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حوارات تجارة
Tejarah Talks

Issue 3 of 10 - 2025

REAL CONVERSATIONS
REAL IMPACT

REGIONAL COLLABORATION

About Tejarah Talks

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Tejarah Talks is organized by Oman Business Forum in association with the Ministry of Commerce, Industry & Investment Promotion. With a firm focus on Oman's current and future business, export and investment environment, Tejarah Talks is a series of informal, interactive discussions that brings together some of Oman's most inspirational and innovative thinkers and doers to share their stories, insights and ideas with an enthusiastic crowd. It is a platform for positive interaction.

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Talking Point 1

ALTOGETHER BETTER

Regionalism was never an abstract theory it was a political move born from the ruins of World War II. When French planners and German industrialists bound their coal and steel sectors together in 1951 they weren't chasing market efficiency but preventing conflict.[1] The result - the European Coal & Steel Community - became the prototype for the European Economic Community and later the European Union (EU). Its purpose was practical, to weld national economies into a structure sturdy enough to resist both internal rivalry and external shock.

The lesson - that economic integration can substitute for political mistrust - travelled far beyond Europe. In Southeast Asia, regionalism took root not through ideology but through necessity. The 1997 Asian financial crisis exposed how tightly bound the region's economies had become and how little institutional capacity existed to absorb contagion. The response was swift and instructive - the Chiang Mai Initiative Multilateralization (CMIM) a self-insurance pool linking the 10 ASEAN states with China, Japan and South Korea.[2] It was followed by the ASEAN Free Trade Area and two decades later the Regional Comprehensive Economic Partnership (RCEP) the world's largest trade bloc by population.[3]

Replacing Globalization

What distinguishes the twenty-first century from earlier cycles is that regionalism has replaced globalization as the working grammar of the world economy. The WTO estimates 60% of all trade now occurs within regional blocs and in Asia the share of intermediate goods traded inside the region exceeds 70%.[4|5] Today, the old story of frictionless global markets has been replaced by something more rooted, a world of interlocking regional networks defined by logistics, trust and proximity.

Yet this isn't a reversal of globalization but its recalibration. The COVID-19 pandemic, energy shocks and tariff wars of the 2010s and 2020s exposed a system optimized for efficiency, not endurance. UNCTAD's World Investment Report 2024 notes an 8% fall in investment in real productive assets, while IMF modelling suggests tariff escalation on green-tech inputs could cut roughly 0.6% from global GDP by 2027.[6|7] Supply chains that once stretched across continents are being redrawn into shorter, more defensible corridors. Economies are learning that insurance, not just openness is the new price of participation.

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Open Regionalism

Every functioning region balances proximity with governance. Europe's model is the most formal - law and institution first, markets second. ASEAN's is the opposite - trade first, bureaucracy second. The EU's treaties created a hierarchy of rules designed to outlast elections. ASEAN's flexibility - what officials call "open regionalism" allows members at different stages of development to move at different speeds without breaking cohesion.[8|9] Both paths work because they anchor predictability.

The structural difference lies in the degree of institutionalization. The EU's Stability Mechanism and the European Central Bank provide fiscal and monetary discipline, ASEAN's CMIM offers liquidity support equal to around US$240 billion with swap lines to buffer shocks.[10] The Latin American Reserve Fund (FLAR) performs a similar role for the Andean states, while Africa's new Pan-African Payment & Settlement System (PAPSS) clears local-currency transactions across 16 central banks.[11|12] These aren't political experiments but operational tools, systems built to make interdependence safe.

375

The trend is unmistakable. The WTO lists almost 375 regional trade agreements in force, compared with 262 a decade ago.[13] Most now reach far beyond tariffs to include services, data governance, competition rules and environmental standards — the administrative plumbing of a connected economy. Regional institutions are also deepening horizontally - finance ministries, central banks and infrastructure funds cooperating on parallel tracks. In Asia, for example, the ASEAN Infrastructure Fund and the Asian Infrastructure Investment Bank jointly finance projects tied to regional corridors. In Europe, the European Investment Bank acts as both financier and policy anchor.

Regionalism is less about maps and more about mechanics. It's a search for governance at a manageable scale, large enough for efficiency, small enough for trust. The World Economic Forum (WEF) calls this "resilient regionalism", networks engineered to withstand disruption rather than merely expand trade.[14] The IMF's 2025 Regional Economic Outlook for Asia and the Pacific finds that economies embedded in regional safety nets recovered faster from both the pandemic and energy-price shocks because coordination shortened reaction time.[15] In a world where crises now spread faster than consensus, that time advantage has become decisive.

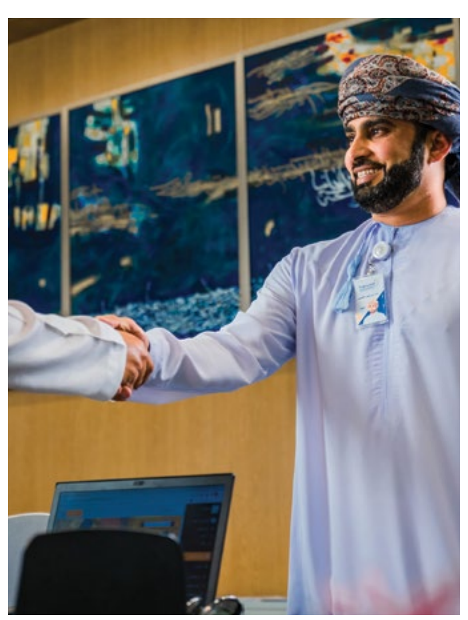
Talking Point 1 - Altogether Better

More FDI

The economic dividend of regionalism lies in measurable results. The EU's single market guarantees legal uniformity across 27 economies, RCEP standardizes customs procedures and rules of origin across 15, covering nearly 30% of global GDP.[16] OECD data show economies inside such frameworks attract roughly 25% more foreign investment and borrow at lower risk premiums than those outside them.[17]

The Gulf states illustrate how technical cooperation translates into resilience. The GCC Interconnection Grid, linking six national power systems, saved members an estimated US$2.2 billion between 2011 and 2016 through shared reserves and coordinated maintenance, projected savings could reach US$24 billion by 2038.[18] The point isn't geography but governance - a rulebook and an operator accountable to performance, not politics.

Oman fits naturally into this evolving landscape. Through ASYAD's integrated logistics platform, the Gulf Interconnection Authority and emerging hydrogen ventures such as HYPORT Duqm, the country is building infrastructure that aligns policy with market logic. Each project, from grid interconnection to green-energy export, reinforces the same goal - convert proximity into reliability. In a world defined by disruption, that reliability has become its own form of capital.



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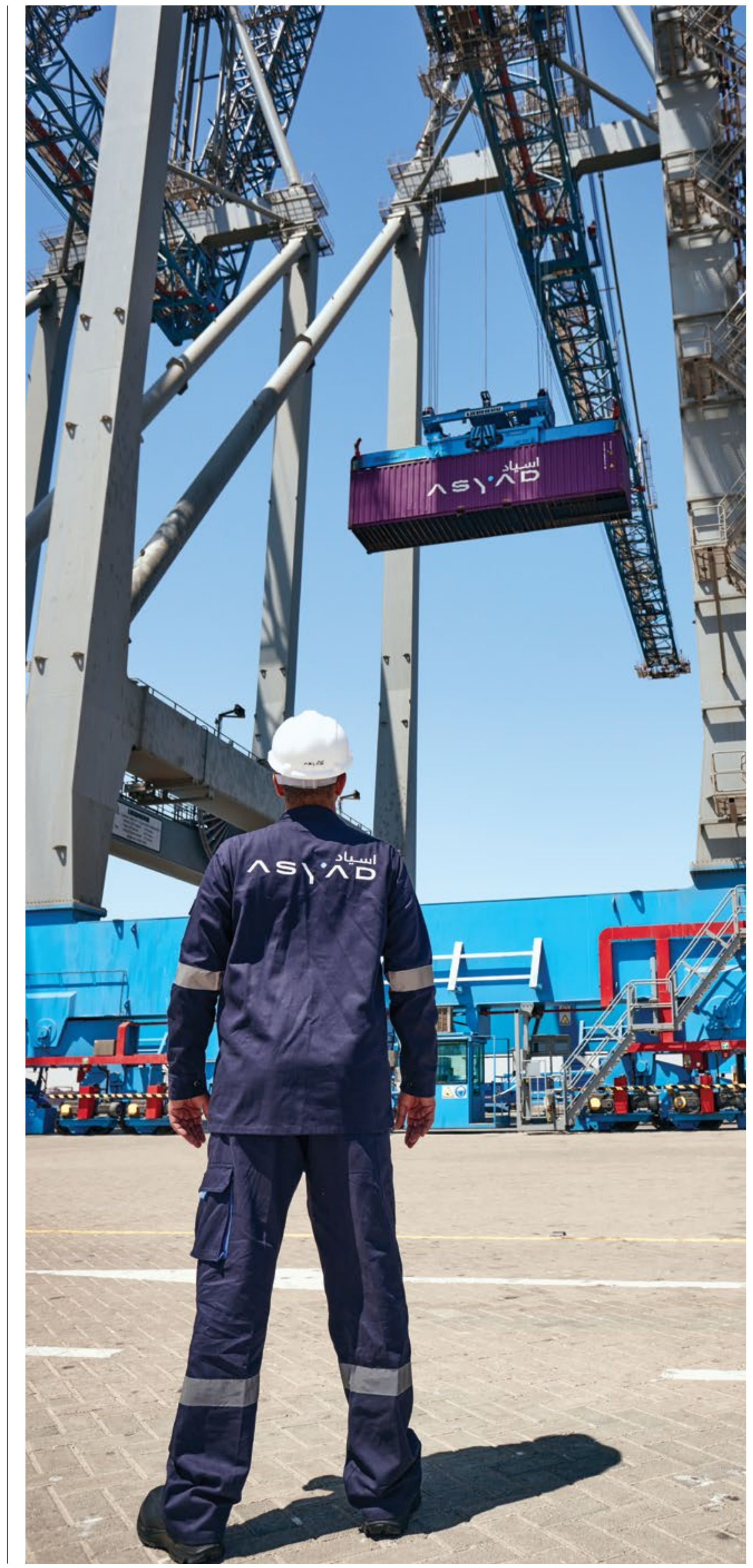
Rewriting the Rules

Globalization once promised infinite reach, just-in-time production, capital without borders, politics on mute. That was a temporary alignment, not an iron law. Since 2018, rounds of tariffs and export controls have re-introduced price wedges, legal-risk and inventory buffers.[5] The IMF has been clear - sustained tariff increases and policy unpredictability would slow global growth versus a low-tariff baseline. Its recent analysis frames tariffs as a structural headwind rather than a passing squall.[6]

Capital has adjusted. UNCTAD estimates put global FDI at about US$1.4 trillion in 2024, but once you strip out conduit centres the picture for real-asset investment looks weaker, consistent with a world where firms pay more for insurance - redundancy, proximity, compliance - and less for pure reach.[7] A summary by Reuters of UNCTAD's report warns that tariff-driven uncertainty is weighing on the next wave of projects.[8] The result is a premium on enforceability - shorter routes, interoperable paperwork and regulators who mean what they write.

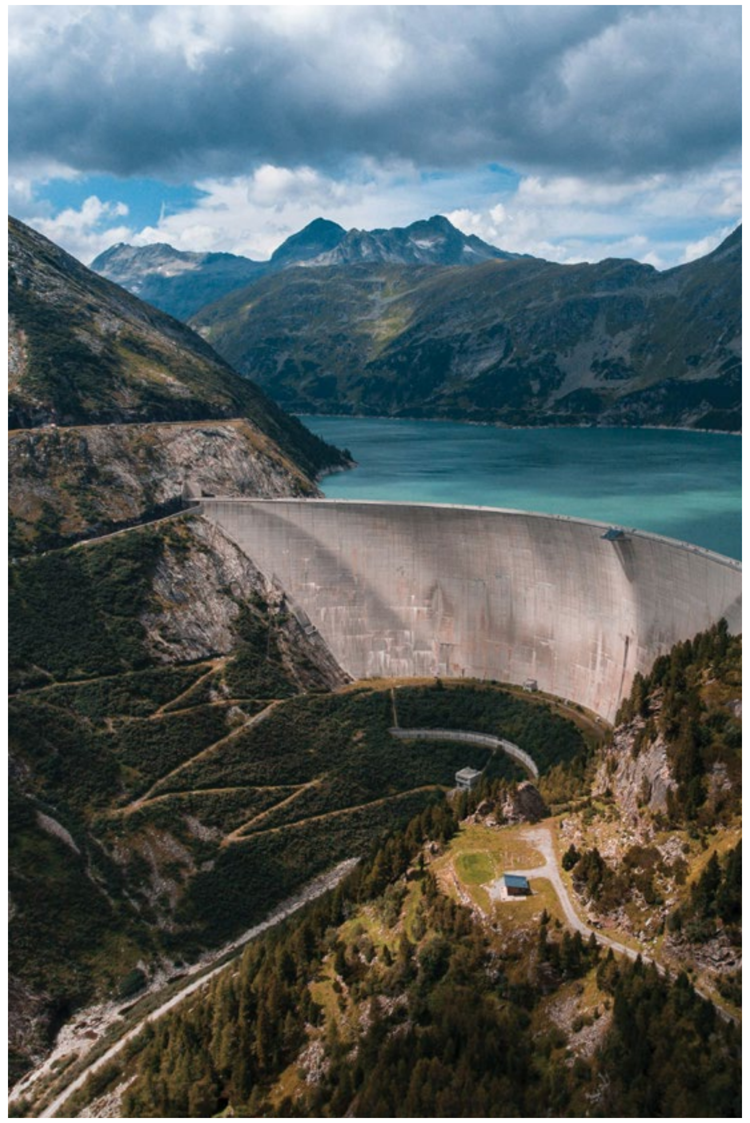
Markets spotted the turn before politicians. The late-2024 "rush" in some export categories was, as several IMF and WTO notes imply, often front-loading before policy changes rather than a real-economy resurgence - once the deadlines passed, volumes normalized to trend.[9] Regions that cope best share one trait, systems that clear transactions without fuss. That's why Mexico, under the United States–Mexico–Canada Agreement (USMCA) rules of origin and customs interoperability has sustained record-scale two-way goods trade with the US.[10]

Oman shows how management turns planning into capital. ASYAD has folded ports, shipping and dry-dock operations into one maritime network. OPAZ keeps the country's free zones and industrial estates aligned with private investment cycles. Projects like HYPORT Duqm's hydrogen plant and be'ah's recycling initiatives turn environmental policy into industry. Each step converts regulation into assets that earn a return, the kind of visible progress investors like and trust.



Talking Point 2

POWER CONNECTION



Few sectors test cooperation as intensely as electricity. Power can't be stockpiled or paused in transit, it has to move the instant it is made. Every imbalance is a test of competence, not intent.[19] Europe's experience shows how technical necessity becomes institutional design. In the early 1990s, Norway's hydropower and Sweden's thermal plants were linked to even out seasonal loads. What began as a bilateral engineering fix evolved into Nord Pool - now Europe's largest power market, clearing more than 1,100 TWh annually across eight countries.[20] Its stability rests on the simplicity of its rules - independent regulation, transparent pricing and the understanding that reliability depends on engineers.

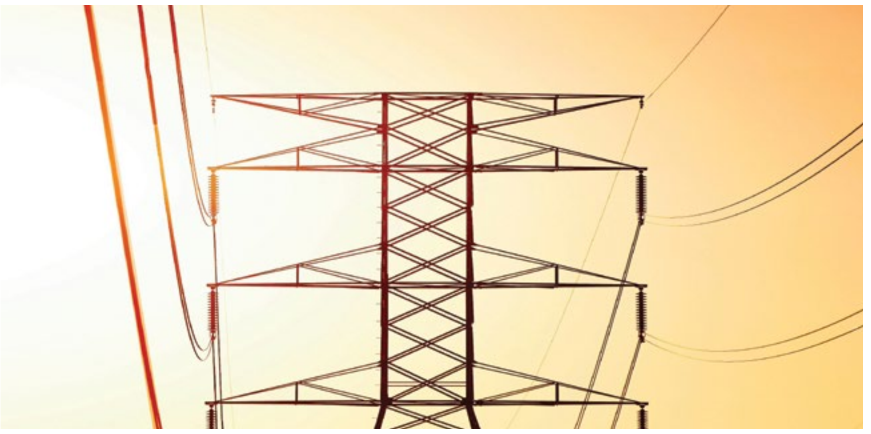
Shared Capacity

The Gulf's experiment has followed a tougher route through harsher terrain. The GCC Interconnection Authority (GCCIA) founded in 2001, connects six national grids where peak summer demand can approach an estimated 150 GW. As mentioned earlier, shared capacity and coordinated maintenance have produced measurable returns. Between 2011 and 2016, the network saved its members around US$2.2 billion through lower reserve requirements and deferred investment in new plants.[21] Studies by the World Bank suggest cumulative benefits could exceed US$24 billion by 2038 as renewable generation and storage are added to the mix.[22]

Cumulative benefits could exceed US$24 billion by 2038 as renewable generation nd storage are added to the mix.

Elsewhere, Europe's North Seas Energy Cooperation (NSEC) has shown how paperwork not hardware determines momentum. Nine countries have committed to build 76 GW of offshore wind by 2030 and nearly 200 GW by 2040 under contracts that set out who builds, who pays and who maintains.[23] In West Africa, by contrast, the regional power pool remains largely underused despite new transmission lines, the equipment exists, but the governance doesn't.

Oman's participation in the Gulf grid strengthens the reliability of its national system, but Duqm's green hydrogen plants will operate on their own renewable power. The North–South Interconnection Project (Rabt) now under construction will, once finished, link Duqm to the main network and by extension to the GCC grid. That wider connection matters less for generation than for stability, allowing spare capacity to circulate regionally, limiting the risk of disruption. Each added link turns local production into part of a collective reserve, where one country's surplus becomes another's security.[24]



The same infrastructure that moves electricity is starting to move trade. ASYAD's ports and logistics routes turn power connections into commercial ones, linking factories, shipping lanes and finance into a single network. Reliability becomes measurable and efficiency turns into profit. When systems work as precisely as the machines they power, interdependence stops being a risk and starts being an advantage.

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Talking Point 3

TRUST, TRADE, TARIFFS & FTAS

As discussed earlier, trade depends on confidence, the belief that contracts will outlast election cycles. Since 2018, tariffs and export controls have redrawn that landscape, diverting supply chains toward regions that combine scale with credible governance.[25] The North American experience offers a good example. Under USMCA cross-border trade in goods reached record levels in 2024.[26] Mexico's exports jumped to roughly US$470 billion, driven by automotive and electronics manufacturers relocating production closer to their markets.[27] Geography mattered less than predictability, the framework gave investors assurance that rules of origin and labour standards would hold.

Asia's trade system has grown piecemeal, not by grand design. The ASEAN Free Trade Area began as a tariff-cutting pact and evolved into a web of common standards and mutual recognition. ASEAN has now overtaken the EU as China's largest trading partner, according to recent trade data, while the RCEP links 15 economies that together account for about 30% of global GDP. Components produced across several member states can count as regional goods – a rule that effectively turns supply chains into regional industries.[28|29]

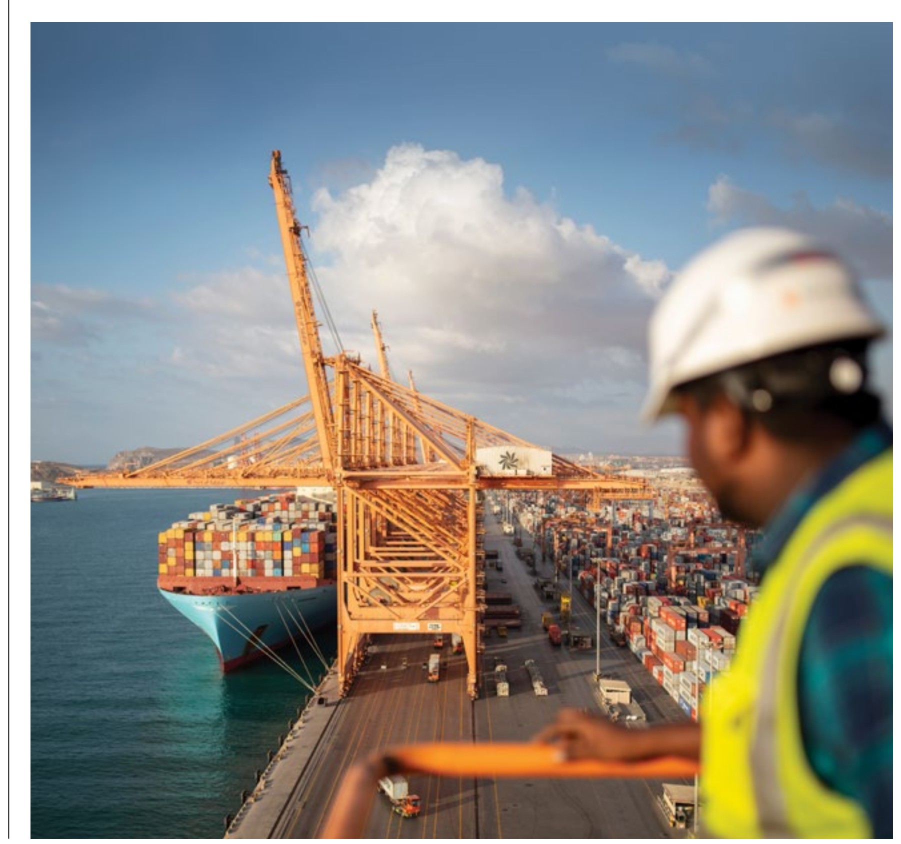
Protection vs Liberalization

Modern trade agreements are increasingly written as systems of protection, not just liberalization. The EU - Japan Economic Partnership Agreement, worth around US$150 billion a year, removed nearly all tariff lines but, more importantly, bound both sides to enforceable clauses on labour, digital governance and the environment.[30] The Digital Economy Partnership Agreement (DEPA) between Chile, New Zealand and Singapore goes further, setting common standards for e-payments, cross-border data exchange and digital certification, the fine print that lets smaller exporters operate with the same certainty as multinationals.[31]

The EU–Japan Economic Partnership Agreement, a US$150-billion deal, removed nearly all tariffs.

The GCC is taking a similar route. Its economic diplomacy now extends well beyond hydrocarbons to include services, digital trade and investment protection. Negotiations on free trade agreements - including those with the UK and Pakistan - form part of a wider effort to turn geography into legal advantage.[32] The revised GCC–Singapore deal, which adds provisions on e-commerce and data, follows the same logic. Around the world, the WTO counts nearly 400 regional trade agreements in force, and OECD research finds that "deep" accords covering services and digital standards generate more regional production than tariff cuts alone.[33]

Oman's experience shows how regional integration works in practice. Its ports at Duqm, Suhar and Salalah now compete on process as much as on scale. Efficiency is measured in clearance minutes and in the accuracy of the paperwork that travels with every shipment. ASYAD's digital systems have cut delays and linked port data to customs and finance. Digital-trade frameworks have lowered costs for smaller firms. The result is a trading environment defined less by location than by reliability. Globalization hasn't collapsed, it's reorganized itself into clusters of trust. Trade now moves along corridors where contracts are honoured and rules enforced.



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Talking Point 4

WASTE, WEALTH & CIRCULAR ECONOMY

Waste has stopped being a nuisance and become an industry. Every region now faces the same question - how to turn landfill into value. The answer lies in coordination, linking markets, setting standards and making recovery as investable as extraction.[8] And the scale is enormous. UNEP's Global Waste Management Outlook 2024 projects global municipal waste rising from 2.1 billion tonnes in 2023 to 3.8 billion tonnes by 2050. Management already costs about US$250 billion a year and could reach US$640 billion without reform.[9] Yet waste sits on both sides of the ledger - a liability if mismanaged, a resource if reused. The OECD and WEF both point to the same conclusion, circular systems that design recovery into production can cut raw-material demand by 15 - 20% and emissions by roughly a third.[10]

Europe has gone first. The EU's revised 2024 Waste Shipments Regulation tightens controls on exports to non-OECD destinations and channels investment into domestic recycling.[12] Hazardous waste now must be treated inside the bloc, the documentation is standardized and transparent. The result is a new market in secondary raw materials, industrial policy delivered through environmental law. The principle is simple - waste is a product and regulation is the platform that gives it price.

Falling renewable-energy costs are now fusing recycling with power generation. As factories electrify, more recycling processes switch from fossil-fuel heat to clean electricity. Research by WEF finds that these process changes and electrification account for most of the current reduction in industrial emissions.[13] Energy infrastructure is starting to double as industrial infrastructure, the power lines that run grids now also power recovery.

The principle is simple - waste is a product and regulation is the platform that gives it price.

New Friction Points

Asia's approach is administrative rather than legislative. ASEAN's circular economy agenda sets regional definitions for what counts as recyclable and how it can cross borders.[14] The UN's regional agencies, UN ESCAP and UNEP, back the effort with shared databases and labelling systems.[15] As tariffs fall, conformity and data are becoming the new friction points. The region's aim is not only cleaner production but a functioning market in recyclable goods, one where certification travels as easily as containers.

The Gulf's opportunity looks much the same, though its starting point differs. Across the GCC, recoverable materials - construction debris, plastics, organics - remain abundant, yet recycling rates are still below 10% in several countries.[16|17] That's changing as standards tighten and technology providers enter. Policy and finance are aligning to make recycling bankable - feedstock streams are being measured and pricing mechanisms are emerging.

Oman offers an early case study. The national waste company be'ah has moved from basic collection into materials recovery, landfill-gas capture and industrial recycling.[18] It publishes operational data and performance metrics, converting regulation into predictable cashflow. The next step is cross-border interoperability - common definitions, certification and logistics standards so recovered materials can move between GCC markets and feed local manufacturing.[19]

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Talking Point 4 - Waste, Wealth & Circular Economy

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FOR FINANCIERS, THE INCENTIVES ARE OBVIOUS. SHARED STANDARDS REDUCE FEEDSTOCK RISK, MAKE QUALITY AUDITABLE AND OPEN THE DOOR TO SUSTAINABILITY-LINKED FINANCE.[20] CIRCULAR INDUSTRY ISN'T AN ESG SIDE PROJECT, IT'S INDUSTRIAL STRATEGY IN PRACTICE, A HEDGE AGAINST VOLATILE COMMODITY PRICES AND A MEANS OF TURNING REGULATION INTO RETURNS.

Talking Point 5

THE DIGITAL & FINANCIAL WEB

Regional integration no longer moves just by ship or truck. The most valuable flows are now monetary and digital, quicker and lighter than any container trade.[24] Africa offers the clearest proof of concept. The Pan-African Payment & Settlement System (PAPSS) built and backed by central banks, clears cross-border payments in local currencies within minutes. The tech works, the next test is depth - building liquidity and confidence so banks trust the system as much as they trust the dollar.[25]

Asia is already operating at scale. Under the ASEAN+3 framework, local-currency bond markets exceed US$20 trillion, recycling regional savings and cutting dependence on dollar settlement.[23] China's Cross-Border Interbank Payment System handled 1.9 million renminbi transactions in Q1 2025, giving manufacturers and traders rails that stay open regardless of geopolitics.[24]

The Gulf is designing its own financial highway. Project mBridge - a cross-border payment platform linking the digital currencies of Hong Kong, China, Thailand and the UAE with Saudi Arabia joining in 2024 - has cut settlement times from days to seconds. The system uses central-bank digital currencies to move money directly between national authorities, removing the need for dollar-clearing intermediaries. With the project reaching its Minimum Viable Product stage in 2024, it's already shown how regional payment infrastructure can match the efficiency of private networks while keeping control in public hands.[25] For a region that trades energy for capital across multiple time zones, the attraction is obvious - faster transfers, lower costs and greater autonomy.

Data networks are moving in parallel. East Africa's One Network Area scrapped most roaming charges between several EAC states, boosting cross-border calls and data use almost overnight.[26] A small administrative change did what years of conferences hadn't - real integration that citizens can measure.

Trade itself is becoming software. The World Bank estimates digitizing border procedures can cut trade costs by a fifth and halve delays.[27 | 28] Gulf economies are already following that playbook - Oman's Bayan Single Window ties customs and agency approvals into one platform and ASYAD's digital systems have made paperless operations standard across Oman's ports and shipping lines.[29 | 30] Every minute saved at a terminal is cash recovered in working capital.

Today, finance and data are merging into a single infrastructure of trust. Regions that master both, solid payment systems matched with interoperable data standards, will capture the investment others lose. Investors follow proof, they go where the systems work and the numbers add up.[31]

Faster transfers, lower costs and greater autonomy.

Footnotes

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Talking Point 6

SOUTH SOUTH COLLAB

BAPA, gave political form to an idea that had been growing since the Bandung Conference of 1955 - that countries once described as “developing” could become one another’s best teachers.

When 138 nations gathered in Buenos Aires in 1978 to adopt the Plan of Action for Promoting and Implementing Technical Cooperation among Developing Countries few imagined they were founding a permanent tier of global governance. The Buenos Aires Plan, known as BAPA, gave political form to an idea that had been growing since the Bandung Conference of 1955 - that countries once described as “developing” could become one another’s best teachers.[34]

For its first 20 years, South–South cooperation was largely diplomatic, an alliance of post-colonial economies asserting equality within a global order dominated by northern capital and expertise. By the early 2000s, however, this conversation had become an economy in itself. The UN now estimates trade among developing countries accounts for more than 27% of world trade, up from barely 10% at the start of the century. UNCTAD data show that outflows of FDI from developing economies reached roughly one-third of global totals in 2024.[35|36] What began as a political movement has become a structural feature of the world economy.

Countries in the Global South face many of the same pressures - to industrialize, create jobs and adapt to climate change and they learn fastest from peers dealing with similar challenges. Traditional North–South aid still plays a role but moves slowly and comes with conditions. South–South cooperation focuses on what can be copied - digitizing land records, rolling out low-cost renewables, designing local bond markets. The IMF now regards these exchanges as part of the global financial system, not as side projects in development.[37]

UNCTAD data show that outflows of FDI from developing economies reached roughly one-third of global totals in 2024.

Scale of Exchange

Measured by output, South–South collaboration has become a central engine of global growth. The World Bank calculates that between 2000 and 2024 developing economies contributed more than 55% of total global GDP growth with intra-South trade explaining almost half of that increase.[38] The flow is multidirectional - Asian capital funds African manufacturing, African commodities power Asian industry and Latin American food exports fill Asian supply chains. The WEF calls this “the new geometry of interdependence” - a network of emerging hubs where trade, tech and knowledge intersect without necessarily passing through Western institutions.[39]

Concrete successes illustrate the point. Brazil’s agricultural research agency Embrapa has trained technicians from over 40 African states in tropical farming techniques suited to semi-arid climates. India’s Pan-African e-Network links hospitals and universities across the continent through telemedicine and distance learning. China’s solar-manufacturing know-how has been replicated in Egypt, Vietnam and Kenya through JV models rather than concessionary loans. Cuba’s medical missions, long a symbol of soft power, have been recast as multilateral partnerships financed by host governments and international funds. Each case embodies the same principle, adaptation rather than instruction.

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Talking Point 6 - South–South Collab

2025: A Turning Point?

South–South cooperation is entering a new phase, one defined less by symbolism and more by system design. The 2025 UN Global Report on South–South and Triangular Cooperation identifies four emerging characteristics. First, institutional maturity, over 80% of developing countries now operate dedicated agencies to manage South–South programs, many integrated into ministries of planning or finance.[40] Second, financial innovation, pooled funds, sovereign co-investment vehicles and regional development banks are financing joint projects in renewable energy, digital infrastructure and food security. Third, sectoral deepening, cooperation now extends into areas once considered domestic - taxation, financial regulation, social protection - reflecting the convergence of policy challenges across the South. Fourth, knowledge codification, digital platforms such as UNDP's South–South Galaxy make hundreds of case studies and technical guides publicly available, allowing replication without formal mediation.[41]

UNCTAD estimates investment between developing economies reached about US$610 billion in 2024, demonstrating how South–South capital now moves at scale. Remittances to low- and middle-income countries, mostly within the South, added another US$550 billion that year. In energy, projects linking Indonesia, UAE and Kenya in geothermal and solar development show what this new cooperation looks like in practice, shared risk, shared ownership, shared technology.[42]

Challenges & Progress

The system still strains under its own weight. Three problems stand out. First, uneven capacity. Large emerging economies have the money and institutions to lead, smaller ones risk being pulled along on their terms. Second, limited finance. South–South funds disburse less than US$25 billion a year, far short of the US$200 billion in infrastructure investment the World Bank says developing economies need annually.[43]
Third, governance. Many projects still depend on goodwill rather than rules, leaving gaps in transparency, environmental standards and debt management.

Global institutions are adapting. The IMF and World Bank now build South–South mechanisms into their programs, treating them as part of the system, not a rival to it.[44] The UN Development Coordination Office calls this "networked multilateralism", regional and South–South frameworks feeding into global solutions instead of working alone.[45] WEF's 2025 report makes the same point in strategic terms - in a fragmented world economy, South–South cooperation is one of the few forces still capable of holding it together.[46]

Talking Point 7

Over the next 10 years, the direction is likely to be consolidation rather than expansion, deeper partnerships within existing corridors, tighter alignment with the SDGs and COP 30 commitments, and greater emphasis on evaluation. Expect three trends. First, institutional convergence. South–South and triangular cooperation will increasingly merge with regional initiatives such as RCEP, AfCFTA and the GCC's expanding trade network, blurring the line between trade policy and development cooperation. Second, climate and technology leadership, developing economies will pool research and manufacturing capacity for renewables, water management and digital infrastructure - areas where South-driven solutions often outperform imported models. Third, data credibility, measurement of South–South impact is catching up. New OECD and UN methodologies aim to quantify not only financial flows but also tech transfer and policy learning.[47]

THREE TRENDS

Three Trends

1 Institutional Convergence

2 Climate & Technology Leadership

3 Data Credibility

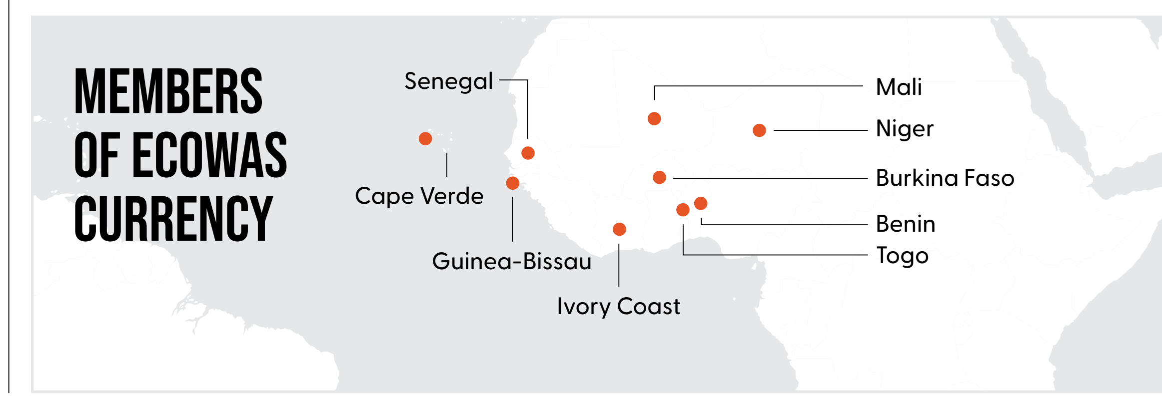
For the Middle East and the wider Indian Ocean region, these trends are especially promising. As Gulf states diversify and channel investment into Africa and South Asia, they're positioning themselves at the centre of new South–South trade and investment networks. The flow of logistics expertise, climate finance and renewable-energy technology shows that the region is no longer on the margins of developing-country cooperation but close to its core. The question now is not whether the South can work together, but how well it can build lasting institutions to sustain that collaboration.

Steady She Goes

Regional cooperation succeeds for the same reason it sometimes fails - management. Vision is cheap, delivery isn't. Regions that last are those run through consistent systems and steady competence.[88]

Nord Pool has endured because its market rules are transparent and its operations professional. It clears more than 1,100 TWh of electricity a year on decisions made to technical standards, not short-term priorities. The GCC grid shows a similar pattern of discipline, coordinated maintenance and shared reserves have kept supply reliable across national boundaries.[89] The Pan American Health Organization's pooled vaccine fund, still functioning after 40 years is another example of cooperation built on process rather than personality - audited accounts, clear procurement, prompt payments.[90]

When rules are applied as written, trust accumulates, when they aren't, it erodes.[91] The East African Community cut border-crossing times from days to hours simply by aligning paperwork before changing regulation. ECOWAS, by contrast, has spent 20 years planning a single currency without enforcing the fiscal rules to sustain it.[92] Enforcement really does count.



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Talking Point 7 - Three Trends

Reliable & Predictable

Predictability attracts capital. OECD data show economies with independent regulators draw about 25% more foreign investment than those where decisions change with political turnover.[93] Investors value consistent timetables and clear procedures. Reliability has become a financial asset in its own right. For the GCC, the point is practical. Diversification and market depth depend on agencies that act quickly and transparently, without overlapping mandates or prolonged consultation.[94] Governance, like infrastructure, needs regular maintenance, that means audits, upgrades and performance checks. Institutions built on rules endure, those built on personalities rarely do.[95]

Competent management rarely makes headlines but its absence always does. Economies depend on reliability. Systems that function without constant supervision are becoming the new competitive advantage. In a volatile global economy, steadiness is now the most valuable commodity of all.[96]

Credibility also has a measurable payoff. IMF and World Bank research links a one-point improvement in governance indicators to a 20–30 basis-point fall in borrowing costs and higher productivity across sectors.[97] For open economies, that discount compounds across every bond and infrastructure loan. The same applies to global competition. In a world of strained supply chains, regions that can enforce standards and settle disputes without delay are gaining strategic weight. WTO and OECD data show predictable regional systems attract a disproportionate share of new investment in critical minerals, semiconductors and renewables.[98] The contest between blocs now turns less on ideology than on administration - who can make the rules work.

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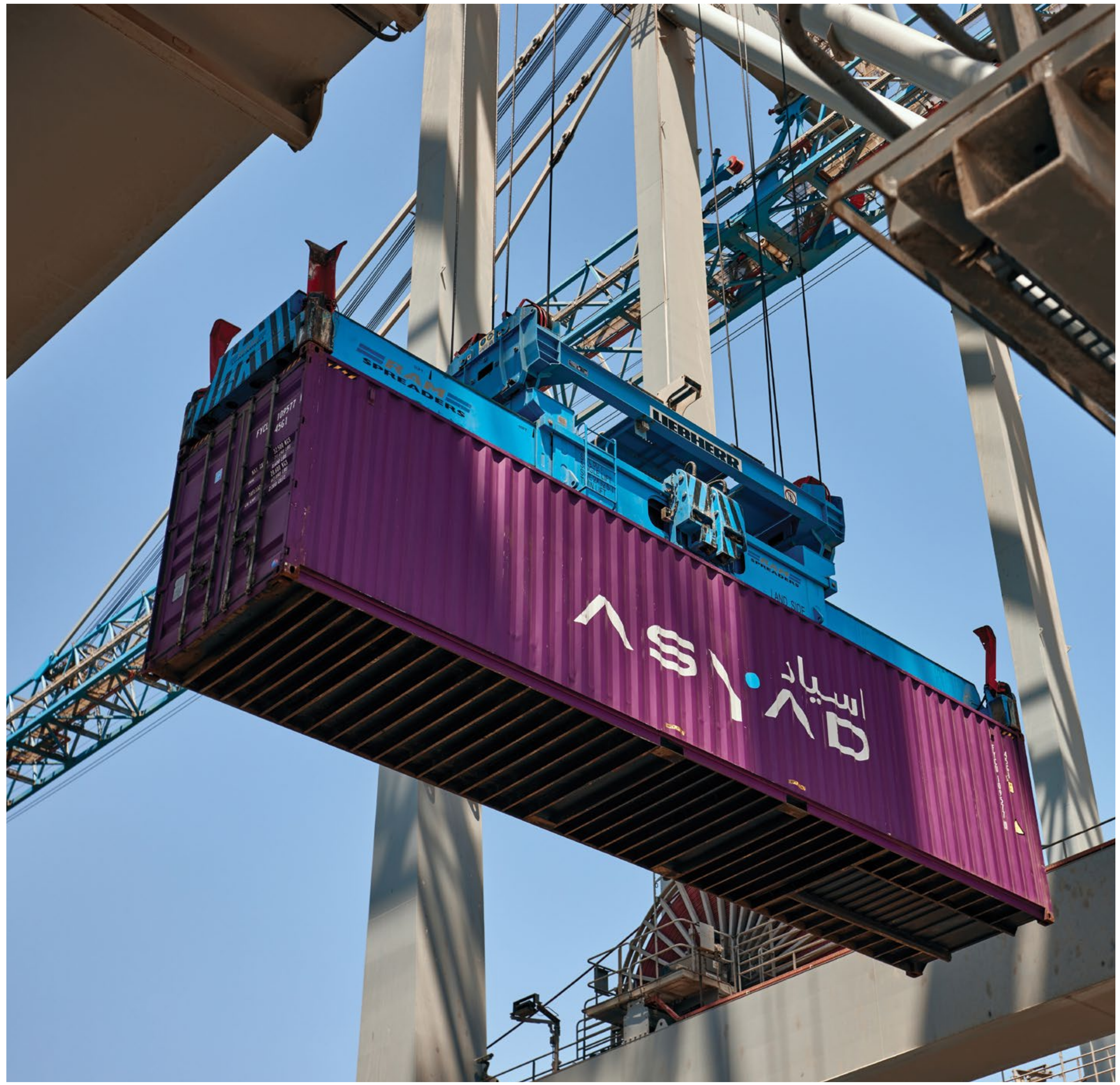

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Dependable Partners

Growth forecasts tell the same story. The OECD expects world GDP to rise 3.2% in 2025 and 2.9% in 2026, slowed by tariffs, industrial rivalry and regulatory friction.[99] WTO monitoring adds that thousands of new trade restrictions appear each year.[100] Companies are shortening supply chains and choosing dependable partners over cheaper ones. The just-in-time model has become the just-in-case economy.[101]

Well-run regional systems remain the best hedge against uncertainty. Deep trade agreements standardize rules and draw investment, shared grids cut costs, circular economy regulations turn waste into feedstock, integrated finance and data platforms reduce friction and risk.[102] Predictability itself is now an economic resource. OECD analysis finds that countries inside comprehensive trade frameworks attract far more investment because enforceable contracts and clear data outweigh incentives and subsidies.[103]

For the Gulf, the next phase is about consolidation. Strengthen what already works, power links, digital customs, circular industry standards and cross-border payment systems. Connect ports and free zones with finance and data networks so goods, capital and information move together. Use regional frameworks to draw in private finance at lower risk. The recent rare-earths truce between Washington and Beijing may calm markets for a while, but lasting advantage will lie with networks that keep operating when diplomacy stalls.[104]

Reliable regional cooperation, contracts honoured, data aligned, agencies independent remains the working model for a slower, more contested world economy.[105] It keeps trade moving, capital engaged and geography relevant. In a period when uncertainty has become structural, advantage rests with those who can still deliver on schedule.

One-on-One

THE NEIGHBOURHOOD ADVANTAGE

ENG. AHMED AKAAK
CEO
SEZAD

Regional collaboration has become the new watchword. What does it mean for Duqm?

Geography has always been Duqm's strength - not as an accident of the map but as part of a deliberate strategy to connect three continents. What's changing isn't Duqm, but the way global trade is being organized. As tariffs, shipping costs and geopolitics redraw trade routes, companies are rethinking the logic of distance. The price of a container from Shanghai to Europe quadrupled during the pandemic, but the real story wasn't about freight rates. It was about risk. Long supply lines meant long exposure.

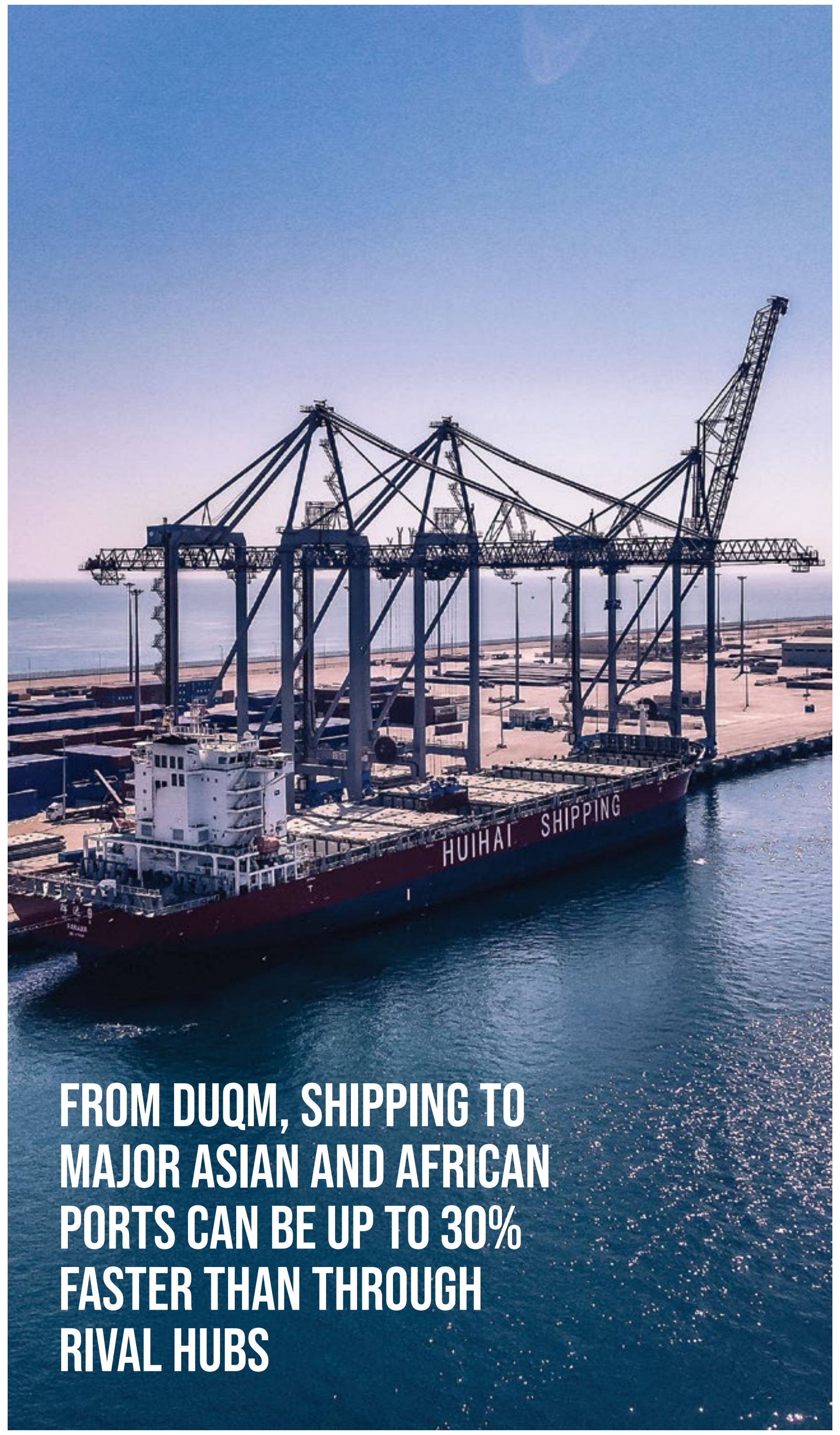
That's where regional collaboration comes in. The Middle East, Africa and South Asia are no longer peripheral links in a chain stretching to Europe or China, they're becoming a network in their own right. Duqm's value lies in that network: a stable, scalable and well-connected base that allows goods, energy and ideas to move more efficiently within the region. In an era when "just in time" is giving way to "just in case," collaboration between neighbouring economies is how you keep production, logistics and investment steady.

So Duqm's story is regional, not just national?

Always has been. The zone was never meant to operate in isolation. We see ourselves as part of a regional system linked to Oman's other ports, connected to Indian Ocean shipping routes and integrated with markets across the Gulf, Asia and Africa. Duqm isn't competing with Suhar or Salalah - together we offer a complete logistics network. Integration builds resilience that any single port can't achieve on its own.

How is that reflected in the numbers?

SEZAD covers around 2,000 square kilometres, making it the largest special economic zone in the MENA region. More than 13,000 people work here, investors from 34 countries are active, and cumulative investment has passed US$16 billion. Those are impressive numbers. Yet the ones that really matter are about time. From Duqm, shipping to major Asian and African ports can be up to 30% faster than through rival hubs. The World Bank ranks Oman first in the Gulf for import and export compliance times - not the kind of statistic that grabs headlines, perhaps, but it's the one that matters most to anyone moving goods across borders.



FROM DUQM, SHIPPING TO MAJOR ASIAN AND AFRICAN PORTS CAN BE UP TO 30% FASTER THAN THROUGH RIVAL HUBS

One-on-One

What's changing inside the zone itself?

The industrial base is widening. Duqm Refinery, now upgraded to 255,000 barrels a day, anchors a petrochemical cluster serving packaging, mobility and construction industries across the Gulf. SIMAK has the capacity to produce 100 million cans of tuna a year, showing how food manufacturing is becoming part of the mix alongside heavy industry. Jindal Shadeed's green-steel project will produce low-carbon steel for the automotive industry. Together, these developments are creating a network of industries that trade and grow alongside each other, rather than standalone projects operating in isolation.

The circular economy is a big theme. How does Duqm fit?

Waste is still one of the world's most undervalued resources. The World Bank reckons cities generate about 2.2 billion tonnes of municipal waste a year, on course for nearly 4 billion by 2050. The Ellen MacArthur Foundation estimates that circular-economy systems could unlock some US$4.5 trillion in value by the early 2030s. That's not just a sustainability story, it's an economic one.

We've been exploring what that means for the region. The circular economy featured in our Duqm Now series earlier this year and again at October's Duqm Economic Forum. Across the GCC, around 45 million tonnes of municipal waste are produced annually yet less than 10% is recycled. You don't need a consultant's report to see the opportunity there. Better collection, processing and reuse all add value long before you get to the environmental gains.

Circular activity creates industries around recovery - materials sorting, recycling technology even transport. When standards and markets align, recycling costs can fall by 10-15%. At that point, waste management stops being a public expense and starts looking more like a regional growth business.

Digital trade sounds abstract. What does it look like in practice?

It looks like predictability. Oman's Bayan single-window service connects customs, shipping and payments so traders submit their data once, cutting clearance times from days to just a few hours. The next stage is interoperability - linking these systems across borders so documentation and finance move together. When regional systems start talking to each other, costs fall.

The Oman–India Comprehensive Economic Partnership Agreement (CEPA) is close to signature. How important is it?

Very. On signing, CEPA will lower or remove tariffs on a wide range of goods including the 5% import duty that still applies to many Indian products and give Omani exports easier access to India. It will also encourage Indian exporters to use Omani ports, particularly Duqm, as re-export and logistics hubs for Africa, Europe and the Gulf. Duqm's location gives ships faster, less congested routes into those markets and an alternative when bottlenecks slow traditional channels. In the end, that's policy turning into cargo and paperwork turning into jobs.

Investors always ask about incentives. What's your pitch?

Let's keep it simple: 0% personal income tax, 100% foreign ownership, free capital repatriation and competitive utility rates. The bigger incentive is functionality. Investors care less about what's waived and more about what works. Infrastructure, governance and digital systems that's the real incentive package.

0% Personal Income Tax

100% Foreign Ownership

Collaboration isn't just infrastructure, it's governance. How does Oman fit that picture?

The best regional projects, whether in trade, health or finance, work because they're run professionally and transparently. Oman offers that culture. Decisions are implemented, data is published and institutions operate predictably. It's a blend of stability and openness and that reliability is what investors value most.

How is Duqm positioned in the region's new investment map?

We're the connector. Globalization hasn't gone away it's reorganized around competence and geography. The next phase of growth will belong to regions that can prove they work. For us, that proof is practical - ships that sail on time, factories that run efficiently and customs systems that clear goods without delay. That's what investors notice.

Our job is to keep improving those fundamentals. As trade across the Gulf, Asia and Africa becomes more intertwined, Duqm's role is to make the connections smoother - the port that links to regional markets, the special economic zone that gives manufacturers a reliable base, the location that keeps supply chains steady when others slow down. Investment follows that kind of consistency and delivery. In an unpredictable world, reliability is a form of influence and that's what Duqm offers.

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1

THANK YOU
TO OUR PANELISTS & ALL
THOSE WHO ATTENDED

2

1. Jamal Al Asmi, session moderator
2. Panel deep in discussion
3. Q&A

3

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