

Outside the Strait

What took us here, and what takes us next

Muscat · 2 November 2026

ominvest

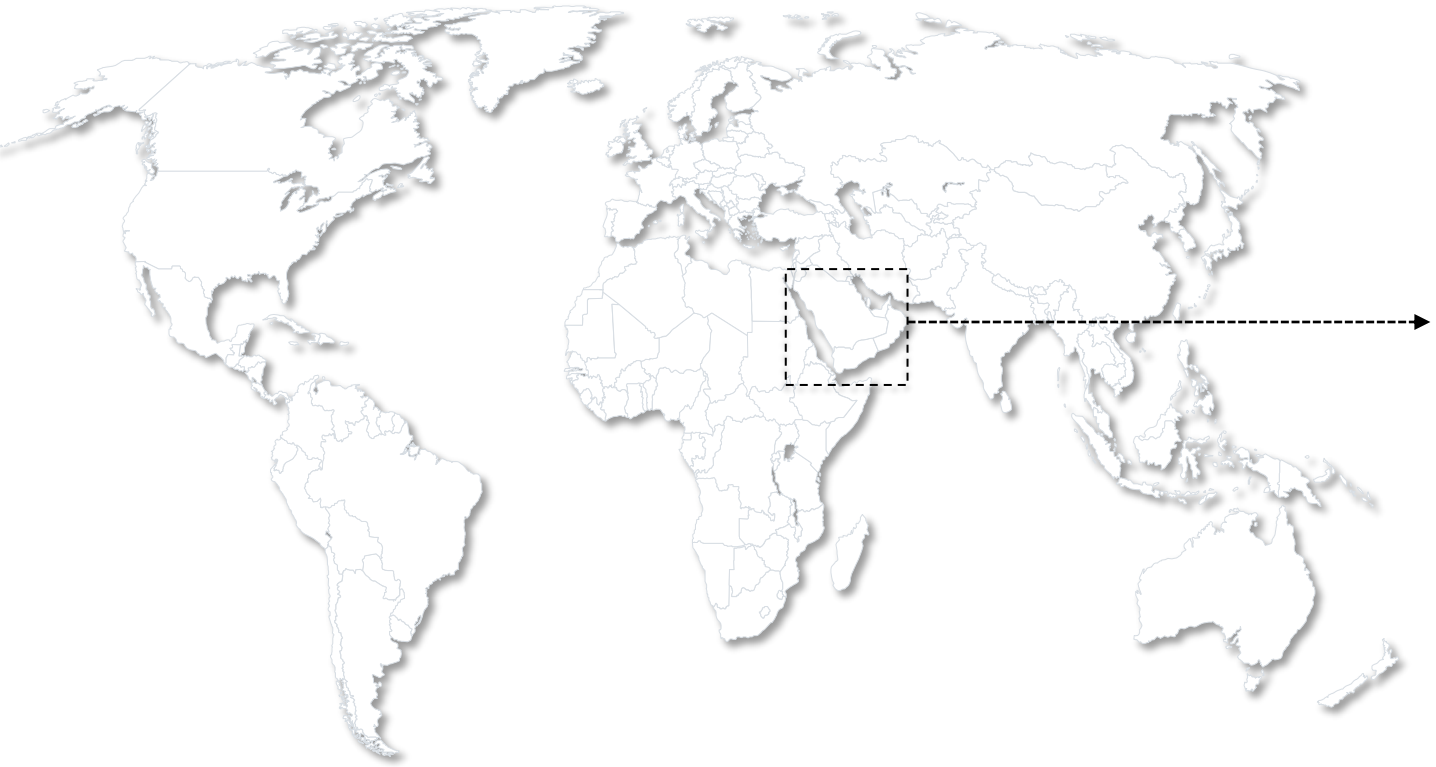
For a thousand years, Omani ships sailed from Sohar to China.

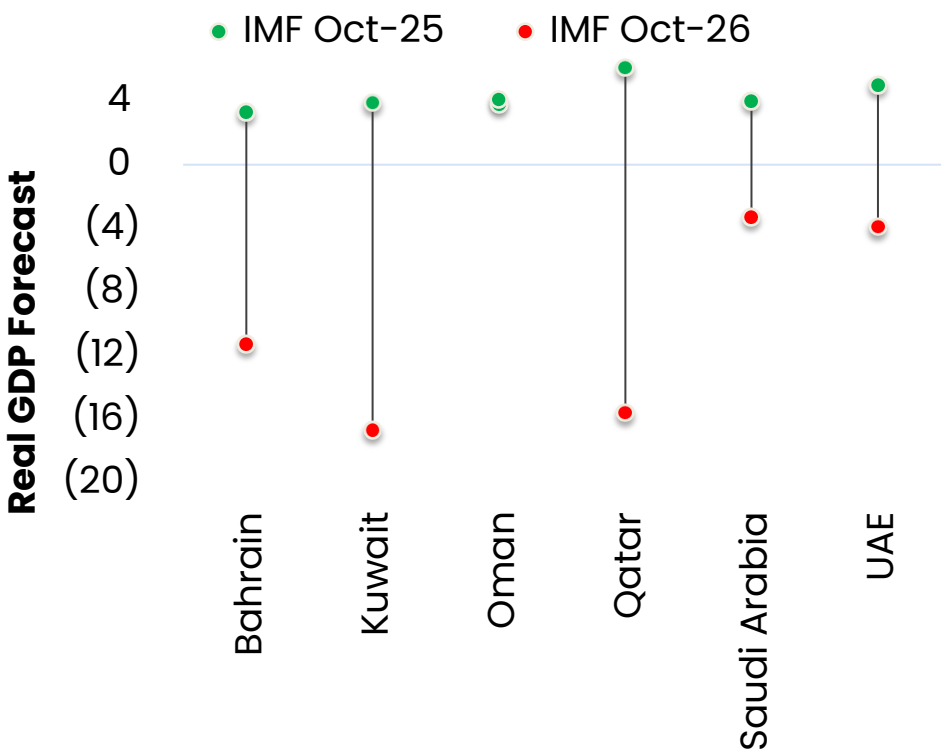
The sea has always been Oman's open door.

This year, the Strait closed.
Oman's door stayed open.

The only Gulf economy growing this year

As the Strait closed, the IMF cut every Gulf economy's 2026 outlook, except Oman's.





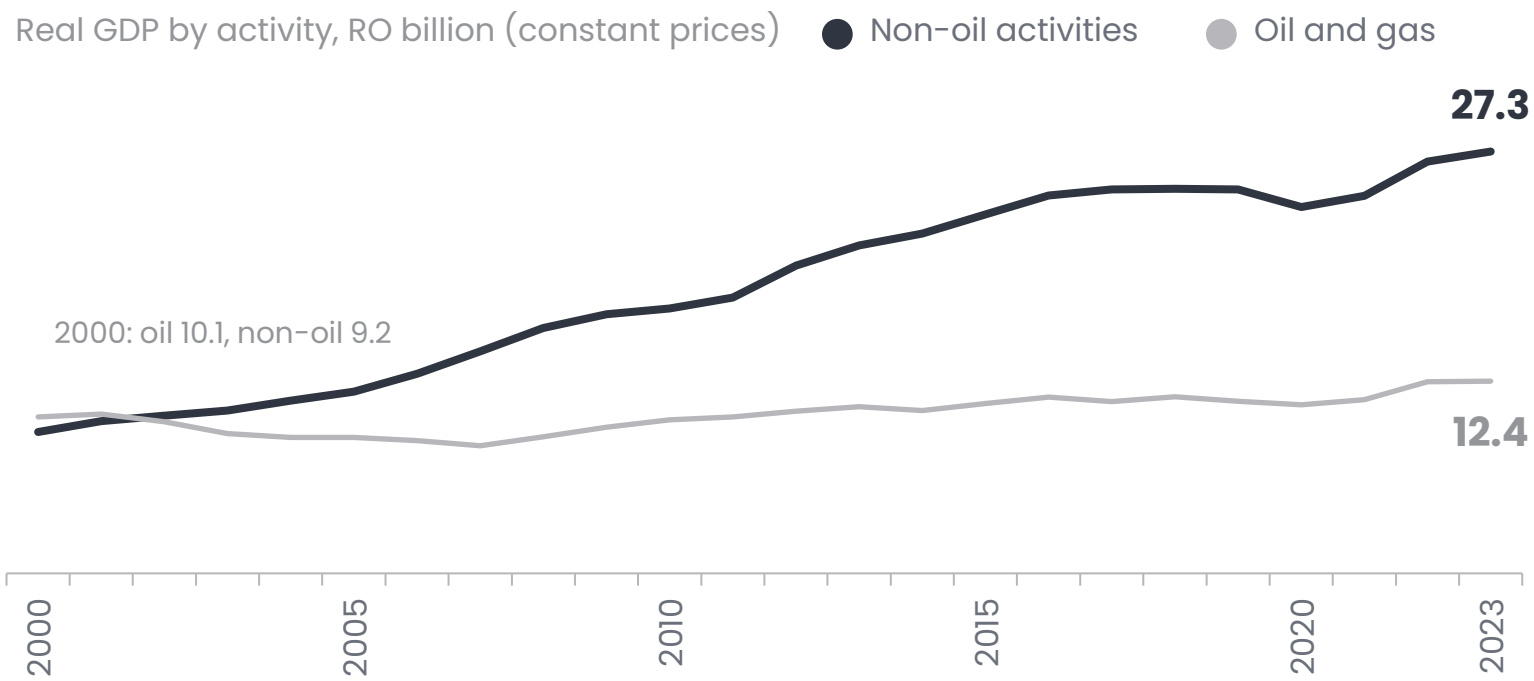
The lead is temporary: peers rebound in 2027, so Oman must turn routes into reforms.

Source: IMF World Economic Outlook, October 2025 & 2026

This was not luck.
It was twenty-five years in the making.

Five shifts that changed Oman's economy.

The non-oil economy has tripled since 2000



x3.0

Real non-oil output, 2000 to 2023

47% → 69%

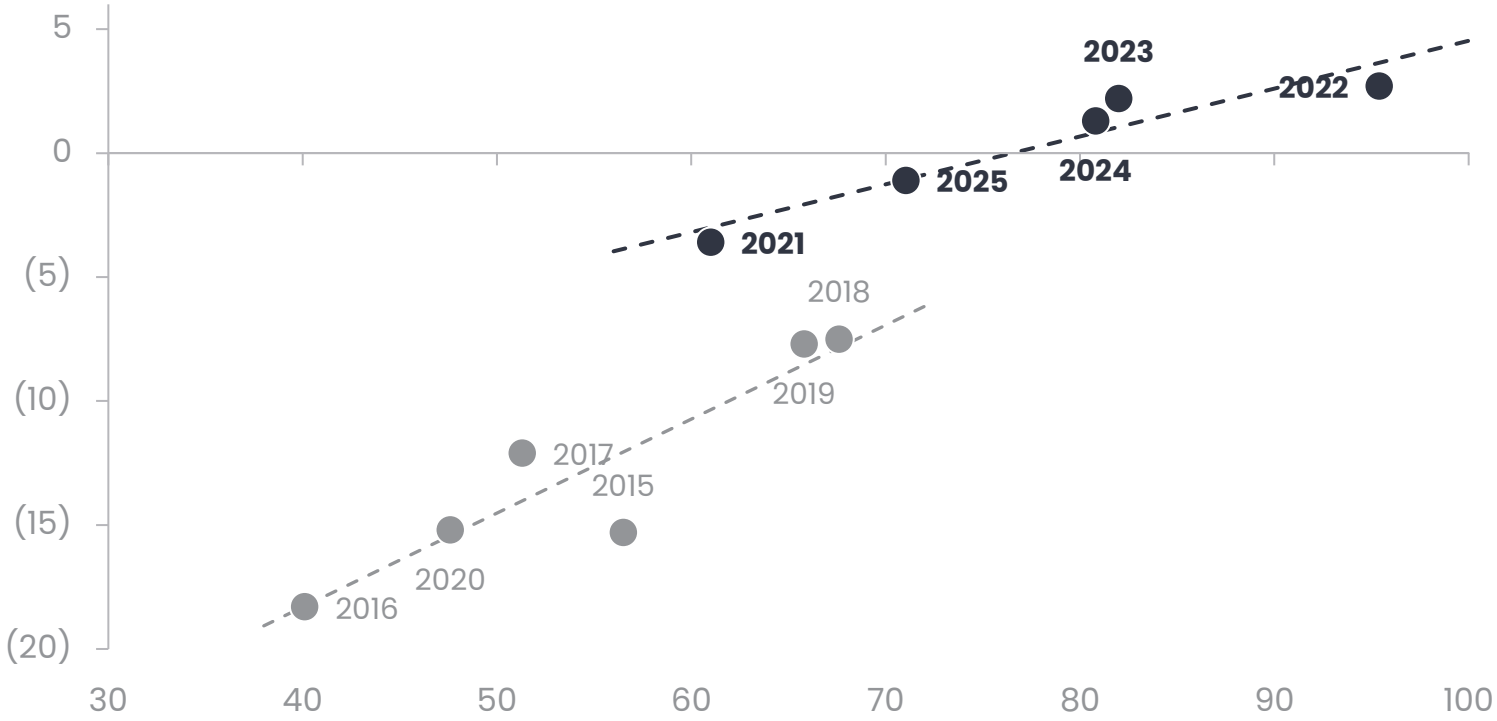
Non-oil share of real GDP

Non-oil output has tripled.

Sources: NCSI national accounts (constant prices), via Ominvest databook; Ominvest Research

The same barrel now buys a different budget

Fiscal balance, % of GDP (vertical) vs oil price realised by the budget, $/bbl



2015–20 ● 2021–25

(7%) → (1%)

Fiscal balance at ~$70 oil: 2018 vs 2025

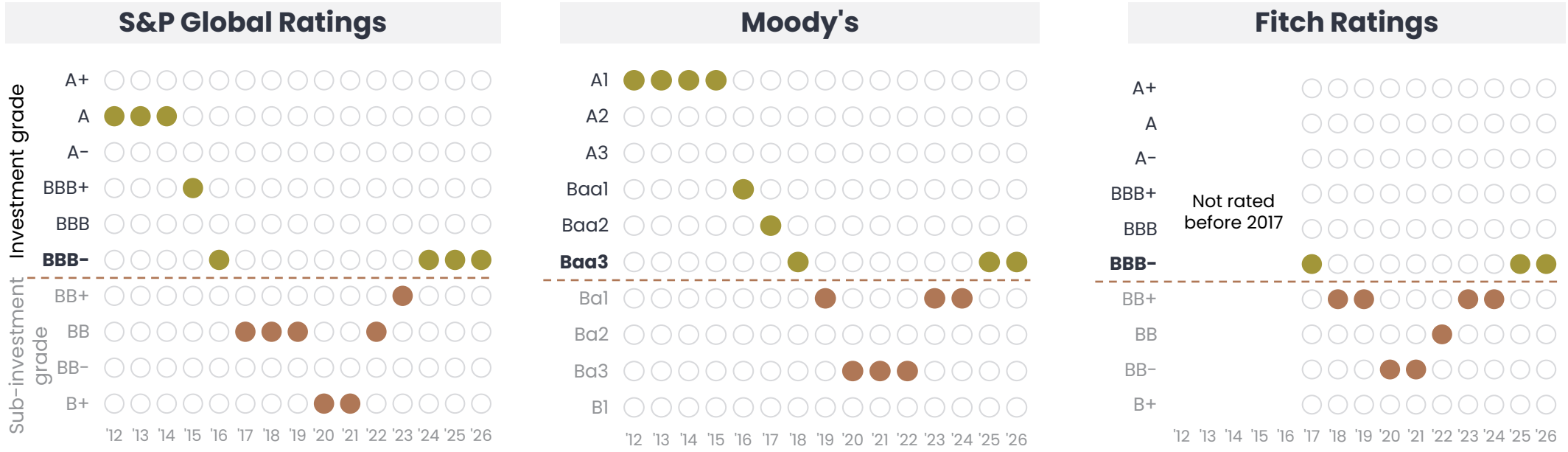
Half

As sensitive to oil: each $10 now moves the budget ~1.9pp of GDP, from ~3.8pp

Half as sensitive to oil prices.

Sources: Ministry of Finance outturns (2025 final account); NCSI; Ominvest Research. Dashed lines: fitted relationship in each period.

From junk to investment grade



68% → 34%

Government debt to GDP, 2020 to end-2025 (MoF)

~16%

Net government assets, % of GDP, through 2029

Dec 2025

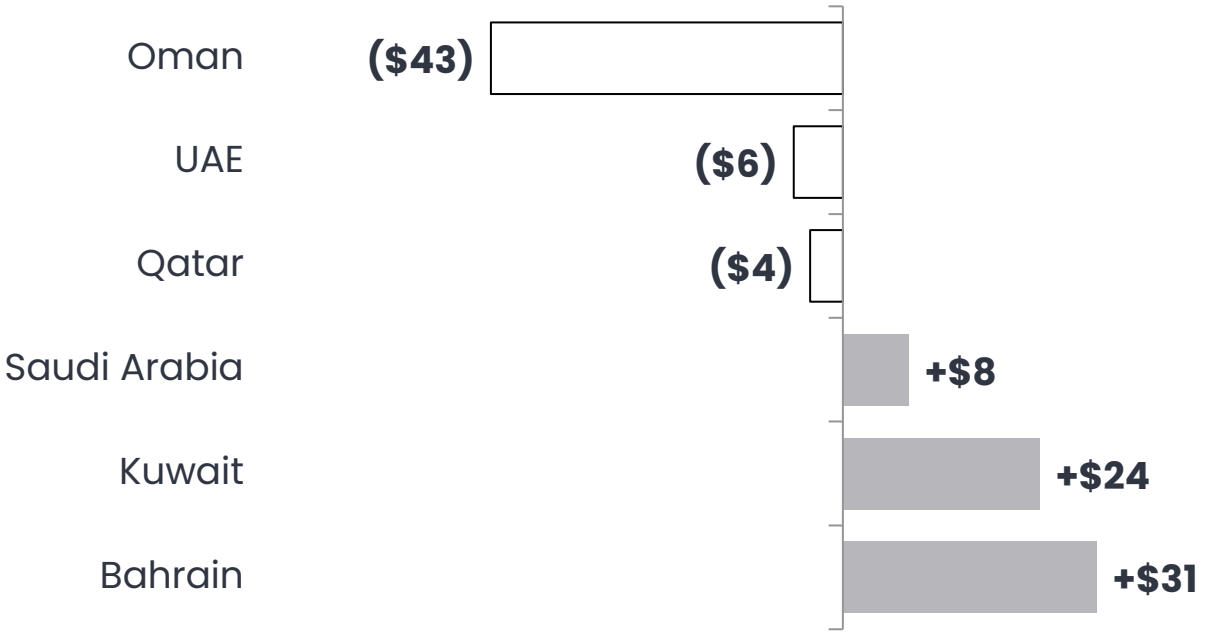
Fitch, the last of the three, back to investment grade

Sources: S&P, Moody's, Fitch rating histories; Trading Economics (27 Sep 2026); S&P Global Ratings (Sep 2026); Ominvest Research

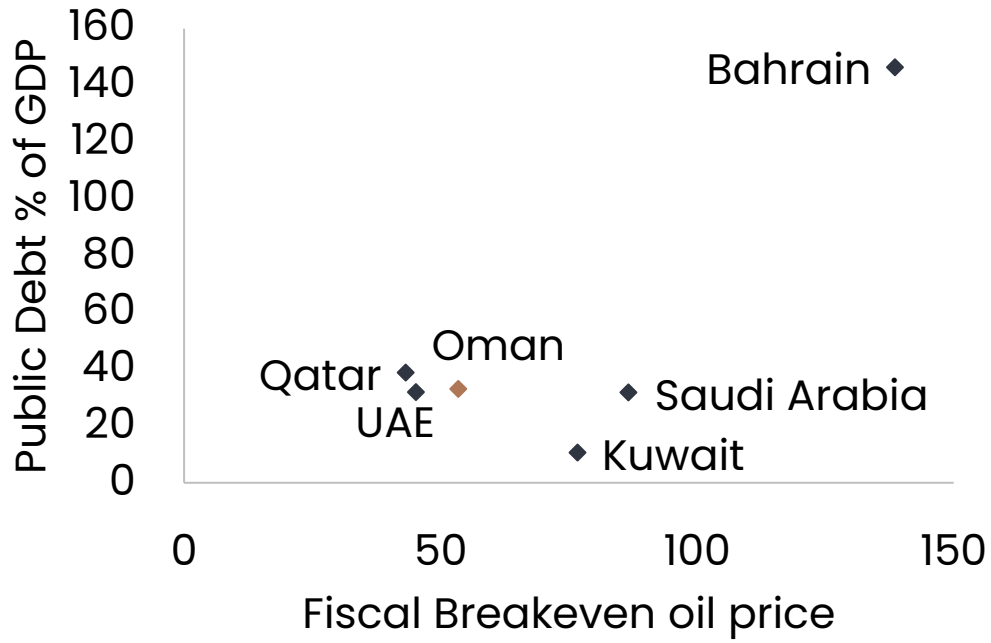
No Gulf peer cut its oil breakeven as far

The oil price Oman needs to balance its budget nearly halved; most neighbours' rose.

Change in fiscal breakeven oil price, 2016 to 2025, $ per barrel



Oman's fiscal vulnerability has fallen sharply

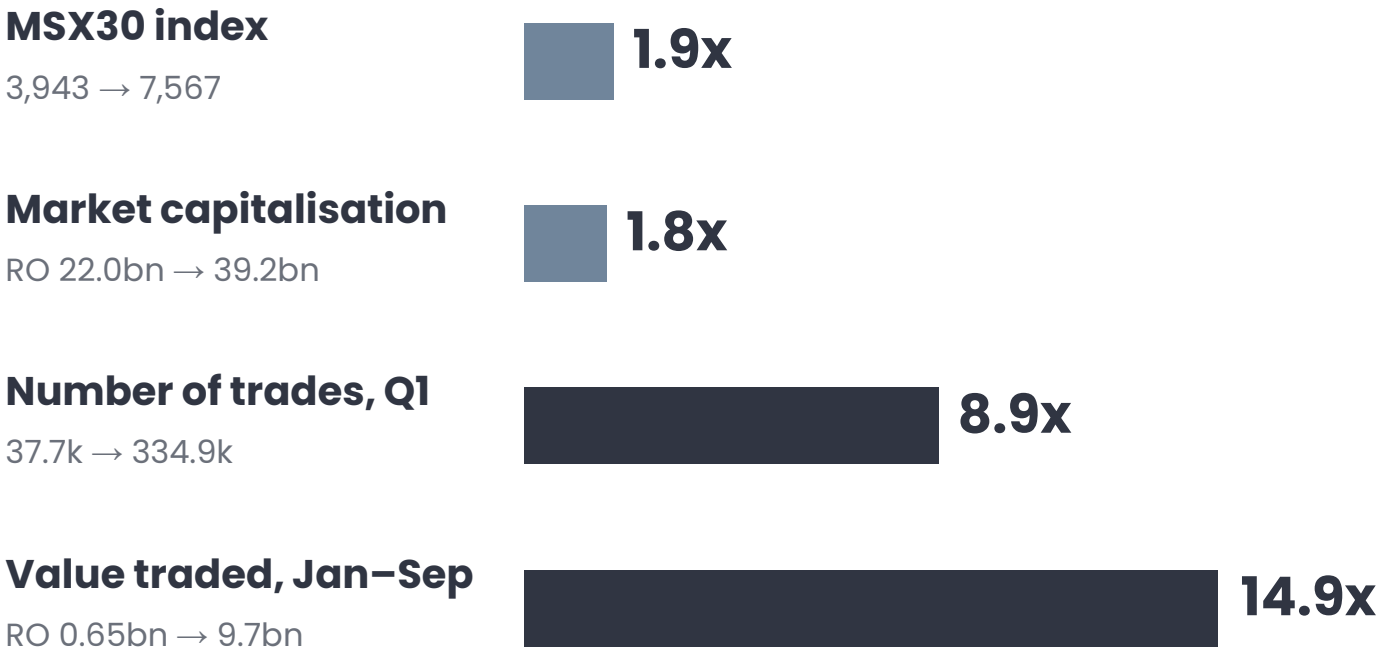


Oman's fiscal risk now sits beside the UAE and Qatar.

Sources: IMF Regional Economic Outlook, May 2025 (general government; 2025 = estimate); Ministry of Finance; Ominvest Research

A capital market rebuilt in five years

Q3 2021 → Q3 2026, multiple of starting level



THE STATE IPO WAVE

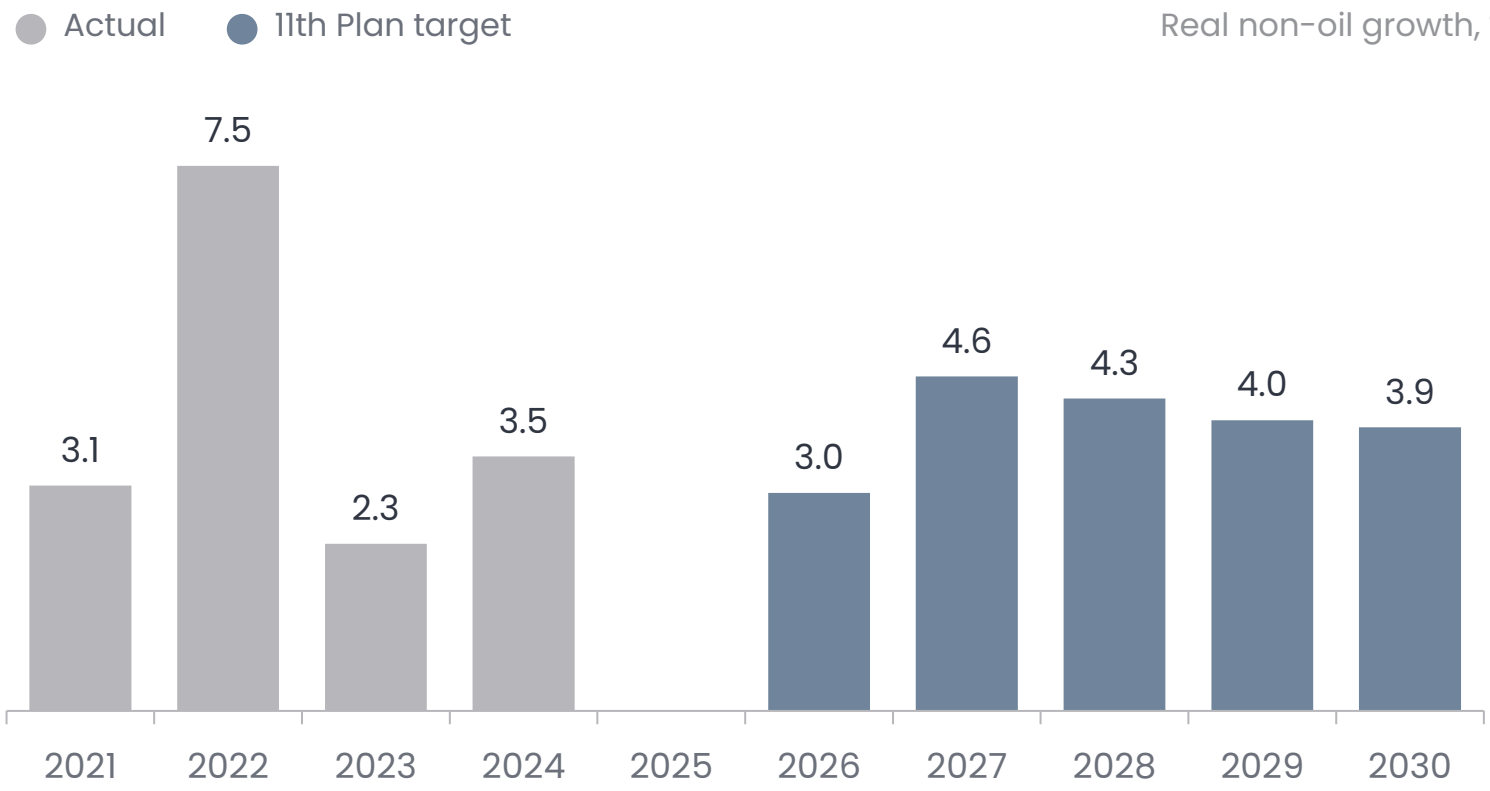
- **2023** Abraj Energy · OQ Gas Networks
- **2024** OQ Exploration & Production · OQ Base Industries
- **2025** Asyad Shipping
- **2026** OMIFCO

The IPO wave fixed size and liquidity, putting Oman on FTSE's Watch List.

Sources: MSX monthly bulletins (Q3 2021 to Sep 2026); MSX and company IPO announcements; Ominvest Research

So what takes us next?

A plan to lift non-oil growth to ~4% a year



300k

Jobs targeted to 2030, about 230,000 in the private sector

RO 50bn

Nominal GDP by 2030, from RO 42bn in 2025

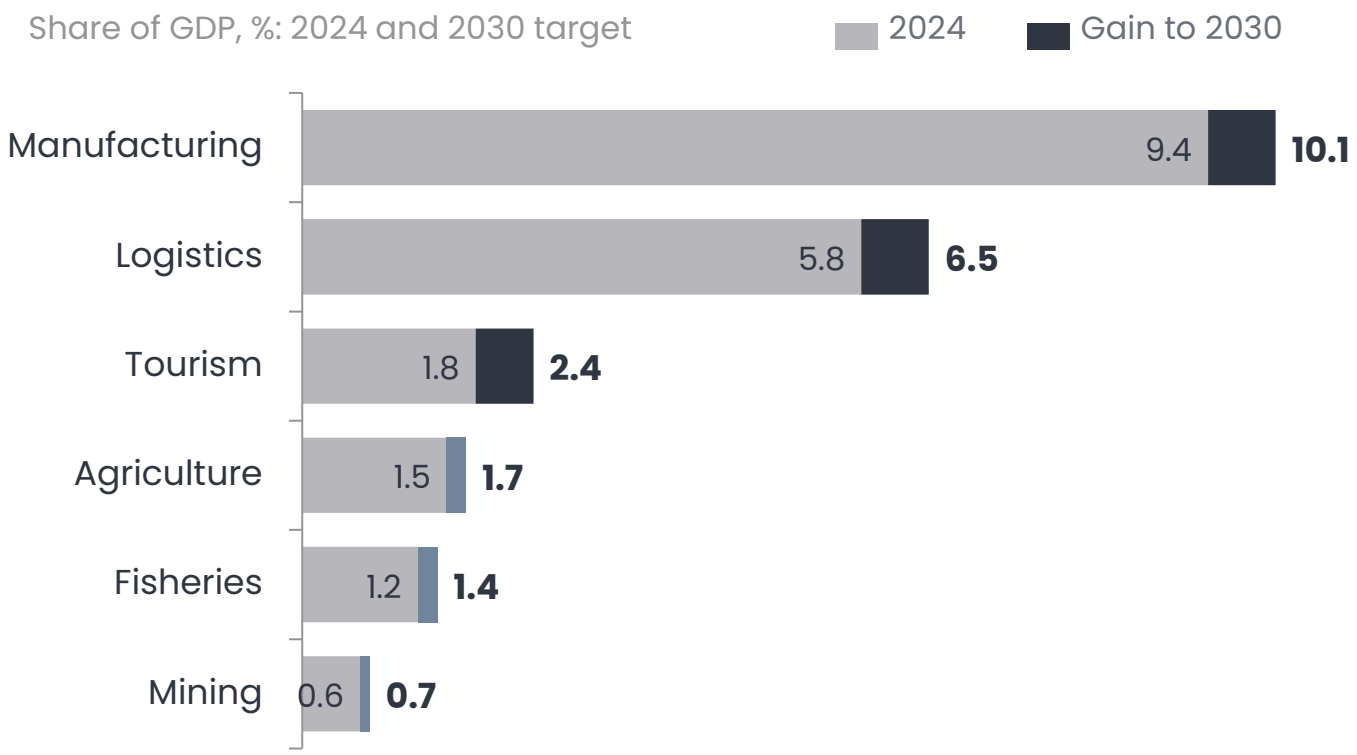
First-half non-oil growth was 1.3%: delivery, not ambition, is now the test

Sources: NCSI (actuals, 2021–24); Ministry of Economy, 11th Five-Year Development Plan 2026–30; Ominvest Research. H1 2026 non-oil growth: +1.3% (NCSI).

Where the plan wants the economy to grow

The plan concentrates growth in a few engines, with realistic, not heroic, targets.

Share of GDP, %: 2024 and 2030 target



ALREADY MOVING

$8–10bn

Duqm petrochemicals complex, OQ and Kuwait Petroleum

1.6 GW

New UAE–Oman power link, a $700m project

RO 1.5bn

Digital economy target for 2030, from RO 0.8bn

Every engine needs long-term capital and market infrastructure: this room's opening.

Sources: 11th Five-Year Development Plan; GlobalSource Partners (Feb 2026); GCC Interconnection Authority; MTCIT Digital Economy Programme

Fiscal repair is done. Depth comes next

S&P scores Oman's fiscal position near the top of its scale. Four factors hold the rating back, and each has a reform answer.

	WHAT HOLDS THE RATING		WHAT ADDRESSES IT
Growth	Trend growth per head is flat	→	**Non-oil plan and private investment**
External	Oil is about half of exports	→	**Manufacturing and logistics exports**
Institutions	Regional geopolitical risk	→	**Mediation, neutrality and stability**
Monetary	Shallow local-currency markets	→	**Banking, MSX reform and the OIFC**

Clearing, custody and market depth are now rating issues, not just market ones.

Source: S&P Global Ratings, Oman affirmation at BBB-/Stable, Sep 2026 (via Ominvest Research)

A good outlook is not a certain one.

The Strait · Oil prices · The 2027 output step-up · US rates through the peg

The open sea is not luck.
It is a choice: prepare, reform, open up.