



# Digital Investment Opportunities in Oman

Ministry of Transport, Communications and Information Technology

Sultanate of Oman

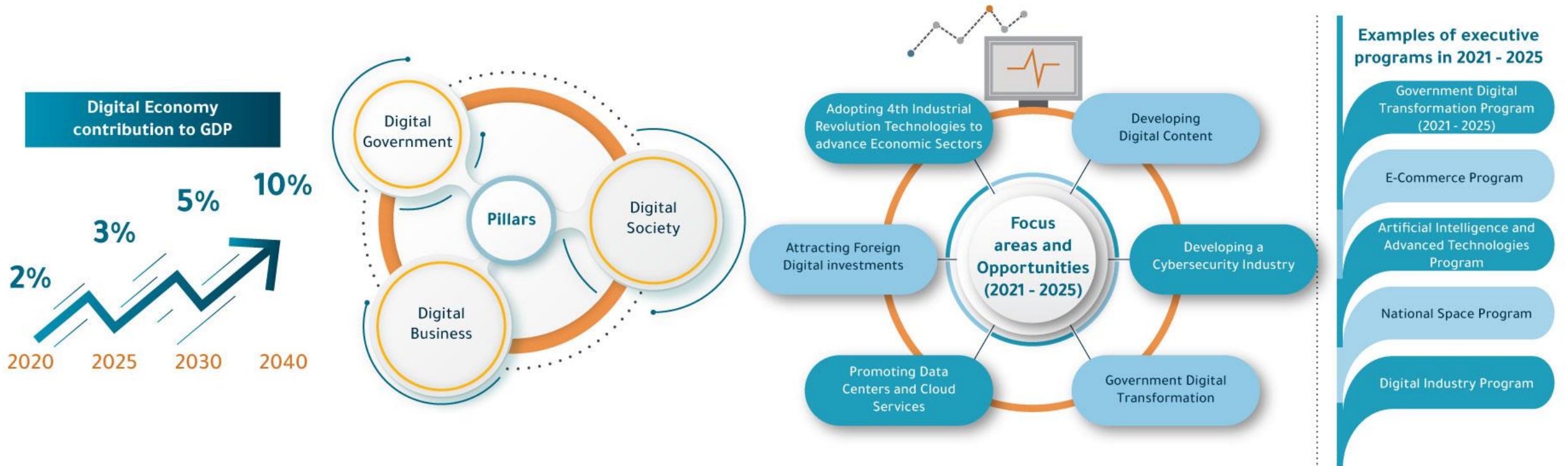
September 2022

## Digitization Main Indicators

<p><b>2%</b></p> <p>Est. Digital Economy Contribution to the GDP (2016)</p>	<p><b>21</b></p> <p>Oman ranking in UN Global Cybersecurity Index (out of 175 countries)</p>	<p><b>44</b></p> <p>Oman ranking in Networked Readiness Index (out of 134 countries)</p>	<p><b>50</b></p> <p>Oman ranking in UN E-government Index (out of 193 countries)</p>	<p><b>3</b></p> <p>Mobile Operators</p>	<p><b>1</b></p> <p>Carrier Neutral and Open Access Equinix IBX Data Center</p>
<p><b>4,701</b></p> <p>Companies in the sector</p>	<p><b>15,000</b></p> <p>Employees in ICT related Jobs in the public and private sector</p>	<p><b>20</b></p> <p>international submarine cables and anchorage points</p>	<p><b>6</b></p> <p>Data Centers in Oman (Tier-3)</p>	<p><b>99%</b></p> <p>3G Coverage across the country</p>	<p><b>97%</b></p> <p>4G Coverage across the country</p>
<p><b>12%</b></p> <p>of total number of students in higher education are in ICT</p>	<p><b>18%</b></p> <p>Of total number of higher education graduates are in ICT</p>	<p><b>59%</b></p> <p>of local universities and colleges offer technology-related programs</p>	<p><b>72%</b></p> <p>Fixed broadband subscribers penetration per 100 families.</p>	<p><b>120%</b></p> <p>Mobile broadband subscribers penetration per 100 pop.</p>	<p><b>140%</b></p> <p>Mobile subscribers penetration per 100 pop.</p>

# National Digital Economy Program

The Sultanate of Oman seeks to develop a prosperous digital economy that contributes to the national economy. National Digital Economy Program outlines a set of pillars, executive programs and action plans, in addition to medium and long-term targets aligned to Oman Vision 2040.



@mtcitoman



سلطنة عُمان  
وزارة النقل والاتصالات وتقنية المعلومات  
Sultanate of Oman  
Ministry of Transport, Communications and  
Information Technology





# Why Oman

20 Internet  
Submarine Cables  
landing in Oman  
providing high-level  
of availability and  
redundancy

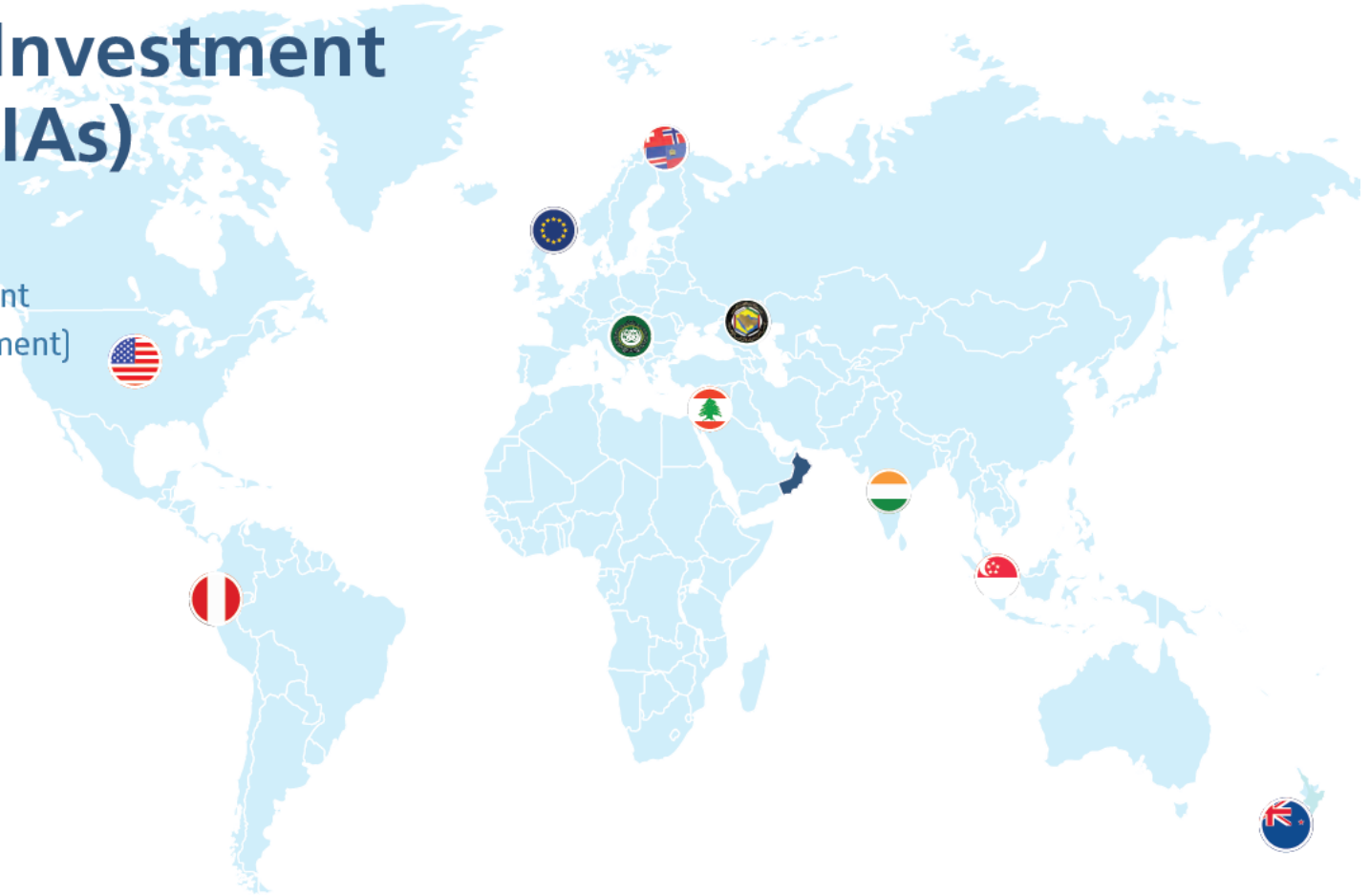


# Why Oman

International  
Investment  
Agreements  
with Various  
countries and  
Organizations

## International Investment Agreements (IIAs)

Arab Economic Unity Agreement  
Arab League Investment Agreement  
EFTA (European Free Trade Agreement)  
European Union  
GCC Economic Agreement  
India  
League of Arab States Investment  
Lebanon  
New Zealand  
OIC  
Peru  
Singapore  
USA

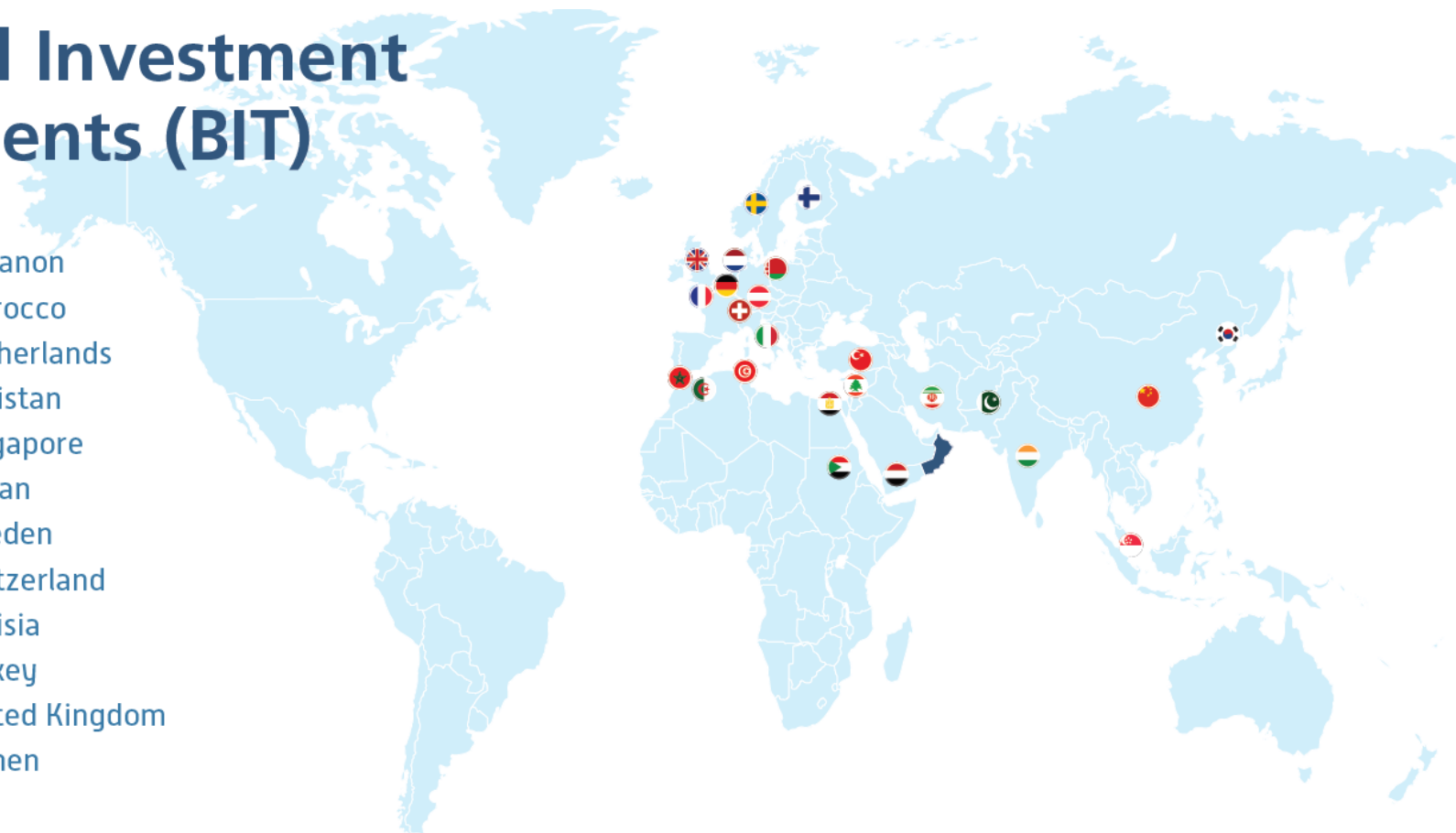


# Why Oman

Bilateral  
Investment  
Agreements  
with various  
countries






## Bilateral Investment Agreements (BIT)

Algeria	Lebanon
Austria	Morocco
Belarus	Netherlands
China	Pakistan
Egypt	Singapore
Finland	Sudan
France	Sweden
Germany	Switzerland
India	Tunisia
Iran	Turkey
Italy	United Kingdom
Korea	Yemen



# Why Oman

## Ports, Free zones and Key Areas

-  Oman Rail (under development)
-  Port
-  Free zone
-  Oman post
-  Port Terminal Operation



# Current Incentives Packages in Oman

Free Trade Zones Special Economic Zones

Industrial Estates

	Commercial Activities	Omanization requirement	Foreign ownership	Corporate taxation	Capital requirements	Customs duty
<b>Duqm</b>	Industrial estates; logistics; tourism; mixed-use development	25%	100%	30-year tax holiday	no minimum investment capital	0%
<b>Knowledge Oasis Muscat</b>	Information technology services	25%	100%	no incentives	OMR 20,000	none (within GCC)
<b>Innovation Park Muscat</b>	Scientific platform for innovators	--	100%	Up to 15 years	--	--
<b>Sohar</b>	Steel Manufacturing; trade and logistics; oil and gas; petrochemicals	15% (first 10 years)	100%	25-year holiday	no minimum investment capital	0%
<b>Salalah</b>	Industrial; manufacturing; R&D; logistics	10%	100%	30-year tax holiday	no minimum investment capital	0%
<b>Al Muzanah</b>	Warehousing; food processing; industrial	10%	100%	30-year tax holiday	no minimum investment capital	0%
<b>Rusayl</b>	Chemicals, batteries, fiber optics, food processing, garments and textiles, stationary, paints	Highly attractive land rents, tax holidays and equipment duty exemptions				
<b>Sohar</b>	Marble, paper recycling, foodstuffs, detergents, leather furniture, glass & steel bars, engine oils					
<b>Raysut</b>	School stationary, box files, food processing, medical supplies, solar heaters, fertilizers					
<b>Sur</b>	natural gas, fisheries, fertilizers					
<b>Nizwa</b>	Ceramics, plastics, plywood, tea packaging, mineral water and water tanks					
<b>Al Buraimi</b>	Spare parts, paints, plastic, wood, furniture, oil & gas, pharmaceuticals, iron nails, steel cables					
<b>Sumail</b>	General industrial activities					
<b>Al Muzanah</b>	Warehousing, logistics, food					







## General Incentives

Oman offers competitive advantages including:

- 100% percentage foreign ownership
- 100% repatriation of capital and/or profit
- 15% corporate tax with additional tax breaks in free zones
- No personal income tax
- Free Trade Agreement with the US
- Science and Technology Transfer Agreement with the US





# Digital Investment Opportunities in Oman

- Semiconductor Packaging and Distribution
- Data Centers and Cloud Services
- 4IR Technology Experimentation and Development
- ICT & Cybersecurity Services
- Space Industry
- Multimedia and content creation





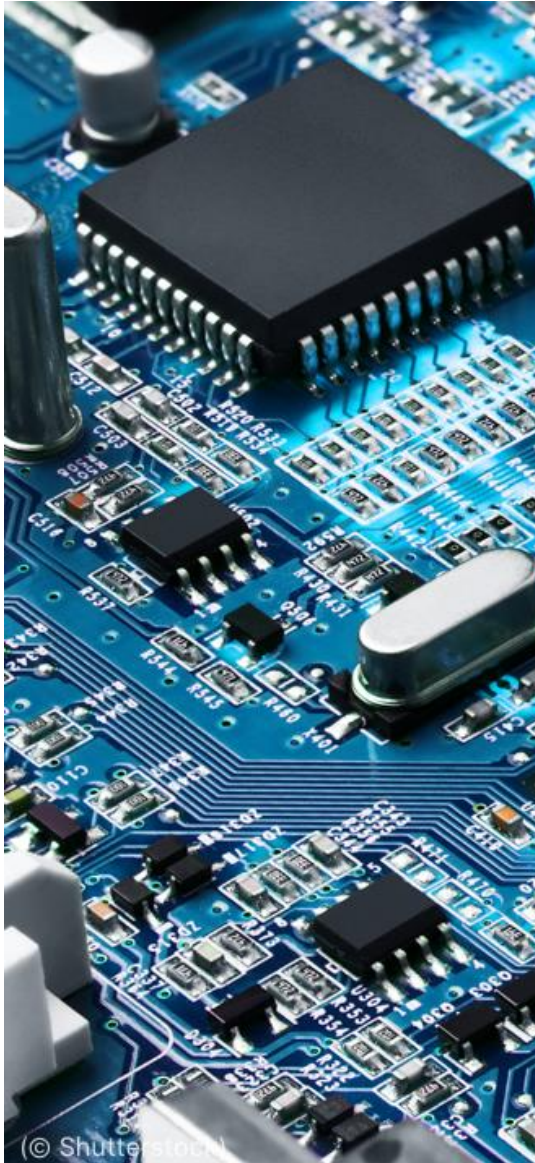
# Semiconductor Assembly, Packaging & Distribution

## Current Situation :

- Availability of raw minerals and materials used in electronics manufacturing such as silicon, copper, cobalt, gold and iron
- Geographical location centering world's trade nerve center
- Three ports and connected free zones hosting hundreds of manufacturing companies including Sohar, Salalah, and Duqm forming a sustainable distribution and logistics hub

## Opportunities:

- Exporting of raw minerals and materials used in electronics manufacturing
- Establishment of electronics and semiconductor factories and fabrication plants





# Data Center and Cloud Services

## Current Situation:

- Oman currently has 5 data centers, four which are accredited as government authorized service providers
- Oman is connected to over 20 submarine cables - making it the gateway to the internet in the MENA region
- Oman hosts caching nodes for international content creators such as Google and Facebook

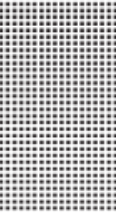
## Opportunities:

- Cloud-First Policy to be Published mandating the Gov. entities to accelerate the adoption of Cloud Services
- Gateway to serve the region with cloud services
- Disaster recovery sites
- Potential to host Data Embassies
- Renewable/green energy solutions for data centers (solar, wind, deep ocean cooling)





# 4IR Technology Experimentation and Development



## Current Situation:

- Three ports and connected free zones hosting hundreds of manufacturing companies including Sohar, Salalah, and Duqm
- Emerging technology freezones
- Higher education is integrating 4IR technology into their curriculum and graduation requirements
- Flexible regulatory framework to test emerging technologies

## Opportunities:

- Robotics & automation within manufacturing sector
- 3D Printing solutions
- Municipal logistic solutions – i.e. drones, smart delivery applications, etc.
- IoT solutions in healthcare, education, and tourism
- AI solutions in health, education and logistics
- Smart city solutions

# ICT & Cybersecurity Services



## Current Situation:

- Digitalization of government services is a national priority
- Digitization of tourism, logistics, fisheries, agriculture and manufacturing services is a main driver to achieve Vision 2040
- High number of ICT students and graduates
- Vibrant tech startup ecosystem

## Opportunities:

- Software development services
- Fintech services
- Tech startups VCs, incubators and accelerators
- Data processing and analytics services
- Digital Transformation services
- Business Process Outsourcing services



# Space Industry

## Current Situation:

- Oman recently launched the National Space Program focusing on developing the sector
- Oman has the first stargazing reserve in the region (387 km)
- Oman hosted “Mars on Earth” Simulation and Research Experiment in 2018
- Geographical location with favorable launch conditions and clear sky

## Opportunities:

- Hosting space data centers
- Space research observatories
- Rocket launching sites
- Space related research and innovation
- Hosting Space related NGOs



# Multimedia and Content Creation

## Current Situation:

- Oman is a multicultural society and many international languages are spoken by the society
- Heritage, culture and linguistics are a national priority
- Many graduates in multimedia and graphics designers

## Opportunities:

- Arabic translation of web-based content and video
- Gaming production
- Software Arabization
- Online marketing and advertisement
- Animation and graphics production
- VR/AR production





# Semiconductor Opportunity

Name and summary of the project	Economic impact	Financials	Permits/logistics	Value proposition
<p><b>GS Microelectronics Oman</b></p> <p>Development and investment to establish the first investment project in the Sultanate of Oman to design and manufacture semiconductors in the Sultanate. This cooperation represents a model for local partnerships in the government and private sectors and aims to support sustainable human capital development programs that lead to the localization of technical industries.</p> <p>A global supplier of IC manufacturing, packaging, test, and quality services and offer advanced technology solutions that exceed the performance requirements of next-generation applications.</p> <p>Experts of integrated circuit from chip concept to technology selection, technology qualification, packaging design and qualification, complete test development &amp; test customize solutions, and qualification of the final product</p>	<ul style="list-style-type: none"> <li>• Localization and transfer of technology and strong access to this market through teaching and qualification in local universities and colleges, which will be linked with design, manufacturing and distribution factories, and thus build and localize this industry in the Sultanate.</li> <li>• An investment of this size will allow the creation of business opportunities and partnerships with the local private sector, especially emerging, small and medium companies, in the fields of semiconductor design, development of related applications, testing centers, marketing, sales, manufacturing and supply. As it is estimated that the number of companies that can work with this investment project is about 120 specialized companies and training institutions</li> <li>• The Sultanate will own a part of the semiconductor market, and thus it will be possible to attract new investments and industries in the fields of manufacturing devices, equipment and cars.</li> <li>• Direct employment of at least 500 employees during the first three years in a semiconductor design company.</li> <li>• Direct employment of no less than 800 employees during the first three years after opening of the factory.</li> </ul>	<p>55,752,500 OMR</p>	<ul style="list-style-type: none"> <li>• Subsidies from government</li> </ul>	<p>Training contract with Ministry of Labor to train trainers on the technology</p>

# Data Mining

Name and summary of the project	Economic impact	Financials	Permits/logistics	Value proposition
<p>Afaaq Advanced Technologies LLC (“Exahertz”) is pleased to be looking to privately place up to a 10%.</p> <p>Exahertz is building to operate an innovative Hyperscale Datacenter for the purpose of Blockchain Mining, Data Processing Technologies and Artificial Intelligence.</p> <p>Axeron Capital Holding has led a consortium (Afaaq Advanced Technologies LLC) to build one of the first Mining facility(ies) in the region to be located in the Sultanate of Oman. We have put together a team of the top CTOs and engineers to design and commission top of the line facilities while mitigating the heat, dust and humidity with immersion and Hydro cooling technologies and solutions.</p>	<p>This project is considered IT infrastructure 4.0, which is about integration of digital technologies with physical assets to provide new ways of generating, integrating and using data to optimize the resources needed to deliver the future infrastructure.</p> <p>We will be able to deliver cutting-edge facility with higher efficiencies machines that have higher computing hash rates that could be applied to mining, cloud computing, analytics, among other applications, with the help of immersion and hydro cooling technologies (bitmain is one of the synergy partners).</p>	<p>Market cap:</p> <p><u>Cryptocurrency market cap</u> is currently at 318.80B Dropping from 874.90B (which is a cycle movement and currently at its lowest)</p> <p><u>AI market cap</u> is at 87B with a registered CAGR of 38.1% from 2022 to 2030</p> <p><u>ML market cap</u> is 15.44 B with registered CAGR of 38.3 %from 2022-2029</p> <p><u>Hyperscale Datacenters</u> market cap is 63 B with registered CAGR 25.9% from 2020-2029</p> <p><u>Investment capex:</u> 350 M USD</p> <p><u>Expected payback</u> period 36-48 Months</p> <p><u>Targeted ROI-</u> 68-85%</p> <p>Exit strategy IPO</p>	<p>License and land subsidy given</p>	<p>Modular Integration - Container pods in shells design are optimized for heat solutions and easy to mobilize, allowing a fast ROI period.</p> <p>Levelized cost of power subsidized for 5 years.</p> <p>Downside Protection- ability to provide ASICs, GPU data centers with high computing capabilities for data analytics and other functions, a gap needed in the Sultanate of Oman and the region.</p> <p>Scalability- No limits to growth due to the country expansion in the O&amp;G industry and 2040 vision, over 1GW of energy capacity can be designated in various locations across the Sultanate in the upcoming 3 years.</p> <p>Tax Exemptions : the entity is exempted from Tax on Profit or Dividends, Value Added Tax, Import Tax or customs for a period of 30 years .</p> <p>Approved and licensed to produce <u>Greenenergy</u> for self-use in coordination of APSR</p>



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