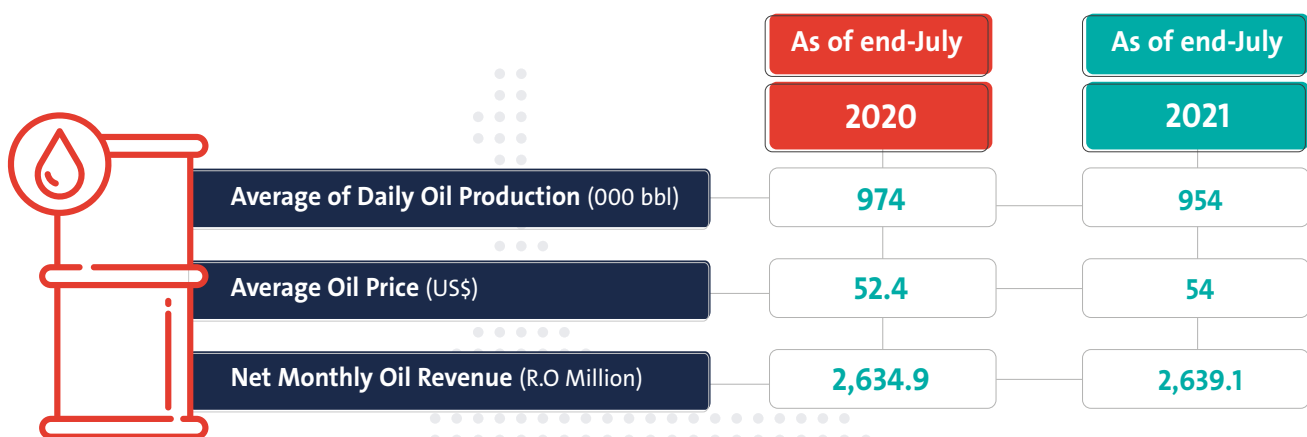




Fiscal Performance

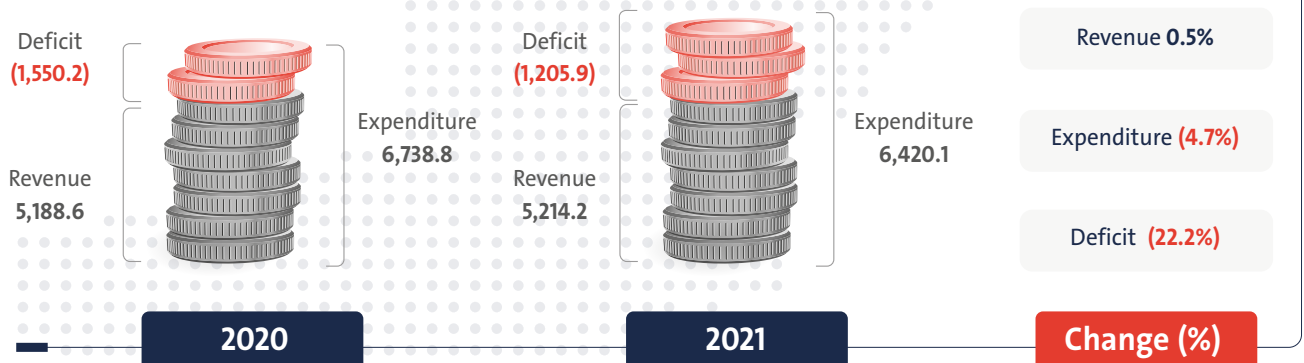
Monthly Bulletin Published by the Ministry of Finance



Fiscal Performance (As of end-July 2021)

Preliminary Data

RO Million





Fiscal Performance (As of end-July 2021)

Public Revenue Increases While Public Spending and Deficit Decreases by the end of July 2021

Public Revenue

By the end of July 2021, public revenue increased marginally by 0.5%, compared with the same period of 2020. With oil price averaged US\$ 54 per barrel as of end-July 2021, net oil revenue reached RO 3,573.9 million, up by 3.4% as compared with the same period of 2020.

The current revenue increased by 34.9% over the same period of 2020. This is attributable to the dividends worth RO 613.3 million received from Oman Investment Authority (OIA).

RO Million

Statement (As of end-July)	2020	2021	Change (%)
Net Oil Revenue	2,634.9	2,639.1	0.2%
Gas Revenue	823.1	934.8	13.6%
Current Revenue	1,196.3	1,614.7	34.9%
Capital Revenue & Repayments	534.3	25.6	-
Total	5,188.6	5,214.2	0.5%

Public Spending

As fiscal consolidation continues, the public spending continues to decline. By the end of July 2021, total spending amounted to RO 6,420.1 million, down by 4.7% compared with the same period in 2020.

Deficit

As of end-July 2021, the budget deficit declined by 22.2% compared with the actual deficit recorded in 2020. This reduction is reflected by an increase in public revenue and a decrease in public spending by the end of July 2021 as compared with the period of 2020.



Global Economy

According to the World Economic Situation and Prospects Monthly Briefing (August, 2021) issued by UN DESA, economic activity is bouncing back in several countries, supported by increased government spending, stimulatory monetary policy, health and border measures to limit COVID-19 infections and deaths, and the rollout of vaccines. In recent weeks, most countries have seen an uptick in the number of COVID-19 infections, associated with the rise of a new, more transmissible variant. Yet, countries with higher vaccination rates have been able to gradually reopen their economies as reflected in increased consumer demand and prices. The Monthly Briefing stated that Chinese growth rebounded strongly and rapidly from the pandemic, but it is expected to slow later in the year as the country aims to rein in credit. In Europe, the economic recovery is predicted to be slower due to weak consumer spending.

Oil Markets

According to Global Monthly report (July, 2021) issued by World Bank Group, the price of Brent crude oil averaged \$73/bbl in June, its highest monthly level since 2018. Oil prices have been lifted by a recovery in oil demand by 3.2 million barrels per day (mb/d) in June to 96.8 mb/d and expects the recovery to continue. In July, a disagreement among OPEC and its partners on future production quotas saw oil prices rising above \$77/bbl. On July 18th, the group reached a new agreement under which oil production is set to increase by 400,000 barrels per day each month from August. Oil prices declined sharply following the announcement to below \$70/bbl.

National Economy

In August, the Ministry of Economy launched “Economic Stimulus Initiative” to stimulate small and medium enterprises (SMEs) in collaboration with the private sector. This initiative includes eight sub-initiatives which all seek to revitalize SMEs particularly those operating in the economic diversification sectors. The initiatives aim to support the recovery of SMEs and identify innovative solutions for their businesses and products.