



Fiscal Performance

Monthly Bulletin Published by the Ministry of Finance

As of end-August 2021		As of end-August 2022
955,3	Average of Daily Oil Production (Thousand bbl)	1,047
56	Average Oil Price (US\$ per barrel)	91
3,309	Net Oil Revenue (RO Million)	4,594

Fiscal Performance at the End of August 2022

RO Million

2021		2022	Change (%)
6,331	Revenue	9,325	47.3%
7,383	Expenditure	8,235	11.5%
(1,052)	Deficit/Surplus	1,090	-

Preliminary Data

Fiscal Performance (As of end-August 2022)

Public Revenue

At the end of August 2022, public revenue amounted to RO 9,325 million, up by 47.3% compared to RO 6,331 million registered over the same period in 2021. This is mainly due to an increase in hydrocarbon and current revenue.

RO Million

Statement (As of end-August)	2021	2022	Change (%)
Net Oil Revenue	3,309	4,594	38.8%
Gas Revenue	1,231	2,386	93.8%
Current Revenue	1,760	2,331	32.4%
Capital Revenue & Repayments	31	14	(45.8%)
Total	6,331	9,325	47.3%

Hydrocarbon Revenue

By the end of August 2022, hydrocarbon revenue increased to RO 6,980 million, up by 53.7% over the same period in 2021. Such increase is supported by high oil and gas prices and production.

Current Revenue

By the end of August 2022, current revenue increased by 32% to RO 2,331 million when compared to the figures of 2021. This increase is attributed to high tax revenue and dividends worth RO 584 million received from Oman Investment Authority.

Public Spending

By the end of August 2022, public spending amounted to RO 8,235 million, up by 11.5% when compared to the same period in 2021.

Development Expenditure: The development expenditure amounted to RO 566 million, representing 51% of total development spending, i.e. RO 1100 million, allocated for 2022.

Current Expenditure: By the end of August 2022, the current expenditure increased by 11.7% to RO 6,286 million when compared to the figures registered over the same period in 2021. This includes public debt service of RO 702 million.

Contributions and Other Expenses: Total contributions and other expenses increased to RO 1,150 million compared to RO 523 million registered over the same period in 2021. By the end of August 2022, oil products subsidy and food commodities subsidy amounted to RO 498 million and RO 11 million, respectively. Additionally, an amount of RO 134 million allocated for future debt obligations budget-item.

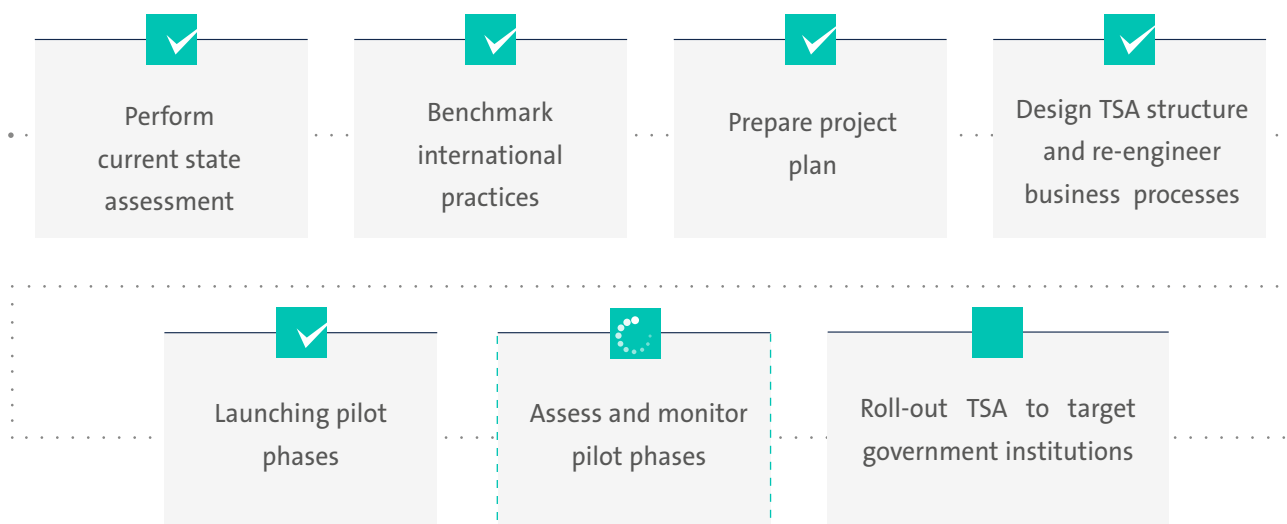
Deficit / Surplus

At the end of August 2022, the budget achieved a surplus of RO **1,090** million as compared to a deficit of RO **1,052** million over the same period in 2021.

Treasury Single Account (TSA)

A unified structure of government bank accounts, where all government account balances are accumulated to show the movement of net revenues and expenses. This would lead to the optimal use of government cash resources.

TSA Project Phases



Outcomes of TSA Pilot 1

- 01 Completion of Pilot 1** which included Tax Authority (TA) and Ministry of Labour (MOL).
- 02 Successfully separating revenue & expenses streams** of TA and MOL.
- 03 Processing entire current revenue and expenditure** of TA and MOL via TSA expenses bank structure.
- 04 Automating operations associated** with government bank accounts within the TSA structure.
- 05 Ongoing settlement and closure of** previous commercial bank accounts for Pilot 1 entities.

Next step:

- ▶ **Initiate the preparatory phase of Pilot 2** which includes Ministry of Education, Ministry of Health and Royal Oman Police.

Global Economy

According to Fitch Ratings' Global Economic Outlook (GEO) – September 2022, world GDP is projected to grow by 2.4% in 2022 - revised down by 0.5% since the June Global Economic Outlook (GEO) - and by just 1.7% in 2023, a cut of 1%. The Eurozone and UK are now expected to enter recession later this year and Fitch Ratings forecasts that the US will suffer a mild recession in mid-2023. Fitch Ratings also expects the Eurozone economy to contract by 0.1% in 2023 - a drop of 2.2% since June reflecting the impact of the natural gas crisis. Fitch Ratings expects US growth of 1.7% in 2022 and 0.5% in 2023, revised down by 1.2% and 1%, respectively.

Global Oil Market

According to U.S. Energy Information Administration's (EIA) Short-Term Energy Outlook (September 2022), the Brent crude oil spot price is projected to average US\$ 98 per barrel in the fourth quarter of 2022 and US\$ 97 per barrel in 2023. The EIA stated that the possibility of petroleum supply disruptions and slower-than-expected crude oil production growth continues to create the potential for higher oil prices, while the possibility of slower-than-forecast economic growth creates the potential for lower prices.

National Economy

According to National Center for Statistics and Information (NCSI), Oman's gross domestic product (GDP) increased to RO 20,261 million at current prices in the first half of 2022. By the end of June 2022, the value added of oil activities increased by 70.9% over the same period in 2021. At the end of June 2022, merchandise exports totaled RO 12,336 million, including value of non-oil merchandise exports of RO 3,737 million.

Improvement in the credit outlook of Oman during 2022

Ba3

MOODY'S

Positive Outlook

October 2022

BB-

S&P Global
Ratings

Stable Outlook

October 2022

BB

FitchRatings

Stable Outlook

August 2022