MASHREQ GLOBAL DIGEST
Oman
September 6 – September 12

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This edition of the Market Digest highlights Oman's latest macroeconomic and financial developments, alongside recent deals and key trends influencing the country's economic outlook.

Macroeconomic News

Oman GDP Growth Forecast at 4% in 2026

Oman's economy is expected to grow 4% in 2026, up from 2.4% in 2025, supported by stronger hydrocarbon activity, continued non-oil expansion and investment. Inflation is projected at 2.6%, while the fiscal and current account balances are expected to post surpluses of 2.5% and 4.1% of GDP, respectively. Public debt also declined to 34.6% of GDP in 2025, reinforcing Oman's improving macroeconomic position and diversification progress under Vision 2040.

Reference: Muscat Daily

Oman Records RO 461M Fiscal Deficit in 2025

Oman posted a RO 461 million fiscal deficit in 2025, equal to 1.1% of GDP, mainly due to weaker oil revenues, though the shortfall was still better than the budgeted RO 620 million deficit. Government revenue reached RO 12.12 billion, while non-hydrocarbon revenues rose 3.8%, helping offset some of the weakness in hydrocarbon receipts. Public debt also declined to 34.6% of GDP, indicating that despite pressure from lower oil prices last year, fiscal resilience remained relatively strong.

Reference: Oman Observer

Oman Trade Surplus Rises 51% to RO 4.7B

Oman's trade surplus reached RO 4.7 billion by the end of June 2026, up around 51% from RO 3.1 billion a year earlier. Merchandise exports rose 15.3% to RO 13.2 billion, supported by a 16.5% increase in oil and gas exports, while non-oil exports grew 11.4% to RO 3.6 billion. The figures point to a stronger external position, with growth coming from both hydrocarbons and non-oil trade.

Reference: Oman News Agency

Oman Welcomes 4 Million Visitors in 2025

Oman welcomed 4 million visitors in 2025, with inbound tourism spending exceeding RO 1 billion, while the sector's contribution to GDP rose to RO 1.135 billion, up 37.6% from 2018. Tourism-related businesses exceeded 24,000 and employed more than 182,000 people, while hotel revenues climbed to RO 359 million. The figures show tourism is becoming a more meaningful pillar of Oman's diversification strategy, although further growth is still needed to reach Vision 2040 targets.

Reference: Muscat Daily

74% of Oman Vision 2040 Indicators Show Progress

Oman Vision 2040 is showing solid implementation momentum, with 74% of its performance indicators recording tangible progress toward their targets. The strategy places the private sector at the center of diversification, with priorities including a stronger business environment, innovation, digital transformation, human-capital development and public-private partnerships. The direction is positive for investment and non-oil growth, but continued reform execution will be key to converting policy progress into sustained private-sector expansion.

Reference: Zawya

Oman Refinery Output Falls 3.7% Through July

Oman's refinery output declined 3.7% year-on-year to 129.1 million barrels in the first seven months of 2026, mainly due to maintenance and operational disruptions. Diesel output fell 6.8%, while jet fuel production rose 12% and naphtha increased 4.5%, showing mixed performance across refined products.

Reference: Arab News

Financial/Tech News

Oman Banking Assets Rise 9.2% to RO 48.7B in 2025

Oman's banking sector assets increased 9.2% to RO 48.7 billion in 2025, supported by 8.8% growth in credit and a 7% rise in deposits. Banks remained well capitalized, with a capital adequacy ratio of 18.8%, while combined net profits rose 6.8% to RO 565.6 million. The data points to a strong and resilient banking system, with healthy liquidity and credit growth supporting broader economic activity.

Reference: Oman Observer

Oman AI Startups Grow 91% Y-O-Y By End-August

The number of Omani companies operating in artificial intelligence reached 42 by August 2026, up from 22 a year earlier, representing 91% growth. The expansion reflects rising AI adoption, stronger local innovation and increasing commercialization of AI solutions across government and private-sector activities, supporting Oman's broader digital transformation and Vision 2040 objectives.

Reference: Times of Oman

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Oman Telecom Subscriptions Reach 8.44M By End-July

Oman's mobile telecom subscriptions rose 1% year-on-year to 8.44 million by end-July 2026, while Subscriptions to Internet of Things increased 9.3% and fiber-optic connections grew 6.4%. International internet capacity also jumped 31.8%, pointing to continued expansion in digital connectivity and infrastructure despite declines in some legacy fixed technologies.

Reference: Muscat Daily

Deals/Projects

Oman, Egypt Plan Direct Maritime Link

Oman and Egypt are exploring a direct maritime link connecting Duqm and Salalah with Egyptian ports to boost trade, strengthen supply chains and improve access to Asian and African markets. The plan also includes an industrial and logistics corridor linking free zones in both countries, which could support investment and deeper industrial cooperation.

Reference: Zawya

Oman Signs $15.4M Mining Exploration Deals

Oman signed two mining concession agreements covering 1,687 sq km, with planned exploration investments of about $15.4 million (RO 6 million). The projects target areas in A'Dakhiliyah, Al Wusta and South A'Sharqiyah, while Oman has awarded 28 mining concession areas over the past five years. Mineral-sector revenues rose about 39% in 2025, showing growing momentum in mining as part of Oman's diversification strategy.

Reference: Zawya

Oman–India CEPA Opens New Investment Opportunities

The Oman–India CEPA, effective since June 2026, is opening new opportunities in trade, investment, manufacturing, logistics and technology. Around 98% of Omani tariff lines are open to Indian goods, while India will reduce or eliminate duties on about 77% of its tariff lines. The agreement could support exports, joint ventures and stronger investment links, particularly through Oman's ports, free zones and manufacturing hubs.

Reference: Zawya

Hyundai Partners with Oman on Green Mobility

Hyundai partnered with Oman to advance green mobility and smart-city development, including the country's first hydrogen city bus and a new ultra-fast EV charger. The projects will test commercial viability and support Oman's Vision 2040 and lower-carbon transport goals.

Reference: Zawya

Oman, Pakistan Explore Sohar–Gwadar Port Link

Oman and Pakistan are exploring closer ties between Sohar and Gwadar ports to strengthen shipping, trade and logistics links. Talks also cover investment in logistics and warehousing, with potential connections to China-Pakistan Economic Corridor (CPEC), Gulf markets and Central Asia.

Reference: Zawya

Markets

Market Dashboard

- U.S. equities ended the week lower despite a strong Friday rebound. The S&P 500 fell 0.8% for the week and the Nasdaq declined 0.7%. Markets were pressured by higher oil prices, rising Treasury yields and stronger inflation data, which pushed the probability of a Fed rate hike to nearly 90%. Technology and other rate-sensitive stocks were particularly affected, although Friday's retreat in oil prices and strength in hardware stocks helped all three major indices recover part of their earlier losses.
- Crypto had a weak week, with Bitcoin down about 3.1% week-on-week to around $77,000, while Ethereum fell around 2.8%. The decline was driven mainly by rising expectations of a Fed rate hike, with higher interest rates reducing the appeal of non-yielding risk assets, while elevated oil prices and geopolitical tensions added further pressure to market sentiment.
- Gold ended the week lower, with spot gold down about 1.8% to around $4,349/oz, despite rebounding more than 1% on Friday. The metal was pressured by stronger U.S. inflation data and rising expectations of a Fed rate hike, with markets pricing in a high probability of a September increase. Higher interest rates reduced the appeal of non-yielding gold, while elevated oil prices added to inflation concerns.
- Oil posted a strong weekly gain of more than 8%, with Brent ending at $104.61/barrel and WTI at $100.05/barrel, despite both falling on Friday. Prices were driven higher by attacks on Middle East shipping routes, disruptions to Saudi oil infrastructure and tighter flows through the Strait of Hormuz, which raised fears of prolonged supply shortages. Friday's pullback came as reports of possible talks over Hormuz reduced some of the immediate risk premium.
- The U.S. dollar ended the week slightly higher. Stronger U.S. inflation data increased expectations of a Fed rate hike to nearly 90%, supporting the dollar against the euro and Swiss franc, but escalating Middle East tensions and higher oil prices limited gains. The yen strengthened as markets also priced in a potential Bank of Japan rate hike.

Indicators	4-Sep-26	11-Sep-26	% Change
S&P 500	7,718.60	7,656.98	-0.80%
Bitcoin	79,671.97	77,173.80	-3.14%
Gold	4,430.25	4,348.72	-1.84%
Crude Oil	96.28	104.61	8.65%
EUR/USD	1.1628	1.1601	-0.23%

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