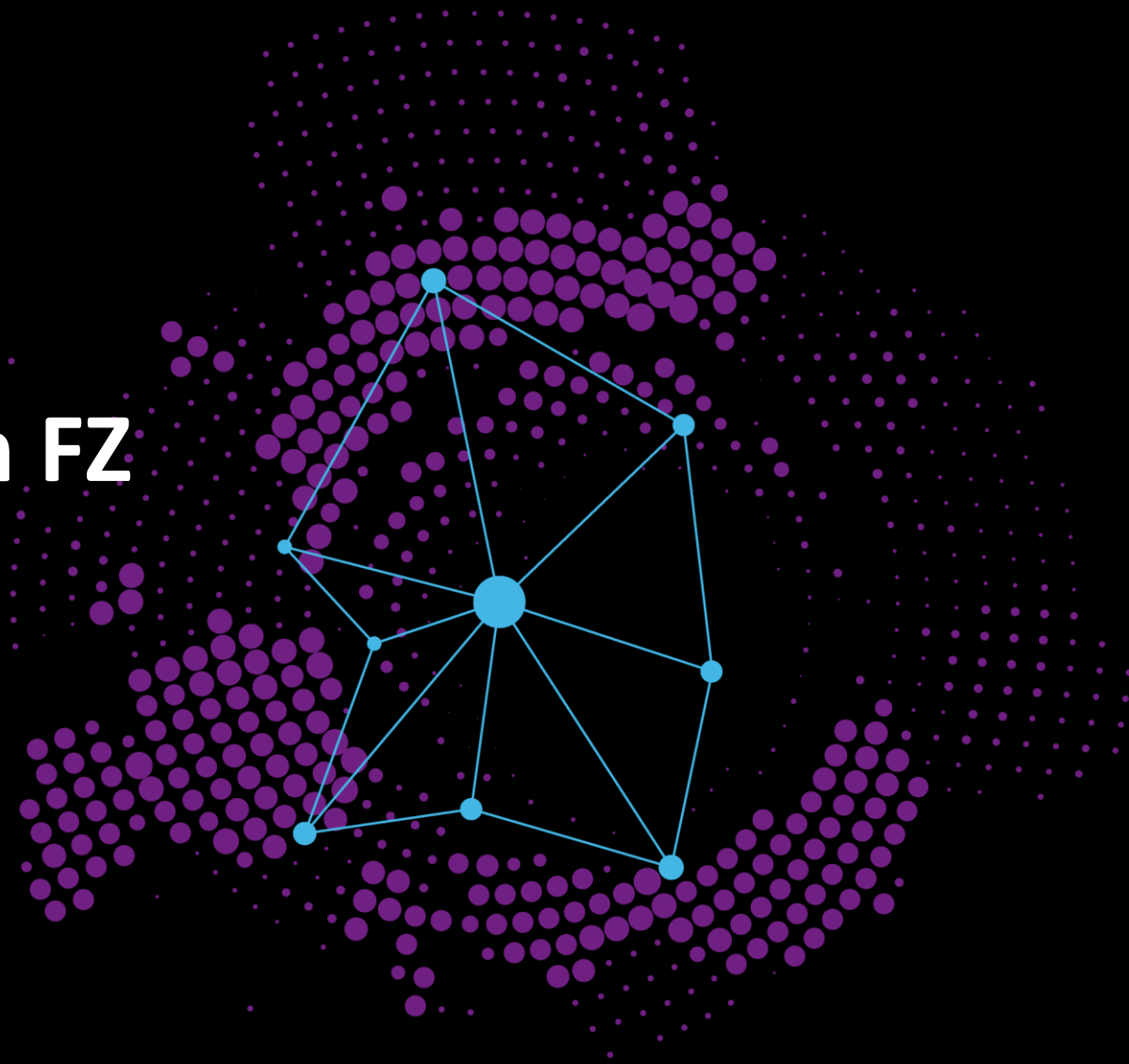


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# Benchmark Study- POS

# Benchmark Study- Salalah FZ

28<sup>th</sup> Feb. 2022



# Introduction



## **Benchmark Study objective is**

To review investment regulations and overall ease of doing business that currently exist at Port of Salalah and Salalah Freezone for better improvement in their value proposition across entire Ecosystem.

Study Methodology related to the Port study:

- The study targeted the most seven ports of which competing with Salalah port in the region, namely Sohar, Duqm, Jebal Ali, King Abdullah, Jeddah, and Colombo. For SFZ, Bahrain International Investment Park (BIIP), King Abdullah Economic City (KAEC), Small and Medium Scale Industrial Area-Qatar (SMSIA), Jebel Ali Free Zone (JAFZA), Khalifa Industrial Zone (KIZAD), Kuwait Free Trade Zone (KWTFTZ), Sohar Free zone, Sohar(Sohar FZ), Duqm Special Economic Zone (SEZAD) and Al-Mazunah Free Zone (AlMazunah FTZ).
- The study covers total shipping freight cost, port capabilities, marine and value-added services,..... per each of those ports mentioned above.

# Comparison Overview with targeted ports



Port	Salalah	Sohar	Duqm	Jebal Ali	Jeddah	King Abdullah	Djibouti	Colombo
Port handling cost (USD)	20FT EXP- 85 40FT EXP - 125	20FT EXP- 130 40FT EXP - 182	20FT EXP- 135 40FT EXP - 175	20FT EXP- 114 40FT EXP - 181	20FT EXP- 80 40FT EXP - 146	20FT EXP- 80 40FT EXP - 146	20FT EXP- 133 40FT EXP - 166	20FT EXP- 140 40FT EXP - 212
	20FT IMP - 85 40FT IMP - 125	20FT IMP - 104 40FT IMP - 143	20FT IMP - 135 40FT IMP - 175	20FT IMP - 114 40FT IMP - 181	20FT IMP - 80 40FT IMP - 146	20FT IMP - 80 40FT IMP - 146	20FT IMP - 133 40FT IMP - 166	20FT IMP - 229 40FT IMP - 338
Freetime for Import(Laden)	7	7	10	5	10	10	3	7
Freetime for Export (Laden)	10	7	10	10	10	10	3	7
Storage after FT (USD) 7/7/7 days	5/7.5/10	3.9/5.2/7.8	NA	23/46/92	80 per day(Calculated per tonne)	80 per day(Calculated per tonne)	5.65/7.05/8.8	7.8
Handling Efficiency*	6	71	-	323	53	2	61	17
Sea connectivity*	59	34	-	79		55	34	75
hinterland connectivity	Road,Coastal,Short Sea	Road, Coastal, Short Sea	Road,Coastal,Short Sea	Road,Coastal,Short Sea	Road,Coastal,Short Sea	Road,Coastal,Short Sea	Road,Short Sea	Short Sea
Targeted Sectors	EAF,Red Sea, Yemen, Subcontinent, Oman gateway	Oman gateway, Upper gulf	Oman gateway	Uppergulf, UAE Gateway	KSA WC Gateway, Yemen, Redsea, EAF	KSA WC Gateway, Yemen, Redsea, EAF	Red Sea, EAF, Ethiopia	India, Pakistan, Gulf
	Special Economic Zone		Special Economic Zone	Special Economic Zone	Logistics Park	Bonded & Re Export Zone		
	Sea Air					RORO		

\*World Bank & IHS Markit study rankings 2021

\*\*Liner Shipping Connectivity Index 2021 by UNCTAD

# Cont..

Port	Salalah	Sohar	Duqm	Jebal Ali	Jeddah	King Abdullah	Djibouti	Colombo
Offered Services	Stevedoring	Stevedoring	Stevedoring	Stevedoring	Stevedoring	Stevedoring	Stevedoring	Stevedoring
	Provision and freshwater Facilities	Marine	Provision and freshwater Facilities	Provision and freshwater Facilities	Provision and freshwater Facilities	Provision and freshwater Facilities	Provision and freshwater Facilities	Provision and freshwater Facilities
	Container Maintenance and Repair	Cargo handling	Ship repair	Container Maintenance and Repair	Container Maintenance and Repair	Break Bulk, Bulk, Warehousing	Marine and Engineering services	Container Maintenance and Repair
	Tug and Pilot boat, bunkering, warehousing &STS	Port servies	Marine services	Tug and Pilot boat, bunkering, warehousing	Marine Services	Marine Services	RORO services	Tug and Pilot boat, bunkering, warehousing
	Reefer plug points, Cold storage	Reefer plug points	Reefer plug points	Reefer plug points, Cold storage	Reefer plug points	Reefer plug points, Cold storage	Reefer plug points	Reefer plug points, Cold storage
	24 hours Container Freight Stuffing activities,		Ship To Ship operations	24 hours Container Freight Stuffing activities,	24 hours Container Freight Stuffing activities,	RORO Services	Warehousing	24 hours Container Freight Stuffing activities,
	Cruise vessels facilities, Liquid bulk facilities, real estate leasing			Cruise vessels facilities, RORO	Cruise vessels facilities, Bulk, Livestock, Grain			

# Cont..

Network study  
done in 2018 &  
need to get  
updated



Port	No. container terminals	Terminal Operators	% Transshipment	% Share of Regional Transshipment Volumes	% Share of Regional Capacity	Key Users	Contestable Markets	Competitive Advantage
Salalah	1	APMT Omani Government	94%	18%	10%	Maersk 2M	India ,Red Sea, East Africa	Potential to leverage location/capacity with other users. Maersk Line provide base volume.
Jebel Ali	3	DP World	49 %	35%	38%	2M, OCEAN, THE	Arabian Gulf + WC India/Pakistan	Volume at risk from liner affiliated terminals at Khalifa
Jeddah	3	Gulftainer SISCO DP World	46%	9%	15%	OCEAN THE	Red Sea + East Africa	Facing increased competition from King Abdullah for contestable market
King Abdullah	1	TIL National Port Services	77%	6%	6%	2M MSC	Red Sea + East Africa	TIL affiliation with MSC has strengthened the terminal's position
Djibouti	3	PDSA CMPH DP World	43 %	2%	4%	Ocean & Individual lines	Lower Red Sea, East Africa	Potential loss of volumes to larger transshipment hubs. Dispute with DP World
Sohar	1	Hutchinson Port Holdings	0 %	0%	3%	OCEAN MSC	Arabian Gulf + India/Pakistan	Has the potential to target KFK transshipment volume, although capacity limited to 1.5m TEU.
Colombo	6	SLPA China Merchants APMT	78%	23%	13%	All main Alliance	Arabian Gulf + WC India/Pakistan	Expanding capacity alongside liner affiliation

# Freezone – Price Benchmarking

## 1. Company Formation

The following table outlines the costs for registering a limited liability company with multiple corporate shareholders, and the corresponding annual license renewal fees.

Licensing and Registration Requirements									
Annual Fees & Application Fees (USD)									
Cost head	Oman (SFZ)	UAE (JAFZA)	UAE (KIZAD)	UAE (RAKFTZ)	UAE (HFZA)	Bahrain (BIIP)	Saudi Arabia (KAEC)	Qatar (SMSIA)	Kuwait (KFTZ)
Application Fee (One-time fee)	Nil	Nil	1,360	95	1,361.00	Nil	Nil	Nil	Nil
Business Registration	2,077.8 – 2,597.3	1,361	2,040	1,904	2,449.80	133	6,675	3,601	330
License Renewal Fee	2,857.03 – 5,194.6	1,361-2,313.70	1,360	1,360	952.70	133	1,335	1,650	165
Minimum Capital Requirement	Nil	Nil	40,800	27,200	Nil	Nil	Nil	Nil	3,298 for LLC and 32,980 for PLC

- Reported figures for registration and annual license renewal fees may vary based on specific activity, number of products manufactured
- Limited Liability Company (LLC) and Public Limited Company (PLC)

# Freezone – Price Benchmarking

## 2. Comparison of Oman FZs

Comparison of operating costs (USD)					
Cost head	Oman				
	Salalah FTZ	Sohar FTZ	Duqm FTZ	Al-Mazunah FTZ	
Company Formation	Application Fee (One-time fee)	Nil	Nil	650	Nil
	Business Registration	2,079 – 2,598.75	2,726.96 – 4,025.51	2,600	2,000 – 2,500
	License Renewal Fee	2,858.6 – 5,197.5	1,000 – 7,000	1,300 - 3895.65	2,077.68
Rental Rates	Land Rental (USD per m <sup>2</sup> per year)	1.30 – 12.99	8	1.30 - 3.90	3.25
	Pre-built Warehouse Rental (USD per m <sup>2</sup> per year)	51.94 - 116.87	93.50 - 155.83	Nil	38.96
	Office Rental (per m <sup>2</sup> per year)	272.70 - 350.61	220 - 265	Nil	97.39
	Service Charge (Annual)	15% of the Rent	Nil	Nil	Nil
Localization	Localization Requirement (%)	20%	15%	10%	10 – 20%

# Freezone – Price Benchmarking

## 3. Land Rental Rate

Average Land Rental Rates (USD per m <sup>2</sup> per year)									
Cost head	Oman (SFZ)	UAE (JAFZA)	UAE (KIZAD)	UAE (RAKFTZ)	UAE (HFZA)	Bahrain (BIIP)	Saudi Arabia (KAEC)	Qatar (SMSIA)	Kuwait (KFTZ)
Land Rental	1.30 – 12.99	10.89 - 27.22	8.44	10 -13	8.17	2.66	4.6 5.6	2.75	10.0 – 11.0
Service Charge (Annual)	15% of the Rent (Annual Service charge)	2% of annual rent	0.90 per m <sup>2</sup>	Nil	1361.0	Nil	1 per m <sup>2</sup>	Nil	Nil

## 4. Utilities

Cost of Utilities							
Cost of Utilities (USD)							
Cost head	Oman	UAE (Abu Dhabi)	UAE (Dubai)	Bahrain	Saudi Arabia	Qatar	Kuwait
Electricity (per kWh)	*0.082 0.415 KV (LT) (only)	0.0865	0.0815	0.0595	0.048	0.035	0.033
Water (per m <sup>3</sup> )	2.53	2.24	2.58 – 3.27	1.81 – 2.09	2.23	1.49	1.81
Natural Gas (MMBtu = million British thermal units)	\$3.5-4.5/MMBtu	\$2.40/MMBtu		\$4/MMBtu	\$1.25/MMBtu	\$1.0/MMBtu	Oil-linked prices ranging between \$0.75-\$1.50/MMBtu

- \*All customers who are exceeding annual consumption of MWH 100 will be billed on CRT with exemption from Residential Tariff Only: [2021CRTStatementofChargesEnglish.pdf](https://www.aprs.om/2021CRTStatementofChargesEnglish.pdf) ([aprs.om](https://www.aprs.om))



# Oman Cost of utilities Ranking

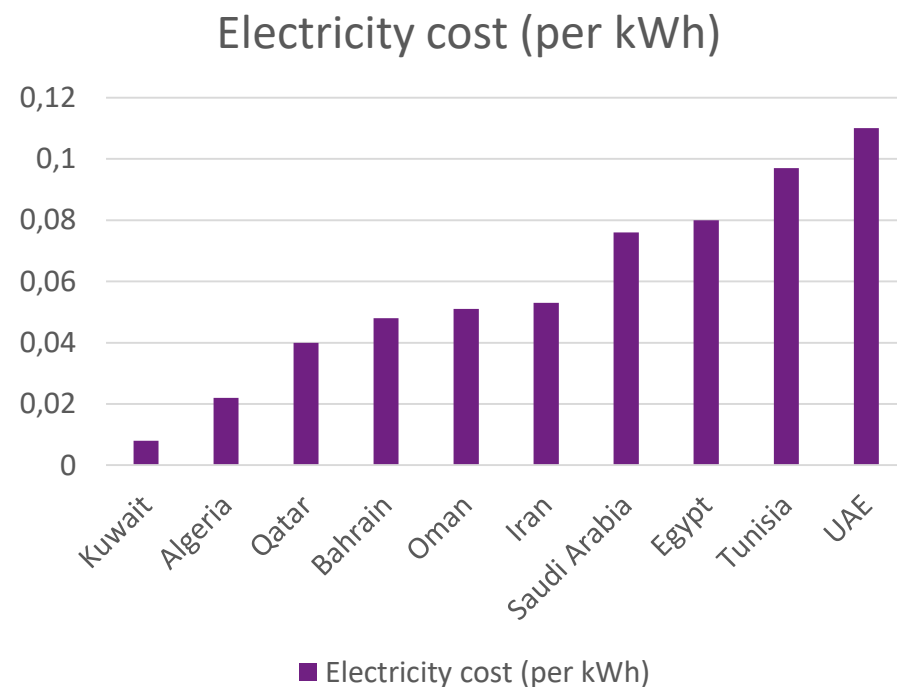


## Oman

All costs shown in USD - United States Dollar (1.14 USD = 1 EUR - February 2022). The 10 competitor locations in this ranking are Algeria, Bahrain, Egypt, Iran, Kuwait, Morocco, Qatar, Saudi Arabia, Tunisia and UAE.

	Rank	Cost	Unit	Source	Year
Installation fee for a business telephone service	4	25.98	units	International Telecommunication Union	2016
Electricity	5	0.05	kWhrs	The World Bank Doing Business (country); US Energy Information Administration (US States); Main state electricity suppliers; Hydro-Quebec (CA Provinces)	2018
Industrial gas	6	0.11	cubic metres	fDi Intelligence estimates based on Economist Intelligence Unit, Eurostat and main utility operators	2017
Price of a plan for a mobile-broadband USB/dongle-based postpaid tariffs with 1GB volume of data	6	156.05	units	International Telecommunication Union	2017
Fixed (wired)-broadband connection charge	7	26.01	units	International Telecommunication Union	2017
Subscription cost for a business telephone service	7	152.74	units	International Telecommunication Union	2016
Water	8	1.14	cubic metres	fDi Intelligence estimates based of Global Water Intelligence ( <a href="https://www.globalwaterintel.com/">https://www.globalwaterintel.com/</a> ) and Economist Intelligence Unit ( <a href="https://www.eiu.com/home.aspx">https://www.eiu.com/home.aspx</a> )	2020
Mobile-broadband handset-based with postpaid tariffs and 500MB volume of data	9	311.71	units	International Telecommunication Union	2014
Fixed (wired) broadband subscription	10	468.14	units	International Telecommunication Union	2017
Mobile-cellular prepaid - price of a one minute local call (peak, on-net)	10	0.16	units	International Telecommunication Union	2017
Price of a one-minute local call to a fixed-telephone line (peak rate)	11	0.04	minutes	fDi Intelligence based on International Telecommunication Union	2017

# Electricity

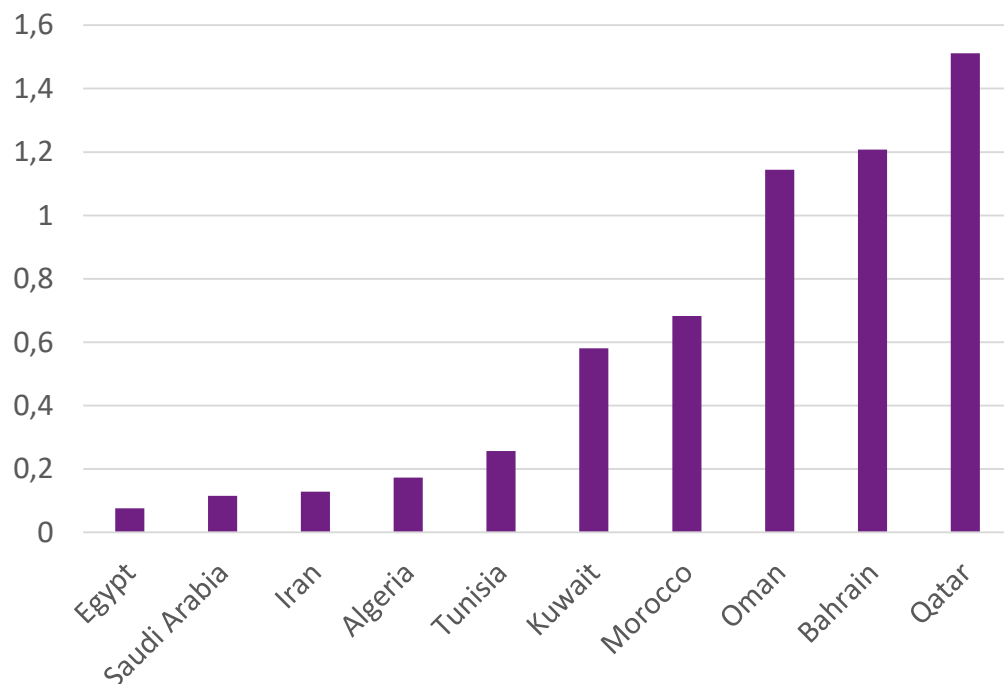


Location	Rank	Cost (per kWh)	Avg %	Year	Source
Kuwait	1	0.008	-87.57%	2018	The World Bank Doing Business 2019
Algeria	2	0.022	-65.82%	2018	The World Bank Doing Business 2019
Qatar	3	0.04	-37.85%	2018	The World Bank Doing Business 2019
Bahrain	4	0.048	-25.42%	2018	The World Bank Doing Business 2019
Oman	5	0.051	-20.76%	2018	The World Bank Doing Business 2019
Iran	6	0.053	-17.66%	2018	The World Bank Doing Business 2019
Saudi Arabia	7	0.076	18.08%	2018	The World Bank Doing Business 2019
Egypt	8	0.08	24.29%	2018	The World Bank Doing Business 2019
Tunisia	9	0.097	50.71%	2018	The World Bank Doing Business 2019
UAE	10	0.11	70.90%	2018	The World Bank Doing Business 2019

# Water



Water cost (Cubic meter)



Location	Rank	Cost (per cubic meter)	Avg. %	Year
Egypt	1	0.0756	-89.11%	2020
Saudi Arabia	2	0.1155	-83.36%	2020
Iran	3	0.1281	-81.55%	2020
Algeria	4	0.1731	-75.07%	2020
Tunisia	5	0.257	-62.99%	2020
Kuwait	6	0.5808	-16.34%	2020
Morocco	7	0.6825	-1.68%	2020
Oman	8	1.1441	64.80%	2020
Bahrain	9	1.208	74.00%	2020
Qatar	10	1.511	117.65%	2020

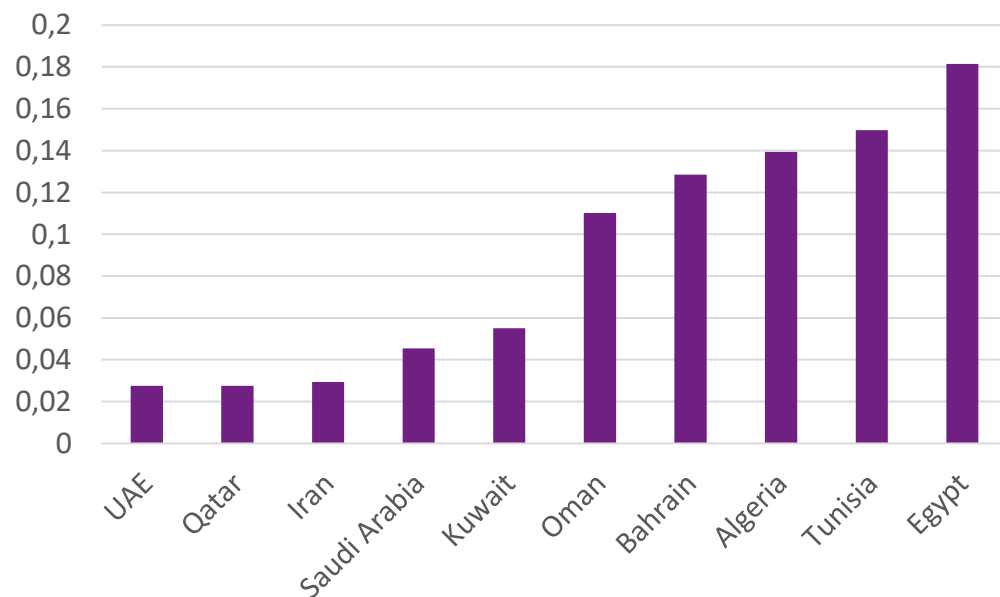
All cost values shown in USD - United States Dollar per annum (1.14 USD = 1 EUR - February 2022).

Source: fDi Benchmark, a service from the Financial Times Limited 2022. All Rights Reserved.

# Industrial Gas



Industrial gas-Unit cost Cubic meter



■ Industrial gas-Unit cost Cubic meter

Location	Rank	Cost (per cubic metre)	Avg %	Year	Source
UAE	1	0.0275	-76.14%	2016	fDi Intelligence estimate based on King Abdullah Petroleum Studies and Research Center (KAPSARC)
Qatar	1	0.0275	-76.14%	2016	fDi Intelligence estimate based on King Abdullah Petroleum Studies and Research Center (KAPSARC)
Iran	3	0.0293	-74.58%	2017	fDi Intelligence estimate based on Economist Intelligence Unit (EIU)
Saudi Arabia	4	0.0454	-60.61%	2017	fDi Intelligence estimate based on Economist Intelligence Unit (EIU)
Kuwait	5	0.0551	-52.19%	2016	fDi Intelligence estimate based on King Abdullah Petroleum Studies and Research Center (KAPSARC)
Oman	6	0.1102	-4.41%	2017	fDi Intelligence estimate based on Economist Intelligence Unit, Eurostat and main utility operators
Bahrain	7	0.1285	11.52%	2018	fDi Intelligence estimate based on National Oil & Gas Authority - Kingdom of Bahrain
Algeria	8	0.1394	20.96%	2017	fDi Intelligence estimate based on Economist Intelligence Unit (EIU)
Tunisia	9	0.1498	29.94%	2017	fDi Intelligence estimate based on Invest in Tunisia
Egypt	10	0.1815	57.48%	2017	fDi Intelligence estimate based on Economist Intelligence Unit (EIU)

All cost values shown in USD - United States Dollar per annum (1.14 USD = 1 EUR - February 2022).

Source: fDi Benchmark, a service from the Financial Times Limited 2022. All Rights Reserved.

# Oman Quality Rankings



Oman's relative quality data point ranks against the other 13 locations (Middle east)

<https://docs.google.com/presentation/d/1dLIH2Zf8C-jTbH3HBwLVORRM-wbF0qv9/edit?usp=sharing&oid=105927819064206166961&rtpof=true&sd=true>

# Freezone – Price Benchmarking

## 5. Manpower

Manpower Cost						
Manpower Cost ('000 USD per year)						
Cost head	Oman (SFZ)	UAE (JAFZA)	Bahrain (BIIP)	Saudi Arabia (KAEC)	Qatar (SMSIA)	Kuwait (KFTZ)
Total Annual Manpower cost for a manufacturing company	681 - 836	811 - 996	649 - 796	747 - 916	971 - 792	759 - 932
Localization requirement (%)	%20	Nil	%25	Depends on size of company	Nil	%3

- Reflects the average annual manpower costs for 16 employees consisting of 7 semi-skilled workers, 4 skilled workers, 2 administrative staff, and 3 senior management members

## 6. Visa and Labour

Visa and Labor Costs						
Visa and Labor Costs (USD per employee)						
Cost head	Oman	UAE	Bahrain	Saudi Arabia	Qatar	Kuwait
Entry Visa (single entry)	52	68	24	532	55	33
Residency permit/ Work Permit (per year)	441	267	585	1,955 – 2,275	729	668
Medical Fees (per year)	52 - 78	53 – 80	53	53 - 80	27.5	165
ID Card	28	46	5	200	Nil	17

# Freezone – Price Benchmarking

Visa on Arrival and e-Visa						
Nationalities eligible for visa on arrival and e-visa						
Cost head	Oman	UAE	Bahrain	Saudi Arabia	Qatar	Kuwait
Number of nationalities eligible for visa on arrival	68	49	67	None	33	52
Number of nationalities eligible for e-visa	68	49	114	None	33	52

- All reported work permit figures are annual and are calculated by dividing the renewal fees by the duration of visa in years and include stamping fees for passports
- The reported figure is the calculated annual cost for a 3 year visa available at the FTZs
- A work permit in Saudi Arabia is called a labour card and does not imply residency status which is only applicable after being issued an ID card (Iqama). The reported figure can be lower if localization targets are met.
- Cost for medical insurance to access government hospitals and health centers. In Oman and Saudi Arabia, government hospitals cannot be accessed by expatriates. Hence, cost of private health insurance has been taken.

# Freezone – Price Benchmarking

## 7. Taxes in GCC

### List of taxes

### List of taxes across GCC

Cost head	Oman	UAE	Bahrain	Saudi Arabia	Qatar	Kuwait
<b>Corporate income tax</b>	15% Oman has corporate tax for businesses reporting annual profit of USD78,000 (OMR30,000)	None	None	No tax on companies owned by GCC nationals. 20% tax on profits under foreign shareholding	No tax on companies owned by GCC nationals. 10% tax on non-GCC share of profits	1% tax on Kuwaiti shareholding company. 15% tax on non-GCC share of profits
<b>Employer's social security contribution</b>	10.5% for nationals	15% for nationals	12% for nationals	9% for nationals	10% for nationals	11.5% for nationals
<b>Municipal tax</b>	3% on property rents	5% of the specified rental index	10% of commercial and residential rent for expatriates	None	None	None
<b>Withholding tax</b>	10% for foreign companies that do not have a permanent establishment in Oman + Extend to Fees for provision of services, Dividends on shares and Interest	None	None	5% to 15% on the foreign shareholding component	5% on royalties and technical services and 7% on any other payments for services carried out wholly or partly in Qatar	None
<b>Value Add Tax</b>	5%	5%	5%	5%	Nil	Nil
<b>Other taxes Summary</b>	None	In Dubai every government transaction incurs the following cost: <ul style="list-style-type: none"> <li>Knowledge Fee: USD 2.72</li> <li>Innovation Fee: USD 2.72 per transaction above</li> </ul>	None	Zakat of 2.5% is levied on companies owned by GCC nationals, on the company's Zakat base.  Companies with a workforce of less than 50% Saudi nationals have to pay SAR 200 per expatriate employee per month.	None	Zakat of 1% is levied on all publicly traded and closed Kuwaiti shareholding companies on the profit  National Labor Support Tax - companies listed in the KSE are required to pay an employment tax of 2.5% of annual profits

• The tax regimes discussed here highlight the overall taxation at the country-level. However, FTZs in these countries often offer tax exemptions in order to incentivize investment.



# Freezone – Price Benchmarking

## 8. Incentives Offered by FTZs and Investment Parks / Cities

Incentives Offered by FTZs and Investment Parks / Cities								
Incentives								
Incentive Type	Oman (SFZ)	UAE (JAFZA)	UAE (KIZAD)	UAE (RAKFTZ)	Bahrain (BIIP)	Saudi Arabia (KAEC)	Qatar (SMSIA)	Kuwait (KFTZ)
Exemption from tax	✓	✓	✓	✓	✓	x	x	✓
100% foreign ownership	✓	✓	✓	✓	✓	✓	Subject to approval	✓
100% repatriation of capital/profits	✓	✓	✓	✓	✓	x	x	✓
Duty Free Imports of raw materials and equipment	✓	✓	✓	✓	Subject to approval	✓	x	✓
Duty Free access to GCC markets	x	x	x	x	✓	✓	✓	x

# Freezone – Price Benchmarking

## 9. Ports and Customs

- Customs duty applies on products that are manufactured within the FTZs and sold in the mainland – for example, goods manufactured by a company within JAFZA will attract an import duty if they are sold within the UAE. Conversely, this becomes a key advantage for manufacturers located outside the FTZs (like BIIP, KAEC and SMSIA), as finished products from these jurisdictions are not subject to import duties when sold within the mainland.
- Illustrated below are the import duties that would apply to products manufactured within the FTZs and Investment Parks / Cities and sold in the mainland.

Custom Duties						
Cost head	Oman (SFZ)	UAE (JAFZA)	Bahrain (BIIP)	Saudi Arabia (KAEC)	Qatar (SMSIA)	Kuwait (KFTZ)
Customs Duty applicable on products sold within the GCC (general items)	5%	5%	%0	%0	%0	5%

# Local Competition Analysis



	Al Mazunah	Al Duqm	Sohar port & Free zone	Salalah
Area	3M sq. m	2000 sq.km	45M sq. m	21M sq. m
Land Rental (USD per m <sup>2</sup> per year)	3.25	1.30 - 3.90	8	1.30 – 12.99
Availability of warehouses	✓		✓	✓
Pre-built Warehouse Rental (USD per m <sup>2</sup> per year)	38.96	--	93.50 - 155.83	51.94 - 116.87
Availability of offices	✓		✓	✓
Office Rental (per m2 per year)	97.39	--	220 - 265	272.70 - 350.61
Availability of Airport nearby	✓	✓	✓	✓
Proximity of airport in kilometers	260. km	20 km	25km	18 km
Availability of seaport nearby	✓	✓	✓	✓
Proximity of seaport in kilometers	260 km	9 km	10km	5 km
Remotely registration	No	No	yes	Yes
Registration Timeline	6 weeks	6 weeks	4 weeks	4 weeks

# Local Competition Analysis Cont.



	Al Mazunah	Al Duqm	Sohar port & Free zone	Salalah
License Renewal Fee	2,077.68	1,300 - 3895.65	1,000 – 7,000	2,858.6 – 5,197.5
Business Registration	2,000 – 2,500	2,600	2,726.96 – 4,025.51	2,079 – 2,598.75
Service charges	Nil	Nil	Nil	15% of the Rent
Minimum capital requirements	0	0	0	0
Physical property required for new companies	yes	yes	yes	yes
Quality of Internet	Good	Good	Good	Good
Electricity (per kWh)Voltage (33Kv)	0.031 - 0.062	0.031 - 0.062	0.068 - 0.078	0.052 – 0.075
Corporate tax rate	0%	0%	0%	0%
VAT exemption	yes	yes	Yes	yes
Omanization %	10-20%	10%	15%	20%
offered price discounts over the past year	Canceling some fees related to trucks entering and storing in Al Mazyona Free Zone, Reducing the rent value of lands, reducing the fees for licensing information technology activities, and not calculating delay fines for the Corporation's dues for the years 2020 and 2021,		Discount on setting up general trading 30% license and 50% discount on company incorporation	No

Source : <https://www.healyconsultants.com/oman-company-registration/>

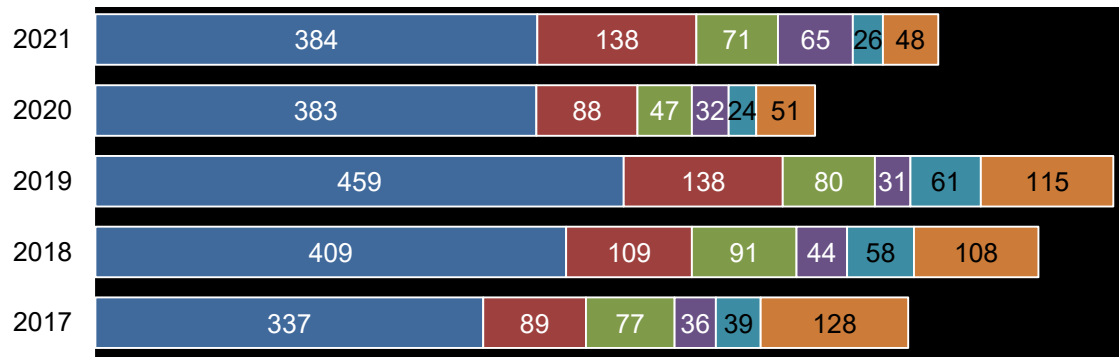
# Regional Market Review (Cont.)



## Destination Countries

Out of 13 destination countries, UAE accounts for the majority of projects. Project volume in this destination country peaked during 2019, with 459 projects tracked.

Number of FDI projects by year and destination country



■ UAE ■ Saudi Arabia ■ Israel ■ Qatar ■ Oman ■ Other destination countries

UAE has received the highest number of total jobs, while Oman has the largest project size with 171 jobs per project on average. Saudi Arabia has the highest total investment and Iraq the highest average at USD 248.80m per project.

## FDI trends by destination country

Destination country	No of projects	No of companies	Jobs Created	Capital investment
<b>UAE</b>	1,972	1,731	121,287	52,145.40
<b>Saudi Arabia</b>	562	398	73,921	56,218.20
<b>Israel</b>	366	297	30,101	22,508.10
<b>Oman</b>	208	148	35,572	38,252.60
<b>Qatar</b>	208	171	18,403	5,063.70
<b>Bahrain</b>	148	119	18,281	5,930.80
<b>Kuwait</b>	99	70	10,229	1,739.40
<b>Jordan</b>	74	60	5,585	3,998.00
<b>Iraq</b>	46	37	4,245	11,443.30
<b>Iran</b>	37	34	3,658	4,584.80
<b>Other</b>	46	42	2,893	1,379.20
<b>Total</b>	<b>3,766</b>	<b>2,691</b>	<b>324,175</b>	<b>203,263.60</b>

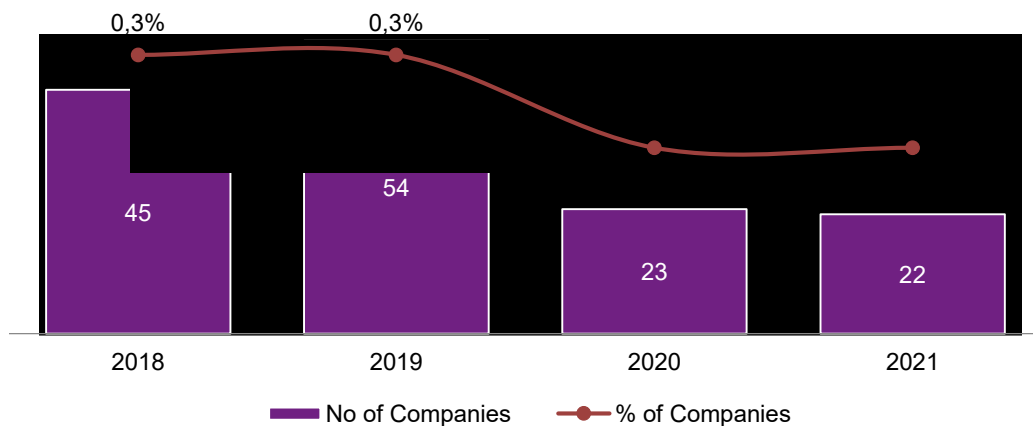
# Local Market Review



## Companies invested in Oman 2018-2021

A total of 124 companies invested in 207 destination countries between January 2018 and December 2021, out of a total 35,768 companies investing in FDI globally.

*Number of companies by year and percentage of all companies*



## Top 10 companies: number of projects

Company name	Source country	No of projects	Global projects*	Projects in last 12 mths
Ooredoo Oman (Nawras)	Qatar	8	11	2
LuLu	UAE	5	124	1
Global Money Exchange	India	4	21	0
Oman Qatar Insurance Company (OQIC)	Qatar	4	5	0
Apparel Group	UAE	3	34	2
Equinix	United States	3	151	1
Landmark Group	UAE	3	40	0
LuLu International Exchange	UAE	3	36	0
Joyalukkas	UAE	3	52	0
International Workplace Group (Regus)	United Kingdom	3	752	0

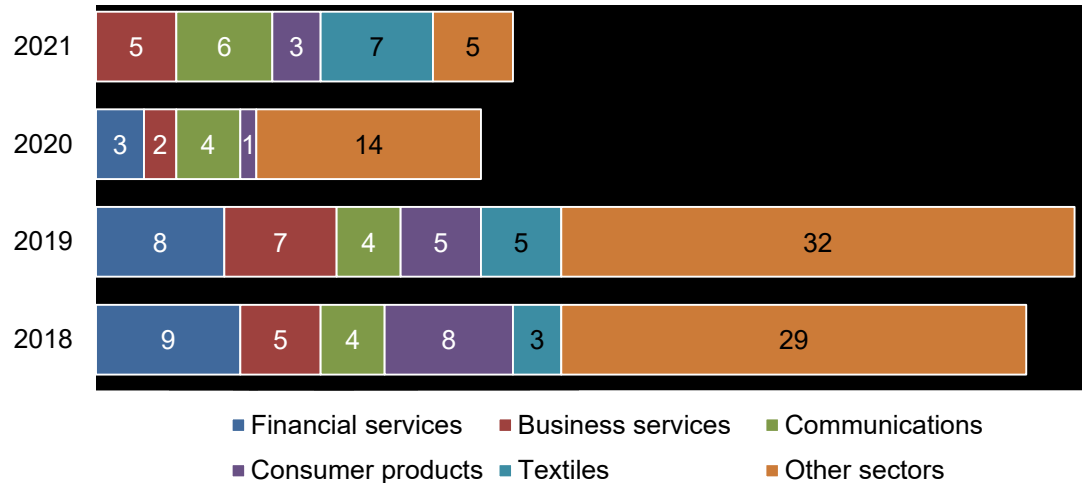
# Local Market Review (Cont.)



## Industry Analysis: Sectors

Out of a total of 24 sectors, the top five account for the majority of projects. Financial services is the top sector accounting for one-eighth of projects tracked. Project volume in this sector peaked during 2018, with nine projects tracked.

Number of FDI projects by year and sector



FDI trends by sector

Sector	No of projects	Jobs Created	Capital investment
Financial services	20	484	328.70
Business services	19	713	189.70
Communications	18	1,399	1,770.90
Consumer products	17	3,426	226.00
Textiles	15	3,946	615.00
Hotels & tourism	10	1,789	1,485.30
Real estate	10	4,778	14,602.40
Transportation & Warehousing	10	620	230.20
Food & Beverages	9	2,911	411.10
Renewable energy	7	390	1,466.60
Other sectors	34	7,179	12,671.60
<b>Total</b>	<b>169</b>	<b>27,635</b>	<b>33,997.40</b>

# Local Market Review (Cont.)



## FDI trends by source country

Source country	No of projects	No of companies	Jobs Created	Capital investment
UAE	51	33	10,652	15,829.60
India	23	19	7,883	4,969.90
Qatar	15	5	973	1,267.10
United Kingdom	15	13	974	875.30
United States	13	11	1,313	1,398.20
Switzerland	9	6	940	152.70
China	6	4	347	169.50
Kuwait	6	4	817	127.20
Netherlands	5	4	276	881.60
Cyprus	3	2	573	522.30
Other source countries	23	23	2,887	7,804.00
<b>Total</b>	<b>169</b>	<b>124</b>	<b>27,635</b>	<b>33,997.40</b>

## FDI trends by destination city

Destination city	Projects	Companies	Jobs Created	Capital Investment (USD m)
Muscat	63	55	9,518	15,858.30
Salalah	17	17	2,869	2,011.10
Suhar	15	13	4,741	3,975.30
Duqm	8	8	4,085	8,215.00
Al Seeb	6	6	561	118.60
Nizwa	5	5	411	503.40
Barka	4	4	499	207.10
Al Amarat	2	2	37	52.60
Ruwi	2	2	231	14.70
Sur	2	2	308	21.00
Al Khuwair	1	1	92	38.80
Al-Khasab	1	1	18	13.60
Bahla	1	1	413	20.40
Bawshar	1	1	72	121.30
Hawana Salalah	1	1	244	91.30
Ibri	1	1	413	20.40
Not Specified	39	32	3,123	2,714.60
<b>Total</b>	<b>169</b>	<b>124</b>	<b>27,635</b>	<b>33,997.40</b>



# SWOT Analysis



## Internally

### Strengths:

- Strategic location on international trade route
- Access to Airport, sea Port, and Railroad infrastructure.
- Availability of utilities
- Availability of services & Products
- Integrated customs and FZ community system
- Skilled and trained workforce with local educational institutions
- SFZ is ISO certified
- One stop Shop with superior levels of decision and speed on the ground
- Part of the government, which makes it trusted by customers
- Proximity to Port of Salalah
- Availability of natural resources / business in Salalah (Sea, Limestone, Cement, PET, Methanol, LPG...) and surrounding
- Availability of excess electricity

### Weaknesses:

- Long Internal process
- No control on the prices and we cannot make discounts or offers in line with economic conditions
- Our digital presence needs to be improved
- Lack of developed land
- People not been oriented pertaining Business mindset approach
- Lack of knowledge about SFZ direct competitors and their advantages
- The absence of a customer service department concerned with customer satisfaction
- Weak technology infrastructure in Raysut
- The absence of representative offices for the most important services such as the bank and communications
- No strong international presence (offices, alliances)
- OSS authorities

## Externally

### Opportunities:

- Opportunities to develop a hub for the green hydrogen industry by taking advantage of alternative energy sources, POS services, SFZ lands and free zone incentives & services
- Utilization of the proximity of SFZ to the local, regional and international agricultural areas, availability of high purity water and fisheries to develop a food hub
- Trends towards green investments and availability of the basics to attract green investments (Steel, .....
- Develop a pharmaceutical hub by taking advantage of SFZ's proximity to promising markets, availability of facilities and the logistics services
- FTA makes Salalah a source place to US market
- Access to the Saudi market and Saudi investors through the strong bilateral relations between the Oman & KSA
- Benefiting from the excess electricity and telecommunications services in Adhan to develop Data center hub
- Attract Renewable energy industries (Wind Turbines , Lithium Batteries ...etc.
- Develop a Logistics hub by taking advantage of the geographical location and proximity to the port of Salalah and the provision of air and land freight services
- Railway between GCC
- Opportunities for expansion in the surrounding lands

### Threats:

- No direct flights to/from Salalah
- Lack of funding org. In Oman
- Changing in Gov. tariff
- Countries are entering the fourth COVID-19 wave, possibly the largest one
- Competition from existing and new free zones & industrial cities in the region
- Increasing shipping rate and lack of containers
- Frequent changes in gov. laws and regulation
- Electricity price

Thank You

