

وزارة المالية
Ministry of Finance



التقدم بثقة
Moving Forward
with Confidence



Fiscal Performance

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August 2024

Fiscal Performance

As of end-July 2024

Preliminary Data

As of end-July 2023



As of end-July 2024

83

Average Oil Price (US\$ per barrel)

83

1,040

Average Oil Production (thousand bbl/d)

1,002

1,040

Net Oil Revenue (RO Million)

4,038

RO Million

7,183

Revenue



Revenue

7,154

6,481

Spending

Spending

6,754

0.4%

Revenue

Change (%)

Spending

4%

RO

RO



RO

RO

Fiscal Performance

As of end-July 2024

02

Public Revenue

At the end of July 2024, public revenue amounted to RO 7,154 million, down by RO 29 million compared to RO 7,183 million registered over the same period in 2023. This is mainly due to a decrease in gas and current revenues.

Statement (As of end-July)	2023	2024	Change (%)
Net Oil Revenue	3,714	4,038	9%
Net Gas Revenue	1,329	1,090	(18%)
Current Revenue	2,132	2,012	(6%)
Capital Revenue & Repayments	9	14	56%
Total	7,183	7,154	0.4%

RO Million

The following are the main items of public revenue:

- 01 Net Oil Revenue:** At the end of July 2024, net oil revenue increased by 9% to RO 4,038 million, compared to RO 3,714 million registered over the same period in 2023. The average realized oil price amounted to US\$ 83 per barrel and the average oil production reached 1,002 thousand barrels per day. This is attributed to the methodology of Energy Development Oman (EDO) for collecting oil revenue and managing cash flow.
- 02 Net Gas Revenue:** At the end of July 2024, the net gas revenue amounted to RO 1,090 million, down by 18% compared to RO 1,329 million collected over the same period in 2023, due to the change in the methodology for collecting gas revenue.
- 03 Current Revenue:** At the end of July 2024, the current revenue amounted to RO 2,012 million, down by RO 120 million compared to RO 2,132 million registered over the same period in 2023.

Fiscal Performance

As of end-July 2024

03

Public Spending

At the end of July 2024, the public spending amounted to RO 6,754 million, up by RO 273 million, i.e. 4% compared to the actual spending of RO 6,481 million registered over the same period in 2023. This is due to an increase in development spending and contributions and other expenses budget-item.

RO Million

Statement (As of end-July)	2023	2024	Change (%)
Current Expenditure	4,836	4,808	-
Development Expenditure	491	653	33%
Contributions and other Expenses	854	1,243	46%
Expenses Under Settlement	300	50	(83%)
Total	6,481	6,754	4%

The following are the main items of public spending:

- 01 Current Expenditure:** At the end of July 2024, the current expenditure of civil ministries amounted to RO 4,808 million, down by RO 28 million compared to RO 4,836 million registered over the same period in 2023.
- 02 Development Expenditure:** At the end of July 2024, the development expenditure of ministries and government units amounted to RO 653 million, representing 73% of total development spending, i.e. RO 900 million, allocated for 2024.
- 03 Contributions and other Expenses:** At the end of July 2024, total contributions and other expenses amounted to RO 1,243 million, up by 46% compared to RO 854 million registered over the same period in 2023. Social protection system subsidy, electricity sector subsidy, and oil products subsidy amounted to RO 326 million, RO 286 million, and RO 174 million, respectively, by the end of July 2024.

Global Economy

According to the Organization for Economic Co-operation and Development (OECD)'s latest Economic Outlook, Global GDP growth is projected to be 3.1% in 2024 and edge up to 3.2% in 2025, helped by stronger real income growth and lower policy interest rates. However, the overall macroeconomic policy mix is expected to remain restrictive in most economies, with a gradual decline in real interest rates. By the end of 2025, inflation is projected to be back on target in most major economies.

Global Oil Market

According to the Short-Term Energy Outlook (STEO) issued by the U.S. Energy Information Administration (EIA) in August 2024, the Brent crude oil spot price is expected to average US\$ 84.44 per barrel in 2024, while the Brent crude oil spot price is expected to average US\$ 85.71 per barrel in 2025.

National Economy

In its report issued on August 2024, Moody's revised Oman's outlook to positive from stable and affirmed its credit ratings at "Ba1", due to ongoing improvement in the public debt, a decline in external debt risks, an increase in Oman's fiscal strength, and robust foreign-currency buffers.

The agency noted that ongoing improvement measures taken by the Government, increase Oman's ability to absorb shocks, such as those caused by cyclical fluctuations in the oil prices or increase in interest rates.



The development budget plays a vital role in achieving sustainable development. The Sultanate of Oman devoted considerable attention to the development budget. His Majesty Sultan Haitham bin Tariq has given Royal directives to carry out development projects alongside those approved in the Tenth Five-Year Development Plan (2021-2025). This contributes to achieving development goals, enhancing public services, and strengthening infrastructure.

What is the Development Budget?

It is a financial plan that details how government spending is allocated to create and carry out development projects outlined in the Five-Year Development Plan and the annual plans of government units. This includes the construction of roads, hospitals, schools, and public service buildings.



Development Budget Objectives:



Support economic and social development.



Enhance infrastructure projects and basic services.



Deliver basic services.

How are development projects selected?





The Ministry of Economy has developed a matrix to identify sectoral and project priorities for the Tenth Five-Year Development Plan to ensure social and economic return. In addition to capturing the repercussions that would contribute positively to the national economy and serve the social aspect. This can be illustrated as follows:

- 1 A clear mechanism for evaluating the priority of projects selection to meet the current and future requirements.
- 2 Unified standards for ministries to prepare and submit the project file.
- 3 A clear and flexible methodology for projects selection in line with the strategic objectives of development.

Development Budget

05

Development Spending Distributed over the Sectors (RO Million)

Sector	2023 Actual	As of end-July 2024*
 Infrastructure (roads, airports, ports, town planning, & government administration)	562	351
 Social Structures (education, health, information, & youth centers)	503	191
 Service Production (housing, electricity, water, trade, & tourism)	212	61
 Commodity Production (crude oil, gas, minerals, agriculture, & fisheries)	86	50
Total	1,363	653

*According to the Ministry of Economy's data.

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