesses can access the most complete and reliable business reports on Omani companies, drawing on verified local data and expert analysis, thereby enabling informed decision-making and reducing commercial and counterparty risk when engaging with the Omani market.



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All SkyMinder Full Reports include the following information (if available at local sources):

- Complete company identification details: correct company name, address(es), contact details such as phone, fax, email, webs, etc.
- Company registration details: our local providers try to access local registries and to get registration number and any information that can be retrieved at the local registry.
- Directors and company structure: board of directors, shareholders and related companies
- Financials: balance sheet and profit and loss (if available and if companies is willing to disclose them during the interview).
- Credit rating and suggested credit limit
- Number of employees
- Activity details: sector and industry of the company, banks.
- Negative information on the company

In addition to the Full Report, which provide complete details on Omani companies, SkyMinder also offers other types of reports designed to give you an in-depth and comprehensive understanding of your business partners:

- Verification Report: focusing on the shareholding structure of the company
- Compliance Check Report: access the LexisNexis Risk Solutions platform through SkyMinder to verify whether a business partner is involved in financial crimes, bribery, corruption, or money laundering activities.
- Cyber Risk Report: Based on tests performed on a company's website, related domains, and emails, this report helps you assess whether a current or potential partner is vulnerable to cyberattacks.
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Sources: tradingeconomics.com; worldstopexports.com; fm.gov.om; timesofoman.com; lloydsbanktrade.com; worldstopexports.com; international.groupecreditagricole.com; muscatdaily.com; arabnews.com; oec.world; data.gov.om; wits.worldbank.org