



Fiscal Performance

A Special Bulletin on the First Quarter 2024, Published by the Ministry of Finance

April 2024

Fiscal Performance

As of end-Q1 2024

01

Preliminary Data

As of end-Q1 2023



As of end-Q1 2024

1,063

Average Oil Production (thousand bbl/d)

Change%

(5%)

1,014

85

Average Oil Price (US\$ per barrel)

Change%

(2%)

83

1,707

Net Oil Revenue (RO Million)

Change%

(1%)

1,688

15.1

RO Billion

Total public debt by the end of Q1 2024, down by RO 188 million, compared to RO 15.3 billion registered by the end of 2023.

More than

206

RO Million

Total amount paid to the private sector through the e-financial system, that have completed the documentary cycle.



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Public Revenue

At the end of Q1 2024, the public revenue amounted to RO 2,826 million, down by 12% compared to RO 3,217 million registered over the same period in 2023. This is mainly due to a decrease in net oil and gas revenues and current revenue.

RO Million

Statement (As of end-Q1)	2023	2024	Change (%)
Net Oil Revenue	1,707	1,688	(1%)
Net Gas Revenue	720	444	(38%)
Current Revenue	787	691	(12%)
Capital Revenue & Repayments	3	3	0
Total	3,217	2,826	(12%)

The following are the main items of public revenue:

- 01 Net Oil Revenue:** At the end of Q1 2024, the net oil revenue amounted to RO 1,688 million, down by 1% compared to RO 1,707 million registered over the same period in 2023. The average realized oil price amounted to US\$ 83 per barrel and average oil production reached 1,014 thousand barrels per day.
- 02 Net Gas Revenue:** At the end of Q1 2024, the net gas revenue amounted to RO 444 million, down by 38% compared to RO 720 million registered over the same period in 2023. This is due to the deduction of gas purchase and transport expenses from the total revenue collected from Integrated Gas Company.
- 03 Current Revenue:** At the end of Q1 2024, the current revenue amounted to RO 691 million, down by RO 96 million compared to RO 787 million registered over the same period in 2023.

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Public Spending

At the end of Q1 2024, the public spending amounted to RO 2,664 million, down by RO 103 million, i.e. 4% compared to the same period in 2023.

Statement (As of end-Q1)	2023	2024	Change (%)
Current Expenditure	2,027	1,978	(2%)
Development Expenditure	117	200	71%
Contributions and other Expenses	273	486	78%
Total	2,767	2,664	(4%)

RO Million

The following are the main items of public spending:

- 01 Current Expenditure:** At the end of Q1 2024, the current expenditure of civil ministries amounted to RO 1,978 million, down by RO 49 million compared to RO 2,027 million registered over the same period in 2023.
- 02 Development Expenditure:** At the end of Q1 2024, the development expenditure of ministries and government units amounted to RO 200 million, representing 22% of total development spending, i.e. RO 900 million, allocated for 2024.
- 03 Contributions and other Expenses:** At the end of Q1 2024, the total contributions and other expenses amounted to RO 486 million, up by 78% compared to RO 273 million registered over the same period in 2023. This is mainly due to the application of social protection system, alongside oil products subsidy which amounted to RO 140 million and RO 72 million, respectively, by the end of Q1 2024. Furthermore, an amount of RO 100 million was transferred to future debt obligations budget-item.

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Payment to the Private Sector

By the end of Q1 2024, the Ministry of Finance repaid more than RO 206 million to the private sector. This reflects the payment vouchers received through the e-financial system that have completed the documentary cycle.

Repayment of Public Debt

By the end of Q1 2024, the Ministry of Finance repaid a number of outstanding financial obligations, leading public debt to stand at RO 15.1 billion, i.e. down by RO 188 million, compared to RO 15.3 billion registered by the end of 2023.



Global Economy

According to the World Economic Outlook report (April, 2024), issued by the International Monetary Fund (IMF), the world economy is expected to continue growing at 3.2% during 2024 and 2025, at the same pace as in 2023. Advanced economies are expected to experience a slight increase in growth, from 1.6% in 2023 to 1.7% in 2024 and 1.8% in 2025. However, emerging market and developing economies are expected to slow down slightly, from 4.3% in 2023 to 4.2% in both 2024 and 2025.

Global Oil Market

According to the Short-Term Energy Outlook (STEO) issued by the U.S. Energy Information Administration (EIA) in April 2024, the Brent crude oil spot price is expected to average US\$ 90 per barrel in the second quarter of 2024 (2Q24), up US\$ 2 per barrel from the March STEO, and average \$89/b in 2024.

National Economy

The National Center for Statistics and Information (NCSI) stated in the Monthly Statistical Bulletin (April 2024) that the GDP at constant prices amounted to RO 38,276 million, i.e., up by 1.3% compared to RO 37,781 million registered by the end of 2022.



Liability Management Exercise & Public Debt Reduction

The Recovery towards Sustainability

In recent years, the Sultanate of Oman has successfully reduced its public debt to minimize the risks associated with its debt portfolio, by implementing various measures and initiatives to rationalize public spending and increase non-hydrocarbon revenue. **Furthermore, this was achieved by utilizing part of the additional revenue for liability management, through:**



Buy-back some of the sovereign bonds for less than its nominal value



Replacement of high-cost loans with low-cost loans

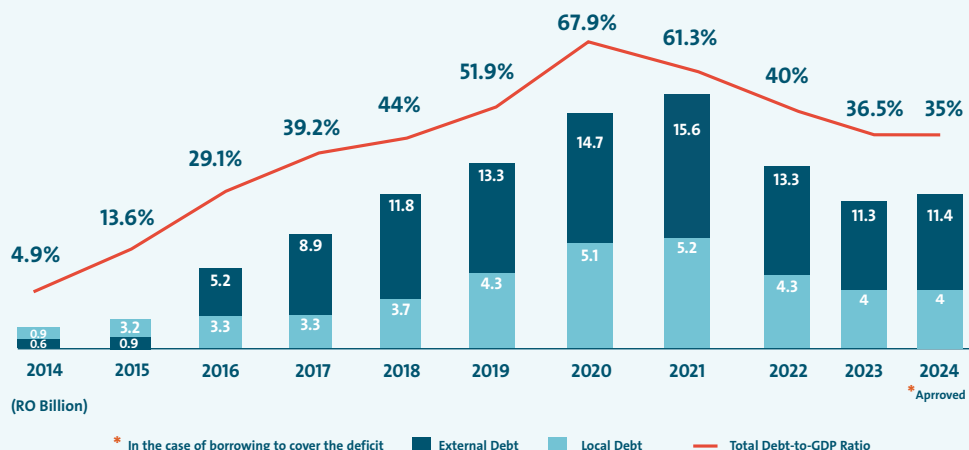


Issuance of Sukuk and domestic bonds in the Muscat Stock Exchange at a preferable rate

The Ministry of Finance, in cooperation with the Central Bank of Oman, announced the 69th issue of Government Development Bonds in Q2024 1, worth RO 100 million.

Trends of Oman's Public Debt

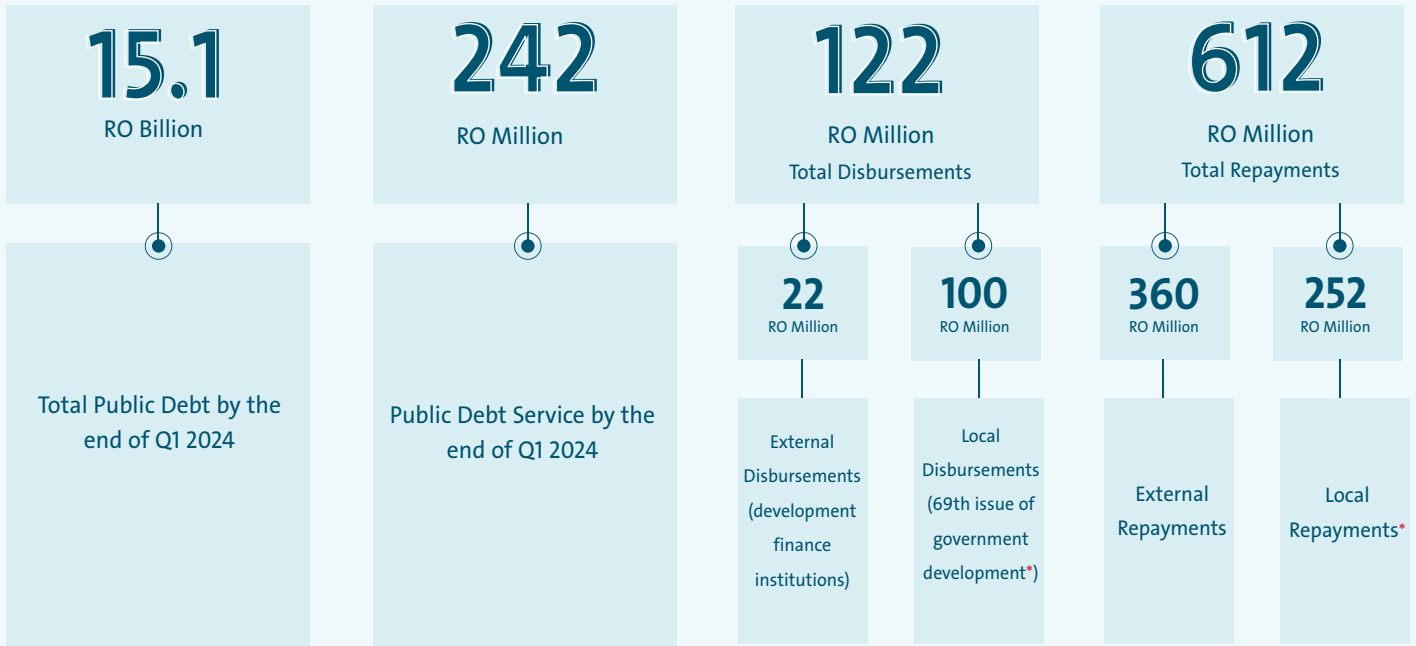
Oman's public debt increased to 29.1% of GDP in 2016 from 4.9% in 2014 and peaked at 67.9% in 2020. Despite low oil prices and the impact of the COVID-19 pandemic on the economy, Oman has managed to reduce public debt to 36.5% in 2023. The public debt stands at RO 15.1 billion by the end of Q1 2024. The Government's efforts continue to reduce public debt by utilizing the additional revenue.



Liability Management Exercise & Public Debt Reduction

The Recovery towards Sustainability

Liability management exercise by the end of Q1 2024:



*Not include treasury bills

Tangible Results

Government efforts to reduce public debt and mitigate its effects on economic growth have directly contributed to raising Oman’s credit rating and improving its outlook. The credit rating agencies have praised government efforts in managing financial obligations and reducing public debt.



The Ministry of Finance (MOF) is fully committed to developing financial plans that will enhance fiscal performance, strengthen Oman’s financial position, accelerate inclusive development, and stimulate economic activity. Therefore, reducing public debt and strengthening Oman’s financial position are priorities for the MOF, consistent with the priorities of Oman Vision 2040.

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