

# **High Potential Investment Opportunity**

Sharbathat – Abalone Farm

Harnessing Oman's Historic Opportunity



# A compelling opportunity to invest in a growing sector in an increasing regional market







#### **A Growing Demand**

The worldwide consumption of seafoods experienced an average annual growth rate of 3% between 1961 and 2019.

This is also visible in the GCC countries, such as in Oman where the fish and seafood market is expected to grow annually by 5.73%. Saudi Arabia is also an historical fish and seafood consumer, with approx. 19 kg per capita in 2022.



#### **Government Support**

Oman's work in aligning itself with global trade standards, and concluding a number of bilateral, multilateral and regional trade arrangements will reduce export barriers, and costs to trade, promoting new markets.

In alignment with Oman's Vision 2040, the country has made significant investments in building a first abalone farm in Mirbat in 2022, with the capacity to produce 600 ton per annum.



#### **A Strategic Location**

Situated in the southeastern region of the Arabian Peninsula, Oman holds a strategic position as a GCC country.

An endemic presence of abalones on the Sharbathat coast provides a comparative advantage for the production.



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### Oman – A Strategic Location

Abalone Farming – A Thriving Sector in Oman

The Opportunity



# The farm's strategic location and government support are distinct advantage





#### **Geographical Competitiveness**

- Oman's central location in the Middle East makes it easily accessible to investors and stakeholders from neighboring regions
- The proposed location for the Ablone farm, Sharbathat, is a historic location for Abalone farming
- Sharbathat shores, allows for efficient and high-quality abalone production



#### **Natural Supply of Abalones in Oman**

- Oman offers a reliable source of wild abalone to fill the broodstock of the farm. The abalone Haliotis mariae is endemic to the subtropical Arabian Sea coast of southern Oman
- Abalones feed on algae and Oman offers a natural access to a reliable source of seaweed supply
- Abalones thrive in clean and nutrient-rich waters. Omani coasts provide a good quality water, which is crucial for Abalone growth and survival



#### **Government Initiative and Support**

- Abalones farms project is aligned with Oman Vision 2040 and mainly by improving environment and natural resources (food security), the private sector, investment and international cooperation
- The farm will benefit for exports of an increasing frictionless trading between Oman and a number of international players
- The farm will benefit from reduced power costs as supporting the food security in Oman

# The investment will be complemented by Oman's competitive incentives







Culture site is located away from sources of pollution and ensure availability of clean seawater supply



Access to a reliable source of wild abalone to fill the broodstock



Access to reliable electric power supply



Access to national logistic routes (road and port facilities)



Access to a reliable source of seaweed supply

# Oman offers competitive operational costs for aquaculture compared to its GCC neighbors





#### **Oman Operational Competitiveness**



- Annual rate: OMR 50 for the first 100 hectors.
- Over 100 hectors: OMR 5 per hector



- Specific low fees, supported by the government, for agriculture and fisheries.
- Fees begin at OMR 0.012 per kWh (Nama company) for an aquaculture farm.
- Power fees are particularly low for projects supporting the food security in Oman.

## Other GCC Countries Operational Costs



**UAE** 

- Power cost: OMR 0.029 to OMR 0.035 per kWh
- Some farms may benefit from a preferential cost of OMR 0.0079.



+167% compared to Oman's power fees



**KSA** 

 Power cost: OMR 0.016 until 6000kWh and OMR 0.021 from 6001kWh



+54% compared to Oman's power fees





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# Omani's seafood production will be supported by two key market segments



**Abalones Farming Segmentation** 



#### **Global Market**

- The global abalones market is segmented by type of consumption into household (via supermarkets, fish mongers, etc.) and hospitality consumption (restaurants, hotels, conferences, etc.).
- Key global markets include China, Japan and Singapore, both driven by high abalones consumption habits
- Farm production of abalone has seen massive increases, especially in China and South Korea to reach a global supply of 203,000 tons in 2020
- Abalone demand continues to outstrip supply, leading to high prices and increased opportunity for aquaculture operations



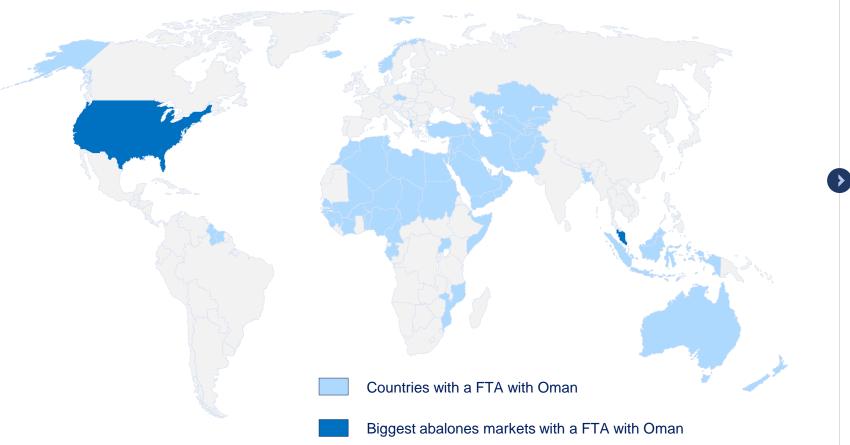
#### **Local and Regional**

- In Oman abalones the market is also segmented by type of consumption into household and hospitality consumption
- The household/public consumption is driven by increased income, health considerations, expat demand, etc., while the hospitality consumption is driven by an increase in high-end tourism, etc.
- Key regional markets include Saudi Arabia and UAE. The consumption of seafood in UAE is projected to increase of more than 5% until 2028 and 3% in Saudi Arabia
- Oman is also projected to increase its consumption of seafood of 5.7% until 2028, driven by a projected growth in household revenues of 4%

# Leveraging Oman and GCC free trade agreements (FTAs) are a competitive advantage in abalones exports, reducing trade friction







09

Current FTAs with Oman worldwide

**50** 

Countries currently having a FTA with Oman

03

Biggest markets currently with a FTA with Oman







USA

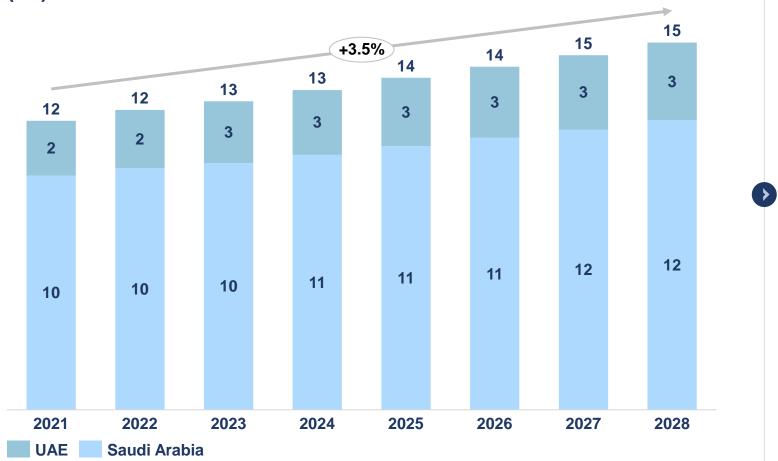
Singapore

Malaysia

# The seafood consumption increase in the GCC region makes it a favorable market for Omani abalones



## Fish and Seafood Revenue in Saudi Arabia and UAE (B\$)





UAE boasts a diverse population and a significant hospitality sector – both contributing to the country's potential for abalone demand.

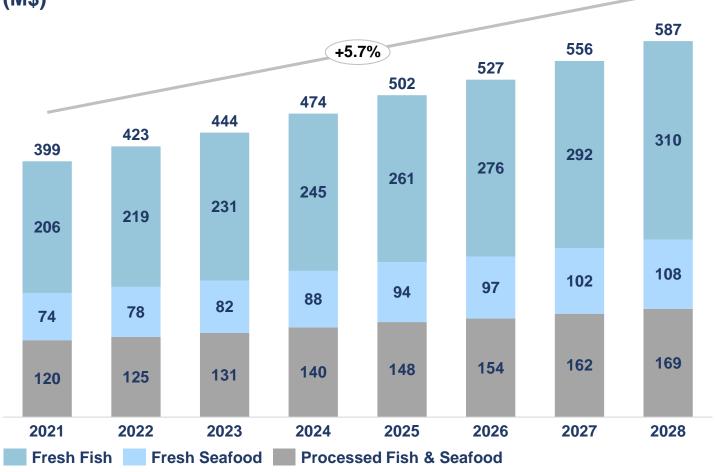


Saudi Arabia is a significant seafood consumer, making the country an attractive market as tastes adapt – and expat segments can be addressed.

# The increasing seafood consumption in Oman might be supported by a future household income growth leading to an increase in food spending







## **Growth in Demand for Abalone**

- Abalones, with an average market price of \$90 per kg in Oman, is considered as a luxury delicacy
- Household disposable income in Oman is predicted to grow by 4% CAGR until 2028. Increase in income may lead to an increase in food spending and especially premium food
- Fish and seafood sales in Oman are expected to grow by 5.7% CAGR until 2028

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## Omani coasts are home to different projects in a thriving aquaculture sector





# The successful partnership in Mirbat with a market leader allowed the farm to benefit from a precious knowledge transfer









Location

Mirbat, Oman



Date

2019



**Joint venture** between Muscat Overseas Group and Abagold, a leading South African abalone farming company.



**Investment** 

US\$ 26 mn



**Size** 

600 tons per annum

This joint venture has allowed OAC to benefits from a **knowledge and technology transfer** of a market leader with a strong production history



#### **Location and Specialty**

OAC is located on the subtropical coast of southern Oman along the Arabian Sea. It specializes in cultivating **Haliotis mariae**, a unique and endemic species of abalone



#### **Advanced Facilities**

OAC runs an advanced aquaculture facility with land-based system that replicates the natural habitat of abalone, promoting optimal growth and development



#### **Sustainability Focus**

The company is committed to sustainable farming practices specifically designed for this type of abalone





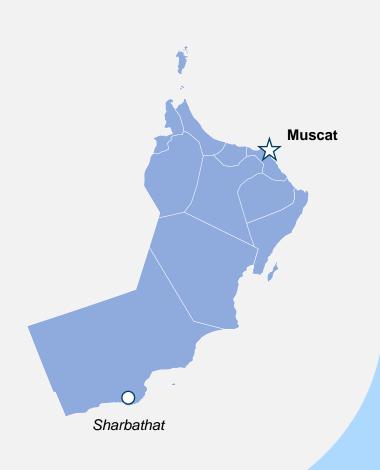
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# The estimated OMR 10 mn investment in Sharbathat offers perfect condition for abalone farming





01

The abalones farm is expected to be established in Sharbathat to serve both the regional and global markets witnessing an increasing demand.

02

The **300,000 square meter land space** made available for the opportunity allows for expansion and illustrates the government's high priority for the sector.

03

The project aims to achieve sustainable prices, while implementing environmentally friendly practices and achieve internationally recognized certifications.



**Estimated Investment** 

**OMR 10 mn** 



Capacity

The farm is expected to produce **500 ton/year** of Haliotis Mariae



Location

Located in Sharbathat a **total of 300,000 sq.m** have been made available for the project



**Demand** 

**6.3%** of average annual global revenue growth rate (2023-2028) – reaching **bn US 871** 

# The investment will be complemented by Oman's competitive incentives







Stable Regulatory Environment



Tax Exemption for Five Years (Could Be Longer Under Certain Conditions)



No Income Tax for Individuals



Freedom of Transferring Capitals And Profits



Full Foreign Property Rights



One Stop Shop Service



Ease of Registration

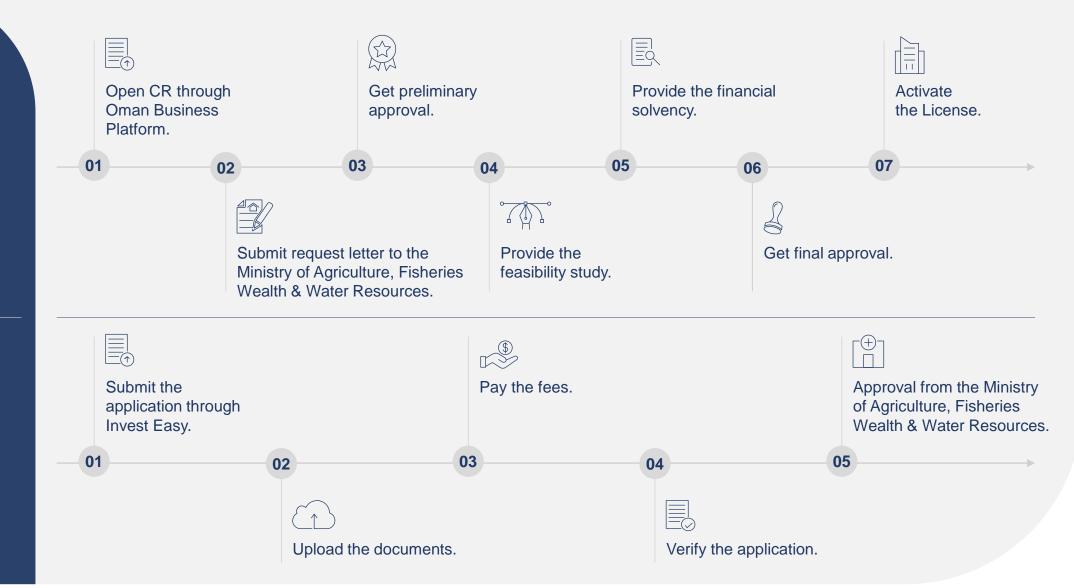


Various Forms of Legal Entities + Benefits

#### Oman also offers a simple and streamlined investment process







License Journey

### **They chose Oman**



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