



# Fiscal Performance

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September 2024

# Fiscal Performance

As of end-August 2024

Preliminary Data

As of end-August 2023



As of end-August 2024

82

Average Oil Price (US\$ per barrel)

83

1,056

Average Oil Production (thousand bbl/d)

1,001

4,145

Net Oil Revenue (RO Million)

4,649

RO Million

7,923

Revenue

Revenue

8,106

7,150

Spending

Spending

7,659



2%

Revenue

Change (%)

Spending

7%



RO

RO

RO

RO



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As of end-August 2024

02

## Public Revenue

At the end of August 2024, public revenue amounted to RO 8,106 million, up by RO 183 million compared to RO 7,923 million registered over the same period in 2023. **This is mainly due to an increase in net oil revenue.**

Statement (As of end-August)	2023	2024	Change (%)
Net Oil Revenue	4,145	4,649	12%
Net Gas Revenue	1,434	1,213	(15%)
Current Revenue	2,334	2,230	(4%)
Capital Revenue & Repayments	10	14	40%
<b>Total</b>	<b>7,923</b>	<b>8,106</b>	<b>2%</b>

RO Million

### The following are the main items of public revenue:

- 01 Net Oil Revenue:** At the end of August 2024, the net oil revenue amounted to RO 4,649 million, up by 12% compared to RO 4,145 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 1,001 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 August 2024, the net gas revenue amounted to RO 1,213 million, down by 15% compared to RO 1,434 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 August 2024, the current revenue amounted to RO 2,230 million, down by RO 104 million compared to RO 2,334 million registered over the same period in 2023.

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03

## Public Spending

At the end of August 2024, the public spending amounted to RO 7,659 million, up by RO 509 million, i.e. 7% compared to the actual spending of RO 7,150 million registered over the same period in 2023.

RO Million

Statement (As of end-August)	2023	2024	Change (%)
Current Expenditure	5,464	5,434	-
Development Expenditure	572	735	28%
Contributions and other Expenses	914	1,440	58%
Expenses Under Settlement	200	50	(75%)
<b>Total</b>	<b>7,150</b>	<b>7,659</b>	<b>7%</b>

### The following are the main items of public spending:

- 01 Current Expenditure:** At the end of August 2024, the current expenditure of civil ministries amounted to RO 5,434 million, down by RO 30 million compared to RO 5,464 million registered over the same period in 2023.
- 02 Development Expenditure:** At the end of August 2024, the development expenditure of ministries and government units amounted to RO 735 million, representing 82% of total development spending, i.e. RO 900 million, allocated for 2024.
- 03 Contributions and other Expenses:** At the end of August 2024, total contributions and other expenses amounted to RO 1,440 million, up by 58% compared to RO 914 million registered over the same period in 2023, due to the implementation of the social protection system in 2024. At the end of August 2024, the social protection system subsidy, electricity sector subsidy, and oil products subsidy amounted to RO 373 million, RO 295 million, and RO 191 million, respectively. Furthermore, an amount of RO 266 million was transferred to future debt obligations budget-item.

### Global Economy

According to the Organization for Economic Co-operation and Development (OECD)'s Economic Outlook, Interim Report issued on September 2024, Global growth is expected to stabilise over the projection period at 3.2% in both 2024 and 2025, in line with the average pace observed through the first half of this year. The OECD stated that the lagged impact of monetary policy tightening in advanced economies on growth has begun to moderate, and further monetary policy easing as inflation declines will support interest-rate-sensitive expenditures in 2025. The decline in inflation will also provide a further boost to real income growth and a tailwind to private consumption in many 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\$ 83 per barrel in 2024, while the Brent crude oil spot price is expected to average US\$ 84 per barrel in 2025.

### National Economy

In its report issued on September 2024, Standard & Poor's Global Ratings upgraded Oman's credit rating to "BBB-" with a stable outlook. This upgrade marks Oman's return to investment-grade status after nearly seven years.

The agency stated that the improvement in the credit rating is attributed to the continued measures to improve public finances through financial and economic reform initiatives and the restructuring of the government. These measures have helped restore the balance between revenues and public spending as outlined in the medium-term fiscal plan, leading to financial surpluses. Additionally, the government's focus on reducing public debt, improving governance of state-owned enterprises, and lowering debt levels have all contributed to this positive outcome.

S&P expects Oman's general budget to generate financial surpluses of 1.9% during 2024-2027. The agency also expects Oman's real GDP to grow by an average of 2% annually during 2024-2027. Moreover, the current account is projected to record financial surpluses averaging 1.2% of GDP during the same period.



In 2020, the Ministry of Finance (MOF) developed an integrated risk management system to proactively address potential risks that could impede the achievement of national and institutional objectives.

## What is the Risk Management System (RMS)?

It is a system used to identify and evaluate risks that could impede the achievement of the MOF's objectives and address them proactively.

## The Importance of RMS

To mitigate risks that face MOF by linking the potential threats to their implications, ensuring the achievement of its strategic objectives.

### Objectives:



**Ensuring** the implementation of MOF's strategic plans.



**Enhancing** institutional performance efficiency



**Raising** the ability to deal with risks.



**Ensuring** complementarity roles between the relevant departments, thus contributing to achieving their policy and objectives.



Providing data on potential risks to decision-makers.



**Raising** the awareness of the MOF's employees about risk management.

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