



Fiscal Performance

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

July 2024

Fiscal Performance

As of end-Q2 2024

Preliminary Data

As of end-Q2 2023
As of end-Q2 2024

83	Average Oil Price (US\$ per barrel)	82
1,061	Average Oil Production (thousand bbl/d)	1,003
3,257	Net Oil Revenue (RO Million)	3,362

RO Million

6,342	Revenue	Revenue	6,197
5,686	Spending	Spending	5,806
656	Surplus	Surplus	391
▼			▲
(2%)	Revenue	Change (%)	Spending
			2%

14.4

RO Billion Total public debt by the end of Q2-2024, compared to RO 16.3 billion at the end of Q2-2023.

558

RO Million More than paid to the private sector through the e-financial system for payments that completed the documentary cycle



Fiscal Performance

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02

Public Revenue

At the end of Q2-2024, the public revenue decreased by 2% to RO 6,197 million compared to RO 6,342 million registered over the same period of 2023. This decrease is mainly attributed to the decrease in net gas revenue and current revenue.

Statement (as of Q2)	2023	2024	Change (%)
Net Oil Revenue	3,257	3,362	3%
Net Gas Revenue	1,115	943	(15%)
Current Revenue	1,962	1,882	(4%)
Capital Revenue & Repayments	8	10	25%
Total	6,342	6,197	(2%)

RO Million

The following are the main items of public revenue

- 01 Net Oil Revenue:** At the end of Q2-2024, net oil revenue increased by 3% to RO 3,362 million, compared to RO 3,257 million registered over the same period in 2023. The average realized oil price amounted to US\$ 82 per barrel and the average volume of oil production reached 1,003 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 Q2-2024, net gas revenue amounted to RO 943 million, decreasing by 15% compared to RO 1,115 million registered over the same period in 2023 due to the change in the methodology for collecting gas revenue.
- 03 Current Revenue:** At the end of Q2-2024, the current revenue amounted to RO 1,882 million, down by RO 80 million when compared to RO 1,962 million registered in the same period of 2023.

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03

Public Spending

At the end of Q2-2024, the public spending amounted to RO 5,806 million, up by RO 120 million, i.e. 2% when compared to the same period in 2023.

Statement (As of end-Q2)	2023	2024	Change (%)
Current Expenditure	4,078	4,065	-
Development Expenditure	383	502	31%
Contributions and other Expenses	775	1,088	40%
Expenses Under Settlement	450	150	(66%)
Total	5,686	5,806	2%

RO Million

The following are the main items of public spending

- 01 Current Expenditure:** At the end of Q2-2024, the current expenses of the civil ministries amounted to about RO 4,065 million, a decrease by RO 13 million compared to RO 4,078 million at the end of Q2-2023.
- 02 Development Expenditure:** At the end of Q2-2024, development expenditure of civil ministries and units amounted to RO 502 million, representing 56% of the total development spending, i.e. RO 900 million, allocated for 2024.
- 03 Contributions and other Expenses:** At the end of Q2-2024, the total contributions and other expenses amounted to RO 1,088 million, up by 40% compared to RO 775 million registered over the same period in 2023. This is mainly due to the implementation of the social protection system. The subsidies of social protection system, electricity and oil products amounted to RO 280 million, RO 259 million, and RO 153 million, respectively. Furthermore, an amount of RO 200 million was transferred to future debt obligations budget-item.

Fiscal Performance

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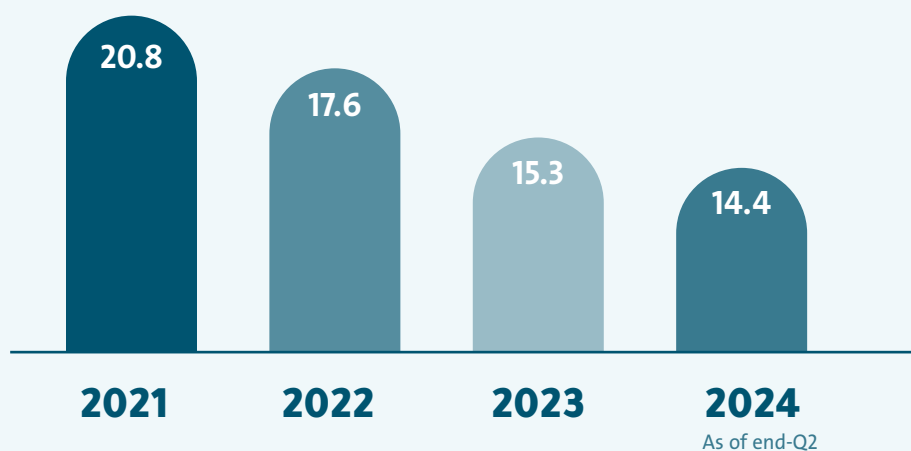
Payments to the private sector

By the end of Q2-2024, the Ministry of Finance paid more than RO 558 million to the private sector. This reflects the payment vouchers received through the e-financial system that completed their documentary cycle.

Repayment of public debt

During the Q2-2024, the government was able to repay a number of outstanding financial obligations, leading public debt to stand at RO 14.4 billion, compared to RO 16.3 billion recorded at the end of Q2-2023.

The following chart shows the decline of public debt during the period (2021-As of end-Q2 2024):



Global Economy

According to the World Economic Outlook report (July, 2024), issued by the International Monetary Fund (IMF), the global economic growth is expected to stabilize at 3.2% during 2024 and rise to 3.3% in 2025. The IMF noted that service price inflation has complicated the implementation of efforts to curb global inflation, resulting in difficulty in normalizing monetary policy. Consequently, global inflation risks have increased, increasing the likelihood of a continuous rise in interest rates in the context of escalating trade tensions and increased policy uncertainty.

Global Oil Market

According to the Short-Term Energy Outlook (STEO) issued by the U.S. Energy Information Administration (EIA) in July 2024, the Brent crude oil spot price is expected to average US\$ 86.37 per barrel in 2024, while the Brent crude oil spot price is forecasted to average US\$ 88.38 per barrel in 2025.

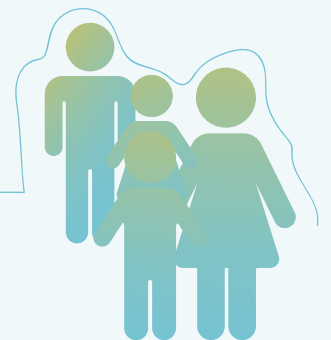
National Economy

The National Center for Statistics and Information (NCSI) stated in the Monthly Statistical Bulletin (July, 2024) that Oman's GDP at constant prices at the end of the first quarter of 2024 amounted to about RO 9,537 million, up by 1.7% compared to RO 9,373 million during the same quarter last year.



The Sultanate of Oman places significant emphasis on upholding the quality of government services such as education, healthcare, social welfare and housing. Therefore, social spending represents a primary focal point guiding the formulation of the state's general budget, which contribute substantially to achieving the People and Society theme outlined in Oman Vision 2040. This key theme is geared towards fostering social justice through the sustained delivery of high-quality social welfare services.

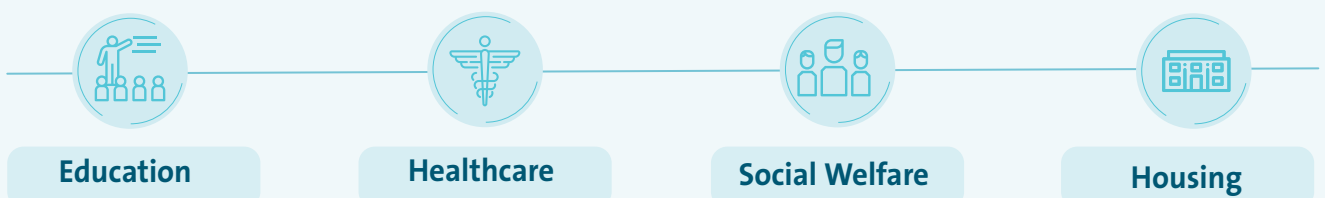
What is Social Spending



Social spending is the aggregate government spending on social sectors, namely healthcare, education, social protection, and housing.



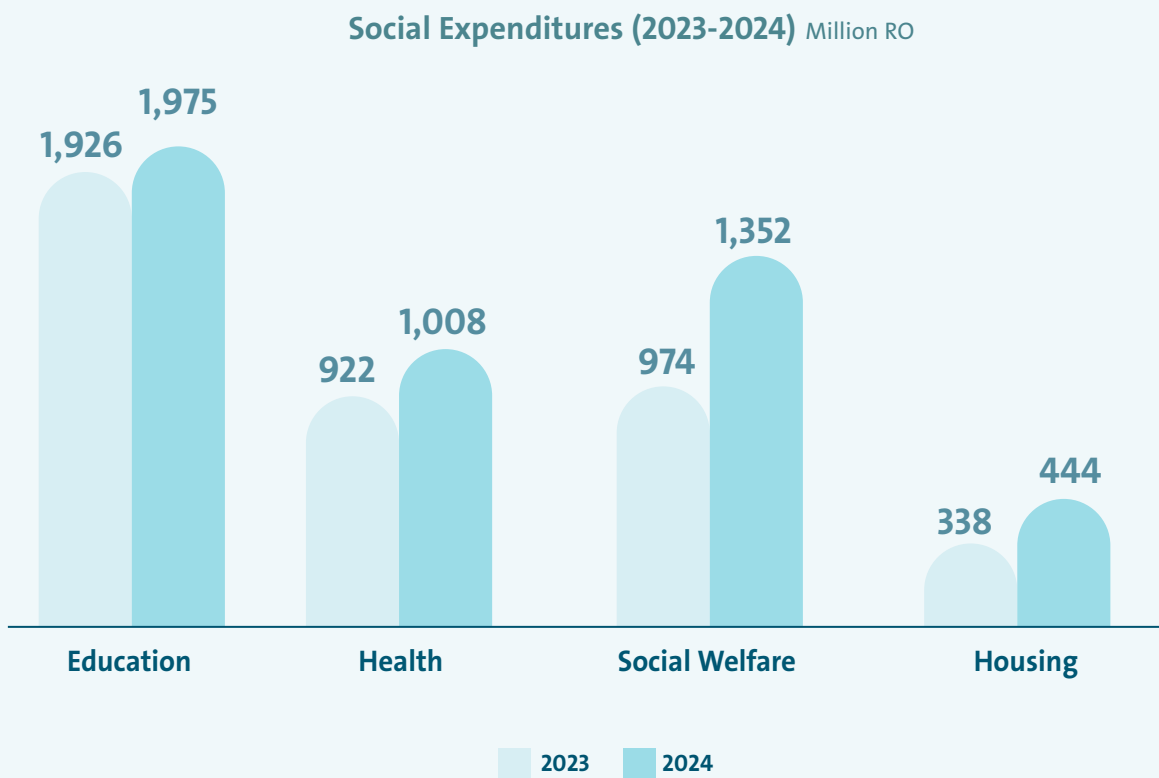
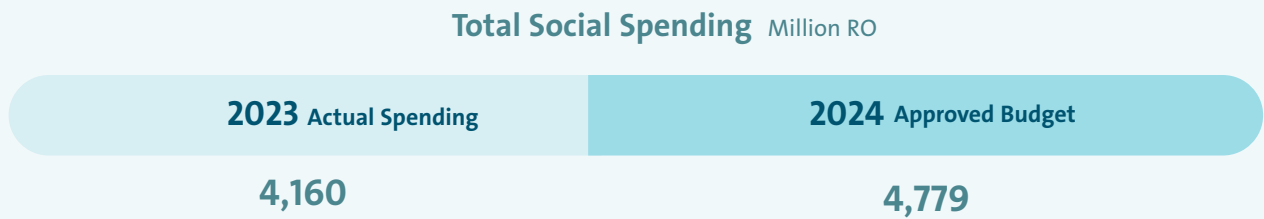
Facets of Social Spending



The Evolution of Social Spending in the Sultanate of Oman

In recent years, social spending has typically represented 32% to 41% of the overall public spending, with the education sector occupying a predominant position. The government has allocated over 40% of total social spending on education, followed by more than 20% towards healthcare.

The government has paid great attention to the social welfare sector, as it began to implement the social protection system since the beginning of this year. The total estimated spending for social security and welfare sector in 2024 amounted to about RO 1,352 million, up by RO 378 million when compared to the actual spending on the same sector in 2023.



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