



Fiscal Performance

Monthly Bulletin Published by the Ministry of Finance

January 2021		January 2022
946	Average of Daily Oil Production (Thousand bbl)	1,010
41.11	Average Oil Price (US\$)	81.58
284.9	Net Oil Revenue (RO Million)	553.9

Fiscal performance in January RO Million

2021		2022	Change (%)
716.6	Expenditure	785.3	9.59%
433.7	Revenue	803.3	85.2%
(282.9)	Deficit/Surplus	18	-

2022 Budget Registers a Surplus of RO 18 Million in January

Public Revenue

As of end-January 2022, public revenue increased by 85.2% when compared to the same period in 2021, as a result of an improvement in oil and gas prices and increase in production.

RO Million

Statement (As of end-January)	2021	2022	Change (%)
Net Oil Revenue	284.9	553.9	94.42%
Gas Revenue	107.3	218.6	103.7%
Current Revenue	30.1	30.6	1.66%
Capital Revenue & Repayments	11.4	0.2	-
Total	433.7	803.3	85.2%

Public Spending

By the end of January 2022, public spending increased by 9.59% to RO 785.3 million compared to RO 716.6 million during the same period in 2021.

Moreover, the cost of public debt service* increased to RO 162.4 million in January 2022.

***Public Debt Service:** refers to payments in respect of loan interests.

Deficit

By the end of January 2022, the State's General Budget registered a surplus of RO 18 million versus a deficit of RO 282.9 million as of the end of January 2021.

42 Government schools to be implemented under PPP

Project Background

As part of Government's efforts to meet the growing demand for schools and improve the quality of educational facilities, the Ministry of Education, in cooperation with the Ministry of Finance, intends to develop 42 schools under the PPP framework.



Project Scope

- Design • Construction • Finance
- Operation • Maintenance

Stakeholders

- Ministry of Education
- Private Sector

Economic and Social Impacts



Establish projects according to the budget and specified time period.



Draw upon the expertise and capabilities of private sector to provide innovative services and achieve sustainable growth.



Mandate private sector to provide services which are unrelated to the core work of Ministry of Education, while education remains a basic service provided by the Ministry itself.



Take advantage of the land areas of schools by allowing the private sector to develop business activities and provide services to the people of surrounding areas.



Improve the quality of educational facilities.

Current Phase

Qualification Phase

The Ministry of Finance announced its intention to qualify specialized local and international companies which may be interested in the project.

For further information, please visit MOF website: www.mof.gov.om



Global Growth to Decline to 4.4% in 2022

Global Economy

According to the World Economic Outlook Update (January 2022), IMF expects the global growth to moderate from 5.9% in 2021 to 4.4% in 2022—half a percentage point lower than initially projected in the October World Economic Outlook publication. The Omicron variant led to increased mobility restrictions and financial market volatility at the end of 2021, leading to a downward revision in their 2022 projection.

The IMF expects inflation to remain elevated

over the near term, averaging 3.9% in advanced economies and 5.9% in emerging market and developing economies in 2022, before subsiding in 2023. The IMF indicated that should inflation expectations remain well anchored and the pandemic eases its grip, higher inflation will fade as supply chain disruptions ease, monetary policy tightens, and demand rebalances away from goods-intensive consumption towards services.

Global Oil Market

According to the February Short-Term Energy Outlook report issued by the Energy Information Administration (EIA), Brent crude oil spot price averaged \$87 per barrel in January and is expected to average \$90/b in February. Crude oil prices have risen steadily since mid-2020 as result of consistent draws on global oil inventories. Oil prices have also risen as result of heightened market concerns about the possibility of oil supply disruptions, notably related to tensions regarding Ukraine,

paired with receding market concerns that the Omicron variant of COVID-19 will have widespread effects on oil consumption. However, EIA expects downward price pressures to emerge in the middle of the year as growth in oil production would outpace slowing growth in global oil consumption. EIA expects the Brent spot price will fall to an average of \$75/b and \$68/b in 4Q-2022 and 2023, respectively.

National Economy

The nominal GDP increased by the end of Q3-2021 to RO 24.2 billion. The NCSI projects GDP at

current prices to reach RO 32 billion by the end of 2021, up by 13.8% when compared to 2020.