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Minister of Commerce, Industry & Investment Promotion
New Energy in Oman Conference
27 July 2022
Mansion House, London

Bismillah al rahman al rahim

A very good morning to you all.

It is indeed a pleasure to be here at the Mansion House in the City of London this morning.

Thank you Sir William for the kind introduction.

Your Lordship, Your Excellencies, Ladies & Gentlemen

As-salamu alaykum

Let me begin by welcoming you all, on behalf of my colleague His Excellency Abdulsalam Al Murshidi, President of Oman Investment Authority, patron of today's event, and myself, to this morning's 'New Energy in Oman' conference.

And there is certainly a 'New Energy in Oman' - at least that is how we all feel since His Majesty Sultan Haitham bin Tarik assumed power in January 2020.

This energy comes from a new and renewed renaissance - after our first renaissance in 1970 - we like to call this Renaissance 2.0.

Central to Renaissance 2.0 is the understanding that the Sultanate of Oman can no longer rely solely on its traditional comparative advantages, if we are to realize our full economic potential.

We have therefore reimagined our approach to economic growth by capitalizing on the competitive and comparative advantages offered by new sectors such as mining, logistics, agriculture and fisheries, tourism, manufacturing, the circular economy and of course energy and renewables.

And we have re-engineered our approach to business by streamlining procedures and creating a more pro-enterprise environment with the launch of Oman Vision 2040 - our blueprint for development.

This impactful roadmap is built around four main pillars:

- People and society
- Economic development
- Governance and institutional performance along with

- Environment and sustainability

Supporting Oman Vision 2040 is a set of economic and financial plans to increase private sector resilience, as well as attract investment and talent.

Of these, I believe the Economic Stimulus Plan – developed as a result of conversations with Omani and international businesses – will be of particular interest to you.

Rolled out just over a year ago, the ESP supports the economy by offering tax incentives, fee reductions and waivers.

Along with this are various reductions in land rents and the opportunity for foreign companies to own land over 5,000m² for commercial and commercial-residential purposes.

And in an effort to ease entry into the private sector, the Ministry of Commerce, Industry & Investment Promotion earlier this year reduced fees for 30 business services, some by as much as 95%.

To give an example of what this means in real terms - the fee to obtain an industrial license was slashed from £2,172 to £108 pounds.

Moreover, it is possible to rent land on one of our fully developed industrial estates at around £2 pounds 20 per square metre per year.

And for new companies establishing operations before the end of 2022 - corporate tax, already low at 15%, has been slashed to **zero** percent for the next five years. This is all part of the ESP.

Working hand-in-hand with the ESP are the Social Protection Plan and the Medium Term Fiscal Plan both offering a wealth of benefits to Oman's business landscape.

Friends

The response from the international community to the introduction of these three programs along with other reforms - and their impact on the economy - has been encouraging.

From positive reports by the IMF to the upgrading in April by S&P Global of our credit rating to BB- with a stable outlook.

The first upgrade since 2015.

And in November last year, as Oman participated in its third World Trade Organization trade policy review in Geneva, members complimented our low tariffs and minimal non-tariff barriers to trade.

Also praised was our new legislation covering foreign capital investment, privatization, public-private partnerships and bankruptcy laws.

We have also recently launched the Oman Centre for Commercial Arbitration in Muscat. This is overseen by the Oman Chamber of Commerce & Industry.

They will be signing memoranda of understanding this morning with a number of UK partners. Another great example of Oman-UK collaboration.

These agreements along with new legislation have improved Oman's competitiveness and led to higher inflows of investment.

In fact, let me point out that FDI in Oman at the end of Q4 2021 reached £36.5 billion pounds.

This is up 7.7% on the same period in 2020 - and all despite the challenges of the pandemic.

Given that we are gathered here in London, it would be remiss of me not to mention that today the largest foreign investor in Oman is our long-standing and trusted partner, the UK with investments totaling £17.8 billion in 2021.

This represents an increase of nearly 8% on UK investments made in 2020.

And I am delighted to share with you that as per the IMF's *World Economic Outlook* report released in April, Oman's real GDP is expected to grow by 5.6% this year.

Ladies & Gentlemen

As you well know, it is in our DNA as Omanis to travel, engage, trade and sell.

Something that is reflected in our export figures.

In fact, we now proudly export to over 130 countries - and the volume of these exports has been rising.

In 2021, for instance, Oman's non-oil exports grew by 91% to £12.2 billion pounds up from £6.4 billion in 2020.

This is sizeable by any measure.

I would like to highlight the growth in our exports to *major* markets.

India is a good example of this, reaching just over £1 billion pounds in 2021, a jump of 41% on 2020 figures.

While those to the United States - with whom we have shared a Free Trade Agreement for over 12 years - were valued at £487 million in February 2022 alone.

This is the third highest monthly recording in 10 years.

To you, our British hosts, let me mention the great success Omani products enjoy right here in your home country.

Products like the Oman-made cables under Heathrow's Terminal 5.

The Reem Batteries that power both London's iconic red double decker buses and vehicles of the British defence forces.

Then there is Suhar's Gulf Stone whose flooring covers Birmingham International Airport.

On the luxury brand front, Amouage is today one of the world's most celebrated names in perfumes, with a strong presence in top department stores not just here in the UK but also across the world.

In the years to come, we hope to see higher trade figures between our two countries - and I especially invite British companies to explore other competitively priced quality *Made in Oman* products.

Ladies & Gentlemen

Once again I would like to express our pleasure to be here in London today.

Britain's relations with Oman go back centuries. Our first bilateral agreement was signed in 1646.

More recently, in May 2019, the governments of the Sultanate of Oman and the United Kingdom of Great Britain and Northern Ireland signed the Comprehensive Agreement on Enduring Friendship and Bilateral Co-operation

This accord demonstrates a firm commitment to take our centuries-old relationship into a new era of cooperation, sharing expertise and experience benefiting generations to come, including people-to-people links, technology, science, education, health, culture, innovation, prosperity and growth.

In December last year, His Majesty Sultan Haitham bin Tarik was hosted by Her Majesty Queen Elizabeth, also conducting private discussions with the Prime Minister on matters of mutual interest and importance.

And today we once more discuss a topic that is of mutual interest and importance - that of new green energy.

Oman has been blessed with a plenitude of solar and wind resources along with an abundance of land to allow for their development.

It is no surprise, therefore, that shining brightly in our investment landscape are new energy projects.

In fact, addressing climate change is a core component of Oman Vision 2040 and with Oman's National Energy Strategy we have embarked on a number of large green energy projects with the goal of generating 30% of our electricity from renewable energy sources by 2030.

As well you know, strong infrastructure underpins the success of any industry.

To this end, the Government of Oman has developed an ecosystem of initiatives to ensure green new energy projects in our country enjoy every possible advantage.

Let me share two examples with you.

Firstly, I would like to draw your attention to Hydrogen Development Oman – a new national energy company set up to help champion Oman’s energy transition.

The second example is Hy-Fly - a national alliance for green hydrogen, created last August to place Oman on the map for the production of green hydrogen.

This alliance includes 13 major institutions across the public and private sector, supporting and facilitating the local production, transportation, utilization and export of hydrogen.

In terms of our new energy infrastructure ecosystem, I should also mention the Tawazun Offset Program which promotes and supports capacity building for new energy as well as a range of other sectors.

And it is with pride that I highlight Oman’s 25 years of success in public-private partnerships in the utilities sector.

My friends

Oman’s natural advantages as regards solar and wind power, along with the efforts made by His Majesty’s Government, have already brought in a range of new energy partners and investors.

They include:

- Oman’s OQ Alternative Energy
- Hong Kong’s Intercontinental Energy
- Kuwait’s Enertech
- Belgium’s Deme Concessions
- Japan’s Marubeni
- Ireland’s Linde
- The UAE’s Dutco Group
- Saudi Arabia’s ACWA Power
- U.S. Air Products and
- The Asian Infrastructure Investment Bank - the bank’s first renewable energy financing not just in Oman but in the region.

We also welcome the recent interest shown by BP and Shell - our long time partners in development - in Oman’s new energy potential.

We gladly note their enthusiasm to continue their journey with us.

Dear friends

It is now my great pleasure to make two important announcements exclusively at this conference

To enhance our investment infrastructure the Government of Oman will appoint commercial and investment attachés to a number of our strategic embassies across the world.

And in my first announcement today, I am delighted to inform you of the appointment of Ms. Arwa Abdul Rahim Al Balushi from the Oman Investment Authority as the Sultanate of Oman's UK Commercial and Investment Attaché.

She will be based at our Embassy here in London.

Building on the historic and longstanding Oman-UK relationship, Attaché Arwa and her team will support Oman-UK business connectivity in the years to come and more immediately, generate stronger commercial and investment ties.

And the second announcement I have to make is the establishment of a UK Investor Desk at the Ministry of Commerce, Industry & Investment Promotion.

The desk will provide special support for UK investors wishing to explore Oman-UK business and trade opportunities.

My Ministry colleague, Ms. Fatma Al Azri will be happy to supply you with all the necessary contact details.

Moreover, it is my pleasure to draw to your attention the creation of an Oman National Program for Investment and Export Development – Nazdaher.

With FDI and exports as its priorities, Nazdaher will - at the end of the year - launch a 'one-stop-shop' style Invest in Oman centre.

Ladies & Gentlemen

To take Oman's renewable energy ambitions forward requires us to harness collective strengths and efforts that transcend borders.

And we know that investment partnerships with the UK across Oman's renewable energy value chain will present exciting opportunities we can capture and realize together.

And together, we can press on in our charge towards creating a sustainable future for us all.

Indeed, I look ahead with both optimism and enthusiasm to the possibilities of tomorrow.

My friends

Before I conclude, I would like to thank our partners, the Anglo-Omani Society, the Omani British Business Council, the Omani British Friendship Association and the Department for International Trade for their considerable efforts in bringing about this most timely conference.

I would especially like to thank Major-General Richard Stanford, and congratulate him on his appointment as Chairman of the Anglo-Omani Society.

I know he and his fellow Board members will do a sterling job.

I thank too Sir Sherard Cooper-Cowles and congratulate the Honourable Saleh Al Zakwani, on becoming the new Chair of the Oman British Friendship Association.

He is sure to enjoy great success in further developing Anglo – Omani ties.

I would also like to express our thanks and gratitude to both His Excellency Abdulaziz Al Hinai, His Majesty's Ambassador to the United Kingdom as well as His Excellency Bill Murray, Her Majesty's Ambassador to the Sultanate of Oman for their most generous contributions and ongoing encouragement.

And most importantly, it is my pleasure to extend a big thank you to you - the UK business representatives who have taken time out of your busy schedules to come along this morning.

I hope you will see how Oman is changing and how it is more attractive than ever as ***the energetic*** new investment destination of the Middle East.

I encourage you all to come and visit us in Oman in the coming weeks and months and explore more for yourselves.

We have a lot to offer.

Our Ministry of Commerce, Industry & Investment Promotion will gladly help you with any arrangements that you may require.

Thank you.