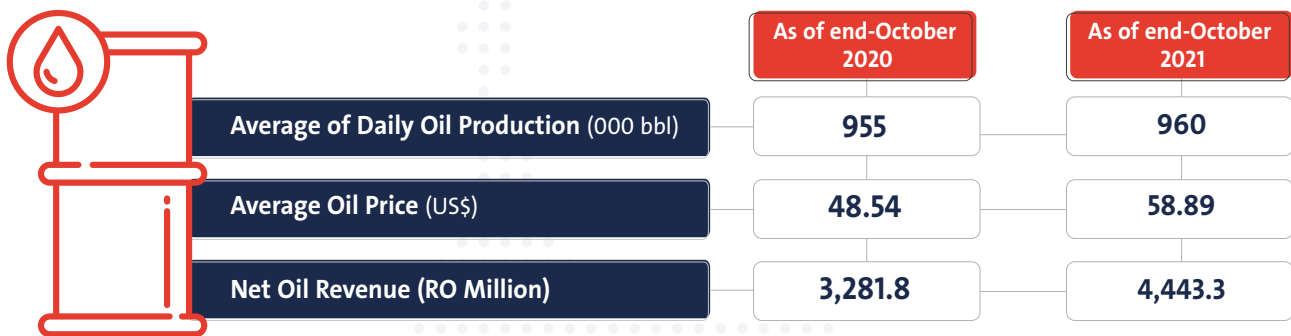




Fiscal Performance

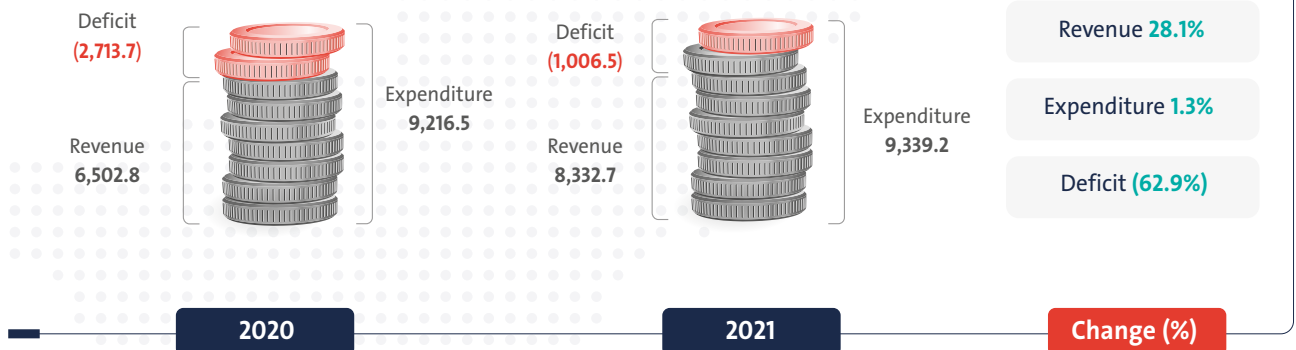
Monthly Bulletin Published by the Ministry of Finance



Fiscal Performance at the end of October 2021

Preliminary Data

RO Million





Oman's deficit drops by more than RO 1.5 billion at the end of October 2021

Public Revenue

RO Million

By the end of October 2021, public revenue increased by 28.1% to RO 8,332.7 million as compared with RO 6,502.8 million registered in the same period of 2020. This is as a result of improved oil prices, supported by growing fuel demand. Therefore, oil prices averaged US\$ 58.89 per barrel at the end of October 2021, this led to an increase in net oil revenue by 35.4% i.e., RO 4,443.3 million and a rise in gas revenue by 50.6% i.e., RO 1,697.9 million.

Statement (As of end-October)	2020	2021	Change (%)
Net Oil Revenue	3,281.8	4,443.3	35.4%
Gas Revenue	1,127.7	1,697.9	50.6%
Current Revenue	1,512.5	2,128.9	40.8%
Capital Revenue & Repayments	580.8	62.6	-
Total	6,502.8	8,332.7	28.1%

Moreover, current revenues increased by 40.8% at the end of October 2021, totaling RO 2,128.9 million as compared to RO 1,512.5 million during the same period in 2020. This included tax and fees revenue which amounted to RO 1,024.1 million and non-tax revenue of RO 1,104.8 million.

Public Spending

The public spending has maintained its level with an amount of RO 9,339.2 million as of end-October 2021, compared with RO 9,216.5 million registered during the same period of 2020.

Deficit

By the end of October 2021, the deficit decreased by 62.9% to RO 1,006.5 million as compared to RO 2,713.7 million over the same period of 2020.



Global Economy

According to the World Economic Situation and Prospects Monthly Briefing (November, 2021) issued by UN DESA, the outbreak of the COVID-19 pandemic since the beginning of 2020 caused an unprecedented and severely disruptive shock to labour markets worldwide. Despite the immense efforts to protect employment and to support businesses undertaken in the majority of countries around the globe, unemployment reached alarming levels in 2020, leading to erosion of incomes and pushing many households into poverty. Although

the global economy has been gradually rebounding over the course of 2021, the speed of job creation is generally lagging to compensate. According to the ILO, the global unemployment rate may reach 6.3 per cent by the end of 2021, falling to only 5.7 in 2022, which still would be above the pre-pandemic level of 5.4 per cent registered in 2019.

Global Oil Market

In a recent report issued at the end of last November, Morgan Stanley has revised downward its oil outlook from \$95 per barrel to \$82.50 per barrel, amid concerns over the new variant of COVID-19 “Omicron” and its potential impact on global oil demand, as well as the expected oversupply during the Q1-2022. The concerns about the new variant has plunged oil prices by more than 10% in a single day. However, the prices recovered gradually. On the other hand, Morgan Stanley expects Brent prices rising above recent highs again from mid-2022 to \$90 per barrel.

National Economy

As part of the Government’s continuous efforts to energize the national economy, Fee Setting Policy Handbook was prepared with the aim to standardize the pricing of government services in order to speed up and facilitate such services. This handbook was applied on a number of Government entities, which resulted in a reduction and cancellation of 548 services’ fees. As for the Ministry of Commerce, Industry and Investment Promotion, 30 services’ fees have been reduced by 17-95%. In the Ministry of Heritage and Culture, 29 services’ fees were reduced by 17-60%. Additionally, municipal sector has seen a cancellation and reduction of 489 services’ fees by 29-96%.

It is worth noting that the COVID-19 Supreme Committee has announced earlier that some enterprises shall be granted exemptions from paying renewal fees and late fees for their businesses license. Such exemptions will be valid until the end of December 2021.