Research Update:

Oman Upgraded To 'BB' From 'BB-' On Stronger External And Fiscal Performance; Outlook Stable

November 25, 2022

Overview

- The government's fiscal reform program and favorable prices for key export oil will strengthen Oman's fiscal and external metrics.
- We expect a significant improvement in the economy's external balance sheet this year and for the government to return to a small net asset position in 2023.
- We therefore raised our long-term sovereign credit ratings on Oman to 'BB' from 'BB-'. The outlook is stable.

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Rating Action

On Nov. 25, 2022, S&P Global Ratings raised its foreign and local currency long-term sovereign credit ratings on Oman to 'BB' from 'BB-'. We also revised our transfer and convertibility assessment to 'BB+' from 'BB' and affirmed our 'B' short-term sovereign credit rating on Oman.

As a "sovereign rating" (as defined in EU CRA Regulation 1060/2009 "EU CRA Regulation"), the ratings on Oman are subject to certain publication restrictions set out in Art 8a of the EU CRA Regulation, including publication in accordance with a pre-established calendar (see "Calendar Of 2022 EMEA Sovereign, Regional, And Local Government Rating Publication Dates: Midyear Update," published June 23, 2022, on RatingsDirect). Under the EU CRA Regulation, deviations from the announced calendar are allowed only in limited circumstances and must be accompanied by a detailed explanation of the reasons for the deviation. In this case, the reason for the deviation was to allow us to assess Oman's external and fiscal positions under our revised oil price assumptions for 2023 and 2024. The next scheduled publication on the sovereign ratings on Oman will be announced when we publish our 2023 calendar.

Outlook

The stable outlook balances the recent and expected strengthening in Oman's fiscal and balance-of-payments positions against the economy's structural susceptibility to adverse oil price shocks.

Downside scenario

We could lower the rating over the next 12 months if fiscal reform implementation slows, or less favorable terms of trade result in larger fiscal deficits or a worse external position than we currently expect.

Upside scenario

We could raise the ratings over the next 12 months if ongoing reforms further strengthen Oman's fiscal position, for instance, due to a continued reduction in government debt or faster-than-expected deleveraging in the state-owned enterprise sector.

Rationale

Oman's fiscal and external positions are benefiting from government reforms and higher oil prices.

In addition to rebuilding fiscal buffers on the back of windfall oil revenue, the Omani government has continued to reduce the budget's reliance on oil receipts, in line with its medium-term fiscal plan to 2025. We expect fiscal reforms to continue, including the possible introduction of personal income tax on high earners and measures to increase value-added tax (VAT) receipts. Oman's economy depends significantly on the oil sector, which accounts for close to 30% of GDP, 60% of goods exports, and over 75% of government fiscal receipts. This dependency weighs on our assessment of its economic and external resilience and we reflect this in the rating.

Even so, there are indications that the government has advanced its efforts to lower the sensitivity of fiscal outcomes to commodity prices. Since last year, it has been using windfall oil revenue to reduce debt. In first-half 2022, Oman engaged in several liability management exercises including a voluntary buyback of $700 million in Eurobonds. We estimate government debt will decline to $46.6 billion (Omani rial [OMR] 17.9 billion; 42% of GDP) by year-end 2022 from $54.7 billion (OMR20.8 billion; 61% of GDP) at year-end 2021. Additionally, we understand that, under the Oman Investment Authority's (OIA's) supervision, government-related entities (GREs) will repay their debt instead of refinancing, where possible. At about 30% of GDP, we currently view Oman's GRE debt stock as elevated and presenting a moderate contingent liability for the government.

S&P Global Ratings recently revised its oil and gas price assumptions (see "S&P Global Ratings Revises Its Oil And Gas Price Assumptions On Supply/Demand Fundamentals," published Nov. 18, 2022). We now expect Brent oil to average $90 per barrel (/bbl) in 2023 and $80/bbl in 2024, from $85/bbl and $55/bbl respectively in our prior assumptions. This improves our forecasts for Omani government revenue and current account receipts in those years, compared with our previous review. We have set our long-term price assumptions for Brent at $55/bbl in 2025 and beyond.

We expect that these more favorable terms of trade will benefit Oman's fiscal and balance-of-payments performance. We forecast the government will remain in a fiscal surplus and the economy in a current account surplus to 2024, providing additional opportunities to build fiscal and external buffers. Our upgrade of Oman reflects this.

Although external financial support is not part of our base case for Oman, we expect countries in the Gulf Cooperation Council (GCC) would provide timely support to Oman if needed--for example, in the unexpected event of a significant deterioration in the external reserves that support the Omani rial's peg to the U.S. dollar.

Institutional and economic profile: Economic growth will be supported by higher hydrocarbon production and a pickup in investments

- We expect the government's reform momentum will continue during 2022-2025.
- We estimate that real GDP will expand nearly 4% in 2022, moderating to about 2% on average over 2023-2025.
- Oman's foreign policy is likely to remain broadly neutral, with limited spillover effects in the event of geopolitical conflicts in the region.

At the start of Sultan Haitham's reign, in early 2020, Oman faced significant structural challenges--including high fiscal and external deficits, subdued economic growth, and relatively high youth unemployment--all exacerbated by the COVID-19 pandemic and the sharp drop in oil prices.

Over the past two years, the government has introduced measures to address governance and public finances issues. Along with the introduction of VAT, these include gradual cuts to electricity and water subsidies and a tighter rein on capital and current spending. The government also set up the OIA in 2020 to better manage its financial assets and public enterprises. Petroleum Development of Oman (PDO) is one of the few GREs still outside the OIA. The government transferred its ownership of PDO--which represents most of Oman's oil-related revenue and expenditure--to Energy Development Oman (EDO), whose sole shareholder is the Ministry of Finance, in 2021. The authorities have also made strides in improving transparency and data disclosure, including by publishing quarterly GDP and external statistics.

Although the government intends to broadly continue with its fiscal reform program, we expect it will allocate some of the forecast oil windfall this year to supporting economic activity and reducing the effects of past austerity on the population. For example, electricity subsidies will be cut more gradually, over 10 years, instead of the initially planned five. To limit the impact of food price inflation, the authorities have expanded the list of VAT exemptions to 488 items from 93. They have also reduced work visa fees for expatriates to encourage private sector activity, and lowered or canceled several municipality and services fees while also streamlining them.

We expect higher oil prices and production volumes, as well as public investment spending, to drive stronger growth this year. We forecast real GDP will expand 3.9% in 2022, up from 3.1% last year, largely due to increasing hydrocarbon production under the OPEC+ agreement. We assume oil production will increase to 1.135 million barrels per day (bbl/d) in 2025 from an estimated 1.040 million bbl/d this year and 0.966 million bbl/d in 2021.

Although hydrocarbon production should spur growth in 2022 and 2023, in the later years of our forecast period we expect the non-oil sector to become the main growth catalyst. We forecast non-oil growth will average 2.5% over 2024-2025, up from 1.8% in 2022. Having held back on capital expenditure over the past two years the government and its public entities will now ramp up investment, in our view. The government has announced slightly higher spending than budgeted on development projects through 2025. Nevertheless, we understand that entities under the OIA and EDO will undertake the majority of investment projects and funding will be deployed over several years. The list of investments in the pipeline includes:

- A refinery and oil storage project in Duqm;
- An ammonia project in Salalah;
- A recycling industrial waste project;

- Electricity, water, and sewage treatment infrastructure; and
- Several tourism-related projects.

Most of OIA's new investments will be in partnership with the private sector. However, our GDP growth forecast also factors in pressure from rising interest rates and spillover effects from the Russia-Ukraine conflict on food price inflation and global demand.

Although GDP per capita is comparatively high at $23,300 in 2022, Oman's real GDP per capita growth has consistently underperformed in the past. Historically, population growth was high due to migrant inflows. Although these have moderated in recent years, with Oman's resident population declining 4% in 2020, the authorities estimate the population expanded 5% in first-half 2022, driven by an influx of expatriates. We expect more expatriates will return as economic growth recovers, but population growth will remain below 2011-2016 levels because of workforce nationalization (Omanization) and other policies. This includes an exit scheme for illegally recruited labor, a possible increase in the minimum wage, part-time work legislation, and training-for-employment programs to encourage the hiring of Omanis.

Geopolitical disputes in the region are likely to persist given ongoing tensions between some GCC countries and Iran, as well as the war in Yemen. Israel's recent diplomatic agreements with Bahrain, Morocco, and the United Arab Emirates signal shifting alliances in the Middle East. We expect Oman to maintain good relations with neighbors, preserving its traditional role as a neutral mediator in the region.

Flexibility and performance profile: We forecast a general government fiscal surplus in 2022, the first since 2014

- Government reform efforts and favorable oil prices will support fiscal surpluses over 2022-2024, placing the government in a marginal net fiscal asset position in 2023-2024.
- Despite favorable terms of trade over 2022-2024, usable reserves will be largely unchanged through to 2025, since government debt issuance was a key source of reserve accumulation.
- We expect Oman to maintain its currency peg, supported by its accumulated external assets of about 40% of GDP.

We anticipate Oman will achieve a fiscal surplus of about 5.8% of GDP this year, well above the budgeted deficit of 4.6%. The difference is driven primarily by higher realized oil prices, since the government's more conservative budget assumptions are based on $50/bbl. Although the government intends to limit spending growth, we expect expenses will surpass budget plans, mainly because of higher-than-expected payments for gas, subsidies and transfers, and development projects.

In 2021, Oman's fiscal deficit already reduced to 2.2% of GDP, materially lower than the average deficit of 11% over 2015-2020. This followed higher oil prices, revised nominal GDP, the introduction of VAT, government wage bill savings from the mandatory retirement scheme, revised salary scales and other wage reforms in 2020, and accounting changes related to EDO.

Previously on budget, PDO's hydrocarbon revenue, 60% of its oil-related spending, and 100% of its gas-related spending were moved to EDO in 2021. However, the government expects to receive more than 80% (depending on oil prices) of hydrocarbon revenue from EDO through taxes, royalties, and dividends. EDO will mainly finance its capital expenditure plans through debt. It is also working to optimize spending on Block 6, the country's largest oil and gas field.

The Omani authorities' fiscal reforms continue with ongoing cuts to electricity, water, and waste management subsidies; public wage reforms; rationalization of capital spending; and a potential new personal income tax on high wage earners. The latter would be a first for the GCC region. As a result, we expect it to be introduced gradually and at a relatively low rate. Nevertheless, we believe it is still possible that additional measures and continued rationalization of expenditure could face domestic resistance; public protests broke out in May 2021, which is rare for Oman, following the introduction of consolidation measures.

While we assume a gradual decline in oil prices going into 2023 and 2024, the government should remain in a fiscal surplus, thanks to ongoing fiscal reforms. If our long-term price assumption for Brent at $55/bbl in 2025 is realized, the government would return to a deficit of about 5.5% of GDP.

Oman faced a peak in external debt redemptions of almost $10 billion this year from a mixture of Eurobonds, commercial loans, sukuk, an export credit facility, and an amortizing pre-export financing facility. The government refinanced part of these maturities with a $4 billion syndicated loan issued in early 2022. It also repaid a portion of maturing debt by withdrawing assets from the Petroleum Reserve Fund (PRF). Additionally, with the oil revenue windfall, the government completed a buyback of $700 million in outstanding Eurobonds. As a result, we estimate a reduction in gross government debt to 42% of GDP in 2022 from 61% in 2021, also aided by the denominator effect of higher nominal GDP.

Oman's share of foreign-currency-denominated debt, largely held by nonresidents, is high at just over 70% of total debt. Over the next couple of years, the government intends to increase its domestic debt issuances to develop deeper capital markets.

We estimate the Omani government's liquid assets--including government deposits in the banking system and liquid assets in the OIA and the PRF--at 41% of GDP in 2022. This is higher than most similarly rated peers. We project that Oman's gross liquid assets will rise to about 51% of GDP in 2025. We forecast Oman will return to a modest net general government asset position on average over 2023-2024, before crossing back into a net debt position in 2025.

We see risks to the sovereign balance sheet from the large debt stock at GREs (excluding EDO) of about 30% of Oman's GDP. Over 60% of GRE debt is denominated in foreign currencies (largely project finance) and 29% is guaranteed by the government. We exclude EDO from our assessment of contingent liabilities because we view it as having a relatively strong financial position. Ongoing government support to other GREs, for example subsidies, is being cut, and muted economic growth in recent years has weakened the financial positions of some GREs. We understand the government expects most GREs to deleverage over the coming years, even considering additional project financing. There is a risk to this expectation if the government shifts the onus of investing in the economy to GREs. Additionally, the OIA has a responsibility to improve the governance and financial efficiency of its subsidiaries. The authorities also plan to privatize several GREs, although the timing will depend on external market conditions.

Thanks to improving terms of trade, we expect the current account will register a surplus of 5.2% of GDP in 2022, compared with estimated deficits of 4.9% and 16.2% in 2021 and 2020, respectively. As oil prices decline, we forecast a smaller surplus of almost 2% of GDP in 2023 and 0.2% in 2024. After a contraction in imports averaging about 8% over 2018-2020, we expect they will expand in line with recovering domestic demand and investment. In addition, we expect remittance outflows from the large expatriate population, which accounts for nearly 20% of current account payments, to gradually rise along with population growth, after a dip in 2020. Oman's main export is oil and its largest trading partner by far is China, which accounts for about 45% of exports, followed by India at just under 10%.

Higher oil receipts in 2021 led to a significant $4.7 billion increase in gross foreign currency reserves to reach $19.7 billion on Dec. 31, 2021. Despite even higher oil receipts this year, we expect gross reserves will decline, mainly because of lower net debt inflows. Gross reserves stood at $16.3 billion as of September 2022.

In our view, Oman's monetary policy flexibility is limited because the rial is pegged to the U.S. dollar. That said, the peg has served as an anchor for inflation expectations, particularly because contracts for oil are typically priced in dollars. We expect the peg to continue because Oman has relatively high foreign currency reserves and government external assets. Inflation rose to 1.5% in 2021 from negative 0.9% in 2020 following the implementation of VAT and cuts in utility subsidies. We expect inflation will rise moderately to 3% in 2022 on higher commodity prices arising from the Russia-Ukraine conflict.

We anticipate that the Central Bank of Oman will follow the interest rate policy of the U.S. Federal Reserve, given the currency peg. We expect marginal asset quality deterioration from the expiring loan deferral program because banks are restructuring some of these exposures. Also, the majority of the deferred retail portfolio is backed by government salaries. Forbearance measures ended in December 2021 for the retail sector and should end in December 2022 for the corporate sector. The banking system's capitalization remains relatively sound. We classify Oman's banking sector in group '7' under our Banking Industry Country Risk Assessment methodology, under which group '1' indicates the lowest risk and '10' the highest.

Key Statistics

Table 1

Oman Selected Indicators

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Economic indicators (%)										
Nominal GDP (bil. LC)	29	31	35	34	29	34	43	42	41	38
Nominal GDP (bil. $)	75	81	92	88	76	88	111	110	108	98
GDP per capita (000s $)	17.0	17.7	19.9	18.9	17.0	19.5	23.3	22.5	21.7	19.6
Real GDP growth	5.0	0.3	1.3	(1.1)	(3.4)	3.1	3.9	3.0	2.2	1.6
Real GDP per capita growth	(1.0)	(2.9)	0.4	(2.5)	0.8	1.8	(1.0)	0.5	0.7	0.1
Real investment growth	15.1	(3.5)	0.5	(10.4)	1.8	(1.5)	3.5	3.0	2.5	2.0
Investment/GDP	36.1	33.8	31.7	26.9	27.6	22.4	22.4	24.0	25.8	29.3
Savings/GDP	19.4	20.4	27.3	22.3	11.4	17.5	27.6	25.9	26.0	24.6
Exports/GDP	41.3	45.7	50.6	49.5	47.1	52.5	56.1	56.1	55.7	53.3
Real exports growth	(1.9)	(0.8)	2.8	1.9	(14.6)	14.2	4.0	4.0	2.0	0.5
Unemployment rate	3.3	3.1	1.8	2.8	2.5	1.9	2.4	2.4	2.4	2.4
External indicators (%)										
Current account balance/GDP	(16.7)	(13.4)	(4.4)	(4.6)	(16.2)	(4.9)	5.2	1.9	0.2	(4.7)
Current account balance/CARs	(39.2)	(28.7)	(8.4)	(9.0)	(33.8)	(9.0)	9.2	3.3	0.3	(8.5)
CARs/GDP	42.6	46.8	51.9	50.8	48.0	54.1	57.3	57.5	57.2	55.0
Trade balance/GDP	8.3	10.8	19.8	20.7	10.1	18.8	25.8	23.1	21.8	18.2
Net FDI/GDP	2.5	0.7	6.3	5.3	4.7	5.0	2.0	2.0	2.5	2.5

Table 1

Oman Selected Indicators (cont.)

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Net portfolio equity inflow/GDP	6.0	0.7	(2.4)	(1.2)	(0.1)	(0.6)	(0.6)	(0.6)	0.5	0.5
Gross external financing needs/CARs plus usable reserves	165.2	142.1	125.8	122.3	154.6	129.8	105.6	107.2	112.3	121.6
Narrow net external debt/CARs	(23.0)	19.0	24.5	36.0	64.7	58.6	36.5	34.7	36.6	45.3
Narrow net external debt/CAPs	(16.6)	14.8	22.6	33.1	48.4	53.8	40.2	35.9	36.7	41.7
Net external liabilities/CARs	(26.9)	12.0	24.4	36.7	65.9	59.7	40.1	40.4	47.9	65.3
Net external liabilities/CAPs	(19.4)	9.3	22.5	33.7	49.2	54.8	44.1	41.8	48.0	60.2
Short-term external debt by remaining maturity/CARs	45.3	38.9	32.7	35.1	48.4	37.7	32.3	26.8	30.1	34.4
Usable reserves/CAPs (months)	1.0	1.7	1.3	2.0	1.6	1.4	2.2	1.9	1.9	1.9
Usable reserves (mil. $)	6,773	5,775	7,968	6,509	6,215	10,526	9,583	9,597	9,450	9,869
Fiscal indicators (general government; %)										
Balance/GDP	(15.3)	(11.4)	(5.7)	(5.6)	(14.6)	(2.2)	5.8	3.3	1.1	(5.4)
Change in net debt/GDP	28.2	14.2	3.1	2.7	15.2	(0.2)	(7.5)	(3.3)	(1.1)	5.4
Primary balance/GDP	(14.8)	(10.2)	(3.9)	(3.5)	(11.5)	0.9	8.5	5.9	3.7	(2.5)
Revenue/GDP	29.4	28.1	33.0	33.5	29.8	34.4	34.4	34.4	33.2	27.6
Expenditures/GDP	44.7	39.5	38.6	39.0	44.4	36.6	28.7	31.0	32.0	33.0
Interest/revenues	1.6	4.3	5.3	6.0	10.3	9.0	7.8	7.3	7.8	10.4
Debt/GDP	29.1	39.2	44.0	51.9	67.9	61.3	42.0	43.0	44.7	52.3
Debt/revenues	99.1	139.5	133.5	155.1	227.9	178.1	122.0	124.9	134.6	189.6
Net debt/GDP	(25.3)	(9.3)	(5.2)	(2.7)	12.1	10.2	0.7	(2.7)	(3.9)	1.1
Liquid assets/GDP	54.5	48.5	49.2	54.6	55.8	51.1	41.3	45.6	48.5	51.2
Monetary indicators (%)										
CPI growth	1.1	1.6	0.9	0.1	(0.9)	1.5	3.0	2.5	1.5	1.5
GDP deflator growth	(9.1)	7.3	11.7	(2.7)	(10.8)	12.7	21.0	(4.0)	(4.0)	(10.0)
Exchange rate, year-end (LC/$)	0.38	0.38	0.38	0.38	0.38	0.38	0.38	0.38	0.38	0.38
Banks' claims on resident non-gov't sector growth	9.4	6.8	6.3	2.8	2.3	4.3	5.0	4.5	4.5	4.0
Banks' claims on resident non-gov't sector/GDP	75.3	74.7	70.2	75.0	89.0	79.9	66.8	70.5	75.1	85.5
Foreign currency share of claims by banks on residents	11.7	12.8	13.3	14.0	15.0	16.1	15.9	16.1	16.2	16.3
Foreign currency share of residents' bank deposits	11.7	11.1	15.1	12.3	12.5	12.3	12.0	12.0	12.0	12.0

Table 1

Oman Selected Indicators (cont.)

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Real effective exchange rate growth	0.8	0	(2.7)	1.1	(2.6)	(3.4)	0	0	0	0

Sources: National Centre for Statistics Information, Ministry of Finance, and Central Bank of Oman (economic indicators); Central Bank of Oman (external indicators); Ministry of Finance and IMF (fiscal indicators); IMF, Central Bank of Oman, and Brugel (monetary indicators).
Adjustments: Usable reserves adjusted by subtracting monetary base and foreign assets placed by nonresidents at the Central Bank of Oman from reported international reserves. General government revenue adjusted by using gross hydrocarbon revenue (instead of net of tranfers to the Petroleum Reserve Fund [PRF]), and excluding privatization proceeds and estimated asset withdrawals from the Oman Investment Authority (OIA). Liquid assets include the liquid assets of the OIA, PRF, and public pension funds.

Ratings Score Snapshot

Table 2

Oman Ratings Score Snapshot

Key rating factors	Score	Explanation
Institutional assessment	4	Reduced predictability of policy responses and moderate risk of challenges to political institutions because of broadly centralized decision-making. Some shortcomings in data dissemination, in terms of public availability and timeliness.
Economic assessment	5	Based on GDP per capita (US$) and growth trends as per Selected Indicators in Table 1.
		Weighted-average real GDP per capita trend growth over a 10-year period is 0.1%, which is well below sovereigns in the same GDP category.
		Concentrated economy, with hydrocarbon activities accounting for more than 30% of nominal GDP.
External assessment	4	Based on narrow net external debt and gross external financing needs/current account receipts plus usable reserves as per Selected Indicators in Table 1.
		The country is exposed to significant volatility in terms of trade, due to its dependence on hydrocarbons.
Fiscal assessment: flexibility and performance	1	Based on the change in net general government debt (% of GDP) and its increasing trend in the forecast period as per Selected Indicators in Table 1
		The government has large liquid financial assets. Based on liquid assets/GDP as per Selected Indicators in Table 1
		The sovereign government has a volatile revenue base, since oil and gas combined account for above 75% of revenue.
Fiscal assessment: debt burden	3	Based on net general government debt (% of GDP) and general government interest expenditures (% of general government revenues) as per SelectedIndicators in Table 1.
		There is a moderate contingent liability risk emanating from nonfinancial public entities. Total state-owned entity debt is above 30% of GDP.
Monetary assessment	4	The exchange rate regime is a conventional pegged arrangement. Oman has limited monetary policy flexibility, given the Omani rial's peg to the U.S. dollar and the underdeveloped local currency domestic bond markets. Consumer price index as per Selected Indicators in Table 1. The central bank has the ability to act as a lender of last resort for the financial system.
Indicative rating	bb	

Table 2

Oman Ratings Score Snapshot (cont.)

Key rating factors		Score	Explanation
Notches of supplemental adjustments and flexibility		0	Potential support from neighboring Gulf Cooperation Council countries is positive for creditworthiness and not fully captured in the indicative rating. However, we forecast weakening fiscal metrics and higher debt-servicing requirements in the medium term, which could worsen ourfiscal assessment.
Final rating			
Foreign currency	BB		
Notches of uplift		0	Default risks do not apply differently to foreign-and local-currency debt.
Local currency	BB		

S&P Global Ratings' analysis of sovereign creditworthiness rests on its assessment and scoring of five key rating factors: (i) institutional assessment; (ii) economic assessment; (iii) external assessment; (iv) the average of fiscal flexibility and performance, and debt burden; and (v) monetary assessment. Each of the factors is assessed on a continuum spanning from 1 (strongest) to 6 (weakest). S&P Global Ratings' "Sovereign Rating Methodology," published on Dec. 18, 2017, details how we derive and combine the scores and then derive the sovereign foreign currency rating. In accordance with S&P Global Ratings' sovereign ratings methodology, a change in score does not in all cases lead to a change in the rating, nor is a change in the rating necessarily predicated on changes in one or more of the scores. In determining the final rating the committee can make use of the flexibility afforded by §15 and §§126-128 of the rating methodology.

Related Criteria

- General Criteria: Environmental, Social, And Governance Principles In Credit Ratings, Oct. 10, 2021
- Criteria | Governments | Sovereigns: Sovereign Rating Methodology, Dec. 18, 2017
- General Criteria: Methodology For Linking Long-Term And Short-Term Ratings, April 7, 2017
- General Criteria: Principles Of Credit Ratings, Feb. 16, 2011
- General Criteria: Methodology: Criteria For Determining Transfer And Convertibility Assessments, May 18, 2009

Related Research

- S&P Global Ratings Revises Its Oil And Gas Price Assumptions On Supply/Demand Fundamentals, Nov. 18, 2022
- Sovereign Ratings List, Nov. 9, 2022
- Sovereign Ratings History, Nov. 9, 2022
- Sovereign Ratings Score Snapshot, Nov. 8, 2022
- Sovereign Risk Indicators, Oct. 10, 2022. Interactive version available at http://www.spratings.com/sri
- 2021 Annual Global Sovereign Default And Rating Transition Study, May 4, 2022

In accordance with our relevant policies and procedures, the Rating Committee was composed of analysts that are qualified to vote in the committee, with sufficient experience to convey the appropriate level of knowledge and understanding of the methodology applicable (see 'Related Criteria And Research'). At the onset of the committee, the chair confirmed that the information provided to the Rating Committee by the primary analyst had been distributed in a timely manner and was sufficient for Committee members to make an informed decision.

After the primary analyst gave opening remarks and explained the recommendation, the Committee discussed key rating factors and critical issues in accordance with the relevant criteria. Qualitative and quantitative risk factors were considered and discussed, looking at track-record and forecasts.

The committee's assessment of the key rating factors is reflected in the Ratings Score Snapshot above.

The chair ensured every voting member was given the opportunity to articulate his/her opinion. The chair or designee reviewed the draft report to ensure consistency with the Committee decision. The views and the decision of the rating committee are summarized in the above rationale and outlook. The weighting of all rating factors is described in the methodology used in this rating action (see 'Related Criteria And Research').

Ratings List

Upgraded; Ratings Affirmed

	To	From
Oman		
Sovereign Credit Rating	BB/Stable/B	BB-/Stable/B
Upgraded		
	To	**From**
Oman		
Transfer & Convertibility Assessment	BB+	BB
Senior Unsecured	BB	BB-
Ratings Affirmed		
Oman		
Short-Term Debt	B	