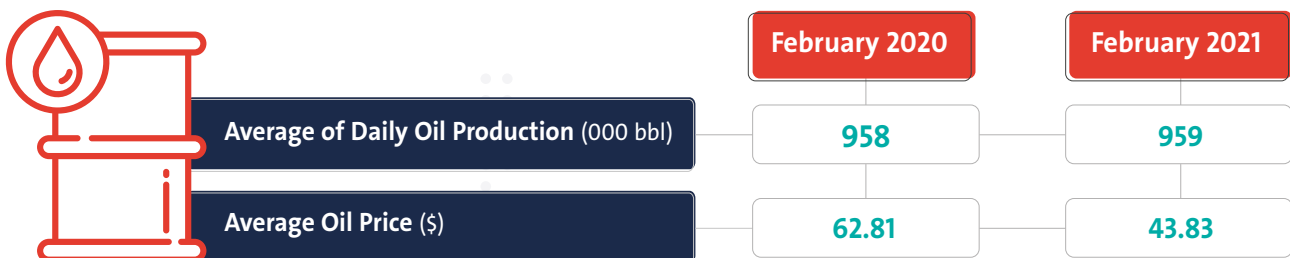




Fiscal Performance

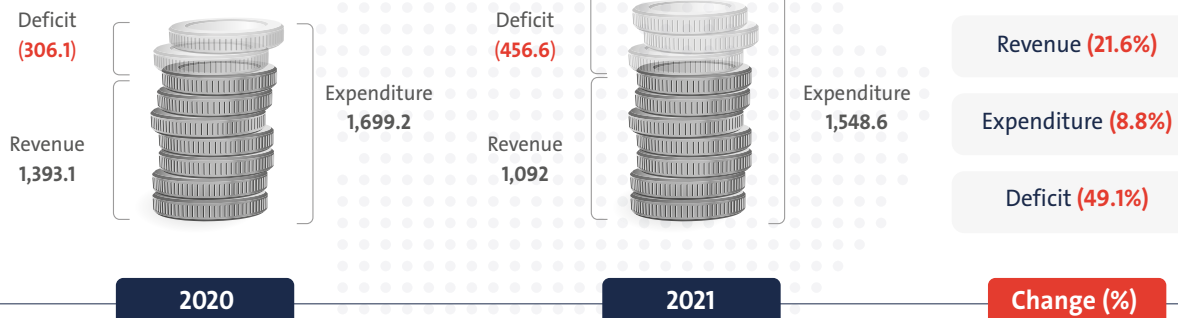
Monthly Bulletin Published by the Ministry of Finance



Fiscal Performance (As of end-February)

Preliminary Data

RO Million



RO 900 Million
Development
Spending
for 2021

Budgets of Civil Units

860.8

Tanfeeth Programs Budgets

7.2

Contingency Budgets

32

RO Million



State Budget Records RO 1 Billion of Total Revenue As of End-February 2021

Public Revenue

By the end of February 2021, total public revenue amounted to RO 1,092 million, decreased by 21.6% as compared to the same period of 2020. This is mainly due to a decline in net oil revenue by (35%) of total revenue, as a result of low oil price and the implications of COVID-19 pandemic.

Net oil revenue generated until end of February 2021, after deducting partners' shares as per Exploration and Production Sharing Agreement (EPSA), amounted to RO 603.4 million.

The State's General Budget records a reduction in gas revenue by 2% as of end-February 2021, compared with the same period of 2020. While current revenue increased by 8.1%.

RO Million

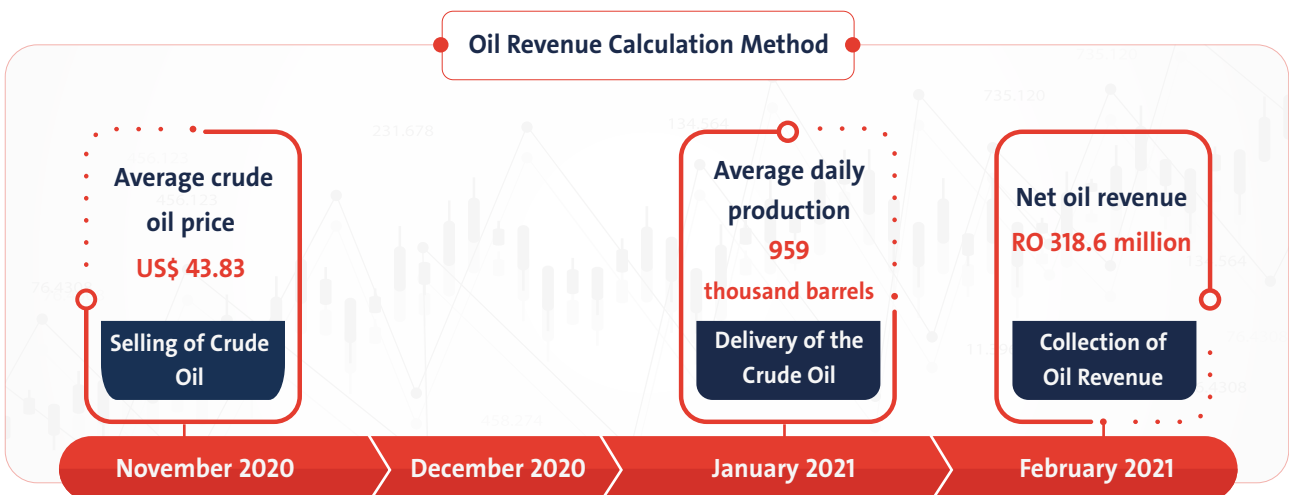
Statement	As of End-Feb. 2020	As of End-Feb. 2021	Change (%)
Oil Revenue	928.7	603.4	35%
Gas Revenue	240.3	235.3	2%
Current Revenue	222.4	240.5	8.1%
Capital Revenue & Repayments	1.7	12.8	-
Total	1,393.1	1,092	21.6%

Public Spending

By the end of February 2021, the State's General Budget sees a drop in public spending by 8.8% as compared to the same period of 2020. This is as a result of several factors, including a reduction in spending of various Government units.

Deficit

The deficit stands at RO 456.6 million by the end of February 2021.



Oman's Public Debt is Within Controllable Limits

Financing Plan for FY 2021

2021 Budget has allocated RO 1.2 billion to public debt servicing, which will be paid in accordance with an approved payment schedule.

Oman has set within its financing plan to cover budget deficit of RO 2.2 billion and repay principal of a loan of RO 2 Billion. Consequently, the total required financing for this year amount to RO 4.2 billion, which is planned to be obtained through various financing instruments, in addition to an amount of RO 600 million withdrawn from Oman Investment Authority (OIA).

Financing Means

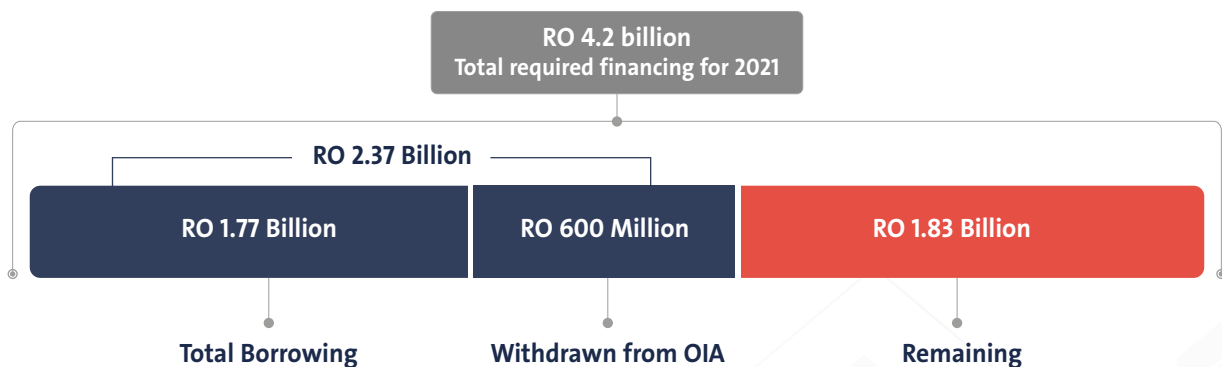
The financing means are the instruments used by the Government for borrowing in order to meet its financial obligations and cover budget deficit, such as:

Bonds: a fixed income instrument that represents a loan made by an investor to a borrower.

Sukuk: sharia-compliant bonds that provide an investor with a temporary ownership in an underlying asset, wherein the investor gets profits within a specific time.

Borrowing: fund obtained from direct lenders such as banks and financing companies.

Financing Status (As of end-March 2021)



As of end of March, total obtained finance amounted to RO 2.37 billion, of which RO 1.77 billion represents total loans, while an amount of RO 600 million was received from OIA. This shows that Oman has successfully covered most of its financing needs. The remaining amount of RO 1.83 billion will be raised during the current year.

By the end of February, an amount of RO 144 million paid for public debt servicing, and an amount of RO 563 million repaid for principal of some loans.



Development Spending in 2021

The State's General Budget has allocated RO 900 million for development projects, representing the cash to be disbursed in 2021 according to the actual implementation rates. The priority, cost, and economic and social return of each project have been taken into account.

Development Budget Allocations for 2021

RO Million

Sector	Amounts	%
Goods-producing Sector Crude oil, mineral & quarries, agricultural, fisheries, and manufacturing	42.5	4.7%
Services-producing Sector Housing, commerce, electricity, water, postal, telegraph & telephone, and tourism	169.3	18.8%
Social Infrastructure Sector Education, vocational training, health care, information, culture & religious affairs, social centers, and youth centers	207.1	23%
Infrastructure Sector Roads, airports, seaports, irrigation & water resources, urban planning & municipal services, government administration, and environment & pollution control	481.1	53.5%
Total	900	100%

Global Economy

OECD Improves its Global Economic Forecast for 2021

The Organization for Economic Co-operation and Development (OECD) prudently upgraded its 2021 economic forecast in last March. According to OECD, the global economy will recover and grow by 5.6% in 2021 and 4% in 2022, compared with previous forecasts of 4.2% this year and 3.7% in December 2022.

The revised forecasts come amid accelerated pace of vaccination. The OECD claims that the faster countries can vaccinate, the faster they can reopen and resume normal economic activity. Moreover, OECD stressed the importance of speeding up vaccinations to prevent COVID-19 variants from causing new outbreaks.

National Economy

- In March 2021, the Government has endorsed an economic stimulus plan aiming at accelerating economic recovery and enhancing economic activities performance affected by the COVID-19 pandemic and continued low oil prices. In light of the current unfavorable conditions, the Government seeks, through the plan, to mitigate the implications of the pandemic on the national economy, notably the small and medium enterprises (SMEs) by providing an incentive package. Such package limits Government purchasing contracts worth less than RO 10,000 to SMEs only. In addition, the Government has made some decisions within the plan to reduce some fees and tax rates in order to encourage the private sector to invest more in the economic diversification sectors.
- As part of the Government's efforts to improve economic growth, a national program was launched, under the directives of His Majesty the Sultan, with the aim to attract private investments and enhance the presence of Omani exports in foreign markets. This will eventually support the national economy, create more jobs, and further diversify the sources of income.
- Oman was ranked 71st globally, rising five places, in the Index of Economic Freedom, issued annually by the Heritage Foundation.

Oman moves
5 Ranks up
In the 2021 Index of
Economic Freedom

7th Regionally
71st Globally

Score: **64.6**
out of 100