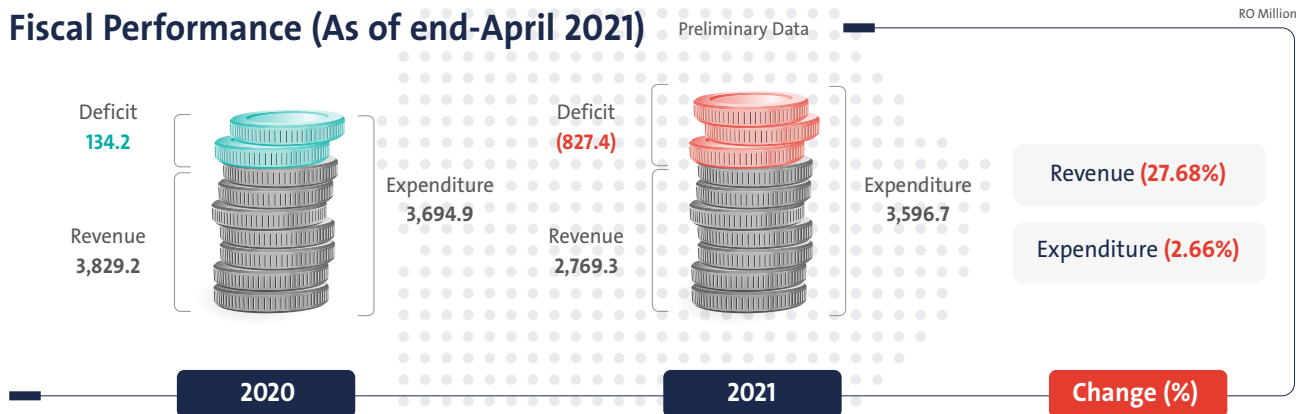
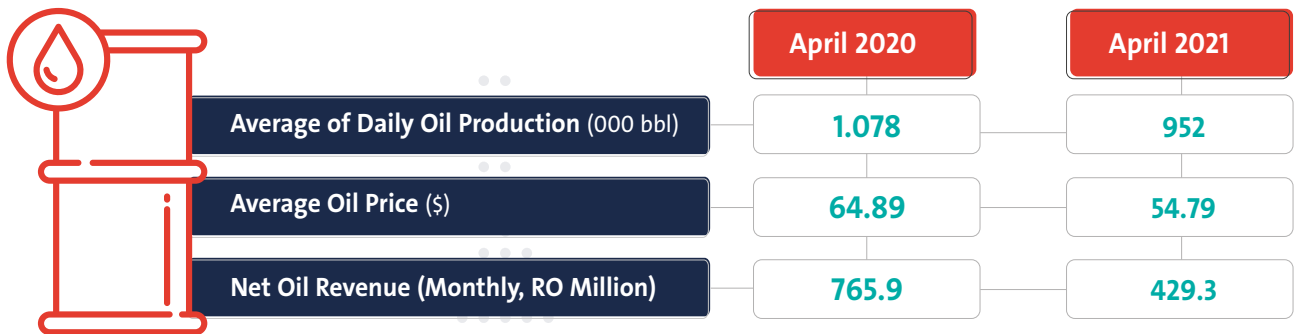




Fiscal Performance

Monthly Bulletin Published by the Ministry of Finance



Public Spending Keeps Declining As Fiscal Consolidation Continues

Public Revenue

State Budget records a decline in public revenue by 27.68% during January-April 2021, as compared to the same period of 2020. Total revenue amounted to RO 2,769.3 million, and net oil revenue totaled RO 1,347.9 million, down by 36.82% due to lower oil production in compliance to OPEC plus agreement, low oil price and persisting consequences of COVID-19 which have adversely affected economic growth and public finance. On the other hand, current revenue increased by 14.43%, that includes RO 313 million of dividends received from Government investments.

RO Million

Statement (As of end-April)	2020	2021	Change (%)
Net Oil Revenue	2,133.6	1,347.9	(36.82%)
Gas Revenue	483.8	448.1	(7.35%)
Current Revenue	831.8	951.9	14.43%
Capital Revenue & Repayments	380	21.3	-
Total	3,829.3	2,769.2	(27.68%)

Public Spending

By the end of April 2021, total public spending amounted to RO 3,596.7 million, declined by 2.65% as compared to RO 3,694.3 million recorded over the same period of 2020. This comes as a result of fiscal consolidations carried out by the Government to mitigate economic consequences, and to rationalize spending and enhance its efficiency. Investment expenditures (development and capital expenditure), for the ministries, totaled RO 143 million.

The Government has introduced a new budget item within the 2021 Budget in order to repay future debt obligations. By the end of April 2021, the total appropriations allocated for this budget item amounted to RO 50 million, while the target figure for the current year amounts to RO 150 million.



Fiscal Performance (As of end-April 2021)

In light of the ongoing process of establishing Energy Development Oman (EDO), the Government continues to cover the expenses of oil and gas sector, which have amounted to RO 554.5 million by the end of April 2021.

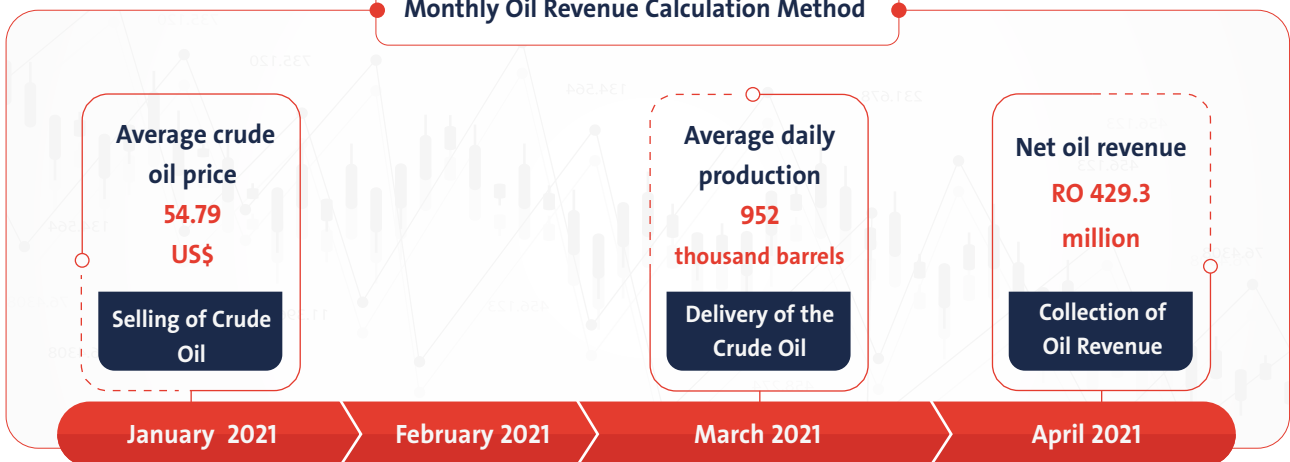
Energy Development Oman (EDO)

EDO has been established in pursuant to the Royal Decree No. 128/2020, whereby Government's share in Block 6 has been transferred to EDO. It will be entrusted with the collection of oil and gas revenue, payment of CAPEX and OPEX of annual production, and development of oil and gas sector. In addition to injection of more investments into this sector, in order to enhance financial and economic returns.

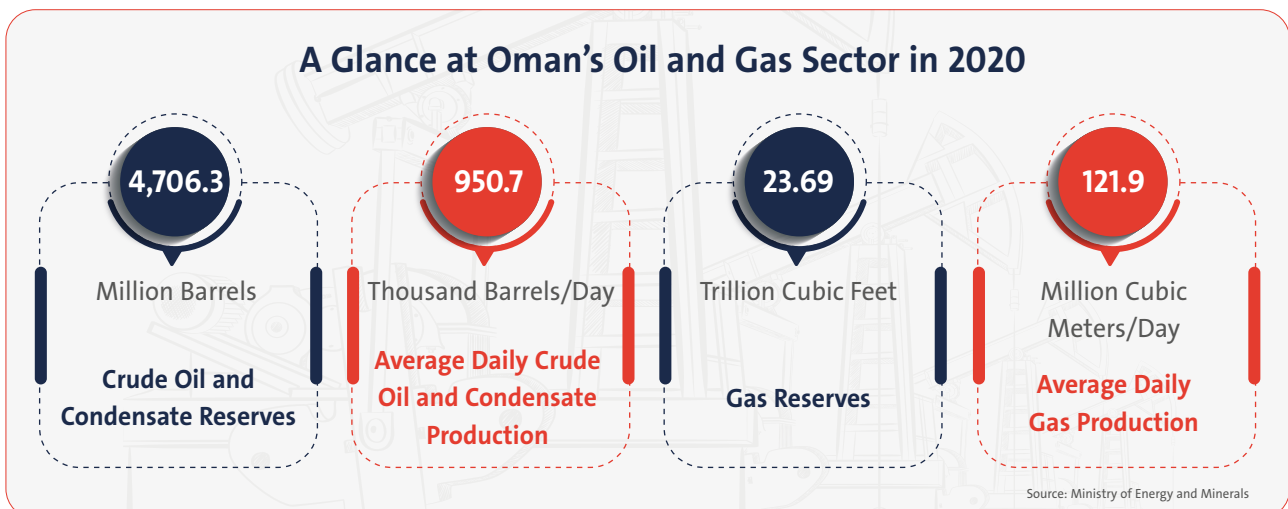
Deficit

Oman's deficit totaled RO 827.4 million as of end-April 2021, while RO 668.1 million paid to repay external and local loans.

Monthly Oil Revenue Calculation Method



A Glance at Oman's Oil and Gas Sector in 2020





Global Economy

Rise in the US and Eurozone Consumer Price Indices

The US consumer price index (CPI) was up 4.2% in April compared to a year earlier, it has been the highest since September 2008. The CPI in the Eurozone also was up 1.6% in April versus a year earlier. These increases in CPI

are a result of increase in commodities and inputs related to a sudden surge in demand and supply chain disruption.

Oil Markets

The International Energy Agency (IEA) forecasts global oil consumption to rise by 5.4 mb/d in 2021, 270 kb/d lower than in IEA's previous Oil Market Report. Brent crude oil spot prices averaged \$65 per barrel in April, unchanged from the average in March. In some regions, notably the United States, oil demand is rising as both COVID-19 vaccination rates and economic activity

increase. In other regions, notably India, oil demand is declining because of a sharp rise in COVID-19 cases. The Energy Information Administration (EIA) forecasts that Brent prices will average \$65 per barrel in the second quarter of 2021, \$61 per barrel during the second half of 2021, and \$61 per barrel in 2022.

National Economy

Oman's Consumer Price Index (CPI) increased to 106.4 in April 2021, compared to 104.7 recorded in April 2020, which leaves an inflation rate of 1.59% for April 2021, while the average for the year is -0.43% as of end-April 2021.

More than 200,000 thousand expatriate workers left Oman between March 2020 and March 2021. Expatriates employed in the government sector fell from 53,332 thousand to 49,898 thousand. While expatriates employed in the private sector dropped from 1,608,781 million to 1,403,287 million. The number of expatriate workers holding higher education qualifications has also decreased over the same period.

Source: NCSI



The International Monetary Fund (IMF)'s Article IV mission team is conducting discussions via virtual meetings for the 2021 Article IV consultation with Oman during 24 May – 7 June, 2021. The main areas of discussions are macroeconomic developments, and Fiscal policy and reform priorities within the Medium-Term Fiscal Plan 2021-2024.