

WORLD RANK: **95** REGIONAL RANK: **6**

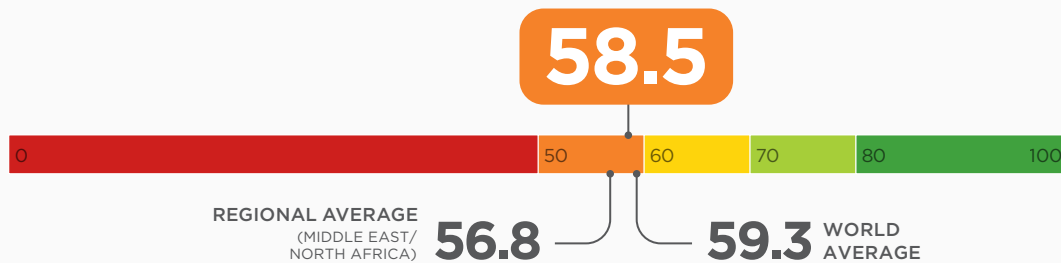
ECONOMIC FREEDOM STATUS: **MOSTLY UNFREE**

OMAN

Oman's economic freedom score is 58.5, making its economy the 95th freest in the 2023 *Index*. Its score is 1.9 points higher than last year. Oman is ranked 6th out of 14 countries in the Middle East/North Africa region, and its overall score is above the regional average.

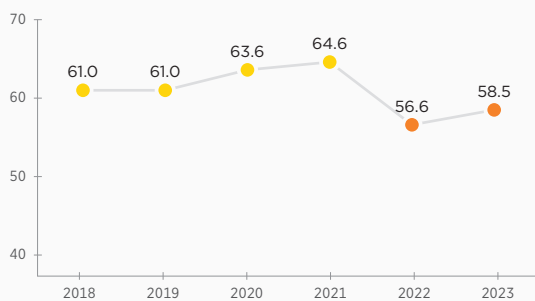
Oman's economy is being modernized. Although the rule of law has been relatively well maintained, the judiciary remains vulnerable to political interference. Overall economic freedom remains constrained by state involvement in the private sector. Recognizing the importance of a dynamic entrepreneurial environment, the government is trying to diversify the economy.

ECONOMIC FREEDOM SCORE



HISTORICAL *INDEX* SCORE CHANGE (SINCE 1995): -11.7

RECENT FREEDOM TREND



QUICK FACTS

POPULATION:
5.2 million

GDP (PPP):
\$147.9 billion
2.0% growth in 2021
5-year compound annual growth -0.1%
\$32,347 per capita

UNEMPLOYMENT:
2.9%

INFLATION (CPI):
1.5%

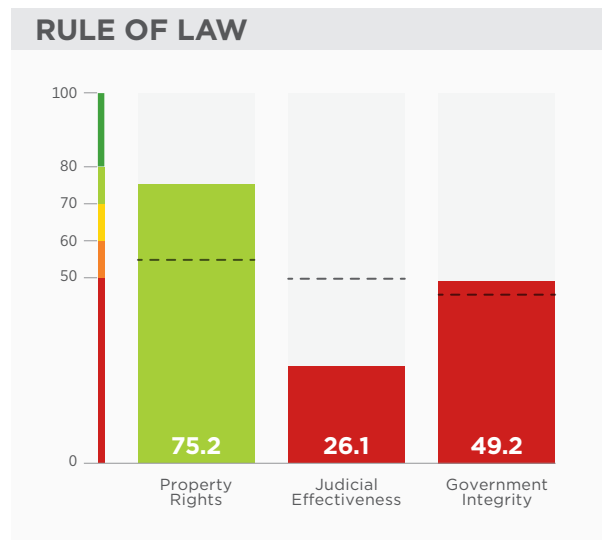
FDI INFLOW:
\$3.6 billion

PUBLIC DEBT:
62.9% of GDP

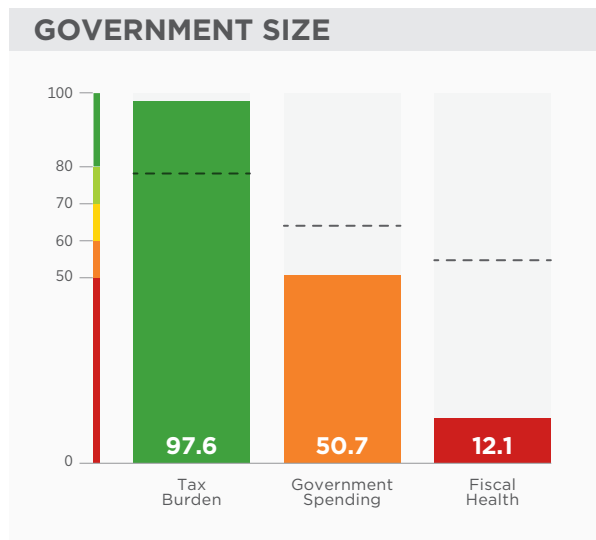
2021 data unless otherwise noted. Data compiled as of September 2022

BACKGROUND: Oman is one of the least populous Arab countries. During the 2011 Arab Spring protests, Sultan Qaboos bin Said Al-Said changed cabinet ministers and expanded government regulatory and legislative powers. After his death in 2020, he was replaced by his cousin, Haitham bin Tariq al-Said. In 2021, Dhi Yazam bin Haitham, the current sultan's son, was named Oman's first crown prince. Oman joined the World Trade Organization in 2000 and is heavily dependent on its dwindling oil resources, which generate about four-fifths of government revenue. Tourism, shipping, mining, manufacturing, and gas-based industries are key components of the government's diversification strategy.

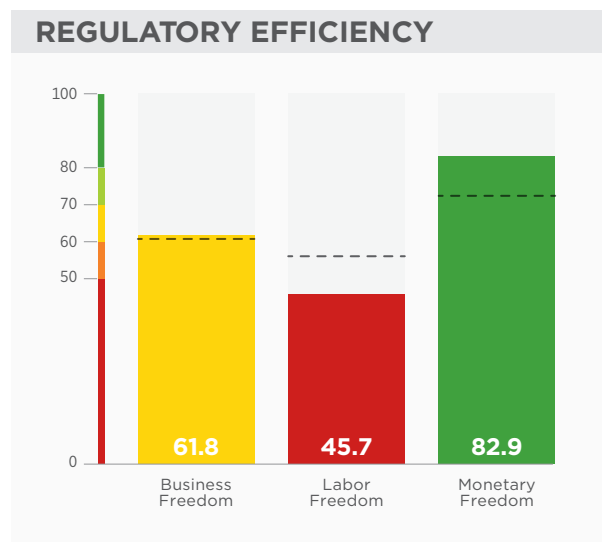
12 ECONOMIC FREEDOMS | OMAN



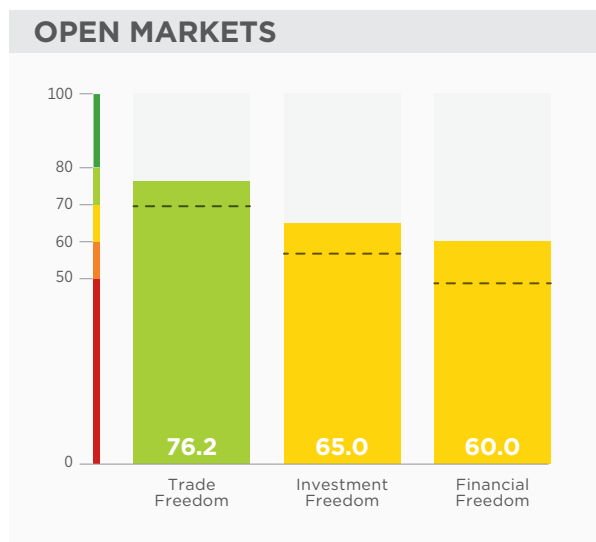
The overall rule of law is relatively well respected in Oman. The country's property rights score is above the world average; its judicial effectiveness score is below the world average; and its government integrity score is above the world average.



The top individual and corporate tax rates are, respectively, 0 percent and 15 percent. The tax burden equals 3.4 percent of GDP. Three-year government spending and budget balance averages are, respectively, 40.5 percent and -8.1 percent of GDP. Public debt equals 62.9 percent of GDP.



Oman's regulatory environment is still evolving. The labor laws enforce the "Omanization" policy that requires private-sector firms to meet quotas for hiring native Omani workers. The state influences prices through an extensive subsidy system. The most recent available inflation rate is 1.5 percent.



The trade-weighted average tariff rate is 4.4 percent. Efforts to increase transparency and streamline the investment framework are ongoing. Most credit is offered at market rates, but the government uses subsidized loans to promote investment. The Muscat Securities Market is open to foreign investors.