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The Gulf Military Forces in an Era of Asymmetric War

Oman

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Introduction

Oman is a significant military power by Gulf standards, although its strength lies more in the quality of its military manpower and training than its equipment strength and quality. It also occupies a unique strategic location in the lower Gulf. As **Map 1** shows, Oman controls the Mussandam Peninsula, and its waters include the main shipping and tanker routes that move in and out of the Gulf through the Strait of Hormuz. Its base at Goat Island is almost directly opposite of Iran's base and port at Bahdar Abbas. Oman would almost certainly play a major role in any confrontation or clash between Iran and the Southern Gulf states.

The Strait of Hormuz is the world's most important oil chokepoint, and the US Energy Information agency reports that some 17 million barrels of oil a day move through its shipping channels. These consist of 2-mile wide channels for inbound and outbound tanker traffic, as well as a 2-mile wide buffer zone. If the Strait of Hormuz was closed, or tanker routes could not be used freely, there are only limited alternatives. These include the five million-bbl/d capacity Petrolina (East-West Pipeline) from Saudi Arabia's oilfields near the Red Sea, and the 290,000-bbl/d Abqaiq-Yanbu natural gas liquids line. Under some conditions, the 1.65-million bbl/d Iraqi Pipeline across Saudi Arabia (IPSA) might be re-opened, the 0.5 million-bbl/d Tapline to Lebanon could be reactivated, and more oil could be pumped north to Ceyhan (Turkey) from Iraq. All of these measures, however, would take time and are dependent on political and security conditions. As a result, successful total interdiction of shipping through the Strait could cut world oil supplies by some 10 million barrels a day.¹

More broadly, Oman has a nearly 2,000 kilometer coastline on the Gulf of Oman and Arabian Sea. It is the only member of the GCC with meaningful ports on the Indian Ocean and which might offer relatively secure pipeline routes to the east that would bypass the chokepoint at the Strait of Hormuz.

Oman is a comparatively large country by Southern Gulf standards, with a total area of over 212,000 square kilometers. It shares borders with several other Southern Gulf states: Saudi Arabia (676 kilometers), United Arab Emirates (410 kilometers), and Yemen (288 kilometers). Oman has no long-standing geographic enemies, and maintains peaceful relations with neighboring states. For example, Oman also encouraged the Gulf Cooperation Council (GCC) to permit Yemen to seek entry, despite South Yemen's aiding of the Dhofar rebellion in the 1960's and 70's.²

Oman's own oil and gas resources are limited. The EIA estimates that Oman has proven recoverable oil reserves of 5.5 billion barrels, located largely in the country's northern and central regions. Oman is more important as a gas power. The *Oil and Gas Journal* estimates that exploration raised Oman's proven natural gas reserves from only 12.3 trillion cubic feet (Tcf) in 1992 to 29 Tcf in 2005, and gas exploration continues to be a major priority. In spite of Oman's limited resources, petroleum still accounts for around 75 percent of the country's export earnings and almost 40 percent of its gross domestic product (GDP).³

Oman also has no pressing border disputes. It has demarcated its borders with all neighboring states except for Saudi Arabia, but neither country has expressed concern over this issue.⁴ Oman has, however, had a history of tension and rivalry with Saudi Arabia, which once made substantial claims to Western Oman. It has a more serious history of tension with Yemen, and

Southern Yemen (then the People's Democratic Republic of Yemen or PDRY) not only made claims to Yemeni territory, but sponsored and armed a rebellion in Oman's Dhofar Province. There has been some tension with the UAE over border issues and the UAE's willingness to hire Omanis as members of its armed forces.

These tensions have not prevented Oman from playing a major role in the Gulf Cooperation Council, and in seeking to strengthen its military role and capability. Oman was one of the first states to propose the creation of strong GCC rapid reaction forces and common force building efforts. Saudi Arabia, however, saw such efforts as an Omani effort to obtain military aid from the other Gulf states, and the resulting tensions were yet another factor limiting the GCC's real world role in collective security.

Oman's most serious current potential threat is Iran. Oman has sought to build stable ties to Iran, and had some success in military contacts and dialogue. Iran's WMD, missile, and asymmetric capabilities are potential threats to Oman and the other Gulf States. Yemen too is a potential threat, due to its political instability and the large numbers of militants that reside there.

Like most Southern Gulf States, Oman has sought to deal with these threats by establishing had close ties to Britain and the United States. It has allowed the US to stage out of Omani airfields and air bases on a number of occasions and has granted the U.S. military extensive pre-positioning facilities on the Island of Masirah. It is the only Southern Gulf state to maintain close ties to the British military and security forces, which play a major advisory and training role in Oman.

Map 1: Oman



Source: CIA, "Oman," 1996, available at: http://www.lib.utexas.edu/maps/middle_east_and_asia/oman_rel96.jpg

Oman's Emergence as a Strategic Player in the Gulf

Oman was not a serious strategic factor in the Middle East until after 1970, when the ruling Sultan Qabus bin Said Al Bu-Said deposed his father in bloodless coup. The British organized the coup, and it issued Oman into a new era of international significance.⁵ Qabus improved Oman's relations with the United States and Britain, while trying to balance internal opposition to these close times at home. These partnerships were tested during the Afghan War in 2001, when Oman's Thumrait air base was the primary base for British aircraft fighters.⁶ In addition, the Sultan later provided the United States and Britain with staging bases in Oman for the 2003 invasion of Iraq.⁷

Oman has faced its share of internal instability. Oman's religious breakdown is unique to the Middle East. It is the only state where the majority, 75%, is Ibadhi Muslims. Ibadhis are distinct

from either Shi'ite or Sunnis. Because of Ibadhism's long history in Oman, Sunni and Shi'ite militant groups have not been able to gain as much ground in Oman as they have in other states.⁸

Several large-scale rebellions occurred in Oman during the mid 20th century. The first was the Imam rebellion. The Imam was the spiritual leader of Oman, and since 1920 he had ruled the interior portion of the sultanate, while acknowledging the sovereignty of the Sultan elsewhere. Once oil was discovered in 1954, however, the Imam refused to share his control of the interior with the Sultan, and a rebellion began. The British helped the Sultan expel the Imam in 1959, and the Sultan abolished the position that year.⁹

The most serious rebellion that Oman has had to face in the modern era was the Marxist Dhofar rebellion, which lasted from 1964-1975. The Dhofar rebellion was incited by Communist elements from what became the PDRY or South Yemen, the only Marxist state in the gulf region.¹⁰

When Sultan Qabus took power in 1970, the rebellion had already been raging for six years. To fight more effectively, he sought support from Britain, Iran, and Jordan. He then rearmed and updated the Omani military, which had declined under his father's rule. He offered amnesty to all rebels who surrendered, but aggressively engaged those who did not. By early 1975, the armed portion of the rebellion was crushed, but its political apparatus, the Popular Front for the Political Liberation of Oman (PFLO) would exist until the end of the Cold War.¹¹

Internal Politics and Stability

In terms of internal political stability, Sultan Qabus is one of the most absolute monarchs in the Middle East. He is head of state, prime minister, minister of defense, minister of foreign affairs and finance, commander of the armed forces, and chairman of the Central Bank. There is no opposition to his rule within the royal family that is strong enough to defer his policies, and at present, Sultan Qabus does not have a chosen successor. The succession issue is one of the key internal stability uncertainties Oman faces. Qabus is in his late 60s. He has stated that he has two names of possible successors written in a secret envelope that will be opened after his death, and that the royal family will choose which of the candidates is most acceptable. Qabus does not have a son, and many fear a power vacuum after his death.

Qabus increased the bureaucracy of the state after his ascension in 1970. He created Oman's first criminal code in 1974, and in 1991, he created the Majlis al-Shura to help govern the state. The Majlis al-Shura has little power to propose legislation, and it serves primarily as an advisory board. Oman's 59 local caucuses have had universal suffrage for anyone over the age of 21 since 2002, and they elect a total of 83 members to serve the Majlis al-Shura. Despite its limited powers, the Majlis system does at least give community leaders the opportunity to participate, even though the Majlis functions are mainly administrative.¹² The Sultan appoints both his cabinet and the upper legislative branch, the Majlis al-Dawla (58 seats).¹³

In terms of judicial processes, Oman has taken steps to legitimize its courts system. In 1996, the Sultan created the "Basic Law", which separated the judiciary as a body. In 1999, all the courts were placed under the auspices of the Ministry of Justice, a ministry not headed by the Sultan. To guarantee further court independence, the Sultan removed the Office of Public Prosecutor from the Royal Omani Police, and he has created an independent supreme court.¹⁴

Economic Reform, Diversification and Stability

As has been touched upon earlier, Oman's economy is heavily oil dependent, as oil contributes 40% of the GDP. Oman is attempting to shift from this dependence by developing its gas fields, aluminum smelters, producing petrochemicals, and by becoming a nexus of trade between the GCC and Asia.¹⁵ These efforts focus heavily on "Omanization," a government program designed to increase the percentage of Omani citizens working in the private sector. At present, Omani nationals constitute only about 15 percent of private sector employment.¹⁶

This effort has so far had only limited success. Programs to develop a domestic manufacturing base in the 1980s largely failed. Oman now is focusing on developing industries tied to its natural gas reserves, and mineral and metal deposits of silica, dolomite, copper, and gold. Oman announced in September 2003 that it was reviving a five-year-old plan to build a \$2.5 billion aluminum smelter, which is to begin operation in 2007.

Oman has also sought to create jobs through foreign investment in light industry, tourism, and electric power generation. It has a wide range of foreign investment incentives such as a 5-year tax holiday for companies in certain industries, an income tax reduction for publicly held companies with at least 51 percent Omani ownership, and soft loans to finance new and existing projects. A decree issued in July 2004, allows foreign ownership up to 100 percent in power generation and water. Oman became a member of the World Trade Organization (WTO) in October 2000, and has made further efforts to reduce barriers to foreign investment. It also supports an eventual customs union amongst the Gulf Co-operation Council (GCC) states.

Oman is also seeking to become an energy port and downstream production center for other Southern Gulf states. It is a partner in the participants in the \$3.5 billion Dolphin pipeline project being led by Dolphin Energy Limited (DEL, a joint-venture between the UAE government, Total, and Occidental Petroleum). The project's goal is to create a pipeline system to link the gas networks of Qatar, the UAE, and Oman. Under a deal reached in March 2003, Oman started to supplying gas to DEL in the fourth quarter of 2003. Plans call for the pipeline to reverse direction in 2008, and Oman would then import 200 million cubic feet per day (MMcf/d) from DEL. Oman has also developed much more ambitious plans for oil pipelines from the UAE and Saudi Arabia to an oil port in southern Oman.¹⁷

The CIA estimates that Oman's GDP in purchasing power parity terms is \$40 billion, and its per capita income is \$13,400. Approximately 57% of their population is employed in services, 40% in industry, and only about 3% in agriculture.¹⁸

Military Spending & Arms Imports

Oman is the largest military spender in the Gulf in proportion to its GDP. Its military budgets have steadily increased since 1990. It is estimated that in 1990, Oman's defense budget was \$1.39 billion (or 13.1% of its GDP), then \$1.59 billion by 1995 (13.0%), \$1.75 billion by 2000 (13.0%), \$2.4 billion in 2001 (12.0%), \$2.5 billion in 2002 (12.5%), \$2.46 billion in 2003 (11.3%), \$2.56 billion in 2004 (10.6%), and \$3.02 billion in 2005 (7.3%).¹⁹

Arms deliveries to Oman, however, have declined since the early 1990s. It is estimated that Oman received a total of \$1.2 billion between 1993 and 1996, \$200 million between 1997 and 2000, and \$300 million between 2001 and 2004. It is important, however, to note that Oman's

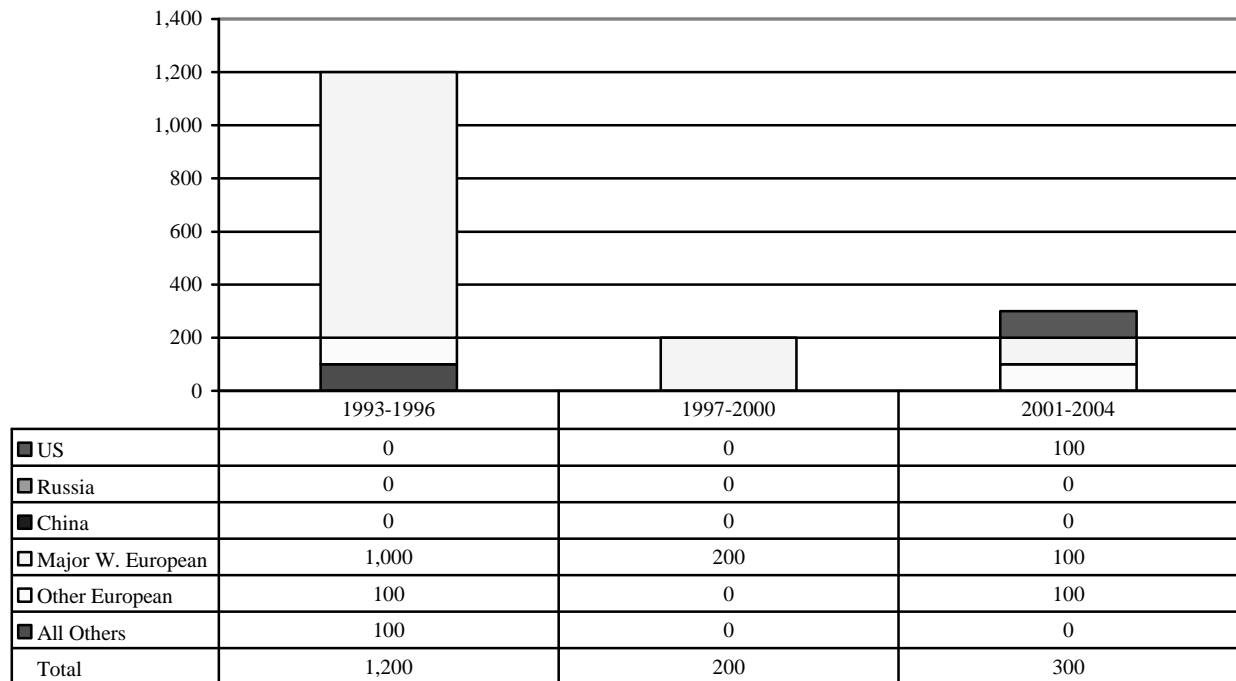
new arms agreements have increased from their low levels of the 1990s. Between 1993 and 1996, Iran signed \$700 million worth of new arms agreements. This decreased to \$300 million between 1997 and 2000, but climbed up to \$2.2 billion between 2001 and 2004.

Oman's greatest supplier of military hardware is Great Britain.²⁰ **Figure 1** shows that between 1993 and 1996, Major Western European powers -- largely Britain -- delivered \$1 billion in arms to Oman. This dwarfs the \$100 million provided by the Other European and Other categories. Many of the weapons provided by Western Europe likely came from previous agreements, as **Figure 2** shows that there were only \$500 million in agreements designated in the 1993-1996 period.

The 1997-2000 period marks a noticeable reduction relative to 1993-1996. **Figures 1 and 2** show that Oman only received \$200 million in weapons and signed \$300 million in new arms agreements. All of the weapons during the 1997-2000 period were provided by Western European nations. The 2001-2004 period marks yet another major shift for Oman for two reasons: first, the increase in weapons agreements and the emergence of the United States as a provider of weapons to Oman.

Figure 1: Oman’s Arms Deliveries by Supplier, 1993-2004

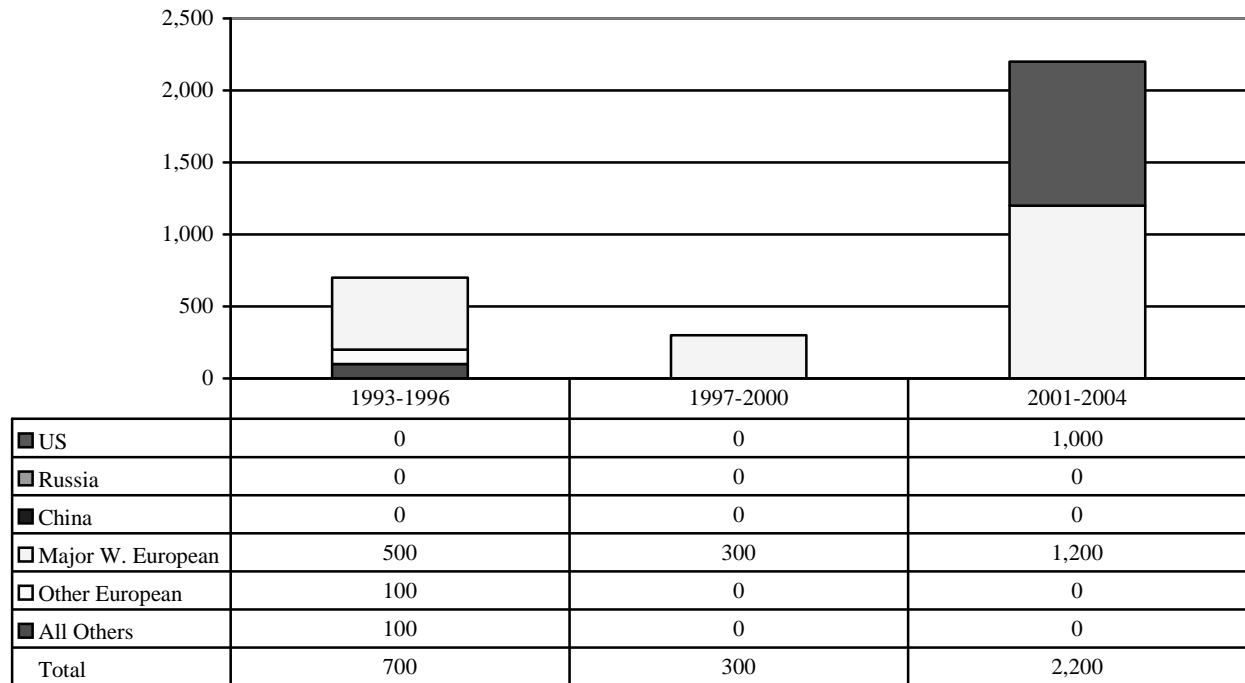
(In Current Million \$US)



Source: Richard F. Grimmett, *Conventional Arms Transfers To Developing Nations, 1997-2004*, CRS, August 29, 2005; and Richard F. Grimmett, *Conventional Arms Transfers To Developing Nations, 1993-2000*, CRS, August 16, 2001.

Figure 2: Oman’s New Arms Agreements by Supplier, 1993-2004

(In Current Million \$US)



Source: Richard F. Grimmett, *Conventional Arms Transfers To Developing Nations, 1997-2004*, CRS, August 29, 2005; and Richard F. Grimmett, *Conventional Arms Transfers To Developing Nations, 1993-2000*, CRS, August 16, 2001.

Military Manpower

As noted earlier, Sultan Qabus began diverting resources into the military after his ascension in 1970, and most critics agree that the results have been impressive.²¹ Oman's armed forces are described by Jane's *Security Sentinel Assessment* as "one of the most impressive (militaries) in the Gulf region." The troops are well equipped, well disciplined, and well trained.²²

Oman's military manpower totaled 44,100 in 2006. Oman had a 25,000 man Army. The Navy had 4,200 sailors, and the Air Force had 4,100 personnel. The Royal Household maintained 5,000 Guards, 1,000 in Special Forces, 150 sailors in the Royal Yacht fleet, and 250 pilots and ground personnel in the Royal Flight squadrons.²³

The CIA estimated in 2005 that Oman had 581,444 young men capable of military service, and that on average 26,391 young men become eligible for military service every year. Oman could clearly expand the size of its military if it wanted, but part of its economic reform includes a reduction on military spending, so a drastic increase is not likely.²⁴

Oman also maintains a moderately sized paramilitary force of 4,400 men.²⁵ This force is small compared to states such as Yemen and Bahrain, whose paramilitaries are similar to their armies in terms of numbers. This reflects Oman's higher level of internal stability, although Oman is scarcely without problems.

The Omani Army

Oman's army now has 25,000 actives, plus a small contingent of Royal Household troops. It is important to remember that Oman has maintained relatively large armed forces ever since the Dhofar Rebellion. It also has exported military manpower to other Southern Gulf states like the UAE. In spite of a comparative large military spending effort, however, it has been relatively slow to modernize its forces.

Force Organization

In 2006, Oman's army was organized into one armored and two infantry brigades, two armored regiments, one armored reconnaissance regiment, one infantry reconnaissance regiment, one airborne regiment, two field artillery regiments, one medium artillery regiment, two rifle brigades, an air defense regiment, two reconnaissance companies, and a field engineer regiment. These regiments are small and are largely battalion equivalents. It has a number of independent company sized formations, including the Musandam Security Force.

Figure 3 shows that Oman's only major recent increase in manpower occurred between 1990 and 2000. Since 2000, the Army's size has remained at levels 25,000. Oman has, however, created two new Rifle brigades over the past six years, and it reduced its reconnaissance companies from 3 to 2 between 2000 and 2005. The Omani Army has focused on making its existing forces more effective and mission relevant, rather than emphasized force size.

Armor and Anti-Armor Weapons

Oman has a relatively limited number of tanks, drawn from both US and British sources. The Army's equipment includes 6 M-60A1, 73 M-60A3, and 38 Challenger 2 main battle tanks, as

well as 37 aging Scorpion light tanks. Readiness and training are moderate, but Oman faces a larger threat from light asymmetric forces than from heavy armor.

Oman relies more on lighter armored vehicles. **Figure 3** reflects a trend by the Army to increase its numbers of APC's and armored reconnaissance vehicles. In 1990, Oman had no armored reconnaissance vehicles. By the year 2000, they had 54, and by 2005 they had 145. A similar trend exists in APCs. In 1990, Oman had 2 armored personnel carriers. This increased to 170 in 2000, and 191 in 2005.

Oman now has 132 VBL armored reconnaissance vehicles, 13 Sultan armored reconnaissance vehicles, and more than 204 APCs, including 175 variants of the Piranha, 6 Spartans, 13 Sultans, and 10 Stormers. Readiness and training in using such systems is again moderate, but Oman has a steadily improving road net, and can deploy and use such systems relatively

Oman has a number of anti-tank guided weapons and light anti-tank weapons. It has 18 TOW-2A, some of which are on armored vehicles, 32 Milan man portable anti-tank guided weapons, and a mix of RPG-73mm and LAW-80 94mm rocket launchers.²⁶ Oman seems to have purchased 100 Javelin anti-tank missiles from the US in January 2005, but those missiles have yet to be integrated into the force structure.²⁷

Artillery

Oman has made a considerable increase in its artillery strength over the past fifteen years. **Figure 3** shows that Oman's artillery count went from 87 guns in 1990, to 20 by 2000, and 233 by 2005. The increase occurred largely in the lighter mortar caliber (Oman acquired 69 81mms between 1990-2000) and in TOWED artillery. Oman also switched its self-propelled artillery to the more advanced 155mm G-6.

Oman now has 24 G6 155mm self-propelled artillery weapons and 108 towed weapons, including 42 ROF 105mm, 30 D-20 122mm, 12 M-46 130mm, and 12 Type 59-1 155mm plus 12 FH-70s. It has 101 mortars of various calibers, including 69 81mm, 12-20 107mm, and 12 120mm mortars.²⁸ Training and readiness are adequate-to-good in the direct fire mode, but limited in terms of artillery targeting and fire control capabilities, and training for joint maneuver warfare.

Anti-Aircraft Weapons

Unlike other aspects of the Omani Army, **Figure 3** shows Oman's Anti-Aircraft weapons have shown little growth over the past sixteen years, though this is difficult to track definitively, due to the disagreement between sources on the number of SAMs they possess.

The exact count of Oman's Air Defense missiles is somewhat uncertain. It seems to have 14-20 Javelin, 34 SA-7, and an unknown amount of vehicle mounted Mistral 2.²⁹ Oman has 4 ZSU-23-2 3 mm 10 GDF-005 35mm with Skyguard, and 12 Bofors 40mm AA guns.³⁰

Oman is the only Gulf country which has never deployed medium or heavy surface-to-air missile defenses like the IHawk, Patriot, SA-2, SA-3, SA-6, S-300, or S-400

Overall Assessment

Oman's Army is relatively well trained and organized for the most probable missions it faces, which are far more likely to be limited clashes and incursions than any major outside attack and

invasion. In coordination with Oman's air and naval forces, it should have sufficient strength to deter hostile attacks from a nation like Yemen or the kind of light amphibious attack Iran could carry out with its current forces. It should have ample capability to crush and organized rebellions (although no such threat has ever replaced the Dhofar rebels) and prevent outside states from intimidating it with military superiority.

The Omani army has not fought in any serious clash for several decades, but it is still regarded as one of the most professional forces in the Gulf region.³¹

Figure 3: Omani Army's Force Structure, 1990-2006

	1990	2000	2005	2006
Manpower	20,000	25,000	25,000	25,000
<i>Active</i>	20,000	25,000	25,000	25,000
Combat Units				
<i>Rifle Company</i>	0	0	1	2
<i>Infantry Brigade</i>	3	2	2	2
<i>Armored Brigade</i>	0	1	1	1
<i>Armored RECCE Regiment</i>	1	1	1	1
<i>RECCE Company</i>	0	3	2	2
<i>Airborne Regiment</i>	1	1	1	1
<i>Infantry RECCE Regiment</i>	1, 2 coy	1, 2 coy	1	1
<i>Medium Artillery Regiment</i>	0	1	1	1
<i>Air Defense Regiment</i>	1	1	1	1
<i>Field Engineer Regiment</i>	1	1	1	1
<i>Field Artillery Regiment</i>	2	2	2	2
Tanks	69	154	154	154
<i>Chieftain</i>	33	0	0	0
<i>CR2 Challenger 2</i>	0	38	38	38
<i>M-60A1</i>	6	6	6	6
<i>M-60A3</i>	0	73	73	73
<i>Scorpion</i>	30	37	37	37
RECCE	0	54	145	145
<i>Sultan</i>	0	13	13	13
<i>VBL</i>	0	41	132	132
APC	2	170	191	191
<i>VAB PC</i>	2	0	0	0
<i>FV 103 Spartan</i>	0	6	6	6
<i>FV4333 Stormer</i>	0	4	10	10
<i>Piranha</i>	0	160	175	175
Artillery	87	209	233	233
<i>TOWED 105mm ROF lt</i>	39	42	42	42
<i>TOWED 122mm D-30</i>	0	30	30	30
<i>TOWED 130mm M-46</i>	12	12	12	12
<i>TOWED 130mm 59I</i>	0	12	12	12

<i>TOWED 155mmFH-70</i>	12	0	12	12
<i>SP 155mm M-109A2</i>	12	0	0	0
<i>SP 155mm G-6</i>	0	24	24	24
<i>MOR 81mm</i>	0	69	69	69
<i>MOR 107mm M-30</i>	12	20	20	20
<i>MOR 120mm Brandt</i>	0	0	12	12
Anti-Tank	60	68	50+	50+
<i>MSL Milan</i>	50	50	32	32
<i>TOW TOW-2A</i>	10	18	18	18
<i>RL 73mm RPG-7 Knout</i>	0	0	?	?
<i>RL 94mm LAW-80</i>	0	0	?	?
Air Defense	?	?	?	?
<i>SAM Javelin</i>	28	?	?	?
<i>SAM Mistral 2</i>	?	?	?	?
<i>SAM SA-7 Grail</i>	?	?	?	?
<i>GUN 23mm TWOED ZU-3-2</i>	4	4	4	4
<i>GUN 35mm TOWED GDF-005</i>	0	10	10	10
<i>GUN 40mm L/60 Bofors</i>	12	12	12	12

Note: For the 1990 and 2000 Infantry RECCE category, the two coy represents two independent infantry companies. All “?” refer to weapons that Oman is believed to possess, though the exact numbers in their possession are unknown.

Source: IISS, *Military Balance*, various editions including 1989-1990, 1999-2000, 2004-2005, 2005-2006.

Omani Air Force

Oman's air force is well organized and relatively well trained for the kind of missions it can perform, but Oman has never been able to afford and maintain a large, modern air force by Gulf standards. The Omani air force has approximately 4,100 men, with only 36 combat aircraft and no armed helicopters.

Its force structure has remained roughly the same since the Gulf War, and some of its aircraft are aging and have limited mission capability although some are being upgraded. As **Figure 4** shows, however, Oman has taken steps to improve its Air Force, however, as they acquired 12 advanced F-16 fighters in August 2005.³² It has a total of ten squadrons all together.

Combat Air Strength

Oman has five fighter-ground attack squadrons, but they only have a total of 36 combat capable aircraft versus the 60-90 aircraft that would be normal for a five squadron force. These combat aircraft include 20 aging Jaguars (16 S(0)1 and 4 S(0)1 dual seat trainers) that are being upgraded to the GR-3 standard. It has two lighter squadrons. One is a fighter-attack, reconnaissance unit with a total of 12 Hawk MK203s. Another is a dual capable training squadron with 4 MK102 aging Hawk 103s, and 12 PC-9 turboprop trainers with a limited combat capability. It has one squadron of 12 newly acquired F-16C/D aircraft. Oman has no units dedicated to the s fighter interceptors role although its F-16s have high capability in this mission.

Two of the F-16s are be fitted with F-9120 Advanced Airborne Reconnaissance Systems, or AARS.³³ The air force will upgrade seven of its attack aircraft with Precision Attack Navigation and Targeting for Extended Range Acquisition, or PANTERA pods, enhancing their strike capabilities.³⁴ Given the importance of Oman's airfields to the US, it can almost certainly count on effective training and support for these aircraft.

Oman also has 4 A202-18 Bravos, and 8 MFI-17B Mushshaqs.³⁵

Helicopters and Transport Aircraft

Oman has three fixed wing transport squadrons, with 3 BAC-11s, 3 C-130H and 10 Skyvans. In terms of helicopters, Oman has 2 medium transport helicopter squadrons with 30 aircraft: 19 AB-205, 3 AB-206, and 3 AB-2123 Oman also has 6-16 Super Lynx 300 utility helicopters.³⁶

Overall Assessment

Oman has a modest Air Force, although its F-16C/Ds have significantly improved its capability and can outperform any aircraft in service in Iran and Yemen. It works closely with the British and US air forces, and receives material and training from the UK and US. Oman's aircraft depend on contractor maintenance, and its pilots receive training from the UK and US. Given Oman's strategic importance, and the near-certainty of British and US support in any crisis, the Omani air force seems well sized for its real-world mission needs.

Figure 4: Omani Air Force's Force Structure, 1990-2006

	1990	2000	2005	2006
Manpower	3,000	4,100	4,100	4,100
<i>Active</i>	3,000	4,100	4,100	4,100
Total Number of Squadrons	7	7	9	10
Fighter Ground Assault	2/38	2/8	4/16	5/36
<i>GR 1</i>	1	0	0	0
<i>Hunter FGA-73</i>	13	0	0	0
<i>Hunter FGA-67</i>	3	0	0	0
<i>F-16C/D Fighting Falcon</i>	0	0	0	1/12
<i>T Mk2 Jaguar</i>	4	4	2/4	2/4
<i>Jaguar S(O) Mk1</i>	2/17	2/8	2/8	2/16
<i>Hawk Mk-103</i>	0	4	4	4
Transport	3/21	3/21	3/16	3/16
<i>BAC-111</i>	1/3	1/3	1/3	1/3
<i>C-130H Hercules</i>	3	3	3	3
<i>SC7 3M Skyvan</i>	2/15	2/15	2/10	2/10
Training Craft	2	23	1/35	1/36
<i>AS-202-18 Bravo</i>	2	4	4	4
<i>Hawk MK203</i>	0	12	12	12
<i>MFI-17B Mushshaq</i>	0	7	7	8
<i>PC-9</i>	0	0	1/12	1/12
Helicopter	2/26	2/30	2/52	2/41
<i>UTL Bell 205</i>	2/20	2/19	2/19	2/19
<i>UTL Bell 206 Jet Ranger</i>	3	3	3	3
<i>UTL Bell 212</i>	3	3	3	3
<i>UTL Bell 214</i>	0	5	5	0
<i>Lynx Srs 300 Super Lynx</i>	0	0	0	16
Air Defense	?	40	40	40
<i>ASM Exocet Am-39</i>	?	0	0	0
<i>SAM Rapier</i>	0	28	40	40
Radar/Land	0	?	6	6
<i>MSL AAM AIM-9M Sidewinder</i>	?	?	?	?

Source: IISS, *Military Balance*, various editions including 1989-1990, 1999-2000, 2004-2005, 2005-2006.

The Omani Navy

Oman was once one of the world's major sea powers, and its strategic location and proximity to the Strait of Hormuz have given its navy a high priority. So has its long coast and ports on the Indian Ocean.

The force structure of Oman's navy has largely remained the same since 1990. **Figure 5** shows that manpower increased from 2,500 men in 1990 to 4,200 men in 2000 and has stayed the same since then. Oman, however, has not acquired new ships since the year 2000 and its equipments have been the same for the past decade. Its 4,200-man naval force is headquartered at Seeb. It has bases at Ahwi, Ghanam Island, Mussandam on the Mussandam Peninsula, and Salalah on Oman's south coast.

Surface Combat Forces

In 2006, Oman had 10 surface combat vessels. These included two 1,450-ton Qahir-class corvettes, each armed with eight MM-40 II Exocets, Crotale air-to-surface missiles, and one 76mm gun. They had a helicopter platform and could be fitted with ASW gear. The ships are nearly new, and were delivered in 1996 and 1997.

Oman had 8 oceangoing patrol boats. These included four Dhofar class missile patrol boats, armed with twin 3 or four MM-40 Exocet missiles and one 76mm gun, which the US delivered in the early and mid-1980s. They also included three 475-ton Al Bushra class, armed with 76mm guns and delivered in the mid-1990s. These boats had no ASW capability.

Oman had 4 Seeb 74-ton coastal patrol craft, plus 15 light inshore patrol boats in its police force.³⁷ The navy has placed an order for 12 9.5m high-speed rigid assault boats, though the date of delivery is unclear.³⁸

Amphibious Forces

The Omani Navy had one 2,500-ton Nasr al Bahr class LSL (240 troops, 7 tanks) with a helicopter deck. It underwent a limited refit in 1997 and is fully operational. Oman also had at least four landing craft: three 230-ton LCMs and one 85-ton LCU, as well as a number of support ships and survey craft.

Overall Assessment

Protecting the Strait of Hormuz is Oman's greatest naval objective. Its Navy is trained for this mission as well as coast defense. Oman cannot, however, directly challenge Iranian forces. It has limited naval strength, no real naval air capability, and must rely on the US and Britain for anti-mine and ASW warfare, and in any major confrontation with Iran. It has shown, however, that it will confront Iran over any infringement of its waters.

The Omani Navy has some difficulty in operating and maintaining advanced weapons, sensors, and fire control systems. It is generally well trained, however, and maintains relatively high readiness by Gulf standards. Oman also can count on a British and American presence to prevent any larger navy, like that of Iran, from interfering with shipping through the Strait.

Figure 5: Omani Navy's Force Structure, 1990-2006

	1990	2000	2005	2006
Manpower	2,500	4,200	4,200	4,200
<i>Active</i>	2,500	4,200	4,200	4,200
Frigates/Corvettes	0	2	2	2
<i>Qahir Al Amwaj</i>	0	2	2	2
Patrol and Coastal Combatants	12	11	11	11
<i>PCC Wafi</i>	4	0	0	0
<i>PCC Al Bushra</i>	0	3	3	3
<i>PCI Seeb</i>	4	4	4	4
<i>PFM Dhofar</i>	4	4	4	4
Amphibious	5	5	5	5
<i>LCT Nasr el Bahr</i>	1	1	1	1
<i>LST Al Munassir</i>	1	0	0	0
<i>LCU</i>	0	1	1	1
<i>LCM</i>	3	3	3	3
Logistics and Support	1	4	4	4
<i>AGHS</i>	0	1	1	1
<i>Al Sultana</i>	0	1	1	1
<i>Al Mabrukah</i>	0	1	1	1
<i>Unspecified Supply</i>	1	1	1	1

Source: IISS, *Military Balance*, various editions including 1989-1990, 1999-2000, 2004-2005, 2005-2006.

Oman Royal Guards Forces

In addition to its conventional services -- the army, air force, and navy -- Oman has a large royal Guards force with naval, ground, and air branches. The Royal Household has 6,400 troops that include two Special Forces regiments (1,000 men) and a 5,000 man Royal Guard Brigade. The Royal Forces are responsible for the protection of the Sultan, but they also serve a ceremonial purpose. The two special Force Regiments are elite squads who serve as counter-terrorism units.³⁹

The Royal Guards have an additional 9 VBC-90 armored fighting vehicles, 14 VAB-VCI, 50 Chinese made WZ-551s, and 9 VAB-DDA. It has 6 Type 90A multiple rocket launchers, Milan anti-tank guided weapons, and 14 Javelin light surface-to-air missiles.⁴⁰

There is a small 150 man Royal Yacht Squadron, and a 250 man Royal Flight. The Royal Yacht Squadron is comprised of just three ships, the Royal Yacht itself, a combat Zinat Al Bihaar, and one Fulk Al Salameh support ship, which can carry 2 AS-332C Super Pumas. The Royal Flight has 2 B-747s, 1 DC-8, and 2 Gulfstream IV transports. They also have a helicopter fleet of 3 AS-330s, 2 AS-332Cs, and 1 AS-332L.

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Figures 6-8 shows that the Royal Guard has grown considerably over the past sixteen years. Much like the Army, their APC numbers have grown from almost nothing (6 in 1990) to 73 by 2006. Manpower has also grown, as **Figure 6** shows that the Royal Guard has raised from its numbers 3,600 in 1990 to 6,000 in 2006.

Figure 7 reveals that the Yacht fleet has lost only one ship since 1990, the Royal Yacht Support ship, and gained on the Fulk Al Salameh attack vessel. **Figure 8** also shows almost no growth in the Royal Flight Squadron. It could be deduced from these figures that only the Royal Guard serves a true purpose in state security, and that they Royal Flight and Yacht squadron serve transportation and ceremonial purposes.

Figure 6: Omani Royal Guard's Force Structure, 1990-2006

	1990	2000	2005	2006
Manpower	3,600	6,000	6,000	6,000
<i>Active Royal Guard</i>	3,100	5,000	5,000	5,000
<i>Active Special Forces</i>	500	1,000	1,000	1,000
Combat Units				
<i>Special Forces Regiment</i>	1	2	2	2
Tanks	6	9	9	9
<i>VBC-90</i>	6	9	9	9
APC	6	23	73	73
<i>PRC WZ-551</i>	0	0	50	50
<i>VAB VCI</i>	6	14	14	14
<i>VAB VDAA</i>	0	9	9	9
Artillery	0	0	6	6
<i>MRL 122mm Type-90A</i>	0	0	6	6
Anti-Tank	0	0	?	?
<i>MSL Milan</i>	0	0	?	?
Air Defense	0	?	14	14
<i>SAM/MANPAD Javelin</i>	0	?	14	14

Source: IISS, *Military Balance*, various editions including 1989-1990, 1999-2000, 2004-2005, 2005-2006.

Figure 7: Omani Royal Yacht Squadron's Force Structure, 1990-2006

	1990	2000	2005	2006
Manpower	150	150	150	150
Patrol and Coastal Combatants/MiscCraft	0	1	1	1
<i>Zinat Al Bihaar</i>	0	1	1	1
Logistics and Support	2	2	2	2
<i>Royal Yacht Support Ship</i>	1	0	0	0
<i>Royal Yacht</i>	1	1	1	1
<i>Fulk Al Salameh (carries 2 332C Super Puma)</i>	0	1	1	1

Source: IISS, *Military Balance*, various editions including 1989-1990, 1999-2000, 2004-2005, 2005-2006.

Figure 8: Omani Royal Flight's Force Structure, 1990-2006

	1990	2000	2005	2006
Manpower	250	250	250	250
Transport	5	5	5	5

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<i>Falcon 20 ac</i>	1	0	0	0
<i>B-747SP</i>	1	2	2	2
<i>DC-8-73CF</i>	1	1	1	1
<i>Gulfstream IV</i>	2	2	2	2
Helicopter	6	6	6	6
<i>SPT AS-330 Puma</i>	4	3	3	3
<i>SPT AS-332F Super Puma</i>	2	2	2	2
<i>SPT AS-332L Super Puma</i>	0	1	1	1

Source: IISS, *Military Balance*, various editions including 1989-1990, 1999-2000, 2004-2005, 2005-2006.

Omani Paramilitary, Security, and Intelligence Services

Oman's paramilitary force is relatively small. Where its Army has 25,000 troops, the paramilitary has only 4,400, which includes a small coast guard.

Many other Gulf States have paramilitaries nearly the same size as their armies, but clearly this is not the case with Oman. The smaller size is explained in part by the paramilitary's shared responsibility of policing the state with the Royal Guard. While Oman has faced serious insurgencies in the past, Oman has not had a serious terrorist threat.⁴¹

Trends in Force Structure

Oman has made few overt changes to its security forces over the past 16 years. **Figure 9** shows that Oman's Tribal Guard has increased its manpower by 500 troops since 1990, a small increase compared to its increases in Royal Guard and Army forces.

In addition, **Figure 9** shows that Oman has decreased the size of its Coast Guard fleet, eliminating all of its 15 AT-105 APC between 1990 and 2000. In April 2006, however, Oman began concluding talks with VT, a British ship building company, to create three new offshore patrol boats for the Coast Guard.⁴²

Figure 9 also shows that Oman has also decreased the size of its Police Air Wing, going from 17 aircraft in 1990 to 9 by 2006. The decreases in the security forces and the increases in the Royal Guard could indicate that the Royal Guard is taking a more active role in policing the sultanate. It is also possible, that in light of any large terrorist attacks; Oman decided that it could afford to downsize aspects of its security forces.⁴³

Main Security and Paramilitary Forces

Oman's security apparatus is not as complex or large as other Gulf States. The following bullet points show how Oman organizes its security forces:⁴⁴

Tribal Home Guard: These groups are responsible for maintaining the sultanate and functions as a regional paramilitary and security force. They are managed locally and at tribal levels, which allow the Sultan to induct numerous tribes into his service throughout his kingdom. The Tribal Home Guard also has a smaller component in the Dhofar region call the "firqats." The Firqats are Dhofari tribesmen who serve the Sultan in the region that rebelled between 1964 and 1975. They form lightly armed companies of 50-100 troops, and their creation marked another move by Sultan Qumas to enlist the support of local tribesmen.

Coast Guard: The small Omani Coast Guard patrols ports and gives support to the Navy and Royal Yacht fleet. It guards against piracy and any possible suicide boats that might threaten British or American ships in the region. It is too small, however, to guard the vitally important Strait of Hormuz.

Border Guard: Oman has no separate border guard force. This point could be worrisome in future years, as Oman borders Yemen, which has numerous militant groups and no separate border guard either.

Royal Guard: The Royal Guard is under the direct control of the Sultan, and is not part of Oman's security apparatus exclusively. Nonetheless, in addition to their conventional and ceremonial roles, the Royal Guard also polices the state against potential militants and dissidents.

The role of its internal security and intelligence services, and their interaction with Oman's conventional military services, is uncertain. At times, the internal security forces have been accused of using a heavy hand and violating human rights. According to the U.S. Department of State, Oman's internal security forces operate as follow:⁴⁵

The Royal Office, whose head holds cabinet status, controls internal and external security and coordinates all intelligence and security policies. Under the Royal Office, the Internal Security Service investigates all matters related to internal security, and the Sultan's Special Force has limited border security and antismuggling responsibility. The Royal Oman Police (ROP), whose head also holds cabinet status, performs regular police duties, provides security at airports, serves as the country's immigration agency, and operates the coast guard. The Ministry of Defense, and in particular the Royal Army of Oman, also has limited domestic security responsibilities. Corruption and impunity were not perceived to be widespread problems. There were no instances in which the police failed to respond to societal violence. The ROP's Directorate General of Inquiries and Criminal Investigation is charged with investigating allegations of police abuse, and its findings are turned over to the Director General of Human Resources for disciplinary action.

Figure 9: Omani Paramilitary's Force Structure, 1990-2006

	1990	2000	2005	2006
Manpower	3,900	4,400	4,400	4,400
<i>Tribal Home Guard Manpower</i>	3,500	4,000	4,000	4,000
<i>Police Coast Guard Manpower</i>	400	400	400	400
Patrol and Coastal Combatants	26	17	17	17
<i>AT-105 APC</i>	15	0	0	0
<i>Misc Boats/Craft</i>	11	14	14	14
<i>PCI 3 CG less than 100 tons</i>	0	3	3	3
Police Air Wing	17	13	9	9
<i>Boeing 727</i>	1	0	0	0
<i>DHC-5D</i>	3	0	0	0
<i>Learjet 25B</i>	1	0	0	0
<i>Learjet 35A</i>	1	0	0	0
<i>Merlin IVA</i>	2	0	0	0
<i>BN -2T Turbine Islander</i>	0	1	1	1
<i>CN-235M</i>	0	2	2	2
<i>Do-228</i>	2	1	1	1

<i>Bell 205A</i>	0	3	2	2
<i>AB-214ST</i>	6	6	3	3
<i>Hughes 369</i>	1	0	0	0

Source: IISS, *Military Balance*, various editions including 1989-1990, 1999-2000, 2004-2005, 2005-2006.

Oman's Struggle Against Terrorism

As noted earlier, Oman has had no major recent terrorist attacks occur on its soil.⁴⁶ It did arrest two al-Qa'ida suspects in 2002, but al-Qa'ida has not been recorded as having a large following in the sultanate.⁴⁷ This is due in part to Oman's Ibadhi religion. Oman is over 75% Ibhadi, and the moderate nature of Ibadism may make it more difficult for al-Qa'ida to recruit religious militants.⁴⁸

According to the U.S. State Department Country Report on Terrorism, Oman's counterterrorism efforts have been strengthened, particularly on preventing terrorism financing. The 2005 report stated that:⁴⁹

Oman implemented a stringent anti-money laundering regime, including surveillance systems designed to identify unusual transactions over the last four years. The government announced new statutes to block money laundering, and the Central Bank announced plans to require financial institutions to verify customer identities using sophisticated biometrics technology. Of note, Oman required moneychangers to report all transactions over \$260. The Omani Government continued to issue public and private statements condemning international acts of terrorism.

Oman remains vigilant against al-Qa'ida nonetheless, and it considers the possibility of suicide boat attacks (like the one against the USS Cole) as a real threat. It has increased its patrols at its harbors, and has sought GCC cooperation in passing counterterrorism measures. The Sultan has also strongly supported US counterterrorism efforts in the Gulf.⁵⁰

Political Uncertainty

Aside from the Dhofar rebellion, which ended in 1975, Sultan Qabus has faced only one serious conspiracy, which took place in 1994. That year, there was an alleged plot by Islamic militants (many of whom living on Dhofar) to overthrow the Sultan. Teachers and government employees led the conspiracy, and most of them were released or pardoned by the Sultan in 1995. The alleged 1994 conspiracy was the last serious attempt to remove the Sultan from power.⁵¹

This does not mean that there is not political unrest, and a desire for political liberalization. Many sources indicate that there is a growing desire to obtain increased freedom of expression. Sultan Qabus has been willing to appease some dissidents with a few reforms. For example, in 2002 the Sultan changed the voting age to 21 years, and declared universal suffrage for the Majlis al-Shura elections.⁵² The Sultan has not, however, offered to truncate his real power, and he remains firmly in control of the sultanate.

The electoral changes did not significantly alter the make up of the Majlis al-Shura (two women were elected) and the Sultan still appoints the members Majlis al-Dawla. The Majlis al-Shura also has limited power to propose new legislation, and the Majlis al-Dawla is strictly an advisory board.⁵³ In addition to the limited impact of elections, political parties are still illegal in Oman. Some of the Sultan's political opponents were also arrested in 2005, demonstrating that there is a limit to Qabus' willingness to reform.⁵⁴

While these uncertainties have not translated into security threats, the uncertainty in Oman's succession process has made many to wonder about internal stability in Oman. Qabus, while young by regional leader standards, does not have an obvious successor. He does not have any sons, and claims that he has named his successor in a closed envelope. This is also important since Qabus has total control of Oman's security services and armed forces, and it remains to be seen how this control will be transferred and to whom.

Oman's Continuing Strategic Challenges

Oman is a relatively stable Gulf State with a diversifying and growing economy. It has maintained a pragmatic policy of keeping good relations with its neighbors, and it has not fallen victim to terrorist attacks and internal instability. Oman's diminishing oil reserves as well as a host of socioeconomic challenges do, however, remain Oman's most urgent internal strategic challenges and are likely to remain in the near term.

Economic Challenges and Diversification

Increased oil prices, and efforts to diversify the economy have helped the Omani economy to grow by almost 14% in 2004, and it has become the sixth largest economy in the Gulf region.⁵⁵ As has been touched upon earlier, Oman's current oil sales account for approximately 40% of its GDP and 78% of its total export revenues. So long as oil prices remain high, Oman will continue to experience economic growth.⁵⁶

Oman's oil reserves are depleting, however, and its oil production capacity has been static. It also has had problems in obtaining maximum production from its fields, and is in the process of trying to adopt more advanced techniques to dealing with oil field management and issues like water flooding.

As has been mentioned earlier, Oman is increasing its diversification efforts. Oman's efforts at diversification have helped the economy grow, but Oman is still heavily dependent upon its oil exports. In 1995, Oman created an economic diversification plan called "Vision 2020," the first economic diversification plan in the Arab world.⁵⁷ Its design was to reduce Oman's dependence on oil to 9% by the year 2020 and to strengthen alternative aspects of the Omani economy, all the while growing its GDP by 25%.⁵⁸

The plan has succeeded in diversifying the economy, but not in reducing Oman's dependence on oil. The Omani economy has developed methods of tapping its 25 trillion cubic feet of natural gas. It has increased the productivity of its \$2.2 billion aluminum smelter in Sohar, it has entered into the fertilizing industry with India, and it manufactures petrochemicals like ethanol.⁵⁹

Oman is also capable of expanding fishing near its deep-water ports, as well as agriculture.⁶⁰ Oman's stock market can benefit from improved management, as it has suffered since 1999 after being one of the most robust in the Middle East.⁶¹ Oman has also become an active trader with other Asian and Gulf States, and its volume of trade has increased since it joined the World Trade Organization (WTO) in 2000.⁶² The UAE was Oman's biggest trading partner as of 2006, and Oman maintains a trade surplus.⁶³ Still, all these endeavors are still in early stages of development, and have not filled their intended role of replacing oil as Oman's primary source of revenue.

Oil and Stability

Oil is still critical even though “Vision Oman” entered into its 11th year in 2006. Oil has increased from 35% of Oman’s GDP in 1995 to 40% in 2005. Oman’s oil revenues have almost quadrupled over the past eight years: in 1998 they were \$3.71 billion, in 1999 they were \$5.38 billion, in 2000 they were \$8.73 billion, in 2001 they were \$7.63 billion, in 2002 they were \$7.43 billion, in 2003 they were \$7.76 billion, in 2004 they were \$9.08 billion, and in 2005 they were \$13.23 billion.⁶⁴

These increases in revenue, however, are the result of the surging price of oil, not increased oil production or newly found reserves. In fact, Oman’s oil production fell from 0.972 million barrels per day in 2000 to 0.754 million barrels per day in 2004. Production rose for the first time since 2000 in the year 2005, when it reached 0.780 million barrels per day.⁶⁵ Should the price of oil decrease, Oman’s economy would lose significant percentages of their revenue.

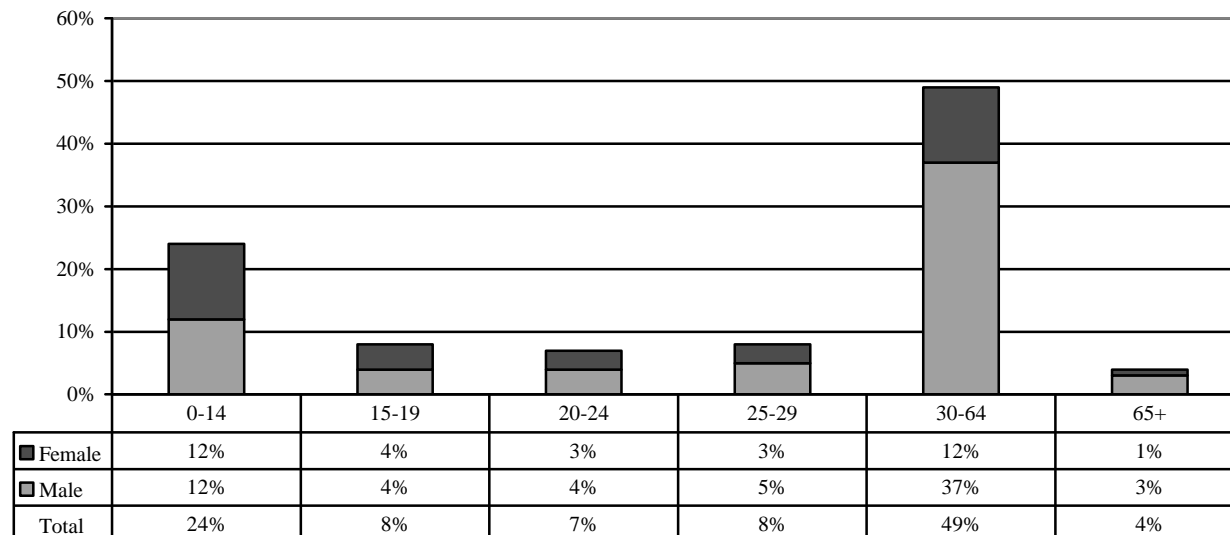
Oman’s continued dependence on oil is troubling because Oman’s reserves are moving towards near to mid-term depletion. In 2005, Oman had 4.0 billion barrels of proven reserves remaining, and no large undiscovered deposits of oil are believed to exist within the Sultanate. At current production levels, Oman will exhaust these reserves in approximately 15 years.⁶⁶ This knowledge has put additional pressure on Oman to make “Vision 2020” a reality.

The “Demographic Time Bomb”

Oman also faces its own version of the “demographic time bomb” that threatens nearly all the Gulf States. Oman has a disproportionately large number of young people. **Figure 10** reveals that 43% of Oman’s population is between the ages of 0-14. This percentage is the largest demographic group in the state, larger even than the much more inclusive age category of 30-64, which only makes up 30% of the population.

Oman’s young people will need jobs, and it will be up to Oman’s economy to continue to grow and provide them with work. This is a serious challenge. Oman’s real GDP growth rate was 2% in 2005, and its unemployment rate at 15%.

“Omanization” also has had little success. The reduction of expatriate workers in Oman’s economy, and increased employment among native Omanis, has been a key component of “Vision 2020”. Nevertheless, expatriates make up approximately 25% of Oman’s population. Reducing their role in the economy will be critical in avoiding massive unemployment among Oman’s youth.⁶⁷

Figure 10: Oman's Demographic Distribution, 2006

Source: IISS, *Military Balance 2005-2006*.

Relations with Neighboring States

Oman has maintained a pragmatic policy of trying to maintain friendly relations with its neighboring states. It settled its borders with Yemen in 1992 and the UAE in 2003. As was mentioned earlier, Saudi Arabia is the only state Oman does not have finalized border with, but this issue has remained relatively dormant.⁶⁸ Oman has no independent border patrol, which poses a problem with states like Yemen, where militant groups roam near the border regions to evade capture by Yemeni paramilitary forces.

Oman is not a part of OPEC, but it is in the Arab League and the GCC, and it uses its membership to take leadership roles in the Middle East. It encouraged Yemen to seek GCC membership, and it was the only Arab state not to sever ties with Egypt after the Camp David Accords in 1979.⁶⁹

Oman attempted to normalize relations with Israel during the 1990's, but the stagnation of the peace process caused the Sultan's support for normalization to waver. Sultan Qabus has expressed repeated willingness to take counterterrorism measures within the GCC, especially in cracking down on terrorist money laundering.⁷⁰ Oman also attempted to secure a rapprochement between Kuwait and Iraq at the Arab League summit in March 2001.⁷¹ Oman has also tried to pioneer improved relations with Iran by encouraging dialogue between it and the GCC, with limited success.⁷²

Ongoing Internal Stability

Far too much of the internal stability of Oman seems to depend on the health and reign of Sultan Qabus. The Sultan controls the policy and vision of the state to such an extent, that his demise will certainly leave a power vacuum. The Sultan does not have an announced successor. He has stated that he has a secret envelope with the names of two probable successors, and that the royal family will have to decide which of them will become the next ruler.⁷³

The Royal family has sworn to carry out the Sultan's succession wishes, and it is likely that Qabus' final wishes will be honored. The problem is that whoever succeeds Qabus will inherit his highly personalized style of rule. After 36 years on the throne, the Sultan governs through a series of long standing personal relationships.⁷⁴ Many of these will disappear with the Sultan's death, and state efficiency will decrease. It is also unclear how the internal balance of power will change in the case of either a successful or turbulent succession process, or how neighboring states will react.

In addition to the uncertainty surrounding the succession process, however, Oman's leaders must show they can deal with the other challenges described earlier. This includes the ability to accelerate the slow progress of "Vision 2020," diversify its economy and dependence on oil, deal with youth unemployment, and resolve tribal and internal security issues. The following is a checklist of obstacles that Oman will likely face as the Sultan ages and its oil reserves run out:

Economic Diversification: If Oman's oil were to run out while it still accounted for 40 percent of its GDP, the state would fall into a state of economic crisis. Oman will be challenged to use its increased oil revenues to expand its newly developing light industry and agriculture. This will cushion the blow that Oman will receive when its reserves are depleted. Oman's supply of natural gas reserves and its manufacturing of petrochemicals is another key aspect of economic diversification. It helps ensure that Oman can remain a key *energy* provider for the world and use its other natural resources wisely toward diversification and development.

Demographic Time Bomb: The disproportionate amount of young people in Oman could destabilize the state in two ways. The first is that the demand for work could be so high that unemployment rates would skyrocket. The second is that the young people could demand serious political reforms of the aging Sultan Qabus, or his successor. It is not unlikely that both these scenarios could come true, and Oman would face a large number of unemployed young people who join the cause of political activism simply because they have nothing else to occupy their time.

Succession Issues: Whoever succeeds Sultan Qabus will inherit a state in economic and demographic flux. But as noted earlier, the succession process is seen by many as one of the greatest uncertainties in Oman's future. The importance of the succession is not only a political matter, it is of internal security, economic, and regional strategic significance. Oman's stability will largely depend on Qabus' ability to reassure the Oman public as well as Oman's allies and neighbors. The argument that he has chosen a successor that won't be announced until his death does not reassure either foreign investment or domestic confidence in Oman's political system.

Counterterrorism: Oman has not experienced any major terrorist attacks. The U.S. and British military presence at Omani ports, however, makes Oman a target for suicide boat attacks and increased backlash against the government of hosting U.S. forces. The Omani Navy and Coast Guard are wary of attacks that could hurt traffic through the Strait of Hormuz, and they have agreed to work with the U.S. and British navies to secure this chokepoint. Oman has also proposed information exchanges within the GCC, and is vigilant against terror cells laundering money in Omani banks. In the past decade, the Sultan's Royal Guard and paramilitary have proven capable of arresting militants within the Sultanate (the 1994 arrests), but it is unknown how many radicals exist within Oman's small Shi'ite and Sunni minorities.

Balancing Internal Security and Conventional Military Needs

So far, Oman has emphasized military security over internal security forces. According to **Figures 1-9**, during the past sixteen years, Oman has chosen to strengthen its conventional and Royal Guard forces in both numbers and equipment. On the other hand, its paramilitary forces increased only slightly, and some of their equipment was never updated or replaced.

This choice may have been based as much on prestige as deterrence. Oman does not face serious conventional enemies as long as it maintains ties to Britain and the US, and its military has not been directly challenged since the Dhofar rebellion. Its Royal and conventional forces, however, are seen as a model of efficiency throughout the Gulf, and this source of national pride may be enough to justify their expenditures.⁷⁵

Oman differs from most other Gulf States, however, in the nature of the interaction between its internal security forces, its royal guards, and its conventional services. All deal with both internal and external threats. The “jointness” between its internal and external security services is at a better level than in other Gulf States.

In any case, internal stability depends are far more than security operations. In the case of Oman – as in the case of all other Gulf States -- internal economic, social, and especially political reforms are as important as any counterterrorism, counterinsurgency, and internal intelligence capability. Oman must deal with the “youth explosion,” continue its Omanization plans, diversify its economy, rebuild its aging infrastructure, and find a balance between its alliances with the West and its population demand for serving those ties due to anger over the Palestinian-Israeli issue, Iraq, and terrorism.

¹ This analysis draws heavily upon the Energy Information Agency analysis of “World Oil Transit Chokepoints,” September 2005, http://www.eia.doe.gov/emeu/cabs/World_Oil_Transit_Chokepoints/Hormuz.html.

² “Executive Summary: Oman,” Jane’s Sentinel Security Assessment-The Gulf States, December 19, 2005, p. 3.

³ EIA, “Country Analysis Briefs, Oman,” March 2006, <http://www.eia.doe.gov/emeu/cabs/Oman/Full.html>.

⁴ “Executive Summary: Oman,” Jane’s Sentinel Security Assessment-The Gulf States, December 19, 2005, p. 3.

⁵ “Executive Summary: Oman,” Jane’s Sentinel Security Assessment-The Gulf States, December 19, 2005, p. 1.

⁶ “Security and Foreign Forces: Oman,” Jane’s Sentinel Security Assessment-The Gulf States, September 19, 2005, pp. 2,4; and IISS, Military Balance, 2006.

⁷ “Executive Summary: Oman,” Jane’s Sentinel Security Assessment-The Gulf States, December 19, 2005, p. 4.

⁸ “Executive Summary: Oman,” Jane’s Sentinel Security Assessment-The Gulf States, December 19, 2005, p. 2.

⁹ “Oman Background Note,” US Department of State, Bureau of Near Eastern Affairs, February 2006, available at: <http://www.state.gov/r/pa/ei/bgn/26414.htm>.

¹⁰ “Oman Background Note,” US Department of State, Bureau of Near Eastern Affairs, February 2006, available at: <http://www.state.gov/r/pa/ei/bgn/26414.htm>.

¹¹ “Oman Background Note,” US Department of State, Bureau of Near Eastern Affairs, February 2006, available at: <http://www.state.gov/r/pa/ei/bgn/26414.htm>.

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¹³ CIA, The World Factbook, 2006, available at: <http://www.cia.gov/cia/publications/factbook/geos/mu.html>.

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