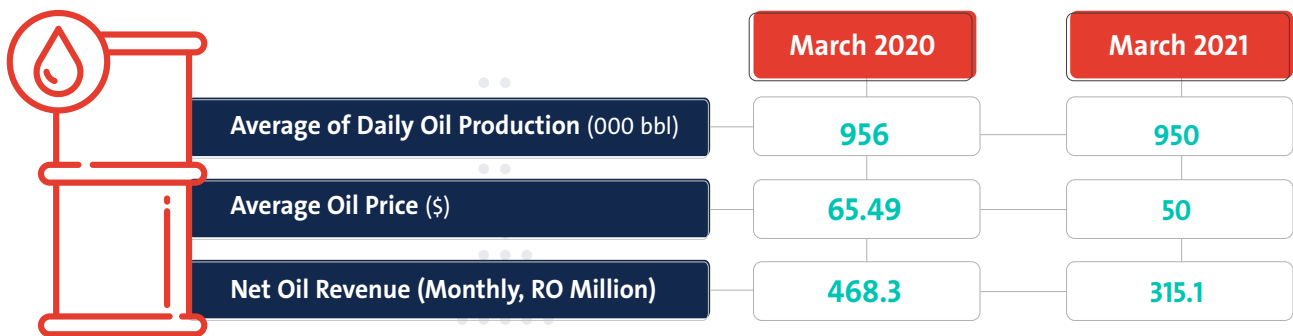




Fiscal Performance

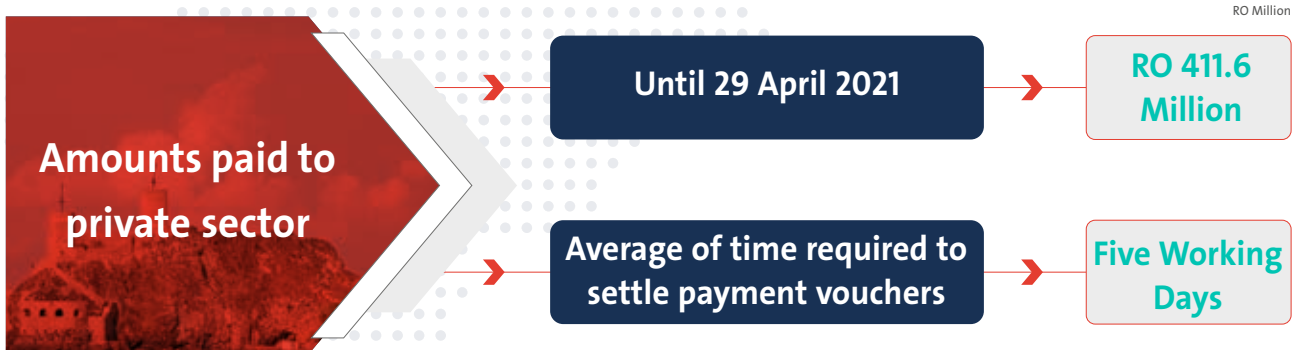
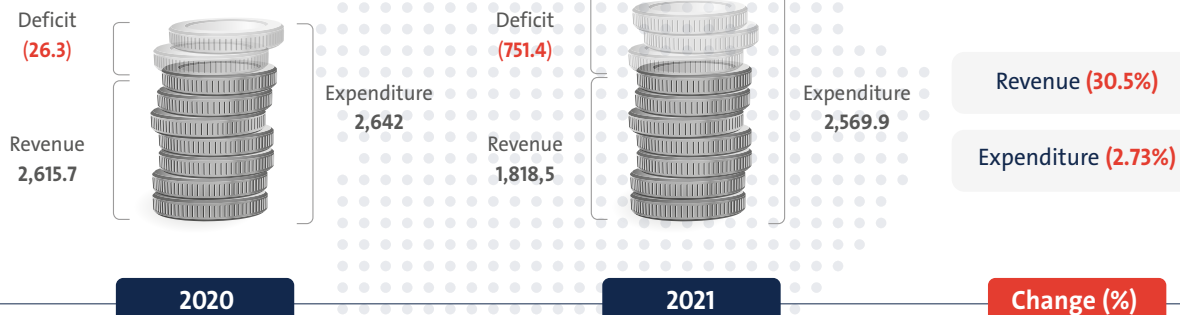
Monthly Bulletin Published by the Ministry of Finance



Fiscal Performance during First Quarter of 2021

Preliminary Data

RO Million





Fiscal Performance for the First Quarter of 2021

State Budget Records a Reduction in Public Spending and Revenue by 2.73% and 30.5 %, Respectively, in the First Quarter of 2021 over the Same Period of 2020

Public Revenue

By the end of first quarter of 2021, public revenue totaled RO 1,818.5 million, down by 30.5% as compared with the same period of 2020. Net oil revenue declined by 34.2%. This is attributable to low oil price and economic implications triggered by COVID-19 pandemic. On the other hand, current revenue increased by 6%. It is worth noting that the decline in capital revenue and repayments during the first quarter of 2021, as compared to the same period of 2020, is due to the privatization of Oman Electricity Transmission Company that generated a yield of RO 365.4 million, recorded in March 2020.

RO Million

Statement (As of end-March)	2020	2021	Change (%)
Net Oil Revenue	1397	918.6	34.2%
Gas Revenue	365.3	365	-
Current Revenue	485	514.2	6%
Capital Revenue & Repayments	368.4	20.6	94.4%
Total	2,615.7	1,818.5	30.5%

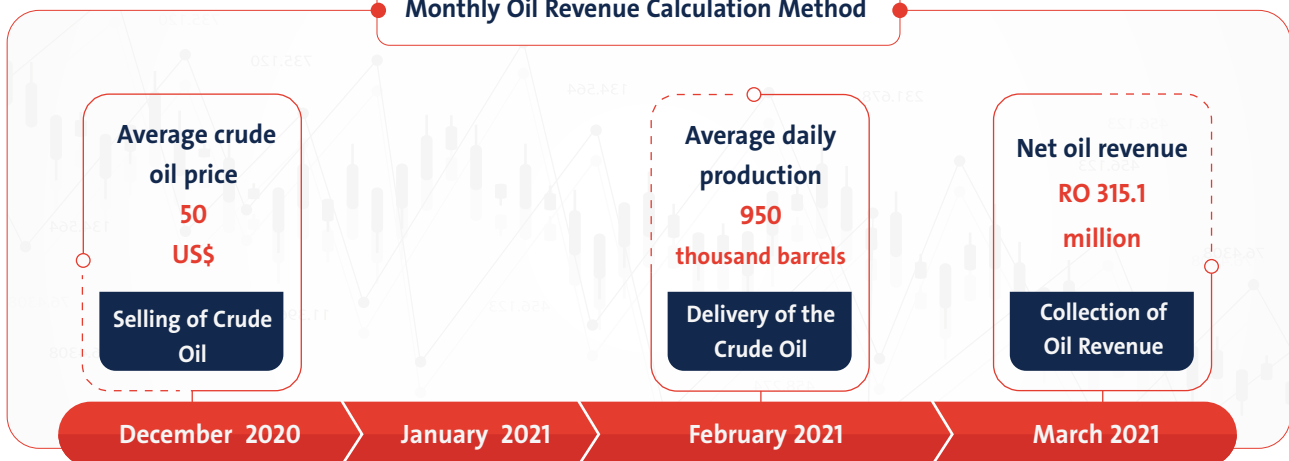
Public Spending

At the first quarter of 2021, public spending decreased by 2.73% compared to the same period of 2020 as a result of several factors, including a reduction in spending of various Government units.

Deficit

In the first quarter of 2021, budget deficit amounted to RO 751.4 million.

Monthly Oil Revenue Calculation Method





Global Economy

Global Economy Is Projected To Recover In 2021 and 2022



The IMF has revised upward its outlook on the global economic growth in the April 2021 World Economic Outlook (WEO). The IMF predicts the global economy to grow at 6% and 4.4% in 2021 and 2022, respectively. These optimistic forecasts reflect the fiscal support in some large economies, the anticipated vaccine-driven recovery in the second half of 2021, and continued

adaptation of economic activity to subdued mobility.

However, the WEO points out that this outlook is surrounded by high uncertainty as it depends on the path of the pandemic, the effectiveness of policy support to return to pre-pandemic levels, and developments in the financial situation.

Oil Markets

IMF and EIA project an increase in oil supply and demand in 2022

The WEO points to an increase in oil prices since the last quarter of 2020 as a result of improved global demand, coupled with OPEC+ agreements to extend oil production cuts, and Saudi Arabia's announcement of further production cuts. After declining to US\$ 27 per barrel in April 2020, oil prices increased to US\$ 67 per barrel in mid-March 2021.

The world crude oil supply picked up in the last quarter of 2020, and continued to rise in the first quarter of the current year by 0.4 percentage point. According to the

US Energy Information Administration (EIA), the global supply is projected to increase gradually over 2022. OPEC's crude oil production increased by 0.2 million barrels per day, reaching 25.04 million barrels per day. It is also estimated that natural gas liquids (NGLs) production will recover by 0.93 mb/d m-o-m in March, after sharp fall in February. On the other hand, OPEC NGLs are projected to rise by 0.1 mb/d y-o-y in 2021 to average 5.2 mb/d.



National Economy

S&P Global Ratings Expects Economic and Fiscal Pressures on Oman to Ease from 2021

Credit Rating

S&P Global Ratings affirmed its 'B+/B' credit ratings on Oman. The outlook is stable.

S&P expects economic and fiscal pressures on Oman to ease from the current year, citing that the fiscal reforms will help to reduce the deficit. It also stated the importance of continued fiscal consolidation in order to enhance fiscal position and further improve Oman's credit rating.



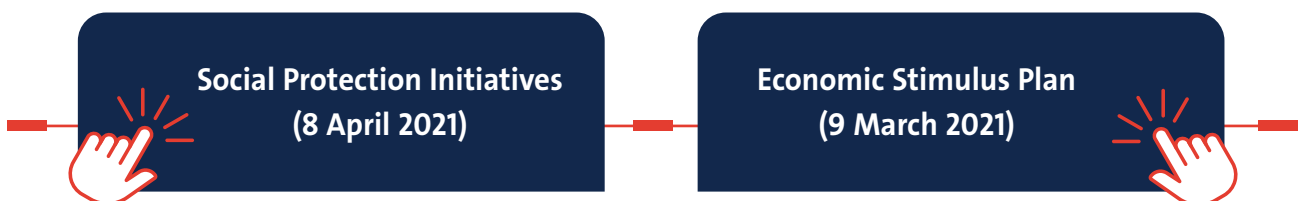
Social Protection Initiatives

Social protection initiatives, endorsed by His Majesty Sultan Haitham bin Tarik, were launched on 8th April 2021. These initiatives, which worth more than RO 100 million, aim to mitigate the implications arising from current global economic situation, and alleviate the immediate effects of measures taken to enhance the efficiency of public finance.

Moreover, His Majesty has directed to enhance and stabilize labour market, in order to ensure effective participation of the private sector in leading the economy in line with Oman Vision 2040.

The endorsement of His Majesty for these initiatives comes as a continuation of stimulus measures to address social and economic aspects.

For further details





Ministry of Finance Initiatives

E-Transfer of Salaries Initiative

E-transfer of salaries for all Government civil employees starting from March 2021

In March 2021, the Ministry of Finance (MOF) has completed the activation of e-transfer of salaries initiative in collaboration with Central Bank of Oman (CBO), with the aim to facilitate and accelerate the transfer process of salaries and current payments using e-banking services.

Objectives



Update personnel data in all Government units in harmony with CBO standards.



Maintaining the confidentiality of data and information by encryption of payroll files.



To halt using cheques, statements or CDs to transfer salaries, and instead adopt the e-banking services.



Reducing the time and effort required to transfer the salaries and payments.



Facilitating the future introduction of Automated Clearing House (ACH) for direct transfer of salaries into the bank accounts of employees through CBO.

Payments Made to Private Sector (As of 29 April 2021)

During the last period, MOF was able to pay dues of private sector within 5 working days on average upon receipt of payment voucher through the electronic financial system, and after ensuring that the financial claim has completed the documentary cycle. Payments made to the private sector until 29 April 2021, amounted to RO 411.6 million.

All companies and enterprises can update their data in the Beneficiary Code System via MOF website, and can track their payments through the system.

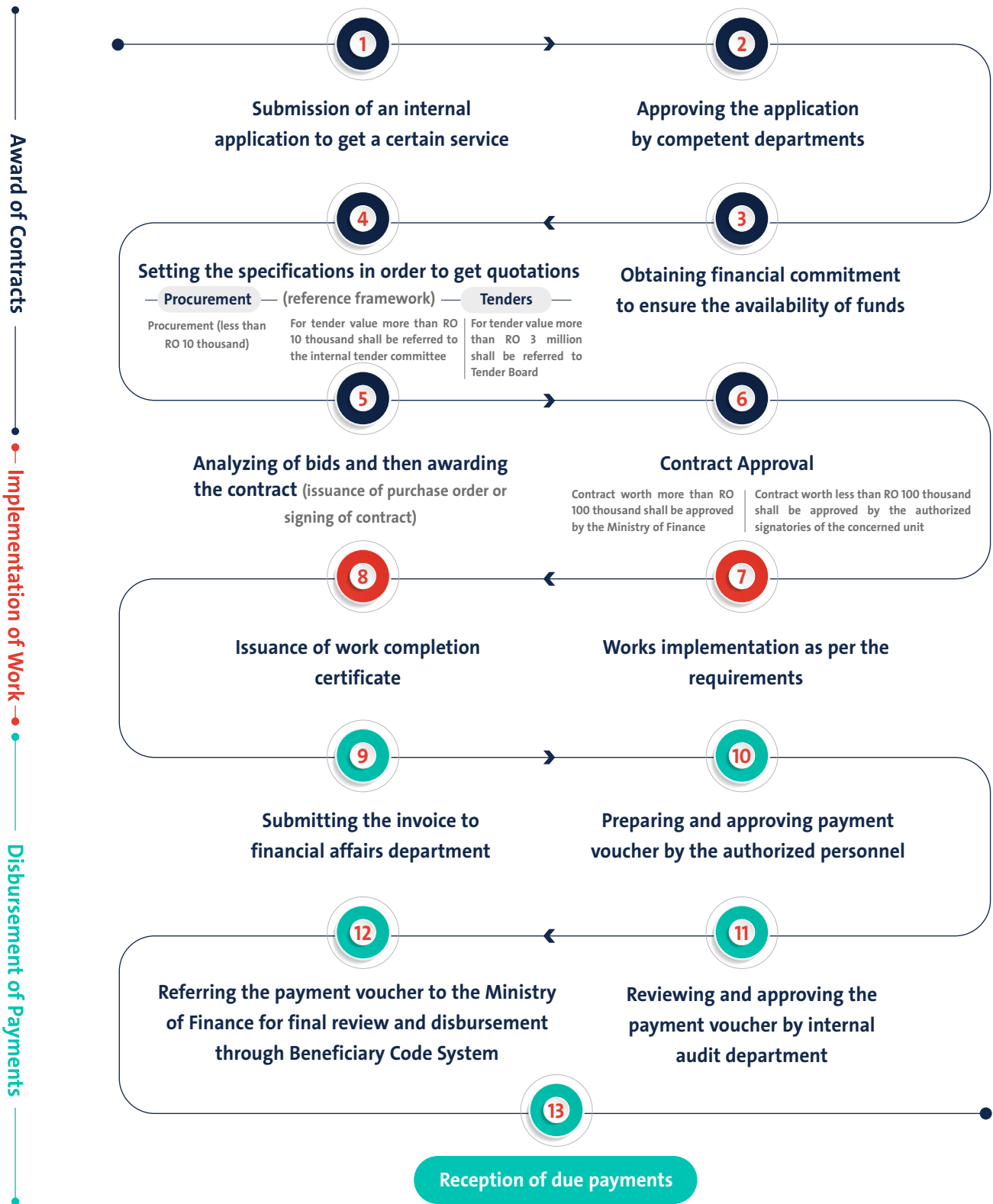
For further details:

 [Beneficiary Code System](#)





Mechanism of Awarding Government Contracts and Paying the Contractors



Notice: this diagram shows a simplified documentary cycle