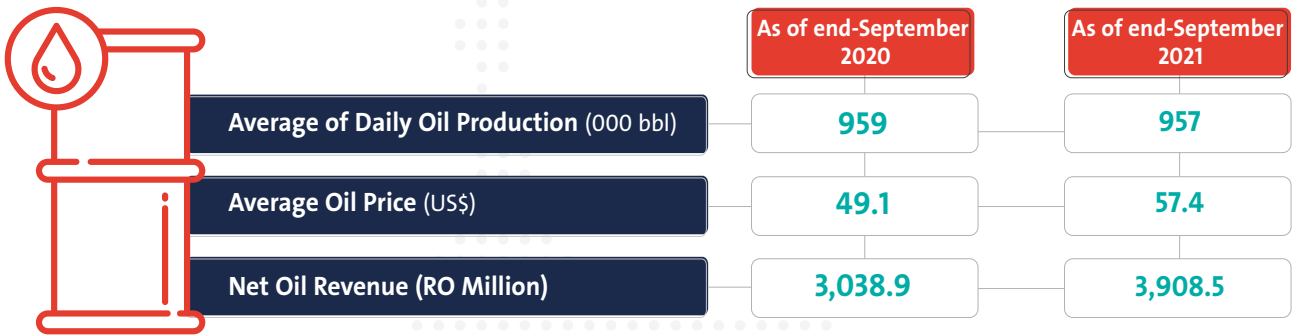




Fiscal Performance

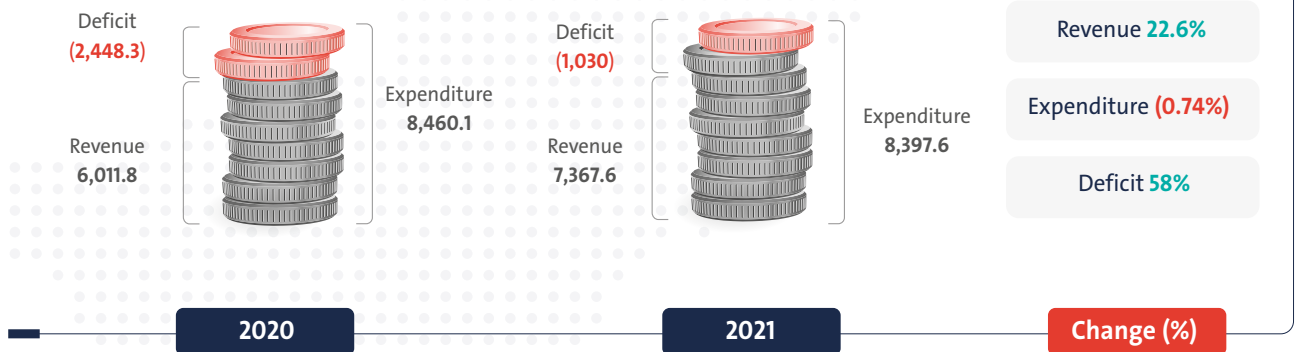
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Fiscal Performance at the end of September 2021

Preliminary Data

RO Million





Budget Deficit Drops at the End of September 2021

Public Revenue

By the end of September 2021, public revenue increased by 22.6% to RO 7,367.6 million as compared to RO 6,011.8 million registered in the same period of 2020. Over the past months, Oman has witnessed some improvement in oil prices that averaged US\$ 57.4 at the end of the 3rd quarter of 2021, which has raised net oil revenue to RO 3,908.5 million and gas revenue to RO 1,422.0 million.

RO Million

Statement (As of end-September)	2020	2021	Change (%)
Net Oil Revenue	3,038.9	3,908.5	28.6%
Gas Revenue	1,030	1,422	38%
Current Revenue	1,380.3	2,004.1	45.2%
Capital Revenue & Repayments	562.6	33	-
Total	6,011.8	7,367.6	22.6%

Moreover, current revenues increased by 45.2% at the end of September 2021, totaling RO 2,004.1 million as compared to RO 1,380.3 million during the same period in 2020. Non-tax revenue amounted to about RO 1,034.1 million, which included RO 613.3 million of dividends was received from various Government investments. Additionally, tax and fees revenue totaled RO 969.9 million.

Public Spending

By the end of the 3rd quarter of 2021, the public spending decreased by 0.74% to RO 8,397.6 million versus RO 8,460.1 million registered over the same period in 2020.

Furthermore, as of September 2021 Energy Development Oman (EDO) became fully operational and thus all Government obligations related to the oil and gas production expenditure has been transferred to EDO.

Deficit

By the end of September 2021, the deficit decreased by 58% i.e., RO 1,030 million as compared to RO 2,448.3 million registered at the end of September 2020.



Global Economy

IMF Expects Global Economy to Rise By 5.9% in 2022

The IMF has projected in its latest World Economic Outlook report (October, 2021) that the global economy will rise by 4.9% and 5.9% in 2021 and 2022, respectively, (below previous estimates by 0.1%). This decrease is reflected by the challenges facing supply chain and low economic growth in the lower-income developing

countries as a result of COVID-19 pandemic and concerns over new mutations in these countries. Furthermore, it is expected that the global economy will grow by 3.3% in the medium-term after 2022, while the advanced economies are projected to achieve higher growth rate exceeding pre-pandemic level.

Global Oil Market

According to U.S Energy Information Administration (EIA), supply and demand continued to grow and global oil markets rebalanced during the first half of 2021. Meanwhile, global oil supply continued to increase by 1.9 million barrels during Q3, with supply at higher levels compared to the end of Q3 2020. The EIA predicts that oil demand will grow by 1.5 million barrels per day in Q4 2021 and is expected to maintain growth in 2022 but at a lower rate ranging between 0.7 to 1.1 million barrels per day. The global oil supply is expected to continue rising gradually by 0.5 to 1.3 million barrels per day in 2022.

National Economy

Credit Rating Agencies Continue Revising Oman's Outlook

Moody's has revised the outlook on Oman's credit rating to stable from negative and affirmed its rating at Ba3. According to Moody's, the change in outlook reflects the significant easing of government liquidity and external financing pressures, mainly as a result of the ongoing implementation of the Medium-Term Fiscal Plan and significantly higher oil prices since the middle of 2020, which will underpin a steady decline in the direct government debt burden to around 60% of GDP by 2024.

