

MASHREQ GLOBAL DIGEST

Oman

December 28 – January 03

This edition of the Market Digest captures Oman's latest macroeconomic, financial, and trade developments, providing a concise snapshot of the country's current economic direction.

Macroeconomic News

Oman Targets 4% GDP Growth Through 2030

Oman has approved its 2026 budget and launched the next phase of Vision 2040, reinforcing its strategy to diversify the economy away from oil and target average GDP growth of around 4% through 2030, with longer-term ambitions of 5% growth. The plan prioritizes economic transformation projects, fiscal sustainability, and low inflation (around 1.4%), while keeping public debt within prudent limits. It also focuses on expanding non-oil revenue, accelerating job creation, strengthening the private sector, and supporting a measured transition toward a low-carbon, more resilient and competitive economy.

Reference: [The National News](#)



Oman Projects \$1.3B Deficit for 2026

Oman's 2026 budget deficit is projected at around RO 530 million (about \$1.3 billion), reflecting a 14.5% decline from 2025. This gap is based on estimated revenues of about RO 11.45 billion versus planned expenditures of roughly RO 11.98 billion, with revenues assuming an oil price of around \$60 per barrel. The deficit equals about 4.6% of total revenues and 1.3% of GDP, indicating a relatively contained shortfall driven by controlled spending growth and modest revenue expansion, as authorities continue to balance fiscal discipline with economic priorities.

Reference: [Zawya](#)



Oman Launches 2026–2030 SME Plan

Oman has rolled out a five-year SME Sector Implementation Plan (2026–2030) aimed at strengthening private-sector growth and boosting the contribution of small and medium-sized enterprises to the economy. Led by the Small and Medium Enterprises Development Authority (Riyada), the plan focuses on improving market access, financing, competitiveness, local content, and entrepreneurship skills, while supporting innovation and a shift toward a knowledge-based economy. The initiative aligns with Vision 2040 and the Eleventh Five-Year Development Plan, emphasizing diversification and job creation, and follows Oman's recent return to investment-grade status after improved public finances and lower government debt.

Reference: [Arab News](#)



Oman Property Prices Jump 17.3% in Q3 2025

Oman's real estate price index rose 17.3% year on year in Q3 2025, driven by strong residential demand, according to official data. Residential property prices climbed 18.7%, led by sharp gains in apartments (+22.4%), residential land (+19.6%), and villas (+16.5%), while prices of other housing types edged slightly lower. Commercial property prices increased 14.6%, supported by a 19% rise in commercial land, although shop prices declined 8.5%, and industrial land prices rose a modest 5.5%. At the governorate level, Muscat led residential land price growth with a 48.3% surge, reflecting concentrated demand in major urban and coastal areas, while some interior governorates recorded declines as market activity softened.

Reference: [Arab News](#)

Oman Boosts Investment and Tourism Growth

Oman is reinforcing its role as a regional investment and tourism hub under Vision 2040 through regulatory reforms, digital government services, and targeted sector development. Pro-business measures have improved the investment climate, lifting FDI to RO 30 billion by Q3 2024, while tourism—now 2.7% of GDP—is expanding through infrastructure, heritage projects, and marketing, with authorities aiming to raise its share to 3.5% by 2030 and 5.3% under Vision 2040. Growth extended into 2025, with hotel revenues up 21.4% year-on-year on stronger domestic and international arrivals, underscoring tourism's growing role in Oman's economic diversification strategy.

Reference: [Zawya](#), [Zawya](#), [Muscat Daily](#)



Oman Faces \$25B in Debt Maturities Through 2030

Oman is expected to face around \$25 billion in fixed-income maturities between 2026 and 2030, according to Kamco Invest, a relatively modest share of the GCC's projected \$500 billion maturity wave. The limited exposure reflects improved fiscal discipline and supports Oman's stable debt outlook compared with larger regional issuers.

Reference: [Arab News](#)

Oman Tightens Entry Rules for Foreign Workers

Oman has launched a new professional accreditation system requiring foreign workers in regulated professions to verify their academic and professional credentials before entry, a step aimed at tightening labor market regulation, preventing fake certifications, and ensuring expatriates meet national skill standards. The move aligns with Oman's Eleventh Five-Year Development Plan (2026–2030), under which authorities have allocated around \$1.2 billion to labor market and employment programs, targeting the creation of 700,000 jobs and the introduction of clearer professional standards to improve workforce quality and labor market efficiency.

Reference: [Economic Times](#), [Zawya](#)

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Financial/Tech News

Bank Muscat Manages RO 200M Sovereign Sukuk Issuance

Oman's Bank Muscat has successfully managed Series 10 of the Sovereign Sukuk Issuance launched by Oman Sovereign Sukuk Company, raising RO 200 million. The 7-year sukuk, maturing in December 2032, offers an annual profit rate of 4.15% and was priced within a competitive yield range, reflecting strong investor confidence. Open to both retail and institutional investors, the Shariah-compliant sukuk is fully tradable on the Muscat Stock Exchange, reinforcing Oman's capital market depth and Bank Muscat's leading role in managing major financing transactions across the Sultanate.



Reference: [Oman News Agency](#)

Oman Approves Shariah-Compliant Framework to Boost Islamic Finance

Oman's Central Bank has approved a new Shariah-compliant regulatory framework for finance and leasing companies, strengthening oversight and supporting the expansion of Islamic finance. The move is expected to enhance investor confidence and attract fresh capital, as Fitch Ratings forecasts Oman's Islamic finance industry to surpass \$40 billion between late 2025 and 2026. While Oman remains the smallest Islamic finance market in the GCC, the sector has recorded double-digit growth, with assets estimated at \$36 billion as of August 2025, underscoring its rising role in the country's financial diversification strategy.

Reference: [Arab News](#)

Oman Broadband Targets 1 Million Homes with Fiber-Optic Network

Oman Broadband aims to connect one million homes within three years, strengthening Oman's digital infrastructure and smart-city ecosystem. Fiber coverage has reached 926,884 units with 326,406 active subscribers, while Muscat's coverage exceeds 87%. With over RO 327 million invested since 2014, the rollout underpins high-speed connectivity for e-government, education, businesses, and next-generation digital services.

Reference: [Zawya](#)

Deals

India–Oman CEPA Expands Duty-Free Trade

Oman and India have signed a Comprehensive Economic Partnership Agreement (CEPA) giving India duty-free access on 98.08% of Oman's tariff lines, covering 99.38% of Indian exports. India offered liberalized tariffs on 77.79% of its tariff lines, covering 94.81% of imports from Oman. The deal—Oman's first bilateral trade pact since 2006—also boosts services, professional mobility, and 100% FDI access in key sectors, positioning Oman as a gateway for India into the GCC and wider region.

Reference: [The Hindu](#)

Markets

Market Dashboard

- U.S. equities ended the holiday-shortened first week of 2026 on a mixed note. On the first trading day of the year (Jan 2), the Dow Jones Industrial Average rose 0.66% and the S&P 500 gained 0.19%, snapping a four-day losing streak, while the Nasdaq Composite finished broadly flat, held back by large-cap tech stocks. The rebound was driven mainly by chipmakers such as Nvidia and Intel, alongside gains in industrials and utilities. However, despite the late-week bounce, all three major indexes ended the week slightly lower overall, reflecting thin holiday trading and confirming the absence of a traditional "Santa Claus rally." Investor focus is now shifting to Federal Reserve policy expectations and upcoming U.S. labor market data for clearer direction early in 2026.
- Bitcoin posted a strong performance during the week, closing near \$90,000 as crypto assets outperformed traditional markets. Bitcoin rose about 3% on the week, supported by a sharp pickup in participation, with 24-hour trading volume surging 139% to \$45.6 billion, signaling renewed risk appetite. The rally extended across major tokens, with Ethereum up roughly 4.4%, while higher-beta coins such as Dogecoin and Cardano saw even larger gains.
- Precious metals began 2026 on a firm footing, supported by safe-haven demand and expectations of U.S. interest rate cuts, after an exceptional 2025. Gold traded near \$4,300 per ounce, after hitting record highs late last year and posting a 64% annual gain, while silver and platinum—which recorded their biggest yearly gains on record in 2025—also rose early in the week. However, after the sharp year-end rally, all precious metals were on track to post some weekly losses, as profit-taking set in despite ongoing geopolitical tensions and market bets that the Federal Reserve could deliver multiple rate cuts later in 2026.
- Oil prices remained almost flat this week as markets weighed persistent oversupply concerns against heightened geopolitical developments. WTI closed near \$57.32 per barrel, while Brent crude ended around \$60.75, extending pressure after the steepest annual loss since 2020. Attention also turned to Venezuela following the capture of President Nicolas Maduro by U.S. forces, which briefly raised expectations of change in the country's oil sector. However, analysts cautioned that any meaningful boost to Venezuelan output will take years due to sanctions, political instability, and degraded infrastructure. Meanwhile, OPEC+ agreed to keep production steady, reinforcing expectations of a cautious supply stance as prices look for a floor.
- The U.S. Dollar Index edged higher in the first week of 2026, rebounding after its biggest annual drop in eight years, as investors positioned ahead of a heavy slate of U.S. economic data that could shape Federal Reserve policy.

Indicators	26-Dec-25	2-Jan-26	% Change
S&P 500	6,929.94	6,858.47	-1.03%
Bitcoin	87,301.43	89,944.70	3.03%
Gold	4,532.63	4,330.50	-4.46%
Crude Oil	60.64	60.75	0.18%
EUR/USD	1.1785	1.1750	-0.30%

Rise every day