

# MASHREQ GLOBAL DIGEST

## Oman

March 30 – April 5



This edition of Market Digest focuses on Oman’s key macroeconomic indicators, along with updates on its financial and tech sectors, offering insights into current economic trends.

### Macroeconomic News

#### Oman GDP Grows 1.7% in Q4 2024

Oman’s economy showed positive growth in Q4 2024, with its Gross Domestic Product (GDP) rising by 1.7%, reaching RO38.3bn (\$99.5bn) compared to the same period in 2023. While the oil sector saw a slight decline of 3%, the non-oil sectors experienced stronger growth, rising by 3.9%. Oil activities still accounted for 29% of the GDP. On the other hand, the country’s non-oil activities, particularly in industrial and service sectors, contributed significantly to the overall economic expansion, with services alone reaching RO18.5bn (\$48.5bn). This highlights Oman’s continued progress in diversifying its economy.



Reference: [Arabian Business](#)

#### Oman to Face Limited Impact from US Tariffs

Oman is subject to a 10% baseline reciprocal tariff imposed by the US, a measure affecting a wide range of goods imported from various countries. However, Dr. Nasser Al-Maawali, Undersecretary of the Ministry of Economy, believes that the impact on Oman’s economy will be relatively limited. This is primarily due to the exemption of oil, gas, and refined product exports from these tariffs, as well as Oman’s diversified economy. Dr. Al-Maawali emphasized that while global trade disruptions may occur, Oman is in a strong position to leverage these challenges, strengthening trade relationships with impacted nations and utilizing its strategic location as a transit hub for international trade.

Reference: [Middle East Eye](#), [Times of Oman](#)

#### Oman Tourism to Contribute 3.5% to GDP by 2030

Oman’s tourism sector grew from RO1.8 billion in 2019 to RO2 billion in 2023. By 2030, it aims to contribute 3.5% to GDP, supported by RO3 billion in investments. Domestic tourism also grew, with local visitors rising from 10 million in 2019 to 13 million in 2023. The government is working to enhance infrastructure, promote various tourism sectors, and create more job opportunities for Omanis.



Reference: [Zawya](#)

#### Oman’s Gold Trade Sees Strong Growth in 2024

Oman’s gold trade experienced a substantial boost in 2024, driven by strong regional demand. Gold imports reached RO372 million, a 17.4% increase from the previous year, with the UAE supplying 92% of the total. Exports also grew by 77.7%, totaling RO63.2 million. Re-exports surged by over 800%, reaching RO147.3 million, with Iran receiving the majority. Oman’s gold and jewelry sector remains robust, with over 900 licensed establishments across the country.

Reference: [Muscat Daily](#)

#### Oman Inflation Rises 1% Y-O-Y in February 2025

Oman’s inflation rose by 1% in February 2025 compared to the same month last year, with the biggest price increases seen in personal goods (6.3%), transport (3.4%), and health services (3.2%). Food prices varied: while dairy, confectionery, and fruits became more expensive, fish and vegetables saw notable declines. Geographically, inflation was highest in Musandam and Al Dakhiliyah (1.8%) and lowest in South Al Batinah (0.1%).

Reference: [Economy Middle East](#)



#### Oman Considers Raising Minimum Wage to RO400

Oman is considering raising its minimum wage from RO325 to RO400 as part of broader economic and social reforms. The proposal, still under evaluation, aims to keep up with inflation and support living standards. Officials are also calling for a minimum salary of RO700 for university graduates. The Ministry of Labour plans to create 45,000 job opportunities and continues to support training and wage-linked employment initiatives. The move is part of ongoing efforts to enhance job quality and economic stability for Omani citizens.

Reference: [Gulf News](#)

### Financial News

#### Oman Electricity Freezes IPO, Mulls Bond Issuance

State-owned Oman Electricity Transmission Company has paused its Initial Public Offering (IPO) plans and is now considering issuing bonds. The company currently has bonds worth \$1 billion maturing in May and \$500 million due in 2027. No final decisions have been made on the size or timing of the issue. This shift follows a decision to delay the IPO, indicating a slowdown in Gulf listings. The Omani government aims to privatize 30 state-owned companies, with the country’s largest energy firms raising a record \$2.5 billion through IPOs last year.

Reference: [Asharq Business](#)

*Rise every day*



### Oman’s Islamic Banking Grows 17% in 2024



Oman’s Islamic banking sector is on the rise, with total assets growing by 16.6% in 2024 to reach \$22.3 billion, now making up 19.2% of the country’s total banking assets. This growth reflects a growing demand for Shariah-compliant financial services, with Islamic financing reaching 7 billion rials and deposits increasing by over 21% to 6.7 billion rials. Since its formal launch in 2012, the sector has played a key role in supporting Oman’s Vision 2040 through financial inclusion and diversified investment. Recent reforms, like deposit protection for Islamic banks, boosted trust, with Fitch predicting continued growth driven by demand and solid economic fundamentals.

Reference: [Arab News](#)

## Tech News

### Starlink Launches High-Speed Internet in Oman

Oman’s Telecommunications Regulatory Authority (TRA) has granted Starlink approval to provide high-speed internet via satellite across the country. The service will offer broadband coverage to all areas, including remote regions, with speeds reaching up to 100 Mbps. Starlink will also assist in connecting telecommunications towers in difficult terrain, aiding sectors like oil and gas, mining, tourism, and agriculture. This move aligns with Oman’s digital transition goals, promoting better connectivity across the Sultanate.



Reference: [Arabian Business](#)

### Oman and Rwanda Strengthen Tech Ties

Oman and Rwanda have signed a MoU to enhance cooperation in technology and the digital economy. The agreement, signed at the Global AI Summit in Kigali, focuses on areas like digitizing government services, digital transformation, AI applications, and cybersecurity. It aims to promote joint research in emerging technologies such as AI, blockchain, and the Internet of Things. The MoU also seeks to boost the involvement of the private sector and support tech startups and SMEs.

Reference: [Muscat Daily](#)

## Rating

### S&P Affirms Oman’s Rating at BBB-

S&P Global Ratings affirmed Oman’s BBB- investment-grade rating with a stable outlook, citing the country’s improved public finances, reduced debt levels, and stronger governance of state-owned enterprises. Oman’s government debt fell from 62% of GDP in 2021 to 36% in 2024, and budget surpluses are expected to average just under 1.5% of GDP between 2025 and 2028. Despite these improvements, the economy remains heavily reliant on oil and gas, which account for 72% of government revenue, making it vulnerable to oil price fluctuations. S&P noted that continued reforms and efforts to diversify the economy could lead to a future rating upgrade, while a slowdown in reform or external shocks could trigger a downgrade. Foreign reserves have stabilized at around \$18 billion and are expected to remain at that level through 2028.

Reference: [Muscat Daily](#)

## Markets

### Market Dashboard

- The U.S. stock market saw a massive decline after President Trump's tariff announcement, with the S&P 500 losing \$5 trillion in value over two days. For the week, the index dropped 9.1%, marking its worst weekly performance since the pandemic-induced sell-off in 2020. The situation worsened as China said it would impose retaliatory tariffs, heightening fears of a global trade war. As recession concerns mounted, investors flocked to safe-haven assets, pushing bond yields lower and amplifying losses in stocks, especially in the tech and energy sectors.
- Following President Trump's announcement of new tariffs, Bitcoin's price fluctuated sharply. Initially surging to \$88,000 on rumors of a tariff delay, it fell to \$82,000 before stabilizing around \$84,000. Despite the volatility, analysts suggested this could be a buying opportunity, as the tariff announcement provided market clarity and reduced speculation, potentially attracting institutional investors.
- Gold prices fell by 1.5% for the week, losing more than 3% on April 4 as investors sold off bullion to cover losses amid a broader market sell-off triggered by escalating trade tensions. Despite this, gold remains up 15.3% this year, supported by central bank purchases and its role as a safe-haven asset. Other precious metals like silver, platinum, and palladium also experienced significant losses.
- Oil prices saw a sharp decline of 7% on April 4, hitting their lowest levels in over three years. This drop came after China announced additional tariffs on U.S. goods, intensifying a trade war and raising concerns of a global recession. For the week, Brent dropped 11.26%, marking its biggest weekly loss in a year and a half, while WTI fell 10.6%, its largest drop in two years. Additionally, OPEC+ expedited its plans to increase oil output, adding further pressure on prices.
- The U.S. dollar fell to a six-month low on April 3, 2025, following the announcement of new tariffs, raising concerns about global trade and U.S. economic growth. However, the dollar began to recover later when Fed Chairman Jerome Powell acknowledged the inflationary risks posed by the tariffs and adopted a cautious stance on potential future rate cuts.

Indicators	28-Mar-25	4-Apr-25	% Change
S&P 500	5,580.94	5,074.08	-9.08%
Bitcoin	84,353.15	83,843.80	-0.60%
Gold	3,084.03	3,037.36	-1.51%
Crude Oil	73.63	65.34	-11.26%
EUR/USD	1.0801	1.0963	1.50%