

Introduction:

The 2019 Budget framework aims at achieving a set of objectives and priorities, notably fiscal sustainability so as to enable the national economy in achieving economic growth targets, a diversified economy, and targeted rates of domestic and foreign investments. In addition to, enable the private sector to play a greater role in the development process and to create more jobs.

2019 Budget Objectives:

- Maintaining the level of Basic Services:

The government gives special emphasis on providing basic social services for the citizens. Therefore, the budget seeks to maintain the achievements already accomplished, through the following:

1. Maintain the level of high-priority social services for citizens

The spending estimated in 2019 budget for basic services, such as education, health care, housing and social welfare accounted for (39%) of public spending, which represents the largest portion of the budget. The following table shows the public spending on the aforesaid services during (2015-2019):

Annual expenditures of basic social services as a percentage of overall public spending 2015-2019					
<u>Particulars</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018 *</u>	<u>2019 *</u>
Education	15	16	16	16	17
Health	6	6	7	10	11
Housing	8	7	9	7	6
Social Welfare	4	3	4	5	5
% of overall public spending	33%	32%	36%	38%	39%

* 2018 figures according to the preliminary outcomes.

* 2019 data as per budgeted figures.

2. Recruitment:

The government pays greater attention to investment spending so as to enhance investment climate and enable private sector to play greater role in investment projects and create more jobs. The investment spending estimated at RO (3.7) billion in 2019, including RO (1.2) billion allocated for infrastructure projects which are overseen by various government units; and an amount of RO (2.5) billion to be utilized by some state-owned-enterprises (SOEs) for the implementation of projects in industrial and services sectors. This will help to boost economic growth and create more jobs. On the other hand, the government continues to implement the initiatives recommended by National Program for Enhancing Economic Diversification (Tanfeedh).

As for public sector recruitment during 2019, the Budget includes allocations for (5000) job opportunities. The recruitment in the public sector continues to be based on the needs, particularly in the education and health sectors. However, the private sector is hoped to play a greater role in creating more job opportunities as it is involved in all economic activities in the country.

3. Training linked with Employment:

As part of the government's policy to enhance the skills of Omani job-seekers, the National Training Fund shall continue in 2019 its plan to train (6170) trainees along with more groups of trainees, in an effort to continue to build human capacity in Oman, and bridge the skills gap between education and job market needs. In addition, cooperation between and among high-priority sectors shall be enhanced to identify job opportunities, along with current and future requirements.

4. Housing Aid, Social Housing Scheme, and Housing loans:

The government continues to implement the Social Housing Scheme and Housing Aid Program for eligible citizens. An amount of RO (90) million has been allocated for this purpose, which includes an amount of RO (60) million assigned for housing loans provided by Oman Housing Bank, while the remaining RO (30) million is allocated for housing and development loans.

5. Fuel subsidy:

As part of government's endeavors to mitigate the implications arising from the elimination of fuel subsidy, the National Subsidy System (NSS) has been provided with the required allocations. The number of citizens registered in this system reached around (325) thousand.

In conclusion:

Although the challenges facing 2019 Budget are significant, it has been taken into consideration to maintain the level of basic social services, and levels of standards of living.

*** Note:** Information were extracted from the statement of the state budget for 2019.