

Free Trade and Special Economic Zones in Oman Explained

THOUGHT LEADERSHIP



**GLOBAL
EXPANSION**



Table of Contents

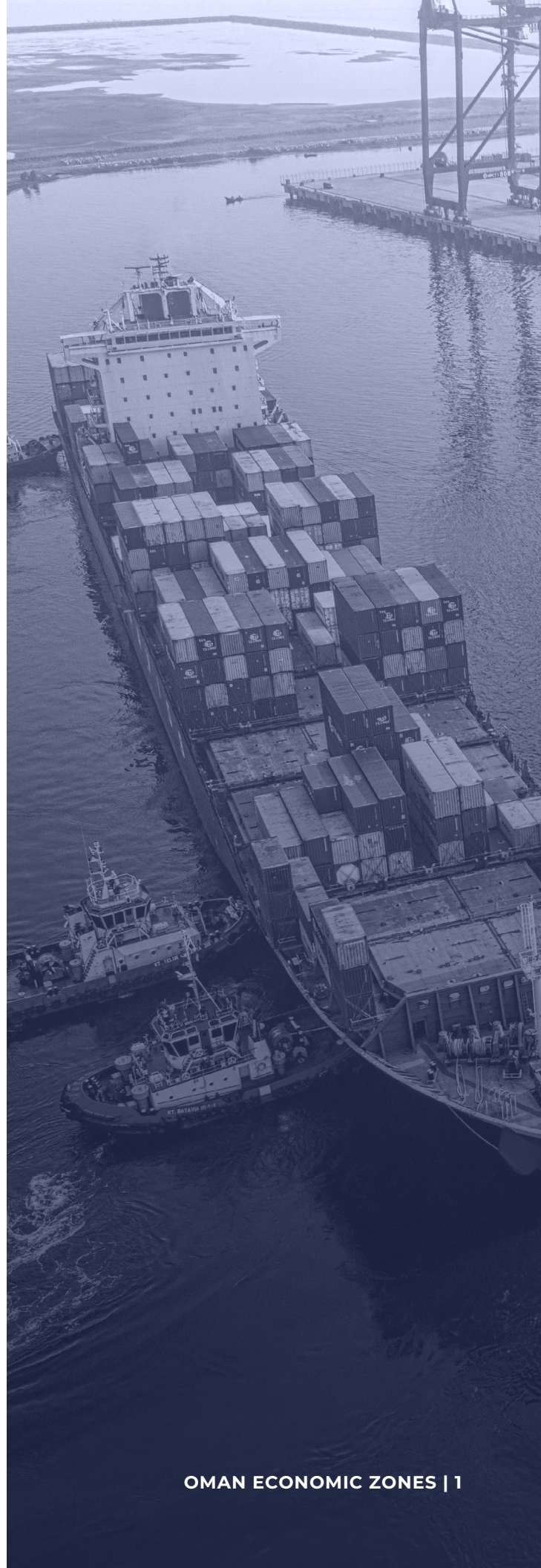
01	Introduction	P1
02	Overview of Free Trade Zones and Special Economic Zones	P2
03	Free Trade Zones in Oman.....	P3
04	Special Economic Zones in Oman	P6
05	Gain Business Benefits in Oman's Special Economic Zones.....	P8

01

INTRODUCTION

Free Trade Zones (FTZs) and Special Economic Zones (SEZs) are special areas designed to attract investment by offering business incentives.

These incentives often include tax breaks, easier administrative processes, and better infrastructure. Oman has set up several FTZs and SEZs to boost economic growth and diversify its economy.



02

OVERVIEW OF FREE TRADE ZONES AND SPECIAL ECONOMIC ZONES

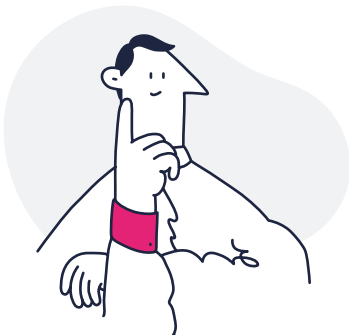
Definition and Benefits

Free Trade Zones (FTZs):

- ▶ Geographically defined areas with specific regulatory, tax, and customs privileges.
- ▶ Aim to attract foreign investment and boost trade by offering tax exemptions, simplified administrative procedures, and other incentives.

Special Economic Zones (SEZs):

- ▶ Designated areas with unique regulatory and economic frameworks.
- ▶ Offer enhanced infrastructure and industry-specific opportunities.



03

FREE TRADE ZONES IN OMAN

1 Sohar Port and Free Zone (SPFZ)

Location:

Sohar, a strategic port city between Muscat and the UAE border.

Key Sectors:

Logistics, chemical and material processing, petrochemicals, manufacturing, automotive, and textiles.

Incentives:

- ✓ 100% foreign ownership
- ✓ Low capital requirements
- ✓ Corporate tax holidays up to 25 years
- ✓ 0% duties on imports and re-exports
- ✓ 0% personal income tax for employees
- ✓ 0% Value-Added Tax (VAT)
- ✓ Relaxed Omanisation levels
- ✓ Variety of licensing options
- ✓ Free Trade Agreements with the US and Singapore

Additional Information:

[Sohar Port and Free Zone](#)





2 Salah Free Zone (SFZ)

Location:

Salalah, near the Yemen border and close to Salalah International Airport.

Key Sectors:

Logistics, food, chemicals, renewable energy, and pharmaceuticals.

Incentives:

- ✓ 100% foreign ownership
- ✓ 0% customs duties on imports and exports
- ✓ Low capital investment requirements
- ✓ No taxes on profits or dividends for up to 30 years
- ✓ No personal income tax
- ✓ Free Trade Agreements with the US and Singapore
- ✓ Exemption from corporate taxes
- ✓ Variety of licensing options

Additional Information:
[Salalah Free Zone](#)

3 Al Mazunah Free Zone (AFZ)

Location:

Southern Oman, near the Yemen border.

Key Sectors:

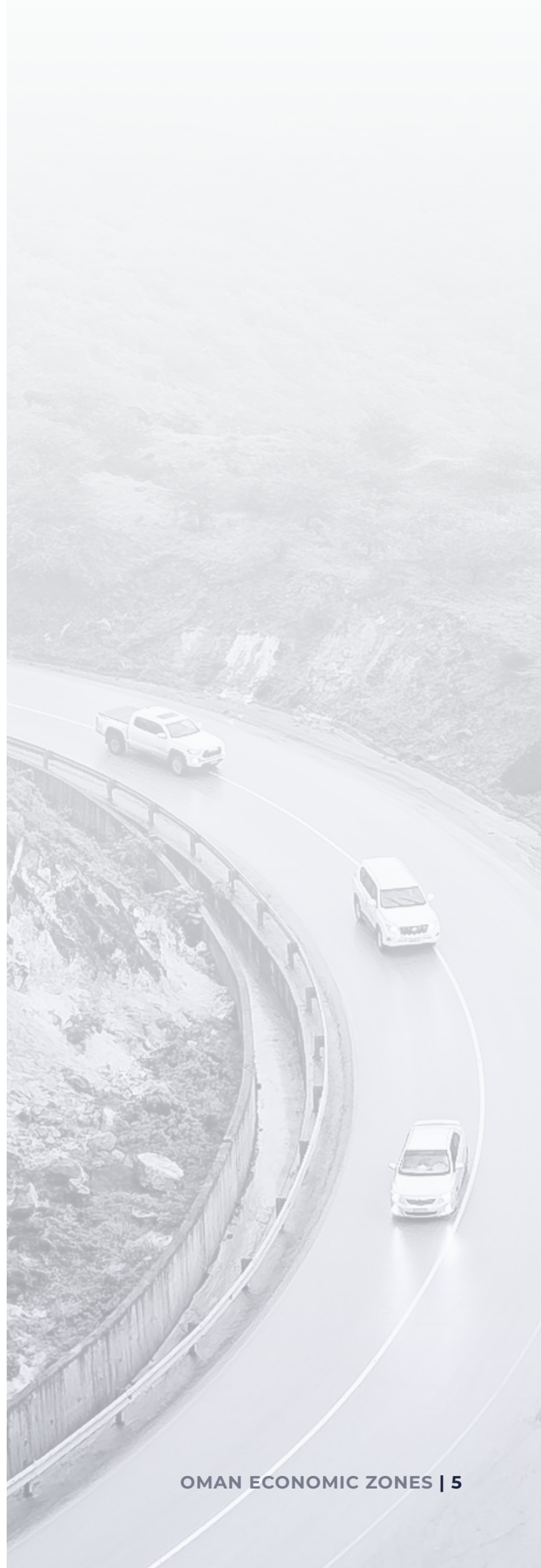
General commerce, industrial, and services.

Incentives:

- ✓ Exemptions from customs duties on imports
- ✓ Low capital investment requirements
- ✓ Exemptions from the law of commercial agencies
- ✓ Permission to import certain goods into Oman
- ✓ Corporate tax holidays up to 30 years
- ✓ Relaxed Omanisation levels
- ✓ Yemeni nationals can work without a visa
- ✓ Approval of Yemeni customs for goods imported from Yemen
- ✓ Factories granted a national certificate of origin
- ✓ Variety of licensing options

Additional Information:

[Al Mazunah Free Zone](#)



04

SPECIAL ECONOMIC ZONES IN OMAN

1 Duqm Special Economic Zone (DSEZ)

Location:

East coast of Oman, about 550 km from Muscat.

Key Sectors:

Logistics, tourism, fisheries, seaport and dry-dock activity, industry, education, and training.


Incentives:

- ✓ 100% foreign ownership
- ✓ No currency restrictions
- ✓ No minimum capital investment requirements
- ✓ Income tax exemptions up to 30 years
- ✓ Relaxed Omanisation levels
- ✓ Simplified immigration and residency permits
- ✓ Simplified customs procedures

Additional Information:

[Duqm Special Economic Zone](#)





2 Knowledge Oasis Muscat (KOM)

Location:

Muscat, close to Muscat International Airport.

Key Sectors:

Digital, technology, IT, and knowledge-based industries.

Incentives:

- ✓ 100% foreign ownership
- ✓ Low capital investment requirements
- ✓ Relaxed Omanisation levels
- ✓ No foreign exchange controls
- ✓ 0% personal income tax
- ✓ Long-term land and lease contracts
- ✓ Simplified business incorporation procedures

05

GAIN BUSINESS BENEFITS IN OMAN'S SPECIAL ECONOMIC ZONES

Oman's FTZs and SEZs provide significant incentives for investors, attracting both foreign and local businesses. These zones offer tax and customs benefits, sector-specific opportunities, and strategic locations.

For investors looking to start a business in Oman, these zones offer various benefits depending on the location, industry, and specific needs.

By promoting these zones, Oman continues to attract investment, enhance its economic diversification, and strengthen its position in global trade.



Useful Links

- ➔ [Sohar Port and Free Zone](#)
- ➔ [Salalah Free Zone](#)
- ➔ [Al Mazunah Free Zone](#)
- ➔ [Duqm Special Economic Zone](#)
- ➔ [Knowledge Oasis Muscat](#)
- ➔ [Oman Ministry of Commerce, Industry, and Investment Promotion](#)
- ➔ [Oman Free Zones](#)



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