



The Oman-India Comprehensive Economic Partnership Agreement (“CEPA”) will enter into force soon

Oman’s first Comprehensive Economic Partnership Agreement

January 2026

A large, stylized orange graphic element is positioned at the bottom of the page. It consists of two overlapping parallelogram shapes. The first shape is on the left, and the second shape is on the right, overlapping the first one.

In brief

The governments of the Sultanate of Oman (“Oman”) and the Republic of India (“India”) signed a Comprehensive Economic Partnership Agreement (“CEPA”) on Thursday, 18 December 2025.

This significant landmark agreement, launching duty-free and liberalized trade provisions, follows multiple rounds of negotiations conducted between November 2023 and August 2025.

Oman-India bilateral trade reached approximately USD 10.61 billion in FY 2024-2025. Oman exported goods worth about USD 6.55 billion to India and imported goods worth around USD 4.06 billion from India. Omani exports to India were driven largely by petroleum products and urea, which accounted for over 70% of exports, alongside significant exports of polyethylene, gypsum, ethylene plastics, and metals.

The CEPA aims to significantly eliminate (or reduce) tariffs across all industries, facilitate goods and services trade and address other key areas, such as rules of origin (“RoO”), customs procedures and trade facilitation, technical barriers to trade (“TBT”), e-commerce/digital trade and intellectual property (IP) rights, marking a major step forward in strengthening the bilateral economic relationship between the two countries.

In detail

The Oman-India CEPA covers key pillars of the economic relationship between Oman and India, notably trade in goods, trade in services, investment and RoO. The following table outlines the principal benefits each party has offered to the other:

Area	 Benefits offered by Oman to India	 Benefits offered by India to Oman
Trade in goods 	Tariff lines: 98.08% duty-free, covering 99.38% of the value of Omani exports to India.	Tariff lines: customs duty elimination/reductions on 77.79% of tariff lines, covering approximately 94.81% of the value of Omani imports from India.
Beneficiary sectors 	Beneficiary sectors include footwear, leather, textiles, furniture, plastics, engineering products, jewelry and precious stones, automobiles, medical devices, pharmaceuticals, and agricultural products.	Beneficiary sectors include petrochemicals, pharmaceuticals, metals, and other products targeting India’s large domestic market.
Trade in services 	Services commitments spanning 127 sub-sectors, including professional services, computer services, education, health, and audiovisual services.	Reciprocal services commitments focusing on sectors of interest to Omani service suppliers, including professional services, education, health, computer services, and infrastructure services.
Movement of natural persons (Mode 4)* 	Commitments to facilitate the entry and temporary stay of Indian professionals and contractual service suppliers, as well as independent professionals, in fields such as accounting and medicine, for business purposes.	Commitments by India to facilitate the movement of Omani professionals by easing entry conditions, extending permissible stay periods, etc. in fields such as healthcare, education, and IT.
Investment 	Key investment commitment: allowing 100% foreign ownership for companies in certain services sectors.	Comparable commitments by India aimed at encouraging investment relating to Oman, including allowing 100% foreign direct investment in key service sectors.

* Mode 4 refers to services traded by individuals of one World Trade Organization (“WTO”) member through their presence in the territory of another. It covers employees of services firms and self-employed services suppliers.

1. Trade in goods – Lower tariffs for trade in goods

Under the CEPA most of the originating goods will eventually be subject to 0% customs duties when imported to Oman. Some tariff lines will access complete customs duty elimination immediately upon entry into force, others will be eliminated over a period of up to 10 years, and the rest will be reduced, as compared to the existing customs duty rates. The tariff elimination/reduction schedules and timelines vary depending on the nature of the goods. In addition, some tariff lines are excluded from the preferential treatment, prohibited or included in the special goods category.

Indian goods imported to Oman that comply with the RoOs will be granted one of the following three categories:

- Immediate tariff elimination ('A');
- Tariff elimination phased over 5 years ('B'); and
- Tariff elimination phased over 10 years ('C')

Non-comprehensive examples of the tariff schedule for Indian goods imported into Oman include:

- A – customs duty to be eliminated at entry into force:

HS code	Description
72 03 10 00	Ferrous products obtained by direct reduction of iron ore.
76 02 00 00	Aluminum waste and scrap.

- B – customs duty to reach 0% in 5 years:

HS code	Description
69 06 00 00	Ceramic pipes, conduits, guttering and pipe fittings.
69 07 21 00	Unglazed ceramic flags & paving, for hearth of wall tiles Absorption coefficient <0.5.

- C – customs duty to reach 0% in 10 years:

HS code	Description
04 06 90 90	Cheese, n.e.s.
04 07 21 00	Fresh eggs in shell of fowls of the species Gallus domesticus.

For a product to benefit from the preferential tariff treatment, it must comply with the following RoO stipulated by the CEPA:

1. Be wholly obtained or produced in the territory of the contracting party; or
2. Have undergone sufficient working or production as per the Product Specific Rules ("PSR"). The PSR may be expressed as a change in tariff classification and/or specific value added.

Compliance with the RoOs needs to be supported by a valid proof of origin, which can be provided by any of these means: paper certificate of origin ("CoO"), fully digitalized CoO, or an origin declaration made by an approved exporter (simplified proof of origin).

2. Simpler customs procedures and trade facilitation

In alignment with the WTO's Trade Facilitation Agreement (TFA), the CEPA introduces measures to facilitate cross-border trade of goods and ensure an efficient customs clearance, such as issuing customs rulings prior to import, facilitating cross-border clearance for economic operators, reducing unnecessary regulatory or administrative customs procedures and adopting international best practices of customs management techniques.

3. Trade in services

Both parties agreed to grant services provided by entities in the other party's territory open and non-discriminatory environment for cross-border trade. Amongst other things, parties agreed not to maintain or implement measures that limit the services provided by the other party and agreed to work towards mutual recognition of some professional license or certifications such as professional services, computer services, education, health, and audiovisual services.

Both parties committed to a transparent, open, and non-discriminatory framework for trade in services. The agreement includes specific commitments on market access, national treatment, regulatory transparency, licensing procedures, and temporary movement of professionals, while establishing institutional mechanisms to pursue Mutual Recognition Arrangements (MRAs) in priority sectors such as professional services, IT and computer services, education, healthcare, and audiovisual services, subject to domestic laws and regulations.

Additional provisions adopted by the CEPA

In addition to tariffs elimination and reduction, the CEPA includes other key provisions that will benefit exporters and importers both from Oman and India, as well as service providers. Some of these benefits include:

- Further cooperation in relation to the Agreement on TBT;
- Cooperation on information exchange between the two tax authorities;
- Commitments on working towards implementation of Authorized Economic Operator (AEO) mutual recognition agreement;
- Granting temporary admission for some goods in certain circumstances (such as goods intended for fairs, exhibitions or sport purposes); and
- Promotion of trade opportunities for small and medium sized enterprises (SMEs), and agreement on transparency and impartiality on government procurement.

Key takeaways

The Oman-India CEPA was signed on 18 December 2025 and is expected to come into force soon. Businesses trading in goods between Oman and India are encouraged to assess the impact of this landmark agreement to unlock the benefits that the agreement will bring to their operations.

Origin compliance management and proactive application of preferential tariff treatment should be prioritized to optimize the benefits. The implementation of the additional tariff reductions, customs procedures, RoOs, and other technical standards should be actively monitored to further reduce the costs and enhance efficiencies in the supply chain.

Let's talk

To better understand how this development impacts your trade operations and unlock new opportunities, please contact:



Carlos Garcia

Partner, ME Customs & International Trade Lead & UAE Indirect Tax Lead
c.garcia@pwc.com



Gaurav Kapoor

Partner, Oman Tax Reporting & Strategy Lead
gaurav.x.kapoor@pwc.com



Shaimaa Hussein

Director, ME Customs & International Trade
shaimaa.m.hussein@pwc.com



Almoutasembellah Shalaton

Director, Indirect Tax
almoutasembellah.shalaton@pwc.com



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