

# POLICY BRIEF

A summary for decision making of key research findings

## Tourism development: Does Oman's political neutrality matter?



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## Summary

“This study aims to evaluate tourists’ attitudinal and behavioral loyalty antecedents towards tourism in Oman. Specifically, it shows the effects of Oman’s political neutrality on tourism inflows and tourists’ perceptions of Oman as a tourism destination, given its location, security, and cultural heritage”

## Background

The tourism sector’s contribution to the national GDP is estimated to 2.5%. As a target for Oman’s 2040 Vision, the share of the tourism sector to the GDP is targeted to be a little over 6%. This objective could be viewed as ambitious given that the biggest spike in tourism’s share of the GDP was in 2015, with an estimated 2.8%. Overall, the tourism balance has been negative for the past 5 years. Based on the previous trends and current global economic issues, the sector needs to work overtime to ensure that by 2040, its goals would be met.

### The objectives of the study are threefold:

- Examine and describe the differences between Omani and non-Omani tourists’ attitudes and impressions of Oman as a tourist destination.
- Demonstrate the demographic and psychological differences between Omani and non-Omani tourists.
- Investigate the risk perceptions associated with Oman as a tourist destination by non-Omanis and the role the media, political neutrality policy, and regional conflicts play in those perceptions.

## Key messages

- *Non-Omani tourists have developed both attitudinal and behavioural loyalty for Oman, a sense of attachment, and overall feelings of satisfaction with tourism in Oman, regardless of risk perceptions of the region.*
- *Compared to the Middle East, Oman is seen as a safer destination by the majority of non-Omani tourists. Most believe that Oman’s neutrality policy positively affect the tourism sector.*
- *Omanis are less satisfied with the state of tourism in Oman than international tourists. The perceived value of tourism is significantly low for Omanis and non-Omanis. Both agree that tourism in Oman costs more than what it’s worth and that prices are heavily inflated.*
- *The biggest pull factors for Omani and non-Omani tourists are their personal safety and the availability of tourism information. International tourists are also more interested in educational tourism, culture, and arts; while Omani tourists are driven by the availability of natural and ecological sites.*
- *Most non-Omani’s sources of tourism information are social media, personal experiences, friends and relatives, and travel blogs and sites.*
- *Media can play a great role in tourism development. However, current media coverage has no clear impact on the increasing number of tourists or enhancing their attitudinal or behavioural utility.*

# Recommendations

1. Omani and non-Omani tourists believe that tourism prices are inflated. Decision makers should effectively monitor unrealistic prices and attract more tourism-based investments.
2. Encouraging competition in the sector through administrative and bureaucratic reform should entice investors to enter the market and present a challenge to current tourism vendors.
3. Ecological and natural sites should be accompanied by developed infrastructure and amenities that enhance tourists' experience while maintaining sites' integrity.
4. Tour guides, gift shops, themed restaurants and cafes around these sites could boost their revenues and attract more tourists while addressing the satisfaction levels of Omani tourists.
5. Official forms of media are deemed to be insufficient, difficult to navigate, or outdated. The centralization of marketing efforts is limiting the reach of marketing campaigns. Oman has a powerful and creative youth force to which marketing and advertising efforts could be outsourced to, in order to reach mainstream media.
6. The popularity of travel blogs and YouTube bloggers emphasizes on the need to diverge from traditional marketing campaigns and effectively use new media as a tool to advertise and spread information about Oman as a tourist destination.
7. Oman's image as a serene and peaceful haven is underutilized and should be the focus of marketing campaigns and advertisements, along with Oman's cultural and historical attractions.
8. Oman's image should contrast that of neighboring countries in terms of the experience and what it has to offer, to avoid uniformity and guarantee the unique experience international tourists are seeking. Based on what tourists expect from Oman, the focus should be on cultural and eco-tourism.
9. Local representatives from different areas that have tourist attractions should be included in the development process of those areas, to have better insights as to what these locations actually need in order to maximize their potential.
10. Local tourism can play a greater role during crisis that may block international inflows of tourists, as seen during the COVID-19 pandemic. Having unsatisfied local tourists deflated by the high prices and the sector's inability to reach its full potential would hinder the role of domestic tourism in stimulating the economy during downturns.

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