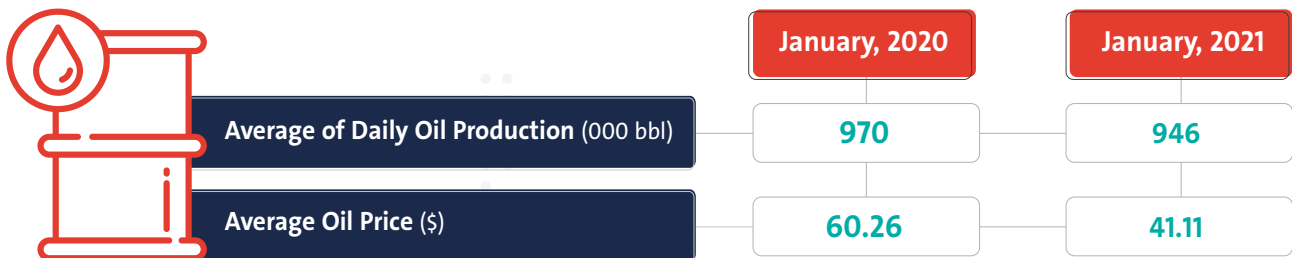




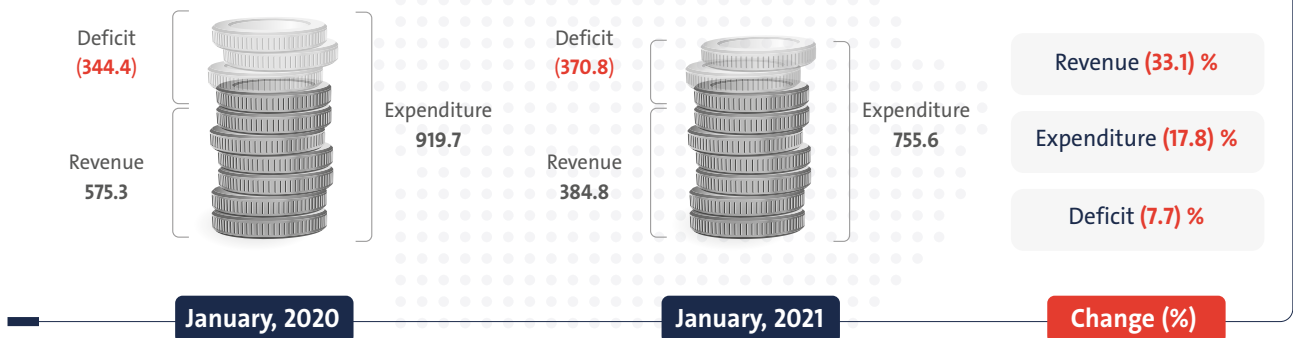
Fiscal Performance

Monthly Bulletin Published by the Ministry of Finance



Oman's Fiscal Performance in January, 2020/2021

Preliminary Data



GDP Growth Forecast in 2021

Issued in
January, 2021

Ministry of Economy

2.3%

Issued in
January, 2021

World Bank

0.5%

Issued in
February, 2021

IMF

1.8%



The State's General Budget records a decline in public spending by 17.8% and a reduction in public revenue by 33.1% in January, 2021.

Public Revenue

In January 2021, total revenue decreased by 33.1% as compared to the same period of 2020. This is mainly due to a decline in net oil revenue by 42.9%, and a decrease in gas revenue by 13.8%. In addition to a decline in current revenue by 18.8%.

RO Million

Statement	January 2020	January 2021	Change (%)
Net Oil Revenue	413	236	42.9%
Gas Revenue	124.5	107.3	13.8%
Current Revenue	37.2	30.2	18.8%
Capital Revenue & Repayments	0.6	11.4	—
Total	575.3	384.8	33.1%

Public spending:

In January 2021, public spending totaled RO 755.6 million including expenses under settlement with an amount of RO 457.7 million, down by RO 164.1 million as compared to the spending over the same period of 2020 as a result of the following:



Transferring the ownership of State-owned enterprises (SOEs) and government investments from the Ministry of Finance to Oman Investment Authority.



A decline in current expenditures of civil units by RO 41.1 million.

Deficit and Financing:

In January 2021, the deficit stands at RO 370.8 million, up by 7.7% as compared with actual deficit over the same period of 2020.

As part of the Government's plan to finance 2021 Budget deficit, Oman has obtained during this year finance of RO 1.35 billion through external and local borrowings. An additional amount of RO 600 million has been withdrawn from Oman Investment Authority.

Global Economy

World economic activity is anticipated to experience a significant boost in 2021 driven by latest developments in COVID-19 vaccines.



According to the International Monetary Fund's (IMF) World Economic Outlook Update and the World Bank's Global Economic Prospects issued in January, 2021, the world output is projected to see a growth during 2021 led by positive developments in COVID-19 pandemic crisis. While the World Bank forecasts the global economy to grow by 4% in 2021, the IMF projects the global economic growth to record 5.5% and 4.2% in

2021 and 2022, respectively. The IMF has revised its 2021 forecast upward 0.3 percentage point relative to the previous forecast.

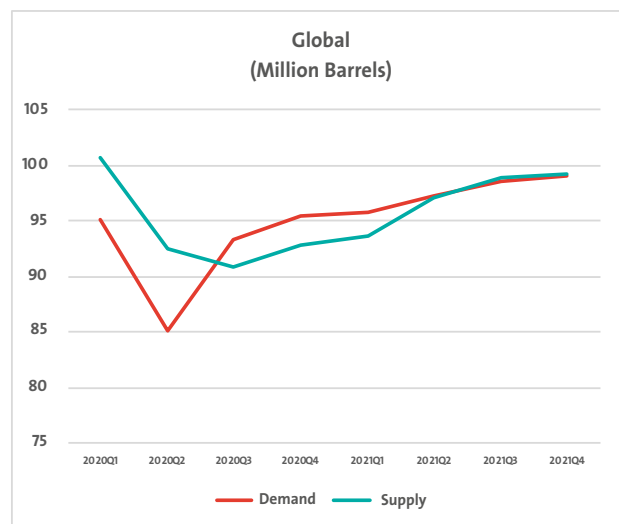
However, the global economy is surrounded by uncertainty concerning the renewed waves and new variants of the virus, besides vaccines distribution, which all may cause the global economic growth to decline to 1.6%, according to the World Bank.

Oil Markets

OPEC and IEA Forecast Oil Production to Increase Gradually in 2021 to its Pre-pandemic Levels

The Organization of the Petroleum Exporting Countries (OPEC) and International Energy Agency (IEA) anticipate oil production to slightly increase at the beginning of 2021, while oil demand is expected to continue to increase until the end of the year. This is primarily as a result of lifting border closures and travel restrictions. Thus, the crude oil prices have increased by the threshold of 2021. However, oil prices are expected to gradually decline until the end of the year but will recover by 2022.

OPEC also projects a decline in oil demand in Middle East countries during the second quarter of 2021.



Source: IEA



National Economy

Oman is among the countries with highest GDP growth in MENA region during 2022

The recent World Bank's Global Economic Prospects issued in January 2021 pointed out that Oman's GDP is projected to recover to 0.5% in 2021. However, the World Bank predicts Oman's GDP to be among the nations with the highest GDP growth in MENA region during 2022, with projected GDP growth of 7.9%.

The Concluding Statement of IMF Staff Visit under 2021 Article IV Consultation indicated that Oman's GDP will rise to 1.8% and 7.4% in 2021 and 2022, respectively. This is attributed to rapid response to contain the spread of COVID-19, and several measures taken to mitigate the implications of lower oil prices so as to achieve fiscal sustainability.

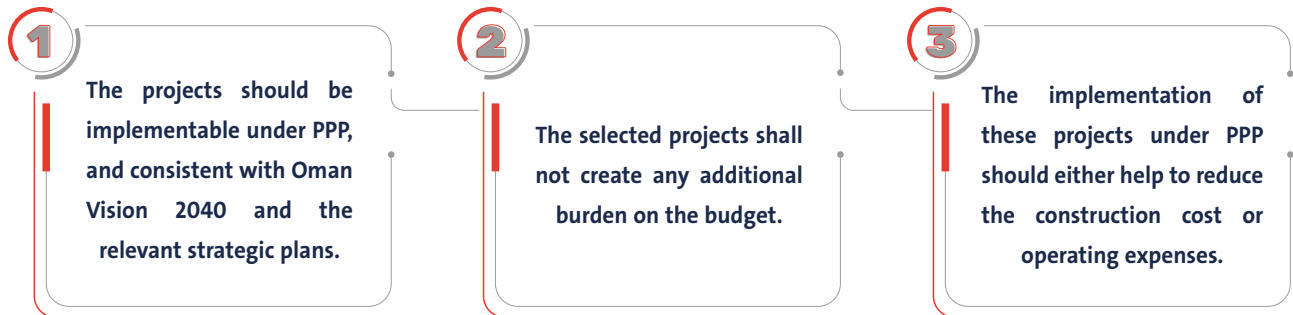
Statement	Estimated %		Projected %				
	2020	2021	2022	2023	2024	2025	2026
Real GDP	-6.4	1.8	7.4	2.7	2.2	1.7	2.0
Real Hydrocarbon GDP	-2.4	2.0	12.6	2.9	1.5	0.1	0.1
Real Non-hydrocarbon GDP	-10.0	1.5	2.3	2.4	3.0	3.4	4.0

IMF (February, 2021)



Public-Private Partnership (PPP)

The Ministry of Finance seeks to finalize the study of 5 projects, out of more than 50 projects, planned to be implemented under PPP. The selection of these projects based on the following:



► Education

First phase of schools building

The first phase of schools building project aims at developing the educational infrastructure to meet the increasing demand for schools in various governorates. The expertise of the private sector can be used advantageously in designing and building schools and multi-purpose projects.

► Health Care

Hemodialysis services project

This project aims at establishing and developing a number of dialysis centers in order to benefit larger number of patients, in addition to reduce the costs borne by the Ministry of Health.

Drug Rehabilitation Center at Suhar

This center is intended to provide services during the treatment and post treatment.

► Transport

Salalah-Thumrait road project

Implementing an additional expressway to the existing Salalah-Thumrait road. The trucks will be obliged to use this expressway with payment of crossing fee, the public can also use the expressway.

► Seaports

Liwa Seaport

The lands of Liwa Seaport will be presented for development under PPP as per the requirement of the seaport, in a manner that integrates with the usage of nearest seaports. The Government facilities will be maintained under the PPP.

Musunah Seaport

Musunah Seaport project seeks to develop the seaport lands to become a multi-purposes seaport.