



# Fiscal Performance

Monthly Bulletin Published by the Ministry of Finance

As of end-  
February 2021



953

Average of Daily Oil Production (Thousand bbl)

42

Average Oil Price (US\$)

603

Net Oil Revenue (RO Million)

As of end-  
February 2022



1,019

81

1,094

## Fiscal performance (As of end-February)

RO Million

2021



2022



Change (%)

1,092

Revenue

1,918

75.6%

1,549

Expenditure

1,707

10.2%

(457)

Deficit / Surplus

210

-

## 2022 Budget Registers a Surplus of RO 210 Million as of end-February

### Public Revenue

RO Million

As of end-February 2022, public revenue amounted to RO 1,918 million, up by 75.6% as compared to the same period in 2021. This is as a result of:

Statement (As of end-February)	2021	2022	Change (%)
Net Oil Revenue	603	1,094	81.4%
Gas Revenue	235	509	116.6%
Current Revenue	240	311	29.6%
Capital Revenue & Repayments	13	4	-
<b>Total</b>	<b>1,092</b>	<b>1,918</b>	<b>75.6%</b>

01

During the period, oil prices averaged US\$ 81 per barrel compared to an average oil price of US\$ 42 per barrel over the same period in 2021.

02

The average oil production increased to 1,019 thousand barrels per day, compared to 953 thousand barrels per day during the same period in 2021.

03

An increase in gas revenue to RO 509 million, as a result of higher gas prices, increase in average gas production, and collection of gas revenue from Energy Development Oman.

04

An Increase in current revenue by 29.6% as compared to the same period of 2021, supported by VAT receipts and higher collection of fees.

## Public Spending

At the end of February, public spending increased by 10.2%, as compared to the same period in 2021.

### This is driven by:

1

Interest payments of RO 186 million versus RO 148 million paid over the same period in 2021.

2

Total investment expenditure for civil ministries which amounted to RO 56 million at the end of February 2022.

3

Expenditure of gas purchase and transport which amounted to RO 123 million.

## Deficit / Surplus

As of end-February 2022, the budget continued to register a surplus totaling RO 210 million, compared to a deficit of RO 457 million over the same period in 2021.





### Oman Reduces its Public Debt to RO 19.46 Billion by end-April 2022

2022 Budget allocated RO 4 billion to meet debt obligations, including the repayment of RO 2.7 billion loan principals and payment of RO 1.3 billion loan interests.

The Ministry of Finance (MOF), as part of its Debt Management Strategy, will reduce the public debt by more than RO 2.85 billion (US\$ 7.4 billion) at the end of April 2022. The MOF also seeks to utilize the surplus arising from higher oil prices to reducing fiscal deficit and minimizing the cost and risks of debt portfolio.

#### ■ Debt Management

##### ▶ Repaid loans

RO **1.49** billion as of end-March 2022, including the repayment of a loan worth **RO 850 million** prior to its maturity.

##### ▶ Loans being prepaid

RO **1.365** billion at the end of April 2022.

##### ▶ Recently executed loan facility

RO **1.55** billion, the value of loan facility agreement signed in March 2022.

**26** Financial institutions participated

**150%** Oversubscription

### 2022 Development Budget Allocations

The 2022 Budget allocated RO 900 million for implementing development projects, representing the estimated amount to be paid during the year as per the actual work in progress for the projects. The development projects have been reprioritized in terms of their urgency, cost, and economic and social return, as per the table below:

RO Million

Sector	Amount	%
<b>Commodity Production</b> (Crude oil, minerals & quarries, agriculture, fisheries and manufacturing)	<b>69.5</b>	<b>7.7%</b>
<b>Service Production</b> (Housing, trade & electricity, water, postal, telegraph & telephone, and tourism)	<b>137.5</b>	<b>15.3%</b>
<b>Social Structures</b> (Education, vocational training, health, information, culture & religious affairs, community centers and youth centers)	<b>211.2</b>	<b>23.5%</b>
<b>Infrastructure</b> (Roads, airports, ports, irrigation & water resources, town planning & Municipal Services, government administration, and environment & pollution control)	<b>481.8</b>	<b>53.5%</b>
<b>Total</b>	<b>900</b>	<b>100%</b>

H.M the Sultan Haitham bin Tarik gave Royal Directives to raise the development budget allocations by RO 200 million, bringing the total spending on development projects during 2022 to RO 1.1 billion. Such amount would be distributed over the development projects to be implemented in various Governorates.

## Global Economy

According to IHS Markit, affiliated to S&P Global, global growth is projected to slow to 4.2% in 2022, owing to weaker performances in Western Europe, North America, mainland China, and Japan. The IHS Markit pointed out that most regions will experience a deceleration in 2022 with an exception to Middle East and North Africa, where higher oil export revenues will spark a pickup in growth. The IHS Markit also stated that global real GDP growth will settle to 3.4% in 2023 and 3.1% in 2024 as fiscal and monetary policies tighten.



## Global Oil Market

Oil prices are experiencing fluctuations due to Russia-Ukraine conflict. Crude oil prices increased as high as US\$ 128 per barrel at the beginning of March but dropped later to US 104 per barrel. Various international agencies forecast oil prices to average between US\$ 101-135 per barrel over the short-term (2022-2023) in case the war between Russia and Ukraine continued.

## National Economy

According to National Centre for Statistics and Information (NCSI), Oman's gross domestic product (GDP) registered RO 33,016.5 million at the end of December 2021, increasing by 16% as compared to RO 28,442 million registered at the end of December 2020. Such an increase is due to a rise in value-added oil activities by 38.5%, and value-added of non-oil activities by 8.4% as of end-December 2021.

## Oman's Credit Rating Upgraded To 'BB-' With A Stable Outlook

**S&P Global**  
Ratings

S&P Global upgraded Oman's credit rating from 'B+' to 'BB-' with a stable outlook for the first time since 2015, as a result of improved fiscal and debt trajectory. The agency pointed out that the government's fiscal reform program, higher oil prices, and rising hydrocarbon production are improving Oman's fiscal and external trajectory. It also expects that Oman will achieve a fiscal surplus of 5.7% of GDP and the real GDP will grow by 3.9% in 2022.