

New Energy in Oman

Remarks by Lord Grimstone 27 July 2022

Well, my lords, your excellencies, ladies and gentlemen. As ever that was too generous an introduction from Sherard, but I thank him for it. As he said, I'm taking what might be a very short sabbatical from my ministerial duties, but I was happy to interrupt my sabbatical to come along today to see my many friends here.

Earlier this year, when I was the UK's Minister for Investment, I had the real pleasure of signing alongside my good friend the President of the Oman Investment Authority, the UK and Oman Sovereign Investment Partnership, which we've heard referenced several times this morning. And the great thing that this did, this partnership established a framework for our two countries to work even closer together on increasing high value investment into both our countries.

As we heard earlier today from Simon Penney, the days have gone when investment in the Gulf meant the Gulf sent the West money and in return the West sent back occasional dividends or capital gains. Nowadays investment is about the mutuality of benefit. It is not just about financial flows, it is about capability flows and it is about learning from each other. As we've heard already this morning, both the UK and Oman have so much to learn from each other.

As we've heard several times this morning, and I don't hesitate to repeat it, our countries have a huge history. It is extraordinary that the UK accounts for nearly 50% of foreign investment in Oman. But of course this is not an accident of history – it's a manifestation of the close relationship between our two countries that goes back well over 200 years.

And of course a sign of this closeness was the establishment of the Oman-UK Strategic Advisory Group which I have the honour to co-chair. This group pooled the economic, political, and technical expertise of our two countries and worked with the hugely successful Tawazun programme set up by His Majesty the Sultan to assist Oman achieve sustainability through the National Programme for Fiscal Balance.

I very much applaud, and I saw this completely at close quarters, the disciplined way in which this Programme approached its task and investors in Oman, or prospective investors, can and should take huge comfort from this. I saw at close hand that difficult decisions, and some of the decisions were difficult for my friends in the Omani government, these decisions were not shirked. Of course a result of this can already be seen in the improvement of the country's credit rating and the revised stable outlook.

Going forward, diversifying the Oman economy through New Energy initiatives, through increasing investment, as we are hearing about today, driving change through privatisation and public-private partnerships – provided these are well-designed and thought-through – is going to be literally transformational for Oman.

Before I conclude, I thought I would say a few words about what I have learnt over the last two and a half years as the UK Investment Minister in the hope it may give some ideas to my Omani friends.

We have to face up to the fact that attracting overseas investment is absolutely a globally competitive sport. Every country in the world, every country in the Gulf, wants international investment, and to win at it requires more than wishful thinking.

When I took over my role as the UK's Investment Minister, Whitehall – that is central government in the UK – was littered with what I call

investment aspirations. These aspirations made great soundbites but, frankly, they had no substance.

Investors cannot invest in an aspiration. They cannot invest in a hope. They need investible projects.

And these projects cannot be conjured out of thin air. Expertise is needed which is why we established the Office for Investment located in 10 Downing Street at the heart of government. You have to give investment that kind of central priority if it's going to succeed. We staffed this office with enthusiastic, entrepreneurially-driven people who understood investment and, critically, knew how to get things done including knocking down the bureaucratic barriers that can sometimes be such a meaningless hindrance.

We also brought investors into the heart of our policymaking so that what I called the "investor lens" could be applied at a very early stage in making our policies. That is how you move away from aspirations to investible projects. This is so important.

We established an Investment Council to advise us comprised of some of the world's top investors. We held roundtables. We brainstormed. We spoke to investors continuously from around the world.

Somebody from my office had the pleasure of organising twenty meetings a day with investors for me. I've got one of my ex-private secretaries in the audience also today.

And the result? We made the United Kingdom one of the best places in the world in which to invest. I have got no doubt that the route that Oman is now taking will end up making Oman one of the best places in the Gulf to invest.

So enjoy today and Sir Sherard thank you very much for inviting me.