

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 the ongoing civil conflict in Yemen. Oman also helped facilitate negotiations with Iran, including those 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, and along the Arabian Sea approaches to East Africa and the Red Sea provide 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 (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 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 2022, the United States exported \$1.8 billion in goods and services to Oman and imported \$1.6 billion.

As elsewhere in the Arab world, the ongoing war between Israel and Hamas in Gaza has sparked widespread anti-American and anti-Israeli sentiment in the Sultanate. Omanis have boycotted certain U.S. corporations to protest U.S. support for Israel. The Omani Foreign Ministry has been critical of Israel's conduct of the war in Gaza and the Foreign Minister has called for an emergency peace conference that would bring a wide array of actors to the table, including Israel, Iran, and Hamas.

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. Oman is trying to modernize its arsenal with purchases from the United States. According to the Defense Security Cooperation Agency (DSCA), total U.S. Foreign Military Sales to Oman through FY2022 amounted to \$3.5 billion. In October 2023, the Defense Security Cooperation Agency notified Congress of a possible Foreign Military Sale to Oman of 301 Tube-Launched, Optically-Tracked, Wireless Guided (TOW) 2B, Radio Frequency Missiles.

The United States provides minimal foreign assistance to Oman, mainly for border security. From 1946 to 2020, the United States provided Oman with \$853 million in total economic and military assistance. The United States provides small funding grants, through Nonproliferation, Antiterrorism, Demining, and Related (NADR) programs, to help Oman counter terrorist and related threats. The Biden Administration's FY2025 budget request would eliminate NADR funding and reduce overall U.S.-Oman assistance to \$2 million.

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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.² 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.

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 2023, oil and gas accounted nearly 70% of expected government revenues.³ With proven oil reserves at 5.2 billion barrels (ranked 23rd globally as of June 2022) and 2023 production at 1.07 million barrels per day (mbd), however,⁴ 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 nearly \$47 billion (as of March 2024), a figure far less than some other GCC state funds, which have hundreds of billions of dollars under management.⁵

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.¹ 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 (Qaboos had no children). 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.

¹ "Meet Oman's New Sultan. How Will He Navigate the Region's Turmoil?" *Washington Post*, January 15, 2020.

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

³ "Oman—Country Commercial Guide," International Trade Administration, updated February 20, 2024, at <https://www.trade.gov/country-commercial-guides/>.

⁴ U.S. Energy Information Administration, *Open Data Application Programming Interface*, accessed March 13, 2024, at <https://www.eia.gov/opensdata/>.

⁵ See Global SWF Data Platform, available at <https://globalswf.com/>.

The Sultanate has used its limited oil-generated wealth to provide citizens with subsidized goods, low taxes, and public sector salaries. During periods of lower oil prices, these costs can strain Oman's national budget. Nonetheless, Oman has made progress in reducing its debt to Gross Domestic Product (GDP) ratio, which remains high by GCC standards. Public debt was estimated to be around 35% of GDP in 2023, down from 64% of GDP in 2020; total debt is \$39.5 billion.⁶ In September 2023, global credit rating agency Fitch Ratings upgraded Oman's credit rating to BB+ from BB due to the decline in Oman's debt-to-GDP ratio. Since 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.⁷

Figure 1. Oman



People	- Population: 3.8 million, of which about 46% are expatriates (2023 est.) - Religions: Muslim 85.9%; Christian 6.4%; Hindu 5.7%; other 2% (2020 est.)
Economy	- GDP: \$108.3 billion (2023 est.) - GDP per capita: \$21,266 (2023 est.) - GDP real growth rate: 1.2% (2023 est.) - Unemployment Rate: 1.5% Youth Unemployment: 7.1% (2022)
Energy and Trade	- Oil Reserves: 5.2 billion barrels (2022) - Major Trade Partners: China (mostly oil), UAE, South Korea, Japan, India, United States, Saudi Arabia

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

⁶ Economist Intelligence Unit (EIU), *Oman* (country report), March 13, 2024, available at <http://country.eiu.com/oman>.

⁷ EIU Viewpoint, *One-click report: Oman*, March 1, 2024, at <https://viewpoint.eiu.com/analysis/geography/XN/OM/reports/one-click-report>; Hassan Jivraj, "Oman's economy surges with higher oil prices, fiscal reform," *Al Monitor*, September 1, 2022.

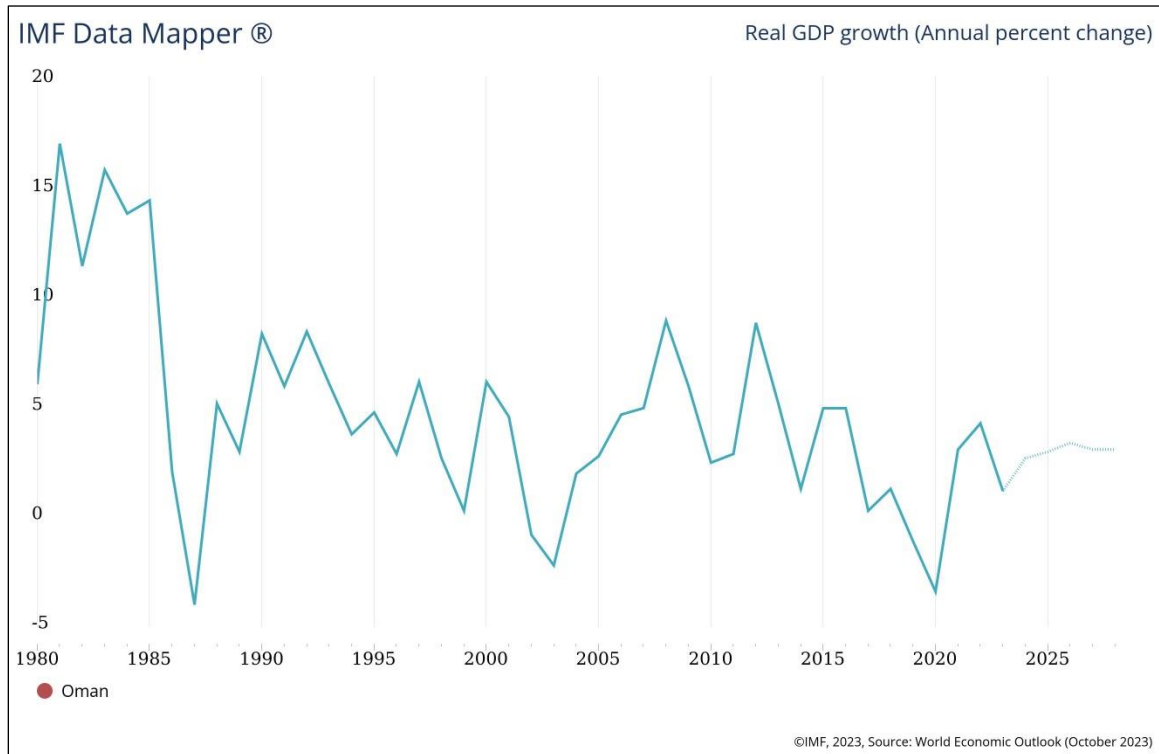
Domestic Governance

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. The most recent Consultative Council elections in October 2023 saw the election of 90 members. While women have previously won some Consultative Council seats, no women won elected seats in 2023; however, a month after the elections, Sultan Haythim appointed 18 women to the 83-member State Council. Voting in the 2023 election was conducted electronically using a biometric-based digital ID smartphone platform called in Arabic *Antakhib* or elections.⁸

Economic Reforms and Diversification

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.⁹

Figure 2. Oman GDP Growth



Source: IMF Data Mapper, World Economic Outlook, October 2023.

⁸ Masha Borak, “Oman holds first remote elections with biometric IDs from Tech5 and uqudo” Biometricupdate.com, October 30, 2023.

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

Beginning in 2021, the government has overseen the consolidation (and some privatization) of state-owned enterprises, encouraged economic diversification, and merged duplicative investment authorities, while appointing younger technocrats and ministers to lead government agencies.¹⁰ To attract foreign investors, Oman is offering tax incentives, lower government fees, expanded land use, and increased access to capital for qualifying companies in 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.¹¹

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."¹²

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.¹³ 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."¹⁴ According to the most recent State Department report on human rights, the principal human rights issues in Oman are

arbitrary arrest or detention; arbitrary or unlawful interference with privacy; serious restrictions on freedom of expression and media, including censorship and criminal libel and blasphemy laws; serious restrictions on internet freedom; substantial interference with the rights of peaceful assembly and freedom of association; serious restrictions on political participation; laws criminalizing consensual same-sex sexual conduct that were not widely enforced; and labor exploitation of foreign migrants.¹⁵

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

¹⁰ Jonathan Campbell-James, "Sultan's Landmark Speech to the Majlis Oman: A Window into Oman's Economic Reforms," Policy Analysis, Washington Institute for Near East Policy, November 27, 2023.

¹¹ U.S. Department of Commerce, International Trade Administration, Oman Country Commercial Guide, February 20, 2024.

¹² "Oman's huge renewable hydrogen potential can bring multiple benefits in its journey to net zero emissions," IEA, June 12, 2023.

¹³ Amnesty International, Amnesty International Report 2022/23, Oman 2022.

¹⁴ Freedom House, Freedom in the World 2023, Oman.

¹⁵ U.S. Department of State, 2022 Country Reports on Human Rights Practices: Oman.

and monitors prison and detention center conditions through site visits, reports on human rights conditions, and participates in election oversight. While the U.S. State Department previously assessed that the “OHRC function[ed] semi-independently with moderate effectiveness,” it noted that the Sultan’s June 2022 reforms of the body increased its independence.¹⁶

The government has expanded 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 and 2022 visa suspensions for countries whose citizens have been subject to forced labor in Oman.¹⁷ 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.”¹⁸

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.¹⁹ Since then, there have consistently been several female ministers in each cabinet.

In terms of indexes of gender indicators, Oman appears to reflect mixed results. 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 prior.²⁰ In the labor market, as of 2022, women (citizens and expatriates) constituted some 31% of the workforce.²¹ The 2023 Global Gender Gap Report—which benchmarks progress in gender parity across four areas (economic opportunities, education, health, and political leadership)—notes that Oman ranks 139th of 146 countries, with the second-lowest score for gender parity in the Middle East and North Africa region after Algeria.²² 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.”²³

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.²⁴ Oman’s foreign policy sometimes diverges from that of some of its fellow GCC members, particularly Saudi Arabia and

¹⁶ Ibid.

¹⁷ U.S. Department of State, 2023 Trafficking in Persons Report: Oman.

¹⁸ U.S. Department of State, 2022 Country Reports on Human Rights Practices: Oman.

¹⁹ “Omanis Welcome Appointment of Woman Minister,” *Arab News*, March 10, 2004.

²⁰ “Oman women demand ‘equal partnership’ as divorce rates rise,” *Al Jazeera*, January 27, 2022.

²¹ World Bank, Labor force participation rate, female (% of female population ages 15+) (modeled International Labor Organization estimate) – Oman.

²² World Economic Forum, Global Gender Gap Report 2023, available at <https://www.weforum.org/publications/global-gender-gap-report-2023/in-full/benchmarking-gender-gaps-2023/>.

²³ UN Women, The Women Count Data Hub, Oman, at <https://data.unwomen.org/country/oman>.

²⁴ Giulia Daga, “Is Oman the Switzerland of the Middle East,” Arab Gulf States Institute, January 20, 2023.

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 campaign from June 2017 to December 2020 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 exports nearly 80% of its oil to the PRC (accounting for 8% of total imported oil to China).²⁵ 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.²⁶ One report in the Omani state-run press quoted China's Ambassador to Oman, Li Lingbing, who hailed Omani-Chinese trade ties, claiming they had reached \$40.45 billion by the end of 2022 with Chinese investment in Oman's transmission grid, telecommunications infrastructure (Huawei), and cement industry.²⁷ According to the U.S. State Department, as of 2022, China was the fifth largest foreign investor Oman, with Chinese companies owning a 49% stake in the Oman Electricity Transmission Company and a 59.8% stake in Oman Cement Company.²⁸

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 President Biden on a PRC plan to build a military facility in Oman.²⁹ PRC naval taskforces conduct goodwill visits and joint exercises with the Royal Navy of Oman.³⁰ The Royal Army of Oman has purchased 122mm multiple rocket launch systems from PRC producers.³¹

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. In explaining Oman's positive relations with Iran, Omani leaders often cite the 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 1962-1975 leftist revolt in Oman's Dhofar Province, a conflict in which 700 Iranian soldiers died.³²

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, has supported U.S. operations to deter Iran, and regularly participates in U.S.-led exercises in and around the Gulf.

²⁵ U.S. Department of Defense, "Military and Security Developments Involving the People's Republic of China 2023," annual report to Congress.

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

²⁷ "China-Oman partnership reaches new heights: Ambassador Li Lingbing," *The Times of Oman*, January 31, 2024.

²⁸ U.S. Department of State, 2023 Investment Climate Statements: Oman.

²⁹ Michelle Jamrisko and Jennifer Jacobs, "Biden Briefed on Chinese Effort to Put Military Base in Oman," *Bloomberg*, November 7, 2023.

³⁰ "44th Chinese naval escort taskforce concludes visit to Oman," *China Military Online*, October 16, 2023.

³¹ "Oman has Chinese 122mm MRLs," *Jane's Defence Weekly*, January 2, 2022.

³² Faramarz Davar, "Why is Oman So Loyal to Iran?" *Iranwire*, August 9, 2018.

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. In 2021, the U.S. Department of the Treasury's Office of Foreign Assets Control (OFAC) designated an Omani businessman and his network of companies for involvement in an international oil smuggling network that supported Iran's Islamic Revolutionary Guard Corps-Qods Force (IRGC-QF).³³ In 2024, the Paris-based Financial Action Task Force (FATF) is evaluating whether Oman should be added to its so-called grey list, which consists of countries that require improvements in countering money laundering and terrorist financing.³⁴

Oman also has helped facilitate the release and transfer of detained U.S. citizens 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.³⁵ Oman partially mediated the 2023 deal in which Americans held in Iranian prisons were released in exchange for the transfer of some Iranian oil revenue to Qatar (U.S. officials have said that the funds were frozen after the October 2023 Hamas attacks on Israel). According to one report, during negotiations for the deal, Omani mediators "shuttled back and forth" between American and Iranian delegations, often serving as the medium of communication between the two sides.³⁶

Oman also has agreed to accept the transfer from Iraq of blocked Iranian funds that accrue in Iraq as a result of Iraqi electricity purchases from Iran, for which Iraq receives a sanction waiver from the United States. In July 2023, a State Department spokesperson said that the Administration "thought it was important to get this money out of Iraq, because it is a source of leverage that Iran uses against its neighbor." The spokesperson said "this money will be held in a fund or an account in Oman ...but will still be subject to the same restrictions as when the money was held in accounts in Iraq." In December 2023 testimony, a Treasury official stated that there had been two transactions involving the Oman-based funds.³⁷

In April 2024, Iranian Foreign Minister Hossein Amirabdollahian arrived in Oman for a series of meetings with regional counterparts. During their bilateral exchange, Omani Foreign Minister Sayyid Badr al Busaidi called for de-escalation in the region and condemned an alleged 2024 Israeli air strike against the Iranian Embassy in Damascus, Syria's "consular annex."³⁸ Reportedly, Iran also signaled during its meetings in Oman that it would strike back against Israel, but that it would keep its attack "contained, and that it was not seeking a regional war."³⁹ After Iran's missile and drones strikes against Israel in April 2024, Oman's Foreign Ministry

³³ U.S. Department of the Treasury, "Treasury Targets Oil Broker Network Supporting Qods Force," August 13, 2021.

³⁴ Ben Bartenstein, "Oman Seeks to Avoid Financial Gray List, With Iran Ties in Focus," *Bloomberg*, December 18, 2023.

³⁵ U.S. Department of State, "Secretary Blinken's Call with Omani Foreign Minister Al Busaidi," July 31, 2022.

³⁶ Michael D. Shear and Farnaz Fassihi, "Inside the Deal to Free 5 American Prisoners in Iran," *New York Times*, September 21, 2023.

³⁷ Testimony of Assistant Secretary of the Treasury Elizabeth Rosenberg before the House Financial Services Subcommittee on Oversight and Investigations Holds Hearing on Iran's Financial Support of Terrorism, December 18, 2023.

³⁸ "Oman urges de-escalation during Iran FM visit," *Agence France Presse*, April 7, 2024.

³⁹ Ronen Bergman, Farnaz Fassihi, Eric Schmitt, Adam Entous and Richard Pérez-Peña, "Miscalculation Led to Escalation in Clash Between Israel and Iran," *New York Times*, April 17, 2024.

called for adherence to international law, the maintaining of international peace and security, and an immediate ceasefire in Gaza, amongst other things.⁴⁰

Yemen⁴¹

In neighboring Yemen, Oman's and Iran's interests are often described as being in conflict, insofar as U.N. investigators have cited Iran as arming and advising the Zaydi Shia Ansar Allah (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. Oman has long hosted in Muscat Mohammad Abdul Salam, the official spokesman of the Houthis and one of the group's lead negotiators.⁴² In December 2023, UN Special Envoy for Yemen Hans Grundberg announced that Abdul Salam and his ROYG counterpart had committed to a roadmap for a nationwide ceasefire and other measures aimed at preparing for wider political talks on peace and Yemen's future.⁴³ Grundberg expressed concern in January 2024 that the "increasingly precarious regional context" posed risks to roadmap implementation and Yemen's progress toward peace.⁴⁴

According to one report, in January 2024, Oman hosted secret, indirect talks between Iranian and U.S. officials over Houthi threats to Red Sea shipping and attacks against U.S. forces by Iran-backed militias in Iraq.⁴⁵

In April 2024, Omani officials met with U.S. Special Envoy for Yemen Tim Lenderking in Oman, where they discussed, among other things, maritime security in the Red Sea and Gulf of Aden in the midst of Houthi attacks on international shipping. To date, Oman, perhaps to distance itself from the United States and Israel amidst the ongoing war in Gaza, has not joined Operation Prosperity Guardian, the U.S.-led international task force to protect Red Sea maritime commerce against Houthi attacks.

Israel and the War in Gaza

As elsewhere in the Arab world, the ongoing war between Israel and Hamas in Gaza has sparked expressions of widespread opposition to the United States and Israel in the Sultanate. According to a joint poll conducted by the Arab Center for Research and Policy Studies and the Doha Institute, 69% of Omanis have a more negative opinion of U.S. policy since the war began.⁴⁶ Some Omanis have boycotted certain U.S. corporations, such as Starbucks, to protest U.S. support for Israel.

⁴⁰ Foreign Ministry of Oman, "Oman calls for restraint to spare the region from risk of war," April 14, 2024.

⁴¹ 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.

⁴² Ibrahim Jalal, "The war next door: Omani foreign policy toward Yemen," Middle East Institute, September 21, 2023.

⁴³ Office of the Special Envoy of the Secretary-General for Yemen (OESGY), "Update on efforts to secure a UN roadmap to end the war in Yemen," December 23, 2024.

⁴⁴ OESGY, "Statement attributable to the UN Special Envoy for Yemen," January 13, 2024.

⁴⁵ Farnaz Fassihi and Eric Schmitt, "Iran and U.S. Held Secret Talks on Mideast Threats," *New York Times*, March 17, 2024.

⁴⁶ "Arab Public Opinion about the War in Gaza," Arab Center for Research and Policy Studies, January 10, 2024.

The Omani Foreign Ministry has been critical of Israel's conduct of the war in Gaza. After an Israeli-Hamas cease-fire ended in November 2023, the Foreign Ministry issued a press release saying, "The statement reiterates Oman's appeal to the international community to meet its legal and moral responsibility to seek a ceasefire, protect the Palestinian people, provide for their humanitarian needs and hold Israel accountable for its violation of international law and international humanitarian law."⁴⁷

Omani officials also have called for an emergency peace conference that would bring a wide array of actors to the table, including Israel, Iran, and Hamas. According to Omani Foreign Minister al Busaidi:

Those who follow the affairs of the region sometimes praise the Omanis as mediators. It is true we have supported peace initiatives from Camp David in 1978 to the Madrid process in 1991 and the Oslo Accords in 1993, as well as the JCPOA multilateral nuclear accord with Iran, talks aimed at ending war in Yemen, and various hostage releases. But we are just facilitators, not mediators, for some infer that mediators sit in judgment. That is not the Omani way.⁴⁸

Both the U.S. and Omani governments appear to remain committed to the partnership. According to one observer, "Despite the rising anti-American sentiment and the Omani leadership's discomfort with Washington's Israel stance, Oman has no intention of abandoning its strategic ties with the United States."⁴⁹ In November 2023, U.S. Secretary of State Antony Blinken affirmed to Omani Foreign Minister al Busaidi the "urgency of addressing humanitarian needs in Gaza, preventing further spread of the conflict, and reinforcing regional stability and security. He also emphasized the importance of working toward sustainable peace between Israelis and Palestinians, a shared priority of both the United States and Oman."⁵⁰

U.S. Relations, Defense, Aid, 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 long-standing partnership with the United States is critical to our mutual objectives, including increasing economic diversification and development opportunities, promoting regional stability, and countering terrorism."⁵¹ Secretary Blinken has highlighted the key role Oman has played 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."⁵²

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,

⁴⁷ "Oman denounces resumption of aggression by Israeli occupation forces against Gaza," Foreign Ministry of Oman, December 1, 2023.

⁴⁸ "Oman's foreign minister calls for an emergency peace conference," *The Economist*, February 21, 2024.

⁴⁹ Giorgio Cafiero, "Oman, Gaza, and Relations with the United States," Arab Center Washington DC, January 5, 2024.

⁵⁰ U.S. Department of State, "Secretary Antony J. Blinken's Call with Omani FM Sayyid Badr al-Busaidi," November 8, 2024.

⁵¹ U.S. Department of State, U.S. Relations With Oman, Bilateral Relations Fact Sheet, May 12, 2022.

⁵² U.S. Department of State, Secretary Antony J. Blinken and Omani Foreign Minister Sayyid Badr al Busaidi, November 8, 2022.

which is large enough to handle U.S. aircraft carriers.⁵³ U.S. Central Command Commander General Michael Kurilla has testified that “Oman provides critical access, basing, and overflight to U.S. forces. With its strategic location near key naval chokepoints, Oman is valuable to DoD operations and planning.”⁵⁴ In May 2023, the Royal Oman Navy and U.S. Navy jointly participated in a five-day exercise, called *Khunjar Hadd* (Sharp Dagger), focused on mine countermeasures, explosive ordnance disposal, and maritime interdiction.⁵⁵ Omani cooperation presumably would be essential were the United States and partner countries to conduct maritime security operations involving the Strait of Hormuz comparable to those currently underway in the Bab al Mandab.

Oman is trying to expand and modernize its arsenal primarily with purchases from the United States. According to the Defense Security Cooperation Agency (DSCA), total U.S. Foreign Military Sales to Oman through FY2022 have amounted to \$3.5 billion (this figure does not include Direct Commercial Sales or DCS).⁵⁶ Since 2016, the U.S. State Department has authorized export licenses for \$613 million in defense articles to Oman via the DCS process for equipment, such as small arms, ammunition/ordnance, and military electronics.⁵⁷

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

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, 38-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, and Oman is considered a CMF partner nation.⁵⁸ In 2023 and 2024, CMF reported several large drug (heroin, hashish) and weapon (rifles, explosives, and ammunition rounds) seizures in the Gulf of Oman and nearby waters.⁵⁹ Oman is not a member of U.S.-led Operation Prosperity Guardian, which was established in December 2023 to protect freedom of navigation in the Red Sea following increased Houthi attacks on commercial shipping.⁶⁰

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 2024. According to the Defense Department readout of the JMC, both sides discussed maritime and border security threats and

⁵³ U.S. Embassy in Oman, “U.S. Statement on the Signing of the Strategic Framework Agreement” March 24, 2019.

⁵⁴ U.S. Congress, House Armed Services Committee, *Middle East/North Africa Challenges*, March 21, 2024.

⁵⁵ U.S. Department of Defense, U.S. Navy, “U.S. Navy Completes Participation in Oman-led Naval Exercise,” May 11, 2023.

⁵⁶ Defense Security Cooperation Agency, *Historical Sales Book, Fiscal Years 1950-2022*.

⁵⁷ 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.

⁵⁸ Combined Maritime Task Forces, Combined Task Force Visits Senior Oman Armed Forces Leadership, April 22, 2021.

⁵⁹ For examples of drug seizures, see U.S. Naval Forces Central Command Public Affairs, “U.S. Coast Guard Seizes \$30 Million in Drugs with International Task Force,” May 8, 2023, “U.S. Seizes \$80 Million Heroin Shipment in Gulf of Oman,” May 10, 2023, “French Warship Seizes \$108 Million in Drugs during Indian Ocean Seizures,” May 24, 2023, “French-led Combined Task Force 150 seized more illegal narcotics in the Arabian Sea,” September 20, 2023, and “First Drug Interdiction of the Year for CMF French-led Combined Task Force 150,” January 8, 2024. For examples of weapons seizures, see USCENCOM, “CENTCOM Forces Intercept More than 2,000 Assault Rifles Shipped from Iran,” January 10, 2023, “U.S. Central Command Supports Partner Forces in Major Iranian Weapons Seizure,” February 1, 2023, and “CENTCOM Intercepts Iranian Weapons Shipment Intended for Houthis,” February 15, 2024.

⁶⁰ U.S. Department of Defense, “Statement from Secretary of Defense Lloyd J. Austin III on Ensuring Freedom of Navigation in the Red Sea,” Release, December 18, 2023.

threat deterrence, the Israel-Gaza war, Red Sea security, and how to strengthen the U.S.-Omani defense partnership.⁶¹ 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.

Figure 3. 2024 U.S.-Oman Joint Military Commission



Source: Oman Observer, March 5, 2024.

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 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-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. The Biden Administration's FY2025 budget request would eliminate NADR for Oman but increase IMET funding to \$2 million.

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).

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.⁶²

⁶¹ U.S. Department of Defense, "Readout of U.S.-Oman Joint Military Commission," Release, March 6, 2024.

⁶² See <https://www.medrc.org/about-us/>.

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 2022, the United States exported \$1.8 billion in goods to Oman and imported \$1.6 billion in goods. According to the U.S. Embassy in Oman, “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.”⁶³ The United States imports relatively small amounts of Omani oil.

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⁶³ U.S. Embassy in Oman, “U.S.-Oman Free Trade Agreement,” accessed March 26, 2024.