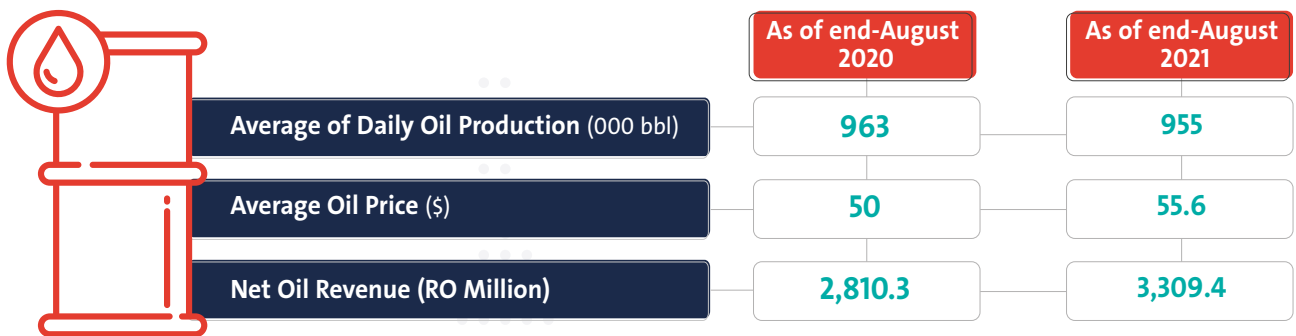




# Fiscal Performance

Monthly Bulletin Published by the Ministry of Finance



## Fiscal Performance at the end of August 2021

Preliminary Data

RO Million

Deficit  
(1,957.2)

Revenue  
5,554.3



Expenditure  
7,511.5

Deficit  
(1,051.8)

Revenue  
6,330.8



Expenditure  
7,382.6

Revenue **13.9%**

Expenditure **(1.7%)**

Deficit **46.3%**

2020

2021

Change (%)

Amounts paid to  
private sector

As of end-September 2021

RO 823  
Million



## Fiscal Performance (As of end-August 2021)

**Public Revenue Increases by 13.9% while budget deficit drops by 46.3%**

### Public Revenue

By the end of August 2021, the public revenue increased by 13.9% registering RO 6,330.8 million as compared with the same period in 2020. Such increase is reflected by improved oil and gas prices over the past months. Oil revenue amounted to RO 3,309.4 million while gas revenue reached RO 1,231.3 million, up 17.8% and 34.2%, respectively, over the same period last year.

Moreover, the current revenue increased by 37.2% as of end-August 2021 over the same period in 2020.

RO Million

Statement (Until the end of August)	2020	2021	Change (%)
Net Oil Revenue	2,810.3	3,309.4	17.8%
Gas Revenue	917.4	1,231.3	34.2%
Current Revenue	1,282.7	1,759.6	37.2%
Capital Revenue & Repayments	543.9	30.5	-
<b>Total</b>	<b>5,554.3</b>	<b>6,330.8</b>	<b>13.9%</b>

### Public Spending

The public spending increased by 1.7% as of end-August 2021 over the same period of 2020, with a total spending of RO 7,382.6 million versus RO 7,511.5 million registered at the end of August 2020.

The investment expenditures of civil ministries amounted to RO 451.4 million. By the end of August 2021, the total appropriations allocated for future debt obligations budget-item\* amounted to RO 100 million, while the target figure for the current year amounts to RO 150 million.

**\* Future debt obligations budget-item:** one of the budget items introduced by the Government within 2021 Budget in order to partially repay future loans.

### Deficit

By the end of August 2021, the deficit decreased by 46.3% i.e. RO 1,051.8 million compared with the same period of 2020.

### More than RO 800 million paid to private sector by the end of September 2021

By the end of September 2021, the Ministry of Finance has managed to settle the payments of private sector with an amount of RO 823 million. This reflects the payment vouchers received through the e-financial system, and which have completed the documentary cycle.



### Global Economy

Fitch Ratings expects world GDP to grow by 6.0% in 2021, slower than its previous 6.3% growth forecast in the June Global Economic Outlook (GEO). Supply constraints are limiting the pace of recovery and Fitch Ratings have revised down US 2021 GDP forecast to 6.2% from 6.8% in June.

A greater share of demand growth is being reflected in price increases and US inflation forecasts have been

revised up again. Fitch Ratings have also lowered China's growth forecast to 8.1% from 8.4% as the property slowdown weighs on domestic demand. The agency has also lowered forecasts for some other Asian economies following a rise in coronavirus cases and renewed restrictions. However, Fitch Ratings have raised Eurozone 2021 growth to 5.2% from 5.0%.

### Global Oil Market

OPEC's Monthly Oil Market Report upped demand predictions for 2022, predicting that pre-pandemic demand levels would be exceeded in 2022, with global demand growth of 4.15 million barrels per day, up from 3.28 million barrels per day last month.

### National Economy

During the first half of 2021, Oman's gross domestic product (GDP) increased to RO 15,301.9 million at current prices i.e. 10.1% compared with an amount of RO 13,898.3 million recorded in the same period of 2020. This is due to an increase in oil activities and non-oil activities by 8.7% and 11.1%, respectively, over the same period of 2020.

## Positive Outlook

**S&P Global**  
Ratings

S&P Global Ratings has revised, at the beginning of this month, Oman's outlook from stable to positive and affirmed the 'B+/B' ratings. According to the agency, this positive outlook is attributed to the robust policy responses to economic and health challenges and the steps taken towards improving financial position. This is in addition to oil prices recovery. The agency expects Oman's fiscal deficit to drop from 15.3% of GDP in 2020 to 4.2% in 2021. Moreover, the current account deficit is predicted by S&P to decrease from 12% of GDP in 2020 to 4.4% in 2021.