

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

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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 as an intermediary in seeking to resolve conflict in Yemen and nuclear negotiations with Iran. Oman's strategic location at the entrance to the Strait of Hormuz, one of the world's most important oil chokepoints, and along the Arabian Sea approaches to East Africa and the Red Sea provide it with some 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 (born 1955). 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 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 from hydrocarbon production and export; however, Oman's hydrocarbon-focused economy is smaller than those of its wealthier neighbors. 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 2023-2025 war between Israel and Hamas in Gaza sparked expressions of widespread opposition to the United States and Israel in the Sultanate. During the war, some Omanis boycotted certain U.S. corporations to protest U.S. support for Israel. Omani government policy may reflect broad sympathies among Omanis for the Palestinians, as well as fears that Israel could be jeopardizing regional stability in its conflicts with various actors (including Iran, Oman's large northern neighbor with which it has normal relations). Oman is not a signatory to the Abraham Accords, and Omani officials have repeatedly stated that the two-state solution is the only path to resolving the Israeli-Palestinian conflict. Before the Gaza war, Oman opened up its airspace to Israeli commercial air carriers. During the war, Israeli carrier El Al paused flying over Oman on flights to southeast Asia.

Oman and the United States maintain strong defense ties, whereby Oman permits the U.S. military to use its military facilities. However, when compared to other Gulf Arab states, such as Saudi Arabia, the United Arab Emirates, and Kuwait, U.S.-Omani defense relations are smaller in scale. The United States has provided minimal foreign assistance to Oman, mainly for border security. From 1946 to 2025, the United States provided Oman with \$1.6 billion in total economic and military assistance.

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 2024, the total volume of bilateral trade was \$3.2 billion. In April 2025, the White House announced a 10% reciprocal tariff rate on imports of Omani goods, reaffirmed in late July; certain categories of goods are subject to higher tariffs globally, including aluminum, of which Oman is an exporter.

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Overview – A Stable Gulf Monarchy Seeking Economic Diversification

Oman is positioned astride the southeastern corner of the Arabian Peninsula, bordering the Arabian Sea, Indian Ocean, and the Strait of Hormuz, one of the world's key maritime choke points (see **Figure 1**). Oman is located across the Strait of Hormuz from Iran, and Oman's proximity to its much larger, more powerful northern neighbor, along with its shared border to the west with Saudi Arabia, has led the Sultanate to follow a pragmatic foreign policy. For over half-a-century, the Sultanate has pursued friendly relations with all of its neighbors, while maintaining close security ties with the United States and the United Kingdom.

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.¹ In January 2020, Oman's long-time and childless 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.

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 Consultative Council (*Majlis As Shura*) are directly elected by Omani citizens, male and female, over 21 years of age. The sultan appoints all 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.

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 (over 70%) from hydrocarbon production and export.² However, Oman has the lowest per capita Gross Domestic Product (GDP) in the GCC owing to its modest levels of oil and gas production.³

Although higher global prices from 2021-2024 enabled the Omani government to reach a budget surplus, the government has begun to explore other options to generate revenue and cut spending, including on development expenditures.⁴ Oman introduced a Value Added Tax in 2021. In June 2025, Oman became the first GCC country to impose a personal income tax.⁵ Though the new tax only affects a small number of high-earning Omanis, it could, according to one report, “lead to a recalibration of the relationship between citizens and their government.”⁶

¹ U.S. Department of State, Overseas Security Advisory Council, Bureau of Diplomatic Security, Oman Country Security Report, March 31, 2022.

² Economist Intelligence Unit, *Oman*, June 2025.

³ Arabian Gulf Business Insight, “GCC economic data,” October 22, 2025.

⁴ KPMG, “Analysis of Oman's State Budget 2025,” January 2025.

⁵ “Oman moves to become first Gulf state to impose personal income tax,” Reuters, June 23, 2025.

⁶ Turki Al-Balushi and Vivian Nereim, “The First Income Tax in the Persian Gulf Signals a Changing Economic Reality,” *New York Times*, July 2, 2025.

Figure 1. Oman



Source: Graphic created by CRS with information from CIA.

Note: Note: Oman's Musandam peninsula is bounded by the United Arab Emirates.

To date, the Sultanate has used its relatively limited oil-generated wealth (as compared to some of its neighbors) to provide citizens with subsidized goods, low taxes, housing support, and public sector salaries. Nevertheless, at current oil production rates (estimated at a million barrels per day or bpd),⁷ and barring any new discoveries or major technological innovations, Oman could exhaust its proven oil reserves (around 5 billion barrels – ranked 21st globally⁸) in around twenty years.

Given the possibility of declining production, the Sultanate has embarked upon a diversification strategy called "Vision 2040." Under that whole-of-government approach, domestic and foreign investment is being channeled into other sectors, such as tourism, software, manufacturing, green hydrogen,⁹ renewable energy, and mineral-processing. With 64% of the population under 30, the Sultan has directed the Omani government to monitor the implementation of Vision 2040 on a regular basis.¹⁰ However, as other Gulf Arab monarchies attempt to enact their own economic diversification plans, it remains to be seen what comparative advantages the Sultanate can capitalize on relative to its Gulf neighbors. Though the non-oil sectors of the economy (e.g.,

⁷ Energy Institute, Statistical Review of World Energy 2025.

⁸ "Oman's crude oil reserves dip 2.8% to 4.8 billion barrels," *Oman Observer*, July 10, 2025.

⁹ One of Oman's signature economic projects is to become a global leader in green hydrogen production. In October 2023, the state established a corporation called Hydrogen Oman. In 2023, the Paris-based International Energy Agency (IEA) presented a report to the government of Oman encouraging the government to pursue hydrogen production, noting that "Oman's high-quality renewable energy resources and vast tracts of available land make it well placed to produce large quantities of low-emissions hydrogen." See, "Oman's huge renewable hydrogen potential can bring multiple benefits in its journey to net zero emissions," IEA, June 12, 2023.

¹⁰ Ousmane Dione and Khamis bin Saif Al Jabri, "Oman Vision 2040: A Blueprint for Sustainable Growth and Global Integration," World Bank Blogs, May 28, 2025.

transportation, financial services, construction) have experienced recent growth, manufacturing has remained flat and the bulk of foreign investment in Oman continues to be in the oil and natural gas sector.¹¹

Foreign Policy – Omani Mediation

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.¹² 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.

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 some regional conflicts in which Iran or its proxies are involved. Oman served as one of the key interlocutors during U.S.-Iranian negotiations over the 2015 Joint Comprehensive Plan of Action (JCPOA). Oman also has helped facilitate the release and transfer of detained U.S. citizens held in Iran and other foreign nationals.¹³

After the United States and Iran agreed to renew talks on Iran’s nuclear program in early 2025, Oman hosted five rounds of mostly indirect negotiations beginning in April. The talks reportedly centered on restrictions on Iran’s nuclear program in exchange for the reduction of U.S. sanctions on Iran, with Iran’s insistence on maintaining the ability to enrich uranium emerging as a key point of disagreement. A sixth round of talks was scheduled for June 15; Iranian officials canceled it after Israeli strikes on Iran began on June 13. Oman officially condemned Israel’s 2025 strikes on Iran, describing them a “dangerous and reckless escalation that constitutes a flagrant violation of the United Nations Charter and principles of international law.”¹⁴

Since the conflict between Israel and Iran and after Israel’s September 2025 military attack against Hamas leaders in Qatar, Omani Foreign Minister Badr Albusaidi has become more outspoken in calling for Arab engagement with Iran. In fall 2025 at a security conference in Bahrain, Albusaidi said “Over the years the GCC has at best sat back and permitted the isolation of Iran.... I believe this needs to change and it needs to change now.”¹⁵

Though some observers have questioned Oman’s neutrality vis-a-vis Iran, particularly when it comes to sanctions compliance,¹⁶ Oman has apparently 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.¹⁷ Some

¹¹ Economist Intelligence Unit, “Oman on track for steady growth,” October 28, 2025.

¹² Giulia Daga, “Is Oman the Switzerland of the Middle East,” Arab Gulf States Institute, January 20, 2023.

¹³ U.S. Department of State, “Secretary Blinken’s Call with Omani Foreign Minister Al Busaidi,” July 31, 2022.

¹⁴ Oman News Agency (official media), “Oman Strongly Condemns Israeli Military Aggression against Iran,” June 13, 2025.

¹⁵ “Arab States Should Deepen Links With Iran, Omani Minister Says,” *Bloomberg*, November 1, 2025.

¹⁶ Ahmad Sharawi, “U.S. Should Not Mistake Oman for a Neutral Mediator,” Foundation for Defense of Democracies, June 16, 2025.

¹⁷ Ben Bartenstein, “Oman Seeks to Avoid Financial Gray List, With Iran Ties in Focus,” *Bloomberg*, December 18, 2023.

Omani persons and entities have been designated for sanctions for their role involvement in Iran-related oil smuggling and weapons procurement.¹⁸

Israel and the Palestinians

As elsewhere in the Arab world, the war between Israel and Hamas in Gaza sparked widespread expressions of opposition to the United States and Israel in the Sultanate. Oman did not officially and immediately condemn Hamas's October 7 attacks against Israel,¹⁹ and observers have noted how segments of Omani society appear to support the Palestinian cause and even Iran's "axis of resistance against Israel."²⁰ Omani government policy may reflect broad sympathies among Omanis for the Palestinians, as well as fears that Israel could be jeopardizing regional stability. Foreign Minister Albusaidi said in November 2025 that "We have long known that Israel, not Iran, is the prime source of insecurity in the region."²¹

During the war, some Omanis boycotted certain U.S. corporations, such as Starbucks, McDonald's, Coca-Cola, Pepsi, and others, to protest U.S. support for Israel.²² The Omani Foreign Ministry also was critical of Israel's conduct of the war in Gaza and has continually reaffirmed its support for the establishment of an independent Palestinian state.²³ In September 2025, Oman, along with the rest of the GCC states, condemned Israel's military attack against Hamas' external leadership inside Qatari territory.²⁴

Oman is not a signatory to the Abraham Accords, and Omani officials have repeatedly stated that the two-state solution featuring an independent Palestinian state with East Jerusalem as its capital, is the only path to resolving the Israeli-Palestinian conflict.²⁵ Before the Gaza war, Oman opened up its airspace to Israeli commercial carriers.²⁶ During the war, Israeli carrier El Al paused flying over Oman on flights to southeast Asia.

Though the Omani government has continued to criticize Israel's treatment of the Palestinians, the Sultanate has a long history of engagement with Israel. Oman and the other GCC states all participated in the multilateral peace talks established by the U.S.-sponsored Arab-Israeli peace process that was established in 1991. As a result of the multilateral working group sessions of that process, Oman hosts a Middle East Desalination Research Center, which, at times, has facilitated

¹⁸ U.S. Department of the Treasury, "Treasury Targets Oil Broker Network Supporting Qods Force," August 13, 2021 and U.S. Department of the Treasury, "Treasury Targets Multiple Procurement Networks Supporting Iran's Proliferation-Sensitive Programs," March 20, 2024.

¹⁹ Cleary Waldo, Gabriel Epstein, Sydney Hilbush, Aaron Y. Zelin, "International Reactions to the Hamas Attack on Israel," PolicyWatch 3793, The Washington Institute for Near East Policy, October 11, 2023. Oman, as a member of the Arab League, did support the July 2025 "New York Declaration on the Peaceful Settlement of the Question of Palestine and the Implementation of the Two-State solution – UN High-Level International Conference," which condemned Hamas' attacks on October 7, 2023 and called for the group to disarm. See, <https://www.un.org/unispal/document/un-high-level-international-conference-new-york-declaration-29jul2025/>.

²⁰ Giorgio Cafiero, "Gaza War Undermines Oman's Role as Bridge in a Conflict-Ridden Middle East," Stimson, August 26, 2024.

²¹ Mina al Oraibi, "Omani Foreign Minister says Israel, not Iran, is prime source of insecurity in region," *The National* (UAE), November 1, 2025.

²² U.S. Department of State, "2024 Investment Climate Statements: Oman."

²³ Foreign Ministry of Oman, "Oman condemns Israeli statements on so-called 'Greater Israel,'" August 14, 2025.

²⁴ Gulf Cooperation Council, "Final Statement of the Extraordinary Session of the Supreme Council of the Gulf Cooperation Council (GCC) on the Israeli Aggression Against the State of Qatar," September 15, 2025.

²⁵ Muscat Daily, "Two-state solution only path to peace: Sayyid Badr," September 28, 2025.

²⁶ "Israel thanks Oman for opening its airspace," Reuters, February 23, 2023.

direct meetings between Israeli and Palestinian Authority officials on water issues.²⁷ In December 1994, Oman became the first Gulf state to officially host a visit by an Israeli prime minister (Yitzhak Rabin²⁸), and it hosted then-Prime Minister Shimon Peres in April 1996. In October 1995, Oman exchanged trade offices with Israel, but diplomatic relations were not established. The trade offices closed following the September 2000 Palestinian uprising and have remained closed.²⁹ On October 25, 2018, Israeli Prime Minister Benjamin Netanyahu visited Oman and met with Sultan Qaboos to discuss regional issues.

Yemen

Oman has attempted to mediate resolutions to conflict in Yemen, which has been mired in a civil war since 2014 and where Houthi attacks against Israel and Red Sea shipping led to both Israeli and U.S. air strikes. Oman has long hosted in Muscat Mohammad Abdul Salam, the official spokesman of the Houthis and one of the group's lead negotiators.³⁰ In Yemen, Oman helped mediate a 2022 cease-fire between Saudi Arabia and the Houthis. From March to May 2025, U.S. forces expanded strikes against the Houthis to compel an end to Houthi maritime attacks in the Red Sea. The Houthis agreed to end attacks on U.S. vessels in exchange for a halt to U.S. strikes under an Oman-mediated truce. In 2025, U.S. Secretary of State Marco Rubio thanked Oman for facilitating the release of the crew of the *Galaxy Leader*, who had been held captive by the Iran-supported Houthis in Yemen.³¹

Oman's territory reportedly has served as a conduit for the smuggling of weapons and weapons components to the Houthis.³² Smuggled materiel allegedly included anti-ship missiles,³³ surface-to-surface short-range missiles, small arms, explosives, and unmanned aerial vehicles (UAVs).³⁴ At times, the United States has obligated Nonproliferation, Anti-Terrorism, Demining and Related Programs (NADR) funds for counterterrorism programming, some of which is used for the Oman Border Security Enhancement Program.³⁵

Oman has worked with the United States to accept Yemeni prisoners who were long detained in Guantanamo Bay. During the Obama Administration, Oman accepted 30 prisoners, though most eventually returned home; in January 2025, Oman accepted another 11 Yemeni prisoners.³⁶

²⁷ 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. In the past, the U.S. State Department's Bureau of Near Eastern Affairs obligated 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. See <https://www.medrc.org/about-us/>.

²⁸ Oman's former Foreign Minister, Yousuf bin Alawi bin Abdullah, attended the funeral of Israeli Prime Minister Yitzhak Rabin in Jerusalem in November 1995.

²⁹ See CRS In Focus IF11237, *Israel and the Palestinians: Chronology of a Two-State Solution*, by Jim Zanotti.

³⁰ Ibrahim Jalal, "The war next door: Omani foreign policy toward Yemen," Middle East Institute, September 21, 2023.

³¹ U.S. Department of State, "Secretary Rubio's Call with Omani Foreign Minister Sayyid Badr Albusaidi," March 3, 2025.

³² "800 Drone Propellers Seized at Yemen-Oman Border, Intended for Houthi Militants," YemenOnline.info, March 25, 2025.

³³ "U.S. warship targeted in failed missile attack from Yemen: official," *Reuters*, October 15, 2016.

³⁴ "Iranian Technology Transfers to Yemen," *Conflict Armament Research*, March 2017.

³⁵ U.S. Department of State, Country Reports on Terrorism 2021 Oman and U.S. Department of State, "U.S. Security Cooperation With Oman," January 20, 2025.

³⁶ Carol Rosenberg, "U.S. Sends 11 Guantánamo Prisoners to Oman to Start New Lives," *New York Times*, January 6, 2025.

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 exports nearly 80% of its oil to the PRC (accounting for 7% of total imported oil to China).³⁷ The PRC government also has financed an industrial park in the port of Duqm (**Figure 1**) and lent Oman \$3.6 billion in 2017 for Duqm's development.³⁸ Chinese companies also have invested in Omani state enterprises which were privatized, such as the Oman Electricity Transmission Company and the Oman Cement Company.³⁹ In 2025, China's Central New Energy Holding Group committed to investing in solar power projects in Oman.⁴⁰

The Chinese telecommunications firm Huawei has an extensive presence in Oman. Oman Airports have partnered with Huawei to install WiFi networks in Oman's airports,⁴¹ and Huawei in September 2025 signed an offset agreement with the Omani Ministry of Finance to train thousands of Omani students and workers in information and communication technology.⁴²

Beyond economic ties, Omani-PRC military ties are limited, but are being closely followed by U.S. policymakers. According to one report, in November 2023, U.S. officials briefed then-President Biden on a PRC plan to build a military facility in Oman.⁴³ PRC naval taskforces conduct goodwill visits and joint exercises with the Royal Navy of Oman.⁴⁴ The Royal Army of Oman has purchased 122mm multiple rocket launch systems from PRC producers.⁴⁵

U.S. Relations – Longstanding Ties

Since the United States and Oman opened embassies in their respective capitals in the early 1970s, both countries have conducted cordial relations. Under President Trump, the United States and Oman have maintained strong ties, though the President did not visit Oman when he traveled to the Gulf in spring 2025.

U.S.-Omani Defense Cooperation

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 Salalah and Al Duqm, the latter of which is large enough to handle U.S. aircraft carriers.⁴⁶

³⁷ U.S. Department of Defense, "Military and Security Developments Involving the People's Republic of China 2024," annual report to Congress.

³⁸ Economist Intelligence Unit, Middle East and Africa economy: Middle East weekly brief: China's expanding role, August 26, 2020.

³⁹ U.S. Department of State, 2023 Investment Climate Statements: Oman.

⁴⁰ "Chinese Clean Energy Firm's Venture Enhances Oman's Solar Hub Status," *OPIS*, September 2, 2025.

⁴¹ Elias Al Helou, "Oman Airports becomes first in the world to deploy Wi-Fi 7, supporting over 40,000 daily travelers at Muscat International Airport," *Middle East Economy*, November 17, 2025.

⁴² Oman News Agency, "Partnership for Development Agreement Signed Between Ministry of Finance, Huawei," September 28, 2025.

⁴³ Michelle Jamrisko and Jennifer Jacobs, "Biden Briefed on Chinese Effort to Put Military Base in Oman," *Bloomberg*, November 7, 2023.

⁴⁴ "44th Chinese naval escort taskforce concludes visit to Oman," *China Military Online*, October 16, 2023.

⁴⁵ "Oman has Chinese 122mm MRLs," *Jane's Defence Weekly*, January 2, 2022.

⁴⁶ U.S. Embassy in Oman, "U.S. Statement on the Signing of the Strategic Framework Agreement" March 24, 2019.

U.S.-Omani security cooperation is ongoing. According to the U.S. State Department, as of January 2025:

The United States has 63 active cases valued at \$2.72 billion with Oman under the government-to-government Foreign Military Sales (FMS) system. Recent and significant prior sales include: F-16 Operational Flight Profile and Identification Friend or Foe; upgrades to its F-16 Block 50/52 fighter aircraft, ongoing logistics and sustainment support; AIM-120C-7 AMRAAM and AIM-9X Sidewinder air-to-air missiles; AGM-84 Harpoon air-to-ground munitions; and Javelin and TOW-2B anti-tank missile systems. In FY 2021, Oman has been allocated \$20.74 million in Title 10 grant military assistance.⁴⁷

The signature bilateral forum for discussing U.S.-Omani defense ties is the U.S.-Oman Joint Military Commission (JMC), last held in March 2024. According to the Defense Department readout of the JMC, both sides discussed maritime and border security threats and threat deterrence, the Israel-Gaza war, Red Sea security, and how to strengthen the U.S.-Omani defense partnership.⁴⁸ 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.

Oman has received 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 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. As previously mentioned, the United States also provides small funding grants (est. \$1 million)—much of it through NADR—to help Oman counter terrorist and related threats. NADR-funded 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 illegal drugs at land and sea borders. The funding is also used to train Omani law enforcement agencies on investigative techniques and border security.

Congress also authorizes Oman (see Section 8110 of P.L. 118-47, the Further Consolidated Appropriations Act, 2024) to receive U.S. military aid for border security through DOD-managed accounts, such as Section 1226 of the National Defense Authorization Act for Fiscal Year 2016 (22 U.S.C. 2151).

Though national defense spending in the Sultanate remains opaque, according to one source, Oman's overall defense budget (est. \$6.6 billion) accounts for a quarter of the overall national budget.⁴⁹ *Jane's Defence Budget* notes that "While the UK and US will remain key providers of defence and security equipment in the future, Oman is likely to continue expanding its horizons as third-party suppliers are able to deliver more capable equipment at lower costs."⁵⁰

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. Oman is a member of the U.S.-led, 41-member nation Combined Maritime Forces (CMF), which operates task forces to

⁴⁷ U.S. Department of State, "U.S. Security Cooperation with Oman," January 20, 2025.

⁴⁸ U.S. Department of Defense, "Readout of U.S.-Oman Joint Military Commission," Release, March 6, 2024.

⁴⁹ Nadim Kawach, "Oman spends a quarter of its budget on defence," *Arabian Gulf Business Insight*, April 8, 2025.

⁵⁰ *Jane's Emerging Markets*, "Oman – Market Report," June 26, 2025.

counter piracy and smuggling. While highly capable, the Royal Navy of Oman patrols a 200 nautical mile exclusive economic zone (EEZ), where Iran and maritime smugglers operate.⁵¹

U.S.-Omani Economic Relations

The United States is one of the largest foreign direct investors in Oman after the United Kingdom and has registered a cumulative trade surplus of \$6.3 billion since 2006.⁵² 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 its economy. The United States is one of Oman's largest trading partners. In 2024, the total volume of bilateral trade was \$3.2 billion. According to the U.S. Embassy in Oman, as of 2024, "the largest U.S. export categories to Oman are automobiles, aircraft (including military) and related parts, industrial machines, and engines, plastic materials, and pharmaceuticals." Of the imports, the largest product categories are "industrial supplies, aluminum, fertilizers, jewelry, and oil by-products such as plastics."⁵³ The United States imports relatively small amounts of Omani oil. In April 2025, the White House announced a 10% reciprocal tariff rate on imports of Omani goods, reaffirmed in late July; certain categories of goods are subject to higher tariffs globally, including aluminum, of which Oman is an exporter.⁵⁴

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⁵¹ Jonathan Campbell-James, "Oman Seeks to Improve Its Coastal Security," *Fikra Forum*, The Washington Institute for Near East Policy, October 23, 2024.

⁵² U.S. Department of State, 2025 Oman Investment Climate Statement, September 2025.

⁵³ U.S. Embassy in Oman, "U.S.-Oman Free Trade Agreement," accessed March 26, 2024.

⁵⁴ Justin Alexander, "Trump tariffs present both challenges and opportunities for Oman," *Muscat Daily*, April 6, 2025.

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