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# Oman: Politics, Security, and U.S. Policy

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## Oman: Politics, Security, and U.S. Policy

Since the British withdrawal from the Persian Gulf in the early 1970s, Oman has relied on the United States as a key defense partner, and successive U.S. presidential administrations have considered Oman important to the promotion of regional stability and peace in the Middle East. Over the past decade, Oman has played the role of discreet mediator having served an intermediary in seeking to resolve the ongoing civil conflict in Yemen. Oman also has helped facilitate negotiations that led to the 2015 Joint Comprehensive Plan of Action to limit Iran's nuclear program, from which the Trump Administration withdrew in 2018. Oman's strategic location at the entrance to the Strait of Hormuz, one of the world's most important oil chokepoints, provides it with regional and global influence.

In January 2020, Oman's long-time leader, Sultan Qaboos bin Sa'id Al Said, passed away and was succeeded by his cousin Haythim bin Tariq Al Said. Sultan Haythim leads a stable, high-income nation, though Oman faces challenges in maintaining its decades-long social contract, in which oil has brought prosperity to its citizens in exchange for their acceptance of the Sultan's absolute rule. Like the other Gulf Cooperation Council (GCC) states—Saudi Arabia, Qatar, the United Arab Emirates (UAE), Bahrain, and Kuwait—Oman derives most of its state income from hydrocarbon production and export; however, Oman's hydrocarbon-focused economy is smaller than those of its wealthier neighbors. In order to curb government spending, attract foreign investment, and diversify the economy, Sultan Haythim has launched "Vision 2040," a strategic plan similar to those of other GCC states.

The U.S.-Oman Free Trade Agreement was signed on January 19, 2006, and ratified by Congress (P.L. 109-283, signed September 26, 2006). Today, the United States is one of Oman's largest trading partners and foreign investors. In 2021, the United States exported \$1.4 billion in goods to Oman and imported \$1.86 billion in goods.

Since the 1990s, Oman has consistently sought an end to the Arab-Israeli dispute as a means of calming regional tensions. During the height of Israeli-Palestinian peacemaking in the 1990s, Oman became the first Gulf state to officially host a visit by an Israeli prime minister (Yitzhak Rabin in 1994), and it hosted then-Prime Minister Shimon Peres in April 1996. At times, there has been speculation among experts that Oman would follow the UAE and Bahrain in normalizing relations with Israel (the Abraham Accords), but Omani officials have not given any indication that doing so is currently under consideration. In 2023, Oman did announce that it was opening up its airspace for all civil carriers, including Israeli commercial aircraft; the Israeli government responded with expressions of gratitude.

Oman and the United States maintain strong defense ties, whereby Oman permits the U.S. military to use its military facilities. Oman also allows other nations to use some of its maritime facilities, including China. In November 2022, the Defense Security Cooperation Agency notified Congress of a possible Foreign Military Sale to Oman of 48 Raytheon Joint Stand Off Weapons (JSOW) for \$385 million. The JSOW is an unpowered glide bomb that uses Global Positioning System navigation for guidance in order to strike hardened targets.

From 1946 to 2020, the United States provided Oman with \$853 million in total economic and military assistance. Currently, Oman receives around \$5 million of annual foreign assistance to support specific U.S. programs. The United States provides Oman with annual International Military Education and Training (IMET) grants to support Omani officer participation in the IMET program, which provides professional military education and training to foreign military students and seeks to establish lasting relationships with future leaders. The United States also provides small funding grants, through Nonproliferation, Antiterrorism, Demining, and Related programs, to help Oman counter terrorist and related threats. In previous years, the United States also has provided Oman with Foreign Military Financing grants to procure U.S. defense equipment.

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## Overview

Oman is located along the Arabian Sea (see **Figure 1**), on the southern approaches to the Strait of Hormuz, across from Iran. Since the mid-eighteenth century, the Al Said (or Busaid) dynasty has ruled Oman. The Sultanate of Oman is a hereditary monarchy, and the sultan has sole authority to enact laws through royal decree.<sup>2</sup> In January 2020, Oman’s long-time leader, Sultan Qaboos bin Sa’id Al Said, passed away and was succeeded by Haythim bin Tariq Al Said, a cousin selected by Oman’s royal family immediately upon Qaboos’s death.

Sultan Haythim leads a stable, high-income nation (as categorized by the World Bank), though Oman faces challenges in maintaining its decades-long social contract, in which oil has brought prosperity to Omani citizens in exchange for their apparent acceptance of the Sultan’s absolute rule. Like the other Gulf Cooperation Council (GCC) states—Saudi Arabia, Qatar, the United Arab Emirates (UAE), Bahrain, and Kuwait—Oman derives most of its state income through hydrocarbon production and export. In 2022, oil and gas accounted for 78% of government revenues.<sup>3</sup> With proven reserves at 5.2 billion barrels (ranked 23<sup>rd</sup> globally as of June 2022) and current production at 1.05 million barrels per day (mbd), however, Oman’s hydrocarbon-focused economy is smaller than those of its wealthier neighbors. Oman is not a member of the Organization of the Petroleum Exporting Countries (OPEC), but coordinates with other oil producers through the wider, 23-member OPEC+ arrangement. Oman’s sovereign wealth fund, the Oman Investment Authority, has total assets of \$41.5 billion (as of late 2022), a figure far less than some other GCC state funds, which have hundreds of billions of dollars under management.<sup>4</sup>

Though the Sultanate has used its limited oil-generated wealth to provide citizens with subsidized goods, low taxes, and public sector salaries, the rising costs of oil-fueled state spending coupled with global inflation has put government finances under strain. Oman’s debt to Gross Domestic

### Sultan Haythim bin Tariq al Said

Sultan Haythim bin Tariq, an Oxford-educated cousin of the late sultan Qaboos, is 68 years old (born October 13, 1954). He had served since 2002 as Minister of Heritage and Culture and previously served in senior positions in Oman’s foreign ministry. Haythim’s selection bypassed his two older brothers—Asad bin Tariq and Shihab bin Tariq—whom many experts considered more likely successors than Haythim. Upon assuming the leadership, Sultan Haythim indicated a commitment to continue Qaboos’s policies.<sup>1</sup> In late January 2021, the new Sultan appointed his son, Theyazin bin Haythim, who was born in August 1990, as Crown Prince. The appointment represented a contrast with the Qaboos era in which the succession was unclear. Theyazin serves in government as Minister of Culture, Youth, and Sports. Crown Prince Theyazin completed officer training at the Royal Military Academy Sandhurst in the United Kingdom.



Source: Foreign Ministry of Oman

<sup>1</sup> “Meet Oman’s New Sultan. How Will He Navigate the Region’s Turmoil?” *Washington Post*, January 15, 2020.

<sup>2</sup> U.S. Department of State, Overseas Security Advisory Council, Bureau of Diplomatic Security, Oman Country Security Report, March 31, 2022.

<sup>3</sup> Kate Dourian, “Oman Has Cause To Celebrate Record High Oil Production And New Partners,” *Middle East Economic Survey*, February 1, 2023.

<sup>4</sup> See Global SWF Data Platform, available at: <https://globalswf.com/>.

Product ratio is already the second highest in the GCC after Bahrain's (total debt is \$104 billion).<sup>5</sup> In 2021, unemployed or underemployed youth protested in several Omani cities demanding access to stable jobs; Sultan Haythim had enacted austerity measures to rein in public spending.<sup>6</sup> In 2022, pressure on the treasury has somewhat eased due to higher oil prices and government repayment of sovereign debt, though the fundamental challenge of how Oman transitions to a post-oil, private-sector led economy remains.<sup>7</sup>

**Figure 1. Oman**



<b>People</b>	<ul style="list-style-type: none"> <li>• Population: 3.8 million, of which about 46% are expatriates (2023 est.)</li> <li>• Religions: Muslim 85.9% (of which Ibadhis and Sunnis are over 90%, and 5% are Shia); Christian 6.4%; Hindu 5.7%; other 2% (2020 est.)</li> </ul>
<b>Economy</b>	<ul style="list-style-type: none"> <li>• GDP: \$103 billion (2022)</li> <li>• GDP per capita: \$41,572 (2022)</li> <li>• GDP real growth rate: 4.7% (2022)</li> <li>• Unemployment Rate: 3% Youth Unemployment: 14.6% (2021)</li> </ul>
<b>Energy and Trade</b>	<ul style="list-style-type: none"> <li>• Oil Exports: \$28 billion (2022)</li> <li>• Oil Reserves: 5.2 billion barrels (2022)</li> <li>• Major Trade Partners: China (mostly oil), UAE, South Korea, Japan, India, United States, Saudi Arabia</li> </ul>

**Source:** Graphic created by CRS with information from CIA, *The World Factbook*, World Bank, and Economist Intelligence Unit.

<sup>5</sup> Economist Intelligence Unit, *Oman* (country report), January 21, 2023, available at: <http://country.eiu.com/oman>.

<sup>6</sup> “Protests in Oman over economy, jobs continue for third day,” *Al Jazeera*, May 25, 2021.

<sup>7</sup> Hassan Jivraj, “Oman’s economy surges with higher oil prices, fiscal reform,” *Al Monitor*, September 1, 2022.

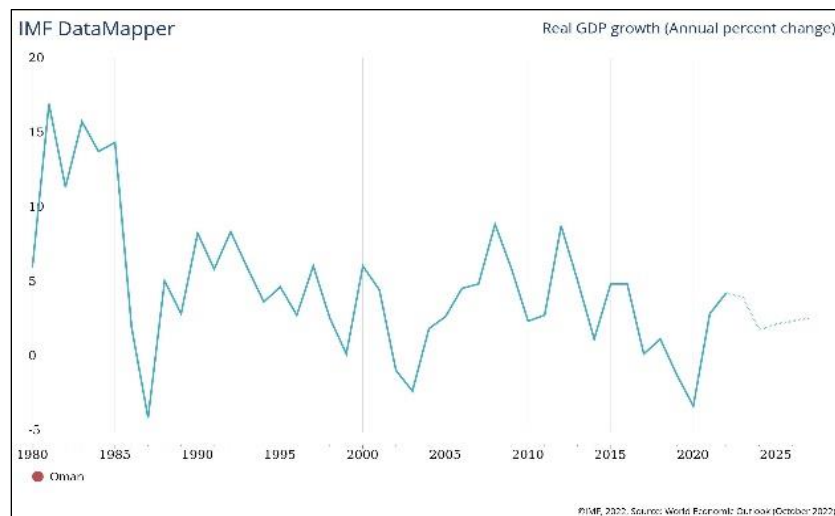
## Domestic Politics

Oman has a bicameral parliament with limited legislative powers; members may question ministers, select their own leadership, and review government-drafted legislation, but law-making powers rest firmly in the hands of the Sultan. Members of the 86-seat Consultative Council (*Majlis As Shura*) are directly elected by Omani citizens, male and female, over 21 years of age. The sultan appoints all 85 members of the upper house or State Council (*Majlis Ad Dawla*). Appointees are usually former high-ranking government officials, military officials, tribal leaders, and other notables. The next election for the Consultative Council is scheduled for October 2023 although, according to the *Economist Intelligence Unit*, “with political parties banned and candidates heavily vetted, we expect that voter apathy will again result in a low turnout in 2023.”<sup>8</sup> Female candidates have been competing in elections for the Consultative Council since 2000. Two women were elected to the council in 2019 and, that same year, the late Sultan Qaboos appointed 15 women to the State Council.

## Economic Reforms and Diversification

In order to curb government spending, attract foreign investment, and diversify the economy, Sultan Haythim has launched “Oman Vision 2040,” a strategic plan similar to those of other GCC states.<sup>9</sup>

**Figure 2. Oman GDP Growth**  
annual percent change



**Source:** IMF Data Mapper, World Economic Outlook, October 2022

Over the past two years, the government has consolidated state-owned enterprises and merged duplicative investment authorities, while appointing younger technocrats and ministers to lead government agencies.<sup>10</sup> To attract foreign investors, Oman is offering tax incentives, lower government fees, expanded land use, and increased access to capital for qualifying companies in

<sup>8</sup> Economist Intelligence Unit, Country Report, *Oman*, January 31, 2023.

<sup>9</sup> See Oman Vision 2040, available at: <https://www.oman2040.om/index-en.html>.

<sup>10</sup> Jonathan Campbell-James, “Oman’s Economic Success Is Driven by Accountability as Much as Oil,” Policy Watch #3639, Washington Institute for Near East Policy, August 11, 2022.

sectors, such as manufacturing, logistics, tourism, mining, and fishing. However, according to the U.S. Department of Commerce’s Country Commercial Guide for Oman:

Oman’s success in growing its economy will depend in part on revising labor policies, which some U.S. companies tell us can be challenging to navigate. Smaller companies with limited or no local or regional experience report bureaucratic difficulties, including requirements to hire a certain percentage of Omanis for their workforce and problems letting go of non-performing or redundant employees. The government recognizes these challenges and is working to address them as part of efforts to improve the investment climate and achieve its economic development goals under Oman’s Vision 2040 development plan.<sup>11</sup>

## Human Rights

Oman is an absolute monarchy in which, according to international human rights groups, state authorities target individuals and entities that are critical of the government.<sup>12</sup> Freedom House’s annual survey of political rights and civil liberties globally ranks Oman as “not free”; it also notes that “Political parties are not permitted, and the authorities do not tolerate other forms of organized political opposition.”<sup>13</sup> According to the most recent State Department report on human rights, the principal human rights issues in Oman are:

arbitrary arrest or detention; serious restrictions on free expression and media, including censorship and criminal libel laws; serious restrictions on the internet, including site blocking; substantial interference with the rights of peaceful assembly and freedom of association; serious restrictions on political participation; criminalization of consensual lesbian, gay, bisexual, transgender, queer, and intersex conduct; and labor exploitation of foreign migrants.<sup>14</sup>

The law provides for an independent judiciary, but the Sultan chairs the country’s highest legal body, the Supreme Judicial Council, which can review judicial decisions. The Oman Human Rights Commission (OHRC), a quasi-independent but government-sanctioned body, investigates and monitors prison and detention center conditions through site visits. According to the U.S. State Department, “OHRC functions semi-independently with moderate effectiveness in protecting human rights in the country, based on limited public information.”<sup>15</sup>

The government has been credited with expanding its efforts to protect the rights of expatriate laborers, who are about 80% of the workforce. Some measures to reform the *kafala* or visa-sponsorship employment system have been implemented, such as the June 2020 removal of a requirement for migrant workers to obtain a “no-objection” certificate from their current employer before changing jobs. However, the State Department reports that some expatriate laborers have faced working conditions indicative of forced labor, including withholding of passports, restrictions on movement, usurious recruitment fees, nonpayment of wages, long working hours without food or rest, threats, and physical or sexual abuse.<sup>16</sup>

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<sup>11</sup> U.S. Department of Commerce, International Trade Administration, Oman Country Commercial Guide, September 14, 2022.

<sup>12</sup> Human Rights Watch, World Report 2021, Oman.

<sup>13</sup> Freedom House, Freedom in the World 2022, Oman.

<sup>14</sup> U.S. Department of State, 2021 Country Reports on Human Rights Practices: Oman.

<sup>15</sup> *Ibid.*

<sup>16</sup> *Ibid.*

## Advancement of Women

During his reign, Sultan Qaboos emphasized that Omani women are vital to national development and sought to promote their advancement. In 2000, he began appointing women to the State Council and, in 2004, Sultan Qaboos appointed the first female cabinet minister.<sup>17</sup> Since then, there have consistently been several female ministers in each cabinet.

For the 2021-2022 Omani academic year, Omani women comprised 62% of all enrolled students at higher education institutions in the sultanate compared to just 39% a decade ago.<sup>18</sup> In the labor market, as of 2021, women (citizens and expatriates) constitute nearly 30% of the workforce.<sup>19</sup> The 2022 Global Gender Gap Report – which benchmarks progress in gender parity across four areas (economic opportunities, education, health, and political leadership) – notes that Oman ranks 139<sup>th</sup> of 146 countries.<sup>20</sup> UN Women notes that researchers require more data to properly assess the state of development goals for Omani women in key sectors, such as “gender and poverty, physical and sexual harassment, women’s access to assets (including land), and gender and the environment.”<sup>21</sup>

## Foreign Policy

Oman is sometimes colloquially referred to as the “Switzerland of the Middle East,” though it does not formally espouse neutrality as a principle of its foreign policy.<sup>22</sup> Accordingly, Oman’s foreign policy sometimes diverges from that of some of its fellow GCC members, particularly Saudi Arabia and the UAE. Oman has generally sought to mediate regional conflicts and refrained from direct military involvement in them. In 2014, Oman joined the U.S.-led coalition against the Islamic State, but did not participate in the coalition’s airstrikes or ground operations against the group. Oman opposed the Saudi-led move in June 2017 to isolate Qatar over a number of policy disagreements.

## China

Beyond its close ties to fellow GCC states and the West, Oman also is cultivating ties to the People’s Republic of China (PRC). Oman’s exports 85% of its oil to the PRC. The PRC government also has financed an industrial park in the port of Duqm and lent Oman \$3.6 billion in 2017 for Duqm’s development.<sup>23</sup> According to the U.S. State Department, as of 2020, China was the fifth largest foreign investor Oman, with one Chinese company taking a 49% stake in the Oman Electricity Transmission Company.<sup>24</sup>

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<sup>17</sup> “Omanis Welcome Appointment of Woman Minister,” *Arab News*, March 10, 2004.

<sup>18</sup> “Oman women demand ‘equal partnership’ as divorce rates rise,” *Al Jazeera*, January 27, 2022.

<sup>19</sup> World Bank, Labor force participation rate, female (% of female population ages 15+) (modeled International Labor Organization estimate) – Oman.

<sup>20</sup> World Economic Forum, Global Gender Gap Report 2022, available at: <https://www.weforum.org/reports/global-gender-gap-report-2022/in-full/1-benchmarking-gender-gaps-2022#1-6-in-focus-country-performances>.

<sup>21</sup> UN Women, The Women Count Data Hub, Oman.

<sup>22</sup> Giulia Daga, “Is Oman the Switzerland of the Middle East,” Arab Gulf States Institute, January 20, 2023.

<sup>23</sup> Economist Intelligence Unit, Middle East and Africa economy: Middle East weekly brief: China’s expanding role, August 26, 2020.

<sup>24</sup> U.S. Department of State, 2022 Investment Climate Statements: Oman.



## Iran

Omani leaders, including Sultan Haythim, have consistently asserted that engagement with Iran better mitigates the potential threat from that country than confrontation—a stance that has positioned Oman as a mediator in regional conflicts in which Iran or its proxies are involved. In explaining Oman’s positive relations with Iran, Omani leaders often cite the late former Shah of Iran’s support for the late Sultan Qaboos’s seizure of power from his father in 1970 and Iran’s deployment of troops to help Oman end the leftist revolt in Oman’s Dhofar Province during 1962-1975, a conflict in which 700 Iranian soldiers died.<sup>25</sup>

At the same time, Oman has supported U.S. efforts to deter Iran strategically. As noted below, it has hosted U.S. forces since the 1980s, it has supported U.S. operations to deter Iran, and it regularly participates in U.S.-led exercises in and around the Gulf. Iran’s President Ibrahim Raisi visited Oman in late May 2022 to discuss regional issues and sign a series of agreements to expand bilateral trade and move forward on long delayed joint energy development projects, including to develop the Hengham oil field in the Persian Gulf.<sup>26</sup>

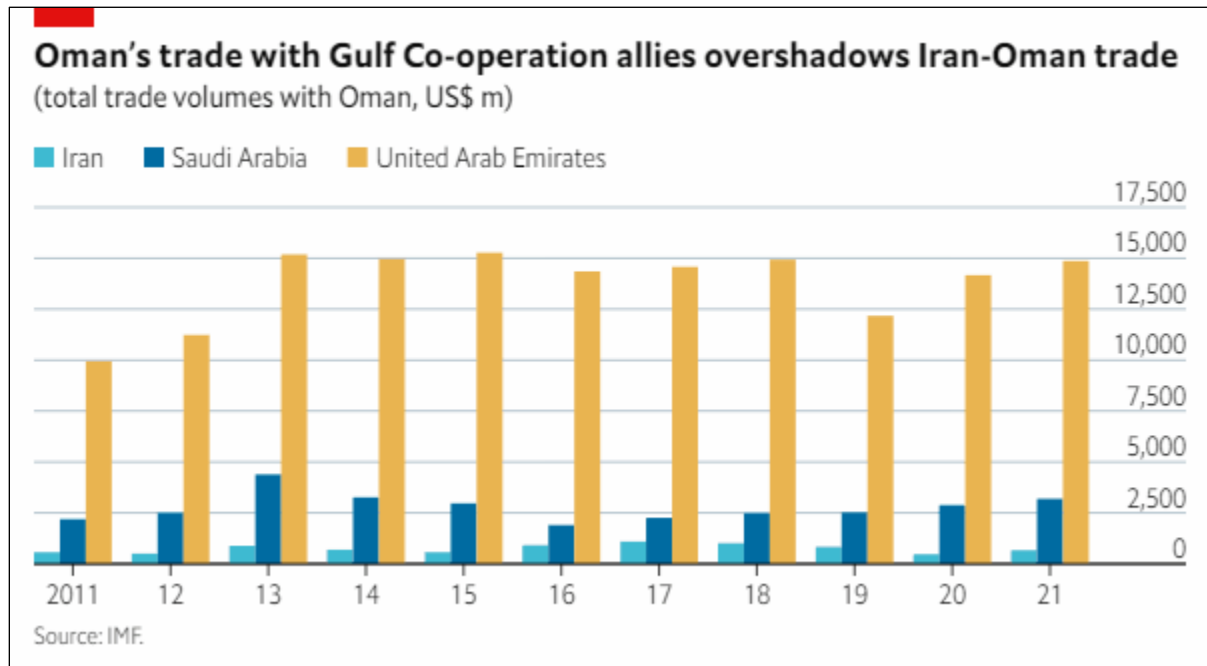
Iran and Oman civilian trade volumes are marginal (see **Figure 2**), and Oman has sought to ensure that its projects with Iran not violate any of the wide array of U.S. sanctions in effect on transactions with Iran. In 2014, the two countries signed a deal to build a \$1 billion undersea pipeline to bring Iranian natural gas from Iran’s Hormuzegan Province to Sohar in Oman, from where it would be exported, but the reimposition of U.S. sanctions on Iran in 2018 derailed the concept.<sup>27</sup>

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<sup>25</sup> Faramarz Davar, “Why is Oman So Loyal to Iran?” *Iranwire*, August 9, 2018.

<sup>26</sup> Iran, Oman to jointly develop oil field, *Al Monitor*, May 23, 2022.

<sup>27</sup> Dana El Baltaji, “Oman Fights Saudi Bid for Gulf Hegemony with Iran Pipeline Plan,” *Bloomberg*, April 21, 2014; “Oman to Invite Bids to Build Gas Pipeline,” *Financial Tribune*, April 23, 2018.

**Figure 3. Oman's Trade with Iran and the GCC**

**Source:** IMF and Economist Intelligence Unit

Oman's relations with Iran reportedly often have helped U.S. officials negotiate with Iranian officials. U.S. officials' meetings with Iranian officials in Oman, which began in early 2013, set the stage for negotiations that culminated in the Joint Comprehensive Plan of Action (JCPOA) Iran nuclear agreement that was finalized in July 2015.<sup>28</sup> Omani banks, including Bank Muscat, held about \$5.7 billion in Iranian funds, and implemented some of the pact's financial arrangements.<sup>29</sup> During 2016-2019, Iran exported heavy water to Oman in order to maintain its stockpile of that material at levels that comport with its commitments under the JCPOA. However, in May 2019, the United States ended waivers that enabled countries to buy Iranian heavy water without U.S. penalty, a decision that caused Oman to stop importing Iranian heavy water.<sup>30</sup>

Oman has supported now-moribund indirect negotiations between the Biden Administration and Tehran to restore full compliance with the JCPOA, and Omani officials, including during the visit to Oman of Iranian President Raisi in May 2022, have reportedly encouraged Iran to compromise in those talks in the interests of achieving an accord. In February 2023, Sultan Haythim reportedly traveled to Iran, drawing praise from the U.S. State Department which noted that same month that "Oman's played a constructive role across the Middle East in helping to solve

<sup>28</sup> David Ignatius, "Opinions: The Omani 'back channel' to Iran and the secrecy surrounding the nuclear deal," *Washington Post*, June 7, 2016.

<sup>29</sup> Omani banks had a waiver from U.S. sanctions laws to permit transferring those funds to Iran's Central Bank, in accordance with Section 1245(d)(5) of the National Defense Authorization Act for Fiscal Year 2012 (P.L. 112-81). For text of the waiver, see a June 17, 2015, letter from Assistant Secretary of State for Legislative Affairs Julia Frifield to Senate Foreign Relations Committee Chairman Bob Corker, containing text of the "determination of waiver." See also Permanent Subcommittee on Investigations of the U.S. Senate. Majority Report, "Review of U.S. Treasury Department's License to Convert Iranian Assets Using the U.S. Financial System," May 2018.

<sup>30</sup> "A conversation with H.E. Sayyid Badr Albusaidi, Foreign Minister of Oman," *The Atlantic Council*, February 11, 2021.

challenges and to bridge divide -- divides between countries that don't see eye to eye, and that's putting it mildly. We're consulting closely with Iran on challenges near and far."<sup>31</sup>

Oman also has helped facilitate the release and transfer of Western hostages held in Iran. In October 2022, U.S. Secretary of State Antony Blinken thanked Oman for working with Iranian authorities to arrange for the flight out of Iran of detained 85-year-old Iranian-American Baquer Namazi. Several months earlier, the Secretary had thanked Oman for securing the release of Morad Tabhaz, a trilateral U.S.-British-Iranian citizen who had been unjustly detained in Iran.<sup>32</sup>

## Yemen<sup>33</sup>

In neighboring Yemen, Oman's and Iran's interests conflict, insofar as U.N. investigators have cited Iran as arming and advising the Zaidi Shia Ansarallah (aka Houthi) movement that drove the Republic of Yemen government (ROYG) out of the capital, Sana'a, in 2014. In an effort to help mediate a resolution of the conflict, the Omani government has hosted talks between U.S. diplomats and Houthi representatives. Oman has been facilitating talks aimed at extending a U.N.-mediated ROYG-Houthi cease-fire that lapsed in October 2022 but has been observed since. In January 2023, United Nations Special Envoy for Yemen Hans Grundberg visited the Omani capital Muscat, where he met with Omani senior officials; a month earlier, Oman had sent a delegation to Sana'a to meet with Houthi leaders.<sup>34</sup> In a briefing to the U.N. Security Council, Grundberg expressed appreciation for Omani diplomatic efforts.<sup>35</sup>

## Israel and the Abraham Accords

Since the 1990s, Oman has consistently sought an end to the Arab-Israeli dispute as a means of calming regional tensions. During the height of Israeli-Palestinian peacemaking in the 1990s, Oman became the first Gulf state to officially host a visit by an Israeli prime minister (Yitzhak Rabin in 1994), and it hosted then-Prime Minister Shimon Peres in April 1996. Since 1997, Oman has hosted the Middle East Desalination Research Center (MEDRC), which brings together scientists from Israel, the West Bank and Gaza, Jordan, and Qatar to discuss desalination and water treatment cooperation in the region. The U.S. State Department's Bureau of Near Eastern Affairs at times obligates grants (around \$400,000 in Economic Support Funds or ESF) to support MEDRC operations. Other donors include Oman, Germany, Sweden, the Netherlands, Japan, and the Republic of Korea.<sup>36</sup>

At times, there has been speculation among experts that Oman would follow the UAE and Bahrain in normalizing relations with Israel (the Abraham Accords), but Omani officials have not given any indication that doing so is currently under consideration. On October 25, 2018, Israel's then-Prime Minister Benjamin Netanyahu visited Oman and met with Sultan Qaboos to discuss regional issues. Israel has sought to convince the Omani government to open Oman's airspace to

<sup>31</sup> U.S. Department of State, Press Briefing, February 22, 2023.

<sup>32</sup> U.S. Department of State, Secretary Blinken's Call with Omani Foreign Minister Al-Busaidi, July 31, 2022.

<sup>33</sup> The current instability adds to a long record of difficulty in Oman-Yemen relations. The former People's Democratic Republic of Yemen (PDRY), considered Marxist and pro-Soviet, supported Oman's Dhofar rebellion. Oman-PDRY relations were normalized in 1983, but the two engaged in border clashes later in that decade. Relations improved after 1990, when PDRY merged with North Yemen to form the Republic of Yemen.

<sup>34</sup> "Yemen: Briefing and Consultations," *What's in Blue*, Security Council Report, January 13, 2023.

<sup>35</sup> Samy Magdy, "Yemen rebels, Saudis in back-channel talks to maintain truce," Associated Press, January 17, 2023.

<sup>36</sup> See <https://www.medrc.org/about-us/>.

Israeli commercial flights to Asia. In November 2022, during the U.S.-Omani strategic dialogue, U.S. officials met with Omani Foreign Minister Sayyid Badr al Busaidi to discuss the potential opening of Omani airspace to Israeli airlines. Reportedly, the late Sultan Qaboos had been in favor of doing so, but Sultan Haythim has held back; one commentator argued this was because “the Omanis had several bilateral issues and requests from the U.S. that they wanted to get in return.”<sup>37</sup>

Then, in February 2023, the Sultanate’s Civil Aviation Authority announced that “As part of the Sultanate of Oman’s continuous efforts to fulfill its obligations under the Chicago Convention of 1944, the Civil Aviation Authority affirms that the Sultanate’s airspace is open for all carriers that meet the requirements of the Authority for overflying.”<sup>38</sup> In response, Israeli Foreign Minister Eli Cohen thanked the government of Oman, remarking that it’s a “historic decision that will shorten the journey to Asia, lower costs for Israelis, and help Israeli companies be more competitive.”<sup>39</sup>

## U.S. Relations, Defense, and Trade

Since the United States and Oman opened embassies in their respective capitals in the early 1970s, both countries have conducted cordial relations. According to the U.S. State Department, “Oman’s longstanding partnership with the United States is critical to our mutual objectives, including increasing economic diversification and development opportunities, promoting regional stability, and countering terrorism.”<sup>40</sup> Secretary Blinken has highlighted the key role Oman plays as a U.S. partner, specifically on “Iran, as well as on Yemen and a commitment to try to bring the war in Yemen to an end.”<sup>41</sup>

Oman was the first Persian Gulf state to sign a formal accord permitting the U.S. military to use its facilities (1980) as part of this long-standing strategic partnership. On March 24, 2019, Oman and the United States signed a “Strategic Framework Agreement” that expands the U.S.-Oman facilities access agreements by allowing U.S. forces to use the ports of Al Duqm, which is large enough to handle U.S. aircraft carriers, and Salalah.<sup>42</sup> In April 2021, the Eisenhower Carrier Strike Group visited Duqm port for logistics and maintenance support. Oman is trying to expand and modernize its arsenal primarily with purchases from the United States. As of June 2021, the United States has 72 active cases valued at \$2.7 billion with Oman under the government-to-government Foreign Military Sales (FMS) system.<sup>43</sup>

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<sup>37</sup> Barak Ravid, “U.S. and Oman talk potential opening of Omani airspace to Israeli planes,” *Axios*, November 16, 2022.

<sup>38</sup> Twitter, @CAAOMN, February 23, 2023.

<sup>39</sup> “Israel thanks Oman for opening its airspace,” Reuters, February 23, 2023.

<sup>40</sup> U.S. Department of State, U.S. Relations With Oman, Bilateral Relations Fact Sheet, May 12, 2022.

<sup>41</sup> U.S. Department of State, Secretary Antony J. Blinken and Omani Foreign Minister Sayyid Badr al Busaidi, November 8, 2022.

<sup>42</sup> U.S. Embassy in Oman, “U.S. Statement on the Signing of the Strategic Framework Agreement” March 24, 2019.

<sup>43</sup> U.S. Department of State, “U.S. Security Cooperation with Oman,” fact sheet, June 15, 2021. Section 564 of Title V, Part C of the Foreign Relations Authorization Act for FY1994 and FY1995 (P.L. 103-236) banned U.S. arms transfers to countries that maintain the Arab boycott of Israel during those fiscal years. As applied to the GCC states, this provision was waived on the grounds that doing so was in the national interest.

### U.S.-led Maritime Interdiction in the Gulf of Oman

In order to counter weapons and drug trafficking in the Gulf of Oman, U.S. Naval forces, in conjunction with regional partners in the U.S. Central Command (CENTCOM) area of responsibility, patrol coastal waters and routinely interdict suspected smuggling operations. While Oman is not a member of the U.S.-led, 34-member nation Combined Maritime Forces (CMF), which operates task forces to counter piracy and smuggling, the Royal Omani Navy has at times participated in CMF-led joint exercises.<sup>44</sup> In 2022 and 2023, CMF reported several large drug (heroin, hashish) and weapon (rifles, explosives, and ammunition rounds) seizures in the Gulf of Oman.<sup>45</sup>

The signature bilateral forum for discussing the entirety of U.S.-Omani defense ties is the U.S.-Oman Joint Military Commission (JMC), last held in March 2022. According to the Defense Department readout of the JMC, both sides discussed maritime and border security threats, Iran’s destabilizing activities in the region, the conflict in Yemen, and how to strengthen the Sultanate’s air and missile defense.<sup>46</sup> Through the U.S. Department of Defense’s National Guard Bureau State Partnership Program, the Arizona National Guard has partnered with the Sultan of Oman’s Armed Forces, beginning in 2022.

In November 2022, the Defense Security Cooperation Agency (DSCA) notified Congress of a possible FMS to Oman of 48 Raytheon AGM-154C Joint Stand Off Weapons (JSOW) for \$385 million. The JSOW is an unpowered glide bomb that uses Global Positioning System navigation for guidance in order to strike hardened targets. The United States has sold the JSOW to Saudi Arabia and approved its sale to other GCC states, such as Qatar, the UAE, and Bahrain. According to *Jane’s Defence Weekly*, the Royal Air Force of Oman may be seeking to purchase the JSOW in order to use against hardened targets, “including Iranian coastal anti-ship missile storage sites, from a relatively long range to minimize its F-16 fighters’ exposure to air defenses.”<sup>47</sup> In November 2022, an Israeli-owned oil tanker was struck by an armed drone off the coast of Oman, in a suspected Iranian attack; a similar attack in 2021 on another Israeli-owned tanker killed two people onboard.<sup>48</sup>

Oman receives a small amount of annual foreign assistance to support specific U.S. programs. The United States provides Oman with annual International Military Education and Training (IMET) grants to support Omani officer participation in the IMET program, which provides professional military education and training to foreign military students and seeks to establish lasting relationships with future leaders. The United States also provides small funding grants (est. \$1 million)—much of it through the NADR—to help Oman counter terrorist and related threats. NADR funding Export Control and Related Border Security, Anti-Terrorism Assistance, and Terrorism Interdiction Program enhance the capabilities of the Royal Oman Police (ROP), the ROP Coast Guard, the Directorate General of Customs, the Ministry of Defense, and several civilian agencies to interdict weapons of mass destruction, advanced conventional weapons, or

<sup>44</sup> Combined Maritime Task Forces, Combined Task Force Visits Senior Oman Armed Forces Leadership, April 22, 2021.

<sup>45</sup> For example, see: U.S. Naval Forces Central Command Public Affairs, U.S. Coast Guard Seizes Heroin Shipment in Gulf of Oman, June 2, 2022; U.S. Naval Forces Central Command Public Affairs, U.S. Ship Seizes Illegal Narcotics in Gulf of Oman, August 31, 2022; U.S. Naval Forces Central Command Public Affairs, U.S. Coast Guard Ship Seizes \$48 Million in Drugs in Middle East, October 11, 2022; U.S. Naval Forces Central Command Public Affairs, U.S. Naval Forces Intercept Explosive Material Bound for Yemen, November 15, 2022; U.S. Naval Forces Central Command Public Affairs, U.S. Seizes 1.1 Million Rounds of Ammunition, Other Illegal Weapons in Gulf Of Oman, December 4, 2022; and U.S. Naval Forces Central Command Public Affairs, U.S., International Forces Seize Illegal Drugs in Gulf of Oman, January 31, 2023.

<sup>46</sup> U.S. Department of Defense, Readout of U.S.-Oman Joint Military Commission, March 24, 2022.

<sup>47</sup> Jeremy Binnie, “U.S. Approves JSOW Sale to Oman,” *Jane’s Defence Weekly*, November 10, 2022.

<sup>48</sup> “Oil tanker hit by armed drone off coast of Oman: Official,” *Al Jazeera*, November 16, 2022.

illegal drugs at land and sea borders. The funding is also used to train Omani law enforcement agencies on investigative techniques and border security.

The U.S.-Oman Free Trade Agreement was signed on January 19, 2006, and ratified by Congress (P.L. 109-283, signed September 26, 2006). It was intended to facilitate Oman's access to the U.S. economy and accelerate Oman's efforts to diversify. Today, the United States is one of Oman's largest trading partners and foreign investors. In 2021, the United States exported \$1.4 billion in goods to Oman and imported \$1.86 billion in goods. The largest U.S. export categories to Oman are automobiles, aircraft (including military) and related parts, drilling and other oilfield equipment, and other machinery. Of the imports, the largest product categories are fertilizers, industrial supplies, and oil by-products such as plastics. The United States imports a relatively small amount of Omani oil.

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