Oman invites Japanese investment for mutual gain

Mohammed Saud Bahwan, chairman of the Oman Japan Friendship Association, sheds light on Japan’s long and successful relationship with Oman and areas in which mutual cooperation can benefit all parties and further strengthen ties.

What is your assessment of relations between Oman and Japan?

The Sultanate of Oman and Japan share a deep-rooted relationship that dates back hundreds of years. These remarkable bonds have been forged through countless shared values. Oman is home to a rich history and cultural heritage that spans many centuries. Oman has made its mark as one of the most stable, peaceful and progressive countries in the Middle East.

As the world seeks solutions for 21st-century challenges, the wise leadership of His Majesty Sultan Haitham bin Tarik Al Said, Oman is on the path toward rapid growth, with a firm focus on economic relations. Oman is one of Japan’s largest trading partners. Imports from Japan for automobiles, trucks, machinery, iron, steel and electronics have witnessed a steady growth pattern.

As Oman continues its economic development, there will be increasing opportunities for imports of consumer and industrial goods. Likewise, Japan is one of the largest importers of oil and gas, petrochemicals and fishery products from Oman. Japanese companies have a presence in Oman through joint ventures in fields like oil and gas, infrastructure and various other industries.

What is the role of Japanese investment in advancing Oman Vision 2040 and the diversification of Oman’s economy?

Oman is among the few countries in the world that is considered ideal for long-term business investments. It possesses modern infrastructure, a strong industrial base and a stable government. Most notably, the country has in place institutions that protect investors and ensure complete freedom in business operations.

Launched by the sultan, the ambitious Oman Vision 2040 maps out a blueprint that will pave the path to Oman’s evolution into one of the most rapidly growing and diversified economies in the region.

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What economic benefits do both nations gain through investment and trade?

Economic relations between the two countries have grown steadily in various sectors. Japan is one of Oman’s largest trading partners. Exports from Japan for automobiles, trucks, machinery, iron, steel and electronics have witnessed a steady growth pattern.

Japanese conglomerates can offer technology and expertise in infrastructure development and joint ventures. They can also offer financial assistance and contribute to Oman’s development through joint investments and partnerships.

What is the Oman Japan Friendship Association doing to promote cooperation with the Embassy of Japan in the Sultanate of Oman?

The OJFA continues to plan and initiate projects like oil and gas infrastructure and various other industries. The OJFA has initiated several joint ventures in the field of renewable energy, including solar and wind energy. The government has already announced many projects, several of which are being implemented.

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

Opportunities are growing for imports of Japanese industrial goods.

What sectors contain the most opportunities for Japanese investors?

The joint efforts of Oman and Japan have yielded numerous avenues for mutual development in diverse fields. These include diplomacy, economics, investments, trade, culture, sports, arts and skills training for Omani nationals. Particularly, Japan has supported Oman in its role as a mediator on several issues.

Oman Vision 2040 defines Oman’s future direction and path toward rapid growth, with a firm focus on economic relations. Oman is one of Japan’s largest trading partners. Imports from Japan for automobiles, trucks, machinery, iron, steel and electronics have witnessed a steady growth pattern.

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What is the Oman Japan Friendship Association doing to promote cooperation between the two markets?

Oman is very close to me. I have been involved with the country in one way or another for many years. The relationship between Oman and Japan has been incredibly fruitful and is characterized by depth, reliability and trust. It is about much more than economics and trade; it is a strong and special relationship.

The OJFA continues to plan and initiate joint ventures that focus on the rich and diverse culture of the two nations. These initiatives include art and photography exhibitions that showcase landscapes, nature, tradition and culture. They also include book tours, performing arts presentations and visits from geologists. In the years to come, the OJFA will continue to nurture this spirit of everlasting friendship.

What sectors contain the most opportunities for Japanese investors?

One of the key sectors is the oil and gas sector. Oman has made substantial investments in developing its oil and gas industry, making it a key player in the global energy market.

There are also many opportunities in the renewable sector. Oman is aggressively pursuing technologies like solar and wind energy as part of its Vision 2040 blueprint. The government has already announced many projects, several of which are being implemented.

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Oman is keen to build on a 50-year friendship with Japan to attract high-tech manufacturing projects and develop the country’s green economy.

This year, Japan and Oman celebrate the 50th anniversary of the start of diplomatic relations, which built on the foundations of an existing friendship and growing trade. The two countries are also described by businesspeople as going back to 1952 when the government of Oman (at that time still called Trucial Oman) and Japan’s Ministry of Foreign Affairs established diplomatic relations.

According to former Japanese Ambassador to Oman Toshinori Kobayashi, "The economic partnership started through the trade of oil-cakes, making Oman one of the biggest buyers of Japan’s crude. Our trading relationship expanded through the 21st century, with Japan importing and also re-exporting natural gas, and exporting automobiles, electrical appliances and other products. The trade volume between the two nations has increased from US$2 billion in 1990 to US$9 billion currently.

In terms of energy, there is a potential for Japan to provide Oman with a large amount of its crude oil needs. However, because of our exceptional location and facilities, "We have a large potential for attracting higher value-added projects like chemical manufacturing," noted al Hosni.

Japan is Oman’s sixth-largest trade partner, representing about 18.9% of Oman’s imports and 4.6% of Oman’s exports. Japan’s top exports to Oman include machinery and electrical appliances, crude oil, and non-metallic mineral products.

"Oman provides an ideal location both in terms of logistics and added value," Toshinori Kobayashi, Former Ambassador of Japan to Oman, said.

"Although Oman is a developing country, it enjoys an excellent location and a safe and investor-friendly environment. Japan’s companies consider both its business model and the role in this niche economic zone. They should recognize that Oman is keen to build both in terms of logistics and added value. Ultimately, it has already done so," he concluded.

Oman’s Ministry of Energy and Minerals, which oversaw Oman’s energy sector in 2019, expressed interest in developing partnerships with Japanese companies to enable the country to diversify its manufacturing sector.

"We have allocated a large amount of our budget to cutting-edge technologies," added al Hosni. The company is set to play a key role in the development of Oman’s new airport.

"The government leads a national project to ensure the airport is a low-carbon and sustainable facility. Oman Airports expects to complete its construction in 2022,

Aviation and air transport is a key segment of the global economy. Oman Airports Company (OAC) is responsible for managing and operating the Muscat International Airport (MIA), which serves as the gateway to the country.

"Flying lean and green" is the goal of the Oman government, as it aims to develop a carbon-free transport network.

"The Middle East’s new logistics heavyweight
Anchored by world-class shipping and dry-dock services, Asyad Group is driving Oman’s logistics sector.

Oman is strategically positioned on one of the world’s primary maritime routes that provides a valuable entry point for all global and Mediterranean trade. As part of the country’s economic diversification strategy, Oman has sought to capitalize on its unique location by investing heavily in logistics and infrastructure.

At the forefront of this investment is Asyad Group, a 1.6 billion-omanis-backed company that has already invested in several logistics projects, including the construction of Knowledge Oasis Muscat and the Al Mazunah Free Trade Zone.

Oman has already laid the groundwork for a logistics network. "We have built substantial hard and soft infrastructure over the past few years," he asserted. Amongst its main "hard" infrastructure investments, Asyad has built the largest logistics hub in the Middle East and a highly diversified fleet of over 100 vessels, which are strategically positioned and offer a seamless network that connects Oman to key ports across the globe.

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The logistics gateway to MENA offers globally competitive shipping and dry-dock services

Asyad Group’s fully integrated, end-to-end services across ports, free zones, shipping and dry-docking have cemented Oman’s position as a logistics powerhouse.

Through Asyad Drydock and Asyad Shipping, the group operates one of the largest, most efficient dry-docks in the Middle East and a highly diversified fleet of over 100 vessels, which are strategically positioned and offer a seamless network that connects Oman to key ports across the globe.

"Asyad Drydock on the top, operates one of the Middle East’s largest dry-dock facilities, which is located at the Port of Khasab in the north of Oman. This world-class shipyard is already one of the world’s largest and is now poised to expand its capacity to 750,000 deadweight tons.

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