27-Sep-2024 | 16:06 EDT

Oman Upgraded To 'BBB-' From 'BB+' On Continued Public Sector Deleveraging; Outlook Stable

Overview

- The Omani government, along with many state-owned enterprises (SOEs), is continuing to deleverage its balance sheet.
- The authorities also remain committed to advancing their longer-term structural reform agenda aimed at strengthening economic resilience.
- We forecast Oman will be in a small net general government asset position by the end of 2024, compared with a net debt position of 19% in 2021.
- We therefore raised our long-term ratings on Oman to 'BBB-' from 'BB+'. The outlook is stable.

Rating Action

On Sept. 27, 2024, S&P Global Ratings raised its long-term foreign and local currency sovereign credit ratings on Oman to 'BBB-' from 'BB+'. The outlook on the long-term ratings is stable. We also raised our short-term ratings on Oman to 'A-3' from 'B' and our transfer and convertibility assessment to 'BBB' from 'BBB-'.

Outlook

The stable outlook balances the potential benefits of the government's fiscal and economic reform program against the economy's structural susceptibility to adverse oil price shocks.

Upside scenario

We could raise the ratings over the next two years if reforms lead to steady growth in Oman's GDP per capita supported by continued momentum in non-oil growth. Measures to strengthen institutions that, for example, support economic diversification and the development of domestic capital markets, could be positive for the ratings.

Downside scenario

We could lower the ratings if fiscal and economic reform implementation were to slow, or an unfavorable external environment such as a terms of trade shock were to result in fiscal deficits and net debt levels significantly above our forecasts.

Rationale

The upgrade reflects continued strengthening of the Omani government's public finances and ongoing external deleveraging of many SOEs.

Following significant deterioration in the balance sheet over 2015-2021, the government has implemented structural reforms that will see it return to a net asset position from this year. The government also reorganized its government-related entity (GRE) sector to enhance operational efficiencies and improve financial positions. This supported a decline in total GRE debt to $33.8 billion (30% of GDP) in June 2024, compared with a peak of $35.9 billion (41% of GDP) at end-2021. We assume the government will continue gradually reducing its footprint in the economy--that is, moving from owner to regulator--via asset sales to help develop the non-hydrocarbon private sector and attract foreign direct investment.

Oman's fiscal position remains highly dependent on oil price movements, but resilience against shocks has strengthened. The authorities remain committed to rationalizing expenditure and mobilizing non-hydrocarbon revenue through forthcoming measures such as implementing personal income tax and phasing out energy subsidies. On the asset side, the government continues to accumulate sizable liquid buffers via its deposits in domestic institutions and the central bank, alongside its sovereign wealth fund--the Oman Investment Authority (OIA). We forecast the government will post fiscal surpluses of 1.9% of GDP over 2024-2027, assuming Brent oil prices of about $80 per barrel (/bbl) from 2025 until 2027. In our view, this places the government in a position to continue reducing external debt levels and accumulating liquid assets.

Institutional and economic profile: Higher hydrocarbon production will support medium-term growth

- We expect the government's fiscal and economic reform momentum will continue over 2024-2027.
- We forecast real GDP will expand about 2% per year on average over 2024-2027.
- Oman's foreign policy is likely to remain broadly neutral, with limited spillover effects on the country in the event of regional geopolitical conflicts.

At the start of Sultan Haitham bin Tariq's reign, in early 2020, Oman faced significant structural challenges--including high budget and external deficits, subdued economic growth, and relatively high youth unemployment--all exacerbated by the pandemic and the related sharp drop in oil prices. Since then, the government has introduced measures to address governance and public finance issues. Along with the introduction of value-added tax (VAT) in 2021, these include gradual cuts to electricity and water subsidies and a tighter rein on capital and current spending. The authorities have also made strides in improving transparency and data disclosure, including by publishing quarterly real GDP data, monthly fiscal positions, a yearly international investment position, and an IMF Article IV.

GREs have also been reorganized:

- OIA was established in 2020 to better manage the government's financial assets and public enterprises. Most of Oman's GREs are now managed by OIA including OQ (a merger between Oman Oil Co. and Oman Oil Refineries and Petroleum Industries Co.) and NAMA Holding (responsible for electricity, water, and wastewater services), among many others. The assets of the State General Reserve Fund (SGRF) and Oman Investment Fund (OIF) were merged under the OIA. OIA aims to leverage the management expertise within SGRF and OIF and to enhance the governance and financial efficiency of the GRE sector.
- Energy Development Oman (EDO) was established in 2020 to help realize efficiencies and pursue new growth opportunities in Oman's energy sector. The government transferred its ownership of Petroleum Development of Oman and its 60% stake in the Block 6 oil concession to EDO in 2021. Block 6 is the country's largest oil and gas field.
- In 2022, the government established Integrated Gas Co. (IGC) to oversee the gas industry along the similar lines as EDO's oversight of the oil sector. Oman's oil and gas revenues now show on the government's budget net of related spending items.
- In 2023, the government launched the Future Fund Oman to invest in the non-hydrocarbon economy and attract foreign investment. The Omani rial (OMR) 2 billion (about $5.2 billion) fund will be financed by the Ministry of Finance by up to OMR400 million (about $1 billion) annually over the next five years.

Although Oman's GDP per capita is comparatively high at $21,076 in 2024, real GDP per capita growth has consistently underperformed that of similarly wealthy countries. Population growth dynamics have been underpinned by significant volatility in migrant flows, dictated by economic conditions. We forecast population growth will normalize to 2% on average over 2024-2027, versus 4.7% in 2023 and

9.0% in 2022, following an influx of expatriates returning to Oman post-pandemic. Underpinning this growth will be the government's recent lowering of the wage threshold required for expatriates to bring their families to Oman.

We forecast OPEC+ related oil production cuts will keep economic growth relatively subdued at 1.4% in 2024 (Oman is a voluntary adherent to the OPEC+ agreement). We expect hydrocarbon sector output to be broadly flat at 1.04 million barrels per day (mb/d) in 2024, compared with 1.06 mb/d in 2023, with the decline in oil production partially mitigated by an increase in condensate and gas production. There continues to be a strong link between oil and non-oil sector growth in Oman given the impact of oil prices and volumes on the petrochemicals and other chemicals industries, and government spending. We therefore project that the increase in hydrocarbon production through 2027 will spur a continued expansion of the non-hydrocarbon sector by about 2% annually.

In 2022, Oman announced a net zero emissions target date of 2050. To this end, the government is working alongside foreign investors to develop its hydrogen production capabilities and replace gas in electricity generation. While Oman has the potential to develop low-cost solar and wind energy given its abundance of land, renewable energies currently represent only a small fraction of the country's total power generation (less than 5%). In 2023, OQ completed a project in Salalah with production capacity of 1,000 metric tons per day of liquid ammonia, which we expect it to use in the export of ammonia and production of green hydrogen.

We expect Oman will maintain good relations with neighbors, preserving its traditional role as a neutral player and mediator in the region. We expect Oman's Gulf Cooperation Council (GCC) neighbors to remain supportive partners as demonstrated by a $10 billion funding package that was extended to Oman in 2011 by Kuwait, Saudi, Qatar, and UAE (each $2.5 billion), of which $2.2 billion has been utilized as of February 2024. Given its geographic location, Oman is also less likely to be impeded by the closure of export routes should the ongoing Israel-Hamas conflict escalate.

Flexibility and performance profile: We forecast general government budget surpluses to average about 1.9% of GDP over 2024-2027

- Government reform efforts and favorable oil prices should support budget surpluses.
- Despite favorable terms of trade over 2024-2027, usable reserves will remain largely unchanged, partly due to government debt repayments.
- We expect Oman will maintain its currency peg, supported by its accumulated government external assets of about 30% of GDP.

While revenue remains concentrated on oil and gas receipts (72% of total revenue), the Omani government remains committed to gradually reducing its reliance on hydrocarbons. Ongoing reforms include cuts to electricity, water, and waste management subsidies (as those entities work on cost optimization); public wage reforms; rationalization of capital spending; and a potential new personal income tax on high earners. However, because oil prices are still high, the government has recently exercised its flexibility to moderate measures after a period of fiscal austerity. For example, electricity subsidies will be cut more gradually, over 10 years, instead of the initially planned five.

We forecast the government will post fiscal surpluses averaging 1.9% of GDP over 2024-2027, compared with 2.6% in 2023. To strengthen non-hydrocarbon receipts, we assume the authorities will prioritize improving corporate tax administration and collection over raising government fees or the VAT rate. We expect that the planned personal income tax on high earners, a first in the GCC region, will be introduced after 2026. On the expenditure front, we assume Oman's introduction of a permanent social safety protection program in 2024 (1.3% of GDP) will be partially offset through lower future allocations for electricity and fuel subsidies. Our headline fiscal figures differ from the authorities', largely due to our internal adjustments for privatization proceeds, sovereign wealth fund investment income, and other debt financing items.

We forecast Oman will be in a small net general government asset position by the end of 2024, with a reduction in gross government debt to 29% of GDP by 2027, from 68% of GDP in 2020. At the same time, we estimate Omani government liquid assets will be maintained at 36% of GDP on average until 2027. Our estimate of liquid assets includes government deposits in the central bank and domestic banking system, as well as liquid assets held at the OIA, public pension funds, and the Petroleum Reserve Fund. Government deposits constitute about 20% of total deposits in the banking system and almost 40% of the government's liquid assets.

Fiscal risks related to the realization of SOE contingent liabilities onto the sovereign's balance sheet have diminished, in our view. Since 2021, Oman's nominal GRE debt stock has decreased 6% to $33.8 billion (30% of GDP) in June 2024, driven by ongoing asset divestments and deleveraging initiatives. The enactment of the Public Debt Law in October 2023 has also helped establish a more robust framework for managing SOE debt. We exclude EDO and OQ from our contingent liability assessment (together constituting 50% of total SOE debt), since we view them as having relatively strong financial positions. Although explicit government guarantees are limited to 5% of GDP, and so far no guarantee has been called on, the government has a track record of extending temporary support to GREs in times of distress, as it did to Oman Air in 2022 (amounting to 0.3% of GDP).

Despite the onus of project financing shifting from the government to GREs, we expect these entities will undertake sizable domestic investment projects without undermining their credit standing. The largest investment projects currently assumed by OIA companies are in the energy sector, expanding downstream, renewables, and electricity transmission and generation capacity. In early 2024, the $7 billion refinery and oil storage project in Duqm, OQ8--a joint venture between OQ and Kuwait Petroleum International--was completed. OQ8 expects to process about 230,000 barrels of crude oil per day from the refinery, making it an important contributor to Oman's economy and reducing its dependence on refined petroleum product imports.

We project Oman will post current account surpluses of 1.2% of GDP on average over 2024-2027. The country has historically mitigated sizable deficits on its transfer, income, and services balances through surpluses on its trade balance. However, volatility in terms-of-trade remains high (as oil constitutes 60% of total exports), with the country having posted current account deficits of up to 17% of GDP during periods of low oil prices. China remains Oman's main export market for oil, at about 45% of exports, followed by India at just under 10%.

Despite external surpluses in 2022 and 2023, Oman's gross foreign exchange reserves have stabilized at about $17 billion, owing to lower government foreign currency debt issuance and external debt repayments. Our base case assumes reserves will remain at this level over our forecast horizon to 2027, equating to about $9 billion after deducting the monetary base and required reserves on foreign currency deposits.

In our view, Oman's monetary policy flexibility is limited due to the rial's peg to the U.S. dollar. That said, as with the rest of the GCC, the peg has served as an anchor for inflation expectations as oil contracts are typically priced in dollars. We forecast inflation will remain moderate, averaging about 1.4% per year over 2024-2027, after decelerating to 0.9% in 2023.

Given the currency peg, we anticipate that the Central Bank of Oman (CBO) will continue following the U.S. Federal Reserve's interest rate policy. In September 2024, the CBO cut its key policy rate, the repo rate, by 50 basis points to 6.5%. Despite this, transmission of policy rates to lending and deposit rates remains weak compared with other GCC economies. Amid low inflation, restrained government spending, and interest rates below the CBO's policy rate, private sector credit growth expanded by a strong 4.9% in 2023. We expect credit conditions will remain accommodative over our forecast horizon, driving lending growth of about 5%-6% annually.

Favorable oil sector dynamics, coupled with higher non-hydrocarbon output driven by domestic demand and the performance of key sectors such as transportation (mainly shipping) and utilities, have improved the quality of banks' exposures.

Consequently, systemwide stage 2 loans declined to 16.4% at end-2023, from 17.5% at end-2022. However, we expect a marginal deterioration in banks' asset quality over the medium term until we see a sharper reduction in interest rates and recovery in real estate activity, mainly related to the commercial and construction sectors. In our view, Omani banks' regulation is in line with international standards and supervision of the regulator is adequate. The CBO is generally an early adopter of international regulations, and has a sound track record of taking proactive and corrective actions to reduce banks' vulnerability to financial crises. Omani banks also benefit from a stable core deposit base, with limited reliance on external funding.

Key Statistics

Table 1

Oman--Selected indicators

	--YEAR ENDED DEC. 31--								
OMR. MIL.	**2018**	**2019**	**2020**	**2021**	**2022**	**2023**	**2024**	**2025**	**202**
ECONOMIC INDICATORS (%)									
Nominal GDP (bil. LC)	35.2	33.9	29.2	33.6	43.0	41.8	42.7	43.0	44.(
Nominal GDP (bil. $)	91.5	88.1	75.9	87.3	111.9	108.8	111.0	111.9	114

GDP per capita (000s $)	19.9	18.9	17.0	19.3	22.7	21.1	21.1	20.8	20.9
Real GDP growth	1.3	(1.1)	(3.4)	2.6	9.6	1.3	1.4	2.3	2.2
Real GDP per capita growth	0.4	(2.5)	0.8	1.3	0.6	(3.2)	(0.6)	0.3	0.2
Real investment growth	0.5	(10.4)	1.8	(15.7)	2.5	1.5	1.5	1.5	1.5
Investment/GDP	31.7	26.9	27.6	27.9	26.9	27.4	27.4	27.4	27.1
Savings/GDP	27.1	21.9	11.1	22.3	30.8	29.9	28.6	28.5	28.3
Exports/GDP	50.6	49.5	47.1	49.4	59.2	56.4	55.0	55.2	54.8
Real exports growth	2.8	1.9	(14.6)	12.2	16.5	(4.0)	(1.0)	2.5	1.5
Unemployment rate	1.8	2.8	2.5	1.9	3.3	3.2	3.2	3.2	3.2
EXTERNAL INDICATORS (%)									

Current account balance/GDP	(4.6)	(4.9)	(16.5)	(5.5)	3.9	2.4	1.2	1.1	1.2
Current account balance/CARs	(8.9)	(9.7)	(34.5)	(10.0)	6.2	4.0	2.0	1.9	2.1
CARs/GDP	51.9	50.9	48.0	55.4	63.0	61.0	59.5	59.8	59.4
Trade balance/GDP	19.8	20.7	10.6	18.7	28.0	21.9	21.1	21.0	20.9
Net FDI/GDP	6.0	2.9	3.6	8.7	6.4	11.1	2.5	2.5	2.5
Net portfolio equity inflow/GDP	(2.4)	0.3	(1.0)	(1.3)	0.8	(1.7)	(0.6)	(0.6)	(0.6
Gross external financing needs/CARs plus usable reserves	129.4	127.6	161.0	136.9	112.1	110.2	111.7	112.0	111
Narrow net external debt/CARs	31.7	42.8	74.6	62.8	32.0	20.2	18.7	15.8	13.5
Narrow net external	29.1	39.0	55.5	57.1	34.2	21.0	19.0	16.1	13.7

debt/CAPs									
Net external liabilities/CARs	31.6	39.8	78.8	75.6	47.3	40.7	48.1	47.2	47.7
Net external liabilities/CAPs	29.0	36.3	58.6	68.7	50.4	42.4	49.0	48.1	48.7
Short-term external debt by remaining maturity/CARs	36.3	40.7	55.3	44.5	35.0	30.4	29.5	29.2	28.9
Usable reserves/CAPs (months)	1.3	1.9	1.6	1.4	1.9	1.8	1.7	1.7	1.6
Usable reserves (mil. $)	7,969	6,510	6,216	10,527	9,765	9,344	9,168	9,099	9,14
FISCAL INDICATORS (GENERAL GOVERNMENT; %)									
Balance/GDP	(7.5)	(8.3)	(16.8)	(5.2)	2.3	2.6	1.9	1.7	1.9
Change in net debt/GDP	6.9	4.4	8.6	4.1	(9.9)	(4.5)	(2.0)	(2.2)	(1.7)

Primary balance/GDP	(5.8)	(6.3)	(13.7)	(2.0)	4.8	5.1	4.3	3.9	4.0
Revenue/GDP	32.4	32.6	28.9	33.0	34.2	30.1	30.3	30.2	30.4
Expenditures/GDP	39.9	40.9	45.7	38.2	31.9	27.5	28.4	28.5	28.5
Interest/revenues	5.4	6.2	10.6	9.5	7.3	8.3	7.8	7.3	6.8
Debt/GDP	44.0	51.9	67.9	61.9	40.9	36.5	34.2	32.7	30.9
Debt/revenues	135.8	159.3	235.2	187.6	119.6	121.0	112.8	108.5	101
Net debt/GDP	3.0	7.5	17.2	19.1	5.0	0.6	(1.4)	(3.6)	(5.2
Liquid assets/GDP	41.0	44.4	50.7	42.8	35.9	35.9	35.6	36.3	36.1
MONETARY INDICATORS (%)									
CPI growth	0.9	0.5	(0.4)	1.7	2.5	0.9	1.0	1.5	1.5
GDP deflator growth	11.7	(2.7)	(10.8)	12.1	17.0	(4.1)	0.6	(1.5)	(0.0

Exchange rate, year-end (LC/$)	0.38	0.38	0.38	0.38	0.38	0.38	0.38	0.38	0.38
Banks' claims on resident non-gov't sector growth	5.8	2.8	2.7	4.3	3.9	4.9	6.0	6.0	6.0
Banks' claims on resident non-gov't sector/GDP	66.8	71.3	85.0	77.1	62.4	67.4	70.0	73.6	76.3
Foreign currency share of claims by banks on residents	16.9	17.6	19.1	21.4	17.7	12.9	12.9	12.9	12.9
Foreign currency share of residents' bank deposits	15.1	12.3	12.5	12.3	12.2	17.6	17.6	17.6	17.6
Real effective exchange rate growth	(2.8)	1.4	(2.1)	(3.2)	5.3	(3.1)	N/A	N/A	N/A

Sources: National Centre for Statistics Information, Ministry of Finance, and Central Bank of Oman (economic indicators); Central Bank of Oman (external indicators); Ministry of Finance and IMF (fiscal indicators); IMF, Central Bank of

Oman, and Brugel (monetary indicators).

Adjustments: Usable reserves adjusted by subtracting monetary base and foreign assets placed by nonresidents at the Central Bank of Oman from reported international reserves. General government revenue adjusted by using gross hydrocarbon revenue (instead of net of tranfers to the Petroleum Reserve Fund [PRF]), and excluding privatization proceeds and estimated asset withdrawals from the Oman Investment Authority (OIA). Liquid assets include the liquid assets of the OIA, PRF, and public pension funds.

Definitions: Savings is defined as investment plus the current account surplus (deficit). Investment is defined as expenditure on capital goods, including plant, equipment, and housing, plus the change in inventories. Banks are other depository corporations other than the central bank, whose liabilities are included in the national definition of broad money. Gross external financing needs are defined as current account payments plus short-term external debt at the end of the prior year plus nonresident deposits at the end of the prior year plus long-term external debt maturing within the year. Narrow net external debt is defined as the stock of foreign and local currency public- and private- sector borrowings from nonresidents minus official reserves minus public-sector liquid claims on nonresidents minus financial-sector loans to, deposits with, or investments in nonresident entities. A negative number indicates net external lending. N/A--Not applicable. LC--Local currency. CARs--Current account receipts. FDI--Foreign direct investment. CAPs--Current account payments. The data and ratios above result from S&P Global Ratings' own calculations, drawing on national as well as international sources, reflecting S&P Global Ratings' independent view on the timeliness, coverage, accuracy, credibility, and usability of available information.

Ratings Score Snapshot

Table 2

Oman--Ratings score snapshot

KEY RATING FACTORS	SCORE	EXPLANATION
Institutional assessment	4	Reduced predictability of policy responses and moderate risk of challenges to political institutions resulting from broadly centralized decision-making.
Economic assessment	4	Based on GDP per capita (US$) and growth trends as per Selected Indicators in Table 1.
		Weighted-average real GDP per capita trend growth over a 10-year period is negative 0.4%, which is well below sovereigns in the same GDP category.
External assessment	4	Based on narrow net external debt and gross external financing needs/current account receipts plus usable reserves as per Selected Indicators in Table 1.
		The country is exposed to significant volatility in terms of trade, due to its dependence on hydrocarbons.

Fiscal assessment: flexibility and performance	1	Based on the change in net general government debt (% of GDP) as per Selected Indicators in Table 1.
		The government has large liquid financial assets. Based on liquid assets/GDP as per Selected Indicators in Table 1.
		The sovereign government has a volatile revenue base since oil and gas combined account for about 75% of revenue.
Fiscal assessment: debt burden	2	Based on net general government debt (% of GDP) and general government interest expenditures (% of general government revenues) as per Selected Indicators in Table 1.
Monetary assessment	4	The exchange rate regime is a conventional pegged arrangement. Oman has limited monetary policy flexibility, given the Omani rial's peg to the U.S. dollar and the underdeveloped local currency domestic bond markets.
		Consumer price index as per Selected Indicators in Table 1. The central bank has the ability to act as a lender of last resort for the financial system.

Indicative rating	bbb-	
Notches of supplemental adjustments and flexibility	0	
Final rating		
Foreign currency	BBB-	
Notches of uplift	0	Default risks do not apply differently to foreign- and local-currency debt.
Local currency	BBB-	

S&P Global Ratings' analysis of sovereign creditworthiness rests on its assessment and scoring of five key rating factors: (i) institutional assessment; (ii) economic assessment; (iii) external assessment; (iv) the average of fiscal flexibility and performance, and debt burden; and (v) monetary assessment. Each of the factors is assessed on a continuum spanning from 1 (strongest) to 6 (weakest). S&P Global Ratings' "Sovereign Rating Methodology," published on Dec. 18, 2017, details how we derive and combine the scores and then derive the sovereign foreign currency rating. In accordance with S&P Global Ratings' sovereign ratings methodology, a change in score does not in all cases lead to a change in the rating, nor is a change in the rating necessarily predicated on changes in one or more of the scores. In determining the final rating the committee can make use of the flexibility afforded by §15 and §§126-128 of the rating methodology.

In accordance with our relevant policies and procedures, the Rating Committee was composed of analysts that are qualified to vote in the committee, with sufficient experience to convey the appropriate level of knowledge and understanding of the methodology applicable (see 'Related Criteria And Research'). At the onset of the committee, the chair confirmed that the information provided to the Rating Committee by the primary analyst had been distributed in a timely manner and was sufficient for Committee members to make an informed decision.

After the primary analyst gave opening remarks and explained the recommendation, the Committee discussed key rating factors and critical issues in accordance with the relevant criteria. Qualitative and quantitative risk factors were considered and discussed, looking at track-record and forecasts.

The committee's assessment of the key rating factors is reflected in the Ratings Score Snapshot above.

The chair ensured every voting member was given the opportunity to articulate his/her opinion. The chair or designee reviewed the draft report to ensure consistency with the Committee decision. The views and the decision of the rating committee are summarized in the above rationale and outlook. The weighting of all rating factors is described in the methodology used in this rating action (see 'Related Criteria And Research').

Related Criteria

- General Criteria: Environmental, Social, And Governance Principles In Credit Ratings, Oct. 10, 2021
- Criteria | Governments | Sovereigns: Sovereign Rating Methodology, Dec. 18, 2017
- General Criteria: Methodology For Linking Long-Term And Short-Term Ratings, April 7, 2017
- General Criteria: Principles Of Credit Ratings, Feb. 16, 2011
- General Criteria: Methodology: Criteria For Determining Transfer And Convertibility Assessments, May 18, 2009

Related Research

- Sovereign Ratings List, Sept. 10, 2024
- Sovereign Ratings History, Sept. 10, 2024
- Sovereign Ratings Score Snapshot, Sept. 5, 2024
- S&P Global Ratings Revises Its WTI And Brent Price Assumptions For 2025 And Beyond On Anticipated Oversupply, March 11, 2024
- Energy Development Oman SAOC, Feb. 20, 2024
- Banking Industry Country Risk Assessment: Oman, Dec. 7, 2023
- Gulf Nations Invest To Accelerate Deployment Of Renewable Energy, Feb. 27, 2023
- GCC Sustainability Targets Are Unlikely To Shake Up Local Energy Markets, April 11, 2022

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Ratings List

UPGRADED		
	TO	**FROM**
OMAN		
Sovereign Credit Rating	BBB-/Stable/A-3	BB+/Positive/B
Transfer & Convertibility Assessment	BBB	BBB-

Senior Unsecured	BBB-	BB+
Short-Term Debt	A-3	B

Certain terms used in this report, particularly certain adjectives used to express our view on rating relevant factors, have specific meanings ascribed to them in our criteria, and should therefore be read in conjunction with such criteria. Please see Ratings Criteria at www.spglobal.com/ratings for further information. A description of each of S&P Global Ratings' rating categories is contained in "S&P Global Ratings Definitions" at https://disclosure.spglobal.com/ratings/en/regulatory/article/-/view/sourceId/504352. Complete ratings information is available to RatingsDirect subscribers at www.capitaliq.com. All ratings affected by this rating action can be found on S&P Global Ratings' public website at www.spglobal.com/ratings. Alternatively, call S&P Global Ratings' Global Client Support line **(44) 20-7176-7176**.

Regulatory Disclosures For Each Credit Rating Including Ratings List Table

Disclosures include requirements relating to press releases or reports published in accordance with Article 10(1), 10(2), and 10(5), and Annex I, Section D, I, 1, 2, 2a, 4, and 5. These requirements are available by rating via the link titled "Regulatory Disclosure" and include, but are not limited to:

- Key Elements Underlying The Credit Rating
- ESG Credit Factors
- Solicited Or Unsolicited Status
- Analysts Primarily Responsible For The Credit Rating
- Office Responsible For The Credit Rating
- Materials Used In The Credit Rating Process
- Criteria Applied
- Models Applied, Loss, And Cash Flow Analysis Performed
- Scenario Analysis
- Sensitivity Analysis
- Risk Warning, Understanding Credit Rating Categorizations, And Criteria
- Rated Entity Notification
- Ancillary And Additional Services
- Attributes And Limitations Of The Credit Rating
- Information Specific To Structured Finance And Securitization Instruments

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