

# Fiscal Performance

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As of end Q1-2022

1,025

Average of Daily Oil Production (Thousand bbl)

78

Average Oil Price (US\$ per barrel)

1,565

Net Oil Revenue (RO Million)



As of end Q1-2023

1,063

85

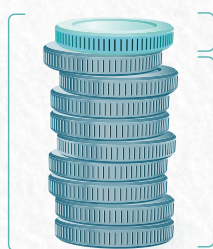
1,707

## ► Fiscal Performance at the end of First Quarter

RO Million

Surplus  
357

Spending  
2,668



Revenue  
3,025

2022

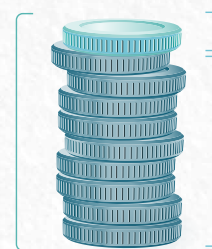
Change (%)

Revenue 6%

Spending 4%

Surplus  
450

Spending  
2,767



Revenue  
3,217

2023

More than  
**325**  
RO Million

Total amount paid to private sector by the end of Q1-2023



# Fiscal Performance

## As of end Q1-2023

### ► Public Revenue

At the end of Q1-2023, public revenue amounted to RO 3,217 million, up by 6% when compared to RO 3,025 million registered over the same period in 2022. This is mainly due to an increase in oil revenue and current revenue, representing 53% and 25%, respectively, of total public revenue.

RO Million

Statement (As of end first quarter)	2022	2023	Change (%)
Net Oil Revenue	1,565	1,707	9%
Net Gas Revenue	819	720	(12%)
Current Revenue	636	787	24%
Capital Revenue & Repayments	5	3	-
Total	3,025	3,217	6%

The followings are the most important items of public revenue:

#### 1 Hydrocarbon Revenue

##### ■ Net Oil Revenue

At the end of Q1-2023, net oil revenue amounted to RO 1,707 million, up by 9% when compared to RO 1,565 million achieved over the same period in 2022. This is driven by higher oil prices of US\$ 85 per barrel, as well as an increase in oil production to 1,063 thousand barrels per day.

##### ■ Net Gas Revenue

At the end of Q1-2023, net gas revenue decreased to RO 720 million, down by 12% when compared to RO 819 million registered over the same period in 2022. This is due to the deduction of gas purchase and transport expenses from the total revenue collected from the Integrated Gas Company.

#### 2 Current Revenue

At the end of Q1-2023, current revenue amounted to RO 787 million, up by RO 151 million when compared to RO 636 million registered over the same period in 2022.



# Fiscal Performance

## As of end Q1-2023

### ► Public Spending

By the end of Q1-2023, public spending amounted to RO 2,767 million, up by RO 99 million, i.e. 4% when compared to the same period in 2022. This is mainly due to an increase in current expenditure and contributions and other expenses.

**The followings are the most important items of public spending:**

#### 1 Current Expenditure

At the end of Q1-2023, current expenditure of civil and government units amounted to RO 1,033 million, up by RO 79 million, when compared to RO 954 million registered over the same period in 2022.

#### 2 Development Expenditure

Development expenditure of civil and government units amounted to RO 117 million, representing 13% of total development spending, i.e. RO 900 million, allocated for 2023.

#### 3 Contributions and other Expenses

By the end of Q1-2023, total contributions and other expenses amounted to RO 273 million, up by 53% when compared to RO 179 million registered over the same period in 2022. Oil product subsidy amounted to RO 78 million. Additionally, an amount of RO 100 million was transferred to future debt obligations budget-item.

### ► Surplus/Deficit

At the end of Q1-2023, the budget registered a surplus of RO 450 million compared to a surplus of RO 357 million achieved over the same period in 2022.

At the end of Q1-2023, the Ministry of Finance paid more than RO 325 million to the private sector. This reflects the payment vouchers received through the e-financial system, and which have completed the documentary cycle.



# Performance Based Budget

Performance Based Budget (PBB) is an advanced approach of fiscal planning that identifies public spending priorities and links expenditures to objectives and activities. The PBB seeks to prepare an integrated budget combining current budget and development budget.

## ► The PBB establishes links between



## ► The PBB aims to

-  **Achieve maximum efficiency** in allocating available resources
-  **Provide better fiscal planning**
-  **Achieve high levels** in terms of performance and accountability
-  **Enhance** the efficiency of public spending management
-  **Achieve geographically balanced development** according to the strategic priorities of Oman Vision 2040

## ► Current status of implementing PBB in Government units

**60**

Government units have started the pilot implementation of PBB

**105**

Programs were implemented to enable Government units to apply PBB

**70%**

Overall achievement of the PBB

### The most significant achievement of pilot implementation of PBB in Government units during 2021 and 2022:

#### 26 Entities

Prepared its 2023 budget document as per its programs and activities

#### 21 Entities

Prepared performance document based on objectives and tasks of each department. In addition to link these objectives and tasks with the performance indicators and priorities of the entity

#### 5 Entities

Managed to pursue the actual achievement on its performance indicators and prepare relevant analytical reports



# Global and National Economic Performance

## Global Economy

According to the IMF latest world economic outlook report, the baseline forecast for global growth has fallen from 3.4% in 2022 to 2.8% in 2023, and would settle at 3% in 2024. Global inflation will decrease, although more slowly than initially anticipated, from 8.7% in 2022 to 7% this year and 4.9% in 2024 on the back of lower commodity prices. Emerging market and developing economies are already powering ahead in many cases, with growth rates jumping from 2.8% in 2022 to 4.5% this year. The slowdown is concentrated in advanced economies, especially the euro area and the United Kingdom, where growth is expected to fall to 0.7% and -0.4%, respectively, this year before rebounding to 1.8% and 2.0% in 2024.

## Global Oil Market

According to the U.S. Energy Information Administration (EIA) (April's report), global liquid fuels consumption is expected to rise by 1.4 million barrel per day in 2023 and by 1.8 million barrel per day in 2024. The EIA expects oil prices will average US\$ 86 per barrel for the rest of 2023. It also forecasts Brent prices will average US\$ 81 per barrel.

## National Economy

In a report issued last April, Fitch Ratings has revised Oman's outlook to positive from stable and affirmed the rating at 'BB'. According to Fitch, the positive outlook reflects a significant reduction in Oman's debt to GDP as a result of fiscal consolidation measures, high oil prices and the associated reduction of external liquidity risks.

Fitch expects non-oil sector in Oman will rise by 2.3% in 2023, pointing out to the recovery of construction sector after being affected by the COVID-19 pandemic. Fitch also projects Oman's fiscal breakeven oil price to decline from US\$ 77 bbl in 2022 to US\$ 67 bbl in 2025.