

February 2023

# Fiscal Performance

Monthly Bulletin Published by the Ministry of Finance



As of end-January  
2022

1,010

Average of Daily Oil Production (Thousand bbl)

82

Average Oil Price (US\$ per barrel)

554

Net Oil Revenue (RO Million)



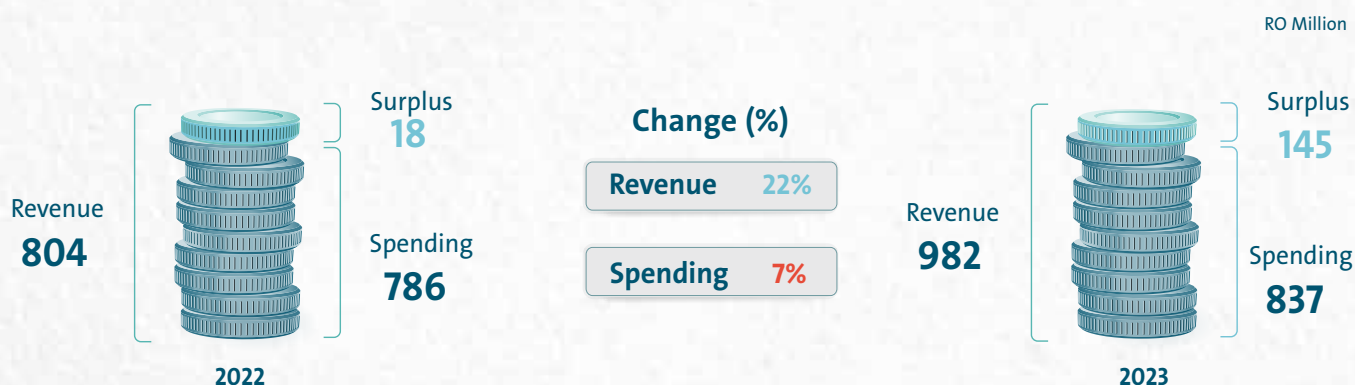
As of end-January  
2023

1,063

91

602

## ► Fiscal Performance at the End of January



511  
RO Million

Total repaid loans by the end of January  
2023, leading public debt to stand at



17.2  
RO Billion



# Fiscal Performance

## As of End-January 2023

### ► Public Revenue

At the end of January 2023, public revenue amounted to RO 982 million, up by 22% when compared to RO 804 million registered over the same period in 2022. **This is mainly due to an increase in oil and gas revenues, representing 88% of total public revenue.**

RO Million

Statement (As of end-January)	2022	2023	Change (%)
Net Oil Revenue	554	602	9%
Gas Revenue	219	258	18%
Current Revenue	31	122	-
Capital Revenue & Repayments	0	0	-
Total	804	982	22%

The following are the most important items of public revenue:

- **Net Hydrocarbon Revenue:** at the end of January 2023, net oil revenue amounted to RO 602 million, up by 9% when compared to RO 554 million achieved over the same period in 2022. This is driven by higher oil prices of US\$ 91 per barrel, as well as an increase in oil production to 1,063 thousand barrels per day. Furthermore, gas revenue rose by RO 39 million, i.e., 18% compared to the same period in 2022.
- **Current Revenue:** at the end of January 2023, current revenue amounted to RO 122 million, up by RO 91 million when compared to RO 31 million achieved over the same period in 2022.



# Fiscal Performance

## As of End-January 2023

### ► Public Spending

At the end of January 2023, public spending amounted to RO 837 million, up by RO 51 million, i.e. 7% when compared to the same period in 2022. **The following are the most important items of public expenditure:**

- **Development Expenditure:** development expenditure of ministries and government units amounted to RO 1 million, representing 0.1% of total development spending, i.e. RO 900 million, allocated for 2023.
- **Current Expenditure:** at the end of January 2023, total current expenditure amounted to RO 299 million compared to RO 296 million registered over the same period in 2022.
- **Contributions and other Expenses:** at the end of January 2023, total contributions and other expenses amounted to RO 37 million, up by 19.3% when compared to RO 31 million registered over the same period in 2022. Oil product subsidy amounted to RO 4 million by the end of January 2023. Additionally, an amount of RO 33 million transferred to future debt obligations budget-item.

### ► Deficit/Surplus

At the end of January 2023, the budget achieved a surplus of RO 145 million compared to a surplus of RO 18 million registered over the same period in 2022.

During the month of January 2023, the total repaid loans amounted to RO 511 million which primarily constituted of RO 480 million maturing international bonds. This has contributed towards reducing the total Government Debt to RO 17.2 billion at the end of January 2023.



# Debt Management System

**Debt Management System (DMS)** is a modern system used by the Ministry of Finance to promote effective management of public **debt by:**

- **Recording**, reporting and analyzing debt portfolios.
- **Providing** tools to organize and track debts.
- **Prioritizing** payments and developing a plan to repay debts in a timely and effective manner.

## ► DMS Objectives



**Develop financing plan in the most cost-effective way.**



**Analyze debt portfolio related risks, accelerating decision-making based on accurate data.**

## ► DMS Features



**Efficiency:** Streamline the process of debt management.



**Accuracy:** Improve the accuracy of debt portfolio.



**Effectiveness:** Enhance decision-making based on accurate data.



**Risk Management:** Identify and mitigate risks of debt portfolio, such as risks of increasing interest rate and refinancing

# Global and National Economic Performance



## Global Economic

According to the World Economic Outlook Update (January, 2023), the International Monetary Fund (IMF) expects the global growth to fall from an estimated 3.4% in 2022 to 2.9% in 2023. Furthermore, IMF expects global inflation to fall from 8.8% in 2022 to 6.6% in 2023 and 4.3% in 2024.

## Global Oil Market

According to the Short-Term Energy Outlook issued by the U.S. Energy Information Administration (EIA) in February 2023, the Brent crude oil price is expected to average US\$ 85 per barrel in the first half of 2023. After increasing by an average of 0.6 million barrels per day in 2022, EIA expects global oil inventories to also build by an average of 0.6 million barrels per day in 2023. Correspondingly, their forecast spot price of Brent crude oil will fall to an average of US\$ 82 per barrel in the second half of 2023 and US\$ 78 per barrel in 2024.

The global oil demand is expected to increase from an average of 99.4 million barrels per day in 2022 to 102.3 million barrels per day in 2024, driven primarily by growth in China and other Non-Organization for Economic Cooperation and Development (non-OECD) countries. Moreover, the global oil supply is expected to increase by an average of 1.1 million barrels per day in 2023 and 1.5 million barrels per day in 2024.

## National Economic

The IMF expects Oman's real GDP growth to reach 4.1% in 2023 and 1.9% in 2024. The IMF also expects the current balance account will achieve a positive growth of 2.7% in 2023.