

COUNTRY PROFILE REPORT OF ITJ DIVISION, DGCIS INDIA-OMAN BILATERAL TRADE RELATIONS

INTRODUCTION & BRIEF ECONOMIC OVERVIEW

The Sultanate of Oman occupies the extreme east and south-east of the Arabian peninsula. It is bordered to the west by the United Arab Emirates (UAE), Saudi Arabia and Yemen. Oman is a member of the UN, WTO, the League of Arab States, the Organization of the Islamic Conference and the Gulf Cooperation Council.

2. Oman's Basic Statute of the State expresses in Article 11 that the "national economy is based on justice and the principles of a free economy". By regional standards, Oman has a relatively diversified economy, but remains dependent on oil exports. Tourism is the fastest-growing industry in Oman. As per available report of IMF Staff Completes 2024 Article IV Mission to The Sultanate of Oman November 18, 2024, "Supported by favourable hydrocarbon revenues and steadfast reform efforts, Oman's economy continues to expand. Economic growth turned out at 1.2 percent in 2023 before accelerating to 1.9 percent (year on year) in the first half of 2024, weighed down by oil production cuts under OPEC+ agreements, but boosted by stronger nonhydrocarbon growth. The nonhydrocarbon sector grew by 1.8 percent in 2023 and 3.8 percent in the first half of 2024 on the back of expansions in construction, manufacturing, and services. Inflation slowed down to 0.6 percent during January-September 2024 from 0.9 percent in 2023. Fiscal and current account balances remained in comfortable surpluses, while public sector debt declined further in 2023. Oman's sovereign credit rating has been upgraded recently to investment grade, reflecting the marked improvement in its fundamentals."

FOREIGN TRADE

3. As per recent available inputs on WITS (World Integrated Trade Solution), the five major merchandise export partners of Oman are Unspecified, United Arab Emirates, Saudi Arabia, United States and India. On the other hand five major import partners of Oman are United Arab Emirates, Saudi Arab, China, India and Qatar. Major four exported goods of Oman are (i) Petroleum oils and oils obtained from bituminous (ii) Propane, liquefied (iii) Petroleum oils, etc, (excl. crude); preparation and (iv) Agglomerated iron ores and concentrates. On the other hand major four imported goods of Oman are (i) Petroleum oils, etc, (excl. crude); preparation, (ii) Non-agglomerated iron ores and concentrates, (iii) Automobiles with reciprocating piston engine and (iv) Gold in unwrought forms non-monetar.

4. Oman's total exports in 2019 were of the order of US\$ 38,724 million. It has scaled upto US\$ 59,011 million in 2023. Exports from Oman had steeply increased by 33.19% in the year 2021 immediate after pandemic hit year followed by another 48.15% increase in 2022. During the period from 2019 to 2023, the annual average compound rate of growth of exports was 11.11%.

5. Oman's total imports in 2019 were of the order of US\$ 23,507 million and which has touched US\$ 38,775 million mark in 2023. Oman's imports had steeply increased by 21.27% in the year 2020 and later again steeply increased by 24.45% in the year 2022. During the period from 2019 to 2023, the annual average compound rate of growth of Imports was 13.33%.

6. Oman runs an overall Balance of Trade surplus from 2019 to 2023 and that has scaled upto USD 20,236 million in 2023. During the period from 2019 to 2023, the annual average compound rate of growth of total volume of trade was 11.96%.

A snapshot of Oman's overall Trade Statistics is presented in Table 2 and Figure 1.

A snapshot of India's merchandise trade statistics w.r.t. Oman is presented in Table 3 Figure 2.

BILATERAL TRADE WITH INDIA

Merchandise Trade

7. India is among Oman's top trading partners. The Sultanate of Oman is a strategic partner of India and an important interlocutor at the Gulf Cooperation Council (GCC), Arab League, and Indian Ocean Rim Association (IORA). Oman ranked 29th as an export destination of India in FY 2023-24. India had exported to Oman 1.01 % of its total export value in FY2023-24. In the same financial year imports from Oman was 0.67% of India's total import value. Oman was the 30th largest import partner of India in FY 2023-24. Almost 1.00% of India's total international trade value was between India and Oman as has been recorded in DGCI&S data base for FY 2023-24.

8. Indo-Oman total volume of bilateral trade in FY 2019-20 was of the order of US\$ 5,931.74 million. It has scaled up to US\$ 8,947.31 million in FY 2023-24. The annual compound growth rate of total volume comprising both exports and imports of trade during the period from 2019-20 to 2023-25 has been of the order of 10.82%.

9. It is seen from the available figures that between 2019-20 and 2023-24, India has had a deficit Balance of Trade with Oman. Exports from India to Oman increased steeply by 33.67% in FY2021-22 followed by another 42.21% increase in FY 2022-23 over the earlier year. The annual average compound rate of growth of Exports was 18.28% during the period under review. On the other hand, imports from Oman to India increased significantly by a stupendous 121.53% in FY 2021-22 just after the pandemic hit year and the positive remained but in FY2023-24 total imports from Oman to India decreased by 42.86% compare to the previous year. During the period from 2019-20 to 2023-24, the annual average compound rate of growth of imports was 5.35%.

10. Additionally, from Tables 3 & 4 presented below the following are stated:

a. **Petroleum Products, Ship-Boat And Floating Structures and Processed Minerals** have occupied the top three slots in India's exports to Oman in the year 2023-24. **Petroleum Products** had occupied the bulk 38.64% share of India's total exports to Oman.

b. **Petroleum Products, Fertilizers Manufactured and Petroleum-Crude** were the three major commodities in India's imports list from Oman in the year 2023-2. India's has imported **Petroleum Products** from Oman with a share of 33.32% of total imports from Oman recorded in 2023-24.

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TABLE - 1
OMAN'S TOTAL EXPORTS AND IMPORTS, VOLUME OF TRADE AND BALANCE OF TRADE
BETWEEN 2019 TO
2023

(Figures in USD Million)							
Year	Exports	Percentage Growth in Exports	Imports	Percentage Growth in Imports	Volume of Trade	Percentage Growth in Vol. of Trade	Balance of Trade
2019	38724		23507		62,231		15217
2020	33479	-13.54	28507	21.27	61,986	-0.39	4972
2021	44591	33.19	30995	8.73	75,586	21.94	13596
2022	66063	48.15	38573	24.45	1,04,636	38.43	27490
2023	59011	-10.67	38775	0.52	97,786	-6.55	20236
Annual Compound Growth Rate		11.11		13.33		11.96	

NOTE : Figures relate to calendar year (January to December)

SOURCE : UN COMTRADE PUBLICATION

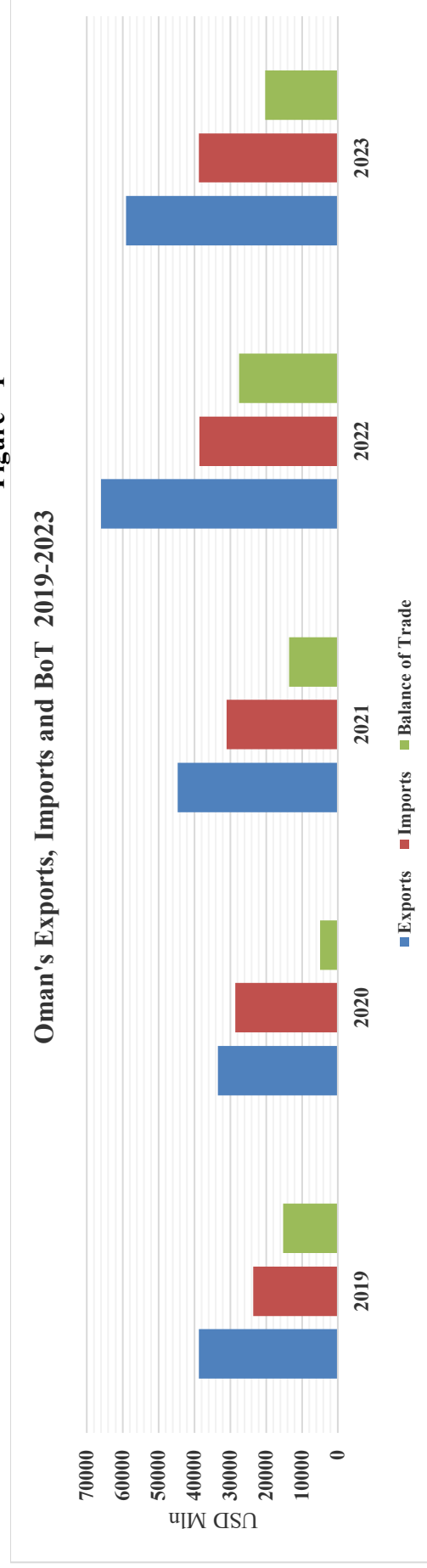


TABLE - 2

INDIA'S MERCHANDISE EXPORTS & IMPORTS w.r.t. OMAN

FY 2019-2020 to 2023-2024

(Value in USD Million)							
Year	Exports from India to Oman	Percentage Growth in Exports	Imports from Oman to India	Percentage Growth in Imports	Volume of Trade	Percentage Growth in Vol. of Trade	Balance of Trade
2019-20	2261.81		3669.93		5931.74		-1408.12
2020-21	2355.30	4.13	3087.93	-15.86	5443.23	-8.24	-732.63
2021-22	3148.33	33.67	6840.65	121.53	9988.98	83.51	-3692.32
2022-23	4477.25	42.21	7911.18	15.65	12388.43	24.02	-3433.93
2023-24	4426.47	-1.13	4520.84	-42.86	8947.31	-27.78	-94.37

Annual Compound

Growth Rate 18.28

5.35

10.82

NOTE : Figures relate to Financial Year (April to March)

SOURCE : DGCI&S, M/oC&I

Figure 2

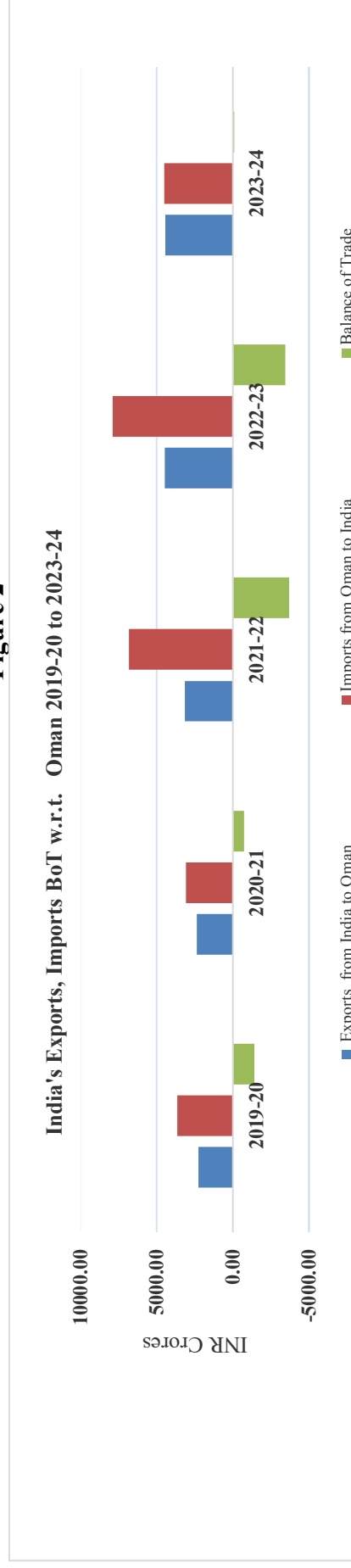


TABLE -3														
INDIA'S MAJOR ITEMS OF MERCHANDISE EXPORTS TO OMAN														
2019-2020 TO 2023-2024 AND THEIR GROWTH RATES														
Sl. No.	Name of the Merchandise Commodities	Value of Exports						Rates			(Value in USD Million)			
		2019-20	2020-21	2021-22	2022-23	2023-24	2020-21 over	2021-22 over	2022-23 over	2019-20	2020-21	2021-22	2022-23 over	2023-24 over
1	Petroleum Products	449.98	477.06	959.75	2124.88	1710.54	6.02	101.18	121.40					
	Share in total export	19.89	20.25	30.48	47.46	38.64								
2	Ship Boat And Floating Structures	236.54	70.35	265.29	151.34	295.77	-70.26	277.10	-42.95					95.43
	Share in total export	10.46	2.99	8.43	3.38	6.68								
3	Processed Minerals	12.47	62.96	122.96	240.50	254.16	404.89	95.30	95.59					5.68
	Share in total export	0.55	2.67	3.91	5.37	5.74								
4	Rice-Basmoti	75.87	88.69	73.32	125.25	181.54	16.90	-17.33	70.83					44.94
	Share in total export	3.35	3.77	2.33	2.80	4.10								
5	Iron And Steel	114.16	111.00	220.79	231.39	119.72	-2.77	98.91	4.80					-48.26
	Share in total export	5.05	4.71	7.01	5.17	2.70								
6	Optical Items (Incl. Lens Etc.)	1.10	4.72	3.55	0.93	112.84	329.09	-24.79	-73.80					12033.33
	Share in total export	0.05	0.20	0.11	0.02	2.55								
7	Aircraft Spacecraft And Parts	0.19	0.13	0.81	0.40	107.27	-31.58	523.08	-50.62					26717.50
	Share in total export	0.01	0.01	0.03	0.01	2.42								
8	Ceraamics And Allied Products	60.35	79.15	61.80	76.91	84.52	31.15	-21.92	24.45					9.89
	Share in total export	2.67	3.36	1.96	1.72	1.91								
9	Cosmetics And Toiletries	11.59	12.51	14.15	46.71	84.02	7.94	13.11	230.11					79.88
	Share in total export	0.51	0.53	0.45	1.04	1.90								
10	Products Of Iron And Steel	120.50	216.23	121.27	105.57	80.14	79.44	-43.92	-12.95					-24.09
	Share in total export	5.33	9.18	3.85	2.36	1.81								
	Total exports to OMAN	2261.81	2355.30	3148.33	4477.25	4426.47	4.13	33.67	42.21					-1.13

NOTE : Figures relate to each Financial Year (April to March)

SOURCE : DGCI&S, M/o C&I

TABLE -4
INDIA'S MAJOR ITEMS OF MERCHANDISE IMPORTS FROM OMAN
2019-2020 TO 2023-2024 AND THEIR GROWTH RATES

Sl. No.	Name of the Merchandise Commodities	Value of Import					Annual Growth Rates			
		2019-20	2020-21	2021-22	2022-23	2023-24	19-20 over 2018-19	20-21 over 2019-20	21-22 over 2020-21	23-24 over 2022-23
1	Petroleum Products	818.50	723.52	1089.42	1841.92	1506.49	-11.60	50.57	69.07	-18.21
	Share in total import	22.30	23.43	15.93	23.28	33.32				
2	Fertilizers Manufactured	693.93	528.05	1038.58	1216.24	690.23	-23.90	96.68	17.11	-43.25
	Share in total import	18.91	17.10	15.18	15.37	15.27				
3	Petroleum Crude	1010.43	1156.36	3600.00	2657.57	431.27	14.44	211.32	-26.18	-83.77
	Share in total import	27.53	37.45	52.63	33.59	9.54				
4	Plastic Raw Materials	35.72	39.71	131.69	382.01	339.26	11.17	231.64	190.07	-11.19
	Share in total import	0.97	1.29	1.93	4.83	7.50				
5	Dye Intermediates	293.08	83.72	151.27	132.37	310.20	-71.43	80.69	-12.49	134.34
	Share in total import	7.99	2.71	2.21	1.67	6.86				
6	Aircraft, Spacecraft And Parts	0.03	0.01	97.96	62.35	254.82	-66.67	979500.00	-36.35	308.69
	Share in total import	0.00	0.00	1.43	0.79	5.64				
7	Inorganic Chemicals	14.82	31.51	88.63	141.68	201.14	112.62	181.28	59.86	41.97
	Share in total import	0.40	1.02	1.30	1.79	4.45				
8	Processed Minerals	32.66	27.49	87.31	133.84	148.32	-15.83	217.61	53.29	10.82
	Share in total import	0.89	0.89	1.28	1.69	3.28				
9	Bulk Minerals And Ores	77.34	64.49	61.22	109.16	127.49	-16.61	-5.07	78.31	16.79
	Share in total import	2.11	2.09	0.89	1.38	2.82				
10	Aluminium, Products Of Aluminium	39.39	32.69	56.57	114.75	107.07	-17.01	73.05	102.85	-6.69
	Share in total import	1.07	1.06	0.83	1.45	2.37				
	Total import from OMAN	3669.93	3087.93	6840.65	7911.18	4520.84	-15.86	121.53	15.65	-42.86

NOTE : Figures relate to each Financial Year (April to March)

SOURCE : DGCI&S, M/o C&I