

وزارة المالية
Ministry of Finance



STATE'S
GENERAL
BUDGET

20
25

A Guide to the State's Final Account for Fiscal Year 2025



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“We aim to utilize our resources efficiently and allocate expenditure to key sectors that support sustainable development and diversify sources of national income, in alignment with the goals of Oman Vision 2040”

His Majesty Sultan Haitham bin Tariq

Introduction

In line with its commitment to transparency and open data, the Ministry of Finance publishes this Guide to the State's Final Account for Fiscal Year (FY) 2025. The document presents the actual fiscal performance for the fiscal year ending December 2025 ,31, and assesses outcomes against the approved budget estimates. It further serves as a reference to support the preparation of future budgets on a more accurate and sustainable basis, thereby strengthening fiscal and economic planning.

The Guide provides detailed financial statements on the execution of the State's General Budget for FY2025, including a comparison of actual revenue, spending, and deficit outcomes against approved budget estimates. It also outlines the financing means and the public debt position. In addition, the Guide presents an overview of fiscal performance during the Tenth Five-Year Development Plan (2021-2025).

The preparation of the State's final account goes through various stages as follows:

1. Issuance of a circular by the MOF to ministries and Government units to prepare their final accounts.
2. Ministries and Government units submit their final accounts.
3. MOF prepares the State's final account.
4. The State Audit Institution reviews the State's final account.
5. MOF finalizes the State's final account and submits it to the Council of Ministers.
6. Presenting the State's final account to His Majesty after considering all comments and feedback.
7. A Ministerial decision is issued to publish the State's final account.

Foreword

The Ministry of Finance is pleased to release the State's Final Account for the Fiscal Year ending December 31, 2025. This publication reaffirms the Ministry's commitment to transparency and the provision of accurate data on the State's fiscal performance.

The fiscal performance FY2025 shows that total revenue reached **₹** 12,122 million, an 8% increase over the budget estimates, while public spending totalled **₹** 12,583 million, a 7% increase over the budget estimates. As a result, the actual deficit stood at **₹** 461 million.

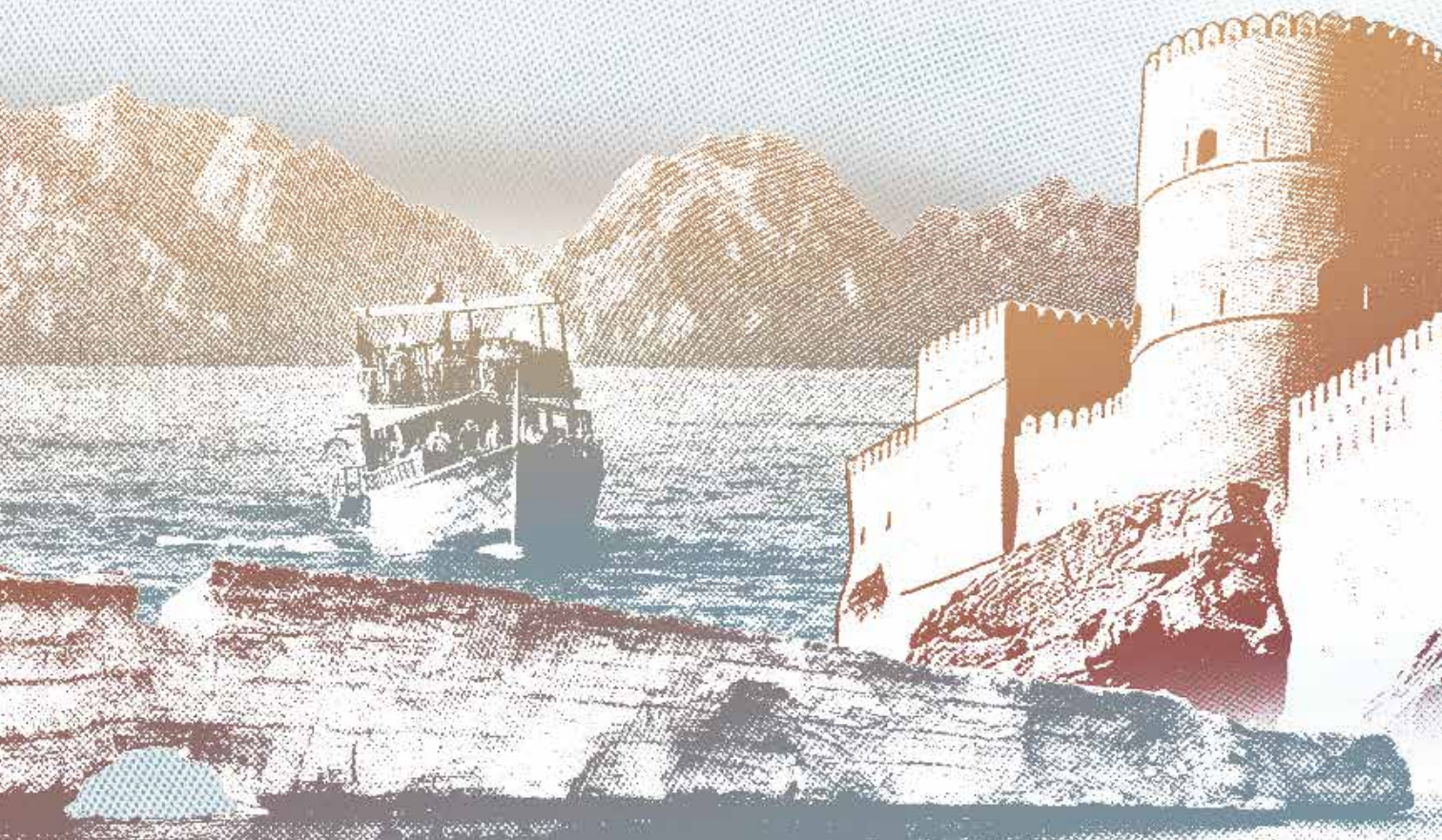
These outcomes are closely aligned with the approved 2025 Budget estimates, reflecting prudent fiscal planning, credible underlying assumptions, and the Government's continued commitment to effective public financial management.

The Ministry of Finance reaffirms its commitment to the ongoing evaluation of financial performance and to strengthening cooperation with all governmental entities to enhance expenditure efficiency and boost revenue, in pursuit of the goals set forth under Oman Vision 2040.

We pray to Almighty Allah to grant us continued success in serving our esteemed nation under the wise leadership of His Majesty Sultan Haitham bin Tarik, may God preserve and protect him.

01

Glossary

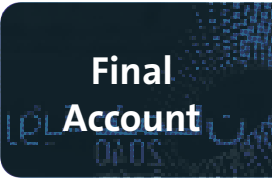


Glossary



State's General Budget

A financial program prepared annually by the government to achieve specific objectives in accordance with the rules and controls determined by Financial Law and its executive regulations. The State's General Budget presents the government's expectations of the state's revenues and expenditures, estimates of surplus, deficit, and financing needs during the fiscal year



Final Account

A financial statement on the actual revenue and spending for the previous fiscal year



Revenue

The total amount of funds received by the Government from various income sources, intended to finance public expenditures and promote economic and social balance



Non-Hydrocarbon Revenue

includes current revenue (tax and fee revenues, and non-tax revenue) and capital revenue and repayments



Tax Revenue

Generated from corporate income tax, customs tax duties, excise tax, and value-added tax



Non-Tax Revenue

Refers to dividends, surplus of public authorities, telecommunication and airports revenue, passports and immigration fees, and fines and penalties



Capital Revenue

Refers to the revenue generated from selling government real estate and lands, social houses, and affordable housing loans



Repayments

Refer to the repayments of loans and interests of loans provided by the Government-to-government entities and others outside the country




Spending

Refers to all expenses incurred by Government units for public interest and delivery service



Capital Expenditure

An amount spent to acquire or significantly improve the capacity or capabilities of a long-term asset



Current Expenditure

Consumed within the current year and would have to be renewed if needed in the following year



Development Expenditure

Refers to Government expenditure to establish approved development projects



Budget Surplus

The difference between revenue and spending occurs when revenue exceeds spending



Budget Deficit -

The difference between revenue and spending occurs when spending exceeds revenue



Credit Rating

An evaluation conducted by a credit rating agency that assesses an entity's (government, business, or individual) ability and willingness to fulfill its financial obligations in full and on time



Public Debt

Represents the total outstanding debt bonds, sukuk, direct loans ... etc. borrowed by the government


Executive Summary

The State's Final Account for Fiscal Year 2025 reflects a fiscal performance that exceeded budgeted estimates across key aggregates. Total public revenue reached ₦ 12,122 million, representing an 8% increase over the ₦ 11,180 million estimated in the 2025 Budget. This growth was primarily driven by higher hydrocarbon revenue.

Meanwhile, public spending totalled ₦ 12,583 million by the end of 2025, representing a 7% increase from the ₦ 11,800 million estimated in the 2025 Budget. This rise was attributable to higher social spending, additional allocations for oil products and electricity subsidies, and measures to stimulate economic activity. It also included higher development expenditure to accelerate the implementation of ongoing development projects. Despite higher expenditure, the State's General Budget for FY2025 recorded a deficit of ₦ 461 million, lower than the approved deficit of ₦ 620 million, representing a 26% reduction.

₦ Million

Approved Budget	Actual Figures
------------------------	-----------------------

11,180	Revenue		Revenue	12,122
11,800	Spending		Spending	12,583
(620)	Deficit		Deficit	(461)

Change %	Revenue	8%	Spending	7%	Deficit	(26%)
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02

Global and National Economic Developments

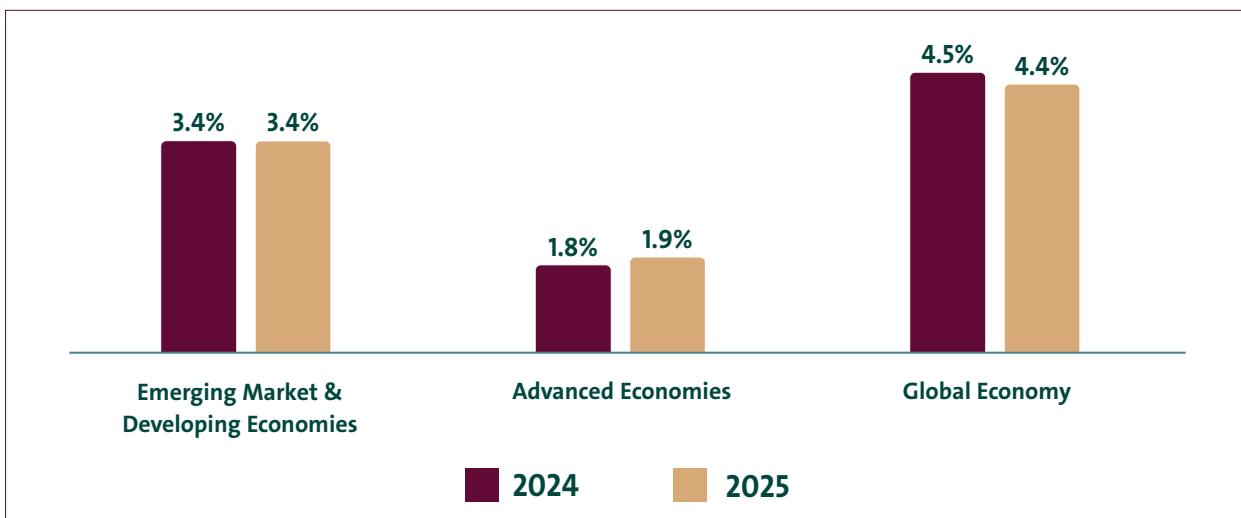


Global and National Economic Developments

First | Global Economic Developments

Global Economic Growth

According to the International Monetary Fund's World Economic Outlook Update (April 2026), global economic growth reached 3.3% in 2025. Growth in advanced economies moderated to 1.9%, while emerging market and developing economies recorded a robust 4.4%.



Source: International Monetary Fund

Global Inflation Rate

According to IMF data, average global inflation moderated to 4.1% in 2025, down from 7.5% in 2024.

Global Oil Prices

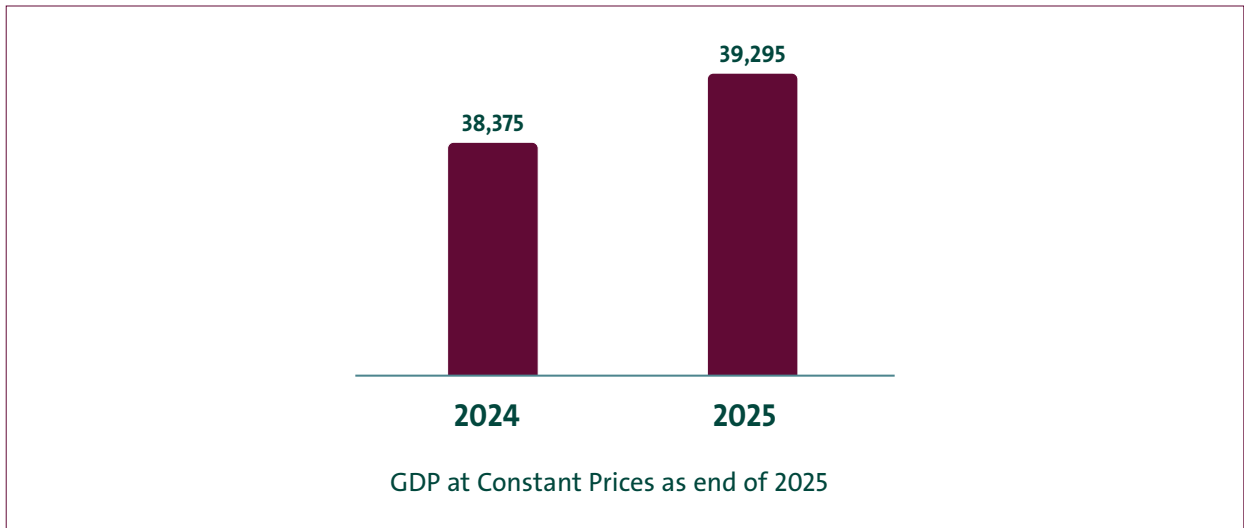
According to the IMF's data, the average oil prices amounted to US\$ 67.7 per barrel in 2025.

Second: National Economic Developments

GDP at Constant Prices

Oman's GDP at constant prices reached **₹** 39,295 million in 2025, reflecting a 2.4% increase from **₹** 38,375 million recorded in 2024.

₹ Million



Source: National Centre for Statistics and Information

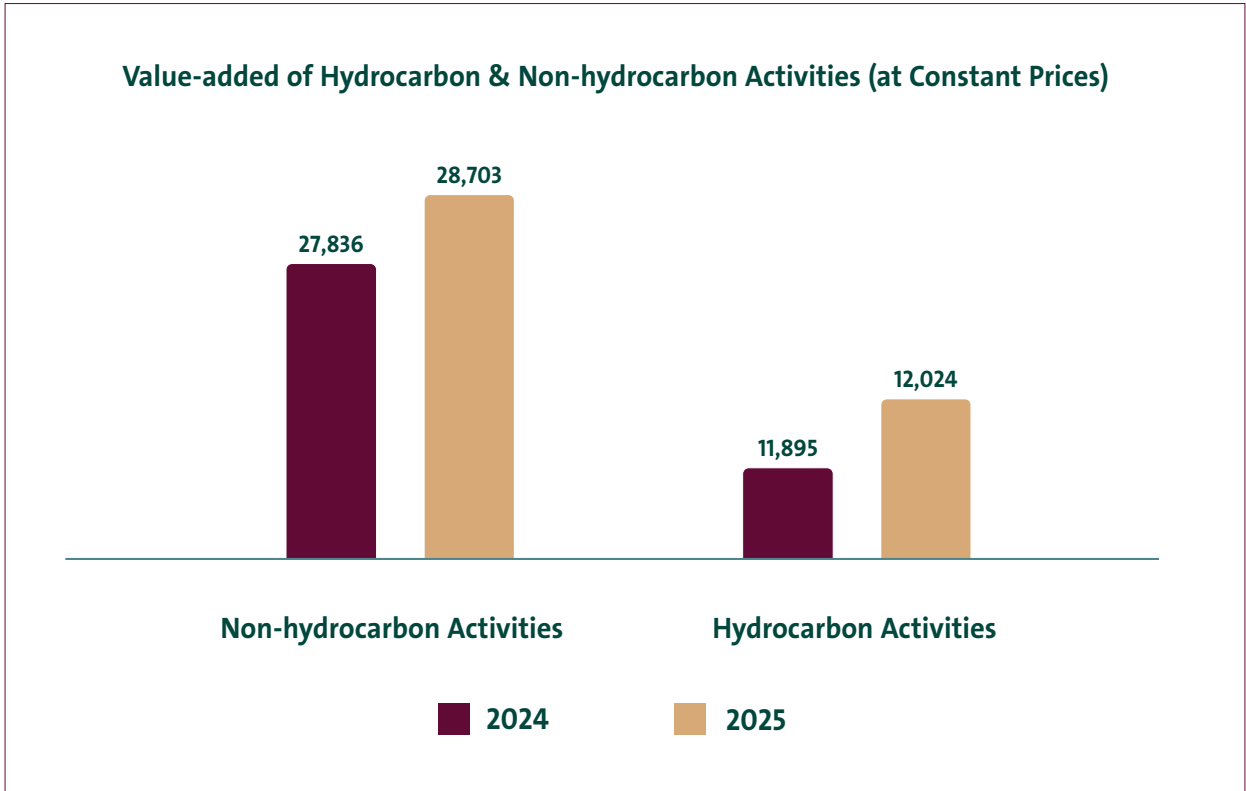
Hydrocarbon Activities

The value-added hydrocarbon activities at constant prices amounted to **₹** 12,024 million in 2025, representing a 1% increase from **₹** 11,895 million recorded in 2024.

Non-hydrocarbon Activities

The value-added of non-hydrocarbon activities at constant prices amounted to ₪ 28,703 million in 2025, reflecting a 3.1% increase from ₪ 27,836 million recorded in 2024.

₪ Million



Source: National Centre for Statistics and Information

Third: Oman's Credit Ratings

In 2025, the government continued its efforts to implement fiscal and economic policies focused on sustainability and to strengthen the State's financial position. These efforts positively reflected on Oman's credit rating, as the three major credit rating agencies upgraded it to investment-grade status, thereby boosting investor confidence and reinforcing Oman's appeal.

In its December 2025 report, Fitch Ratings upgraded Oman's credit rating from **"BB+" to investment grade at "BBB-", with a stable outlook**. This upgrade reflects the ongoing improvement in the State's public finance indicators, external financial position, and growing confidence in Oman's ability to adhere to prudent financial policies. These policies enable the government to manage oil price fluctuations while sustaining a moderate deficit and stable public debt levels.

Standard & Poor's affirmed Oman's sovereign credit rating at **"BBB-" with a stable outlook** in its reports issued in April and September 2025. The agency highlighted ongoing efforts to stabilize financial conditions and strengthen the resilience of the State's financial position. These efforts include government initiatives in public debt management and the governance of state-owned enterprises. Additionally, S&P indicated that Oman's credit rating could improve over the next two years if the government continues to enhance public finances and develop domestic capital markets, thereby promoting economic sustainability, supporting sustained growth, and attracting increased investment.

In July 2025, Moody's raised Oman's credit rating from **"Ba1" to "Baa3," upgrading it to investment grade with a stable outlook**. This marks Oman's second investment-grade rating, following Standard & Poor's assessment from the previous year. The upgrade results from better public debt indicators, a strong financial position, and improved governance and financial management. Moody's added that Oman's credit rating might improve further if the government continues efforts to enhance resilience against oil price fluctuations, accelerate economic diversification to diversify revenue, and reduce the non-hydrocarbon primary deficit.

The following statement illustrates the development of Oman’s credit rating issued by international credit rating agencies during (2021-2025):

Rating Agency	2021	2022	2023	2024	2025
Fitch Ratings	BB-	BB	BB+	BB+	BBB-*
S&P Global Ratings	B+	BB	BB+	BBB-*	BBB-*
Moody’s Ratings	Ba3	Ba3	Ba1	Ba1	Baa3*

* Investment Grade

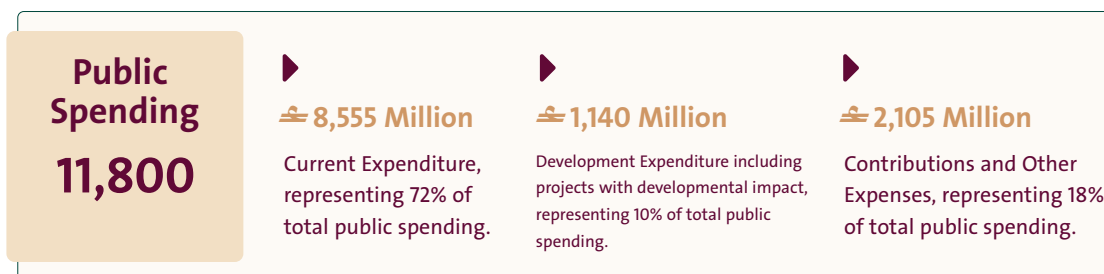
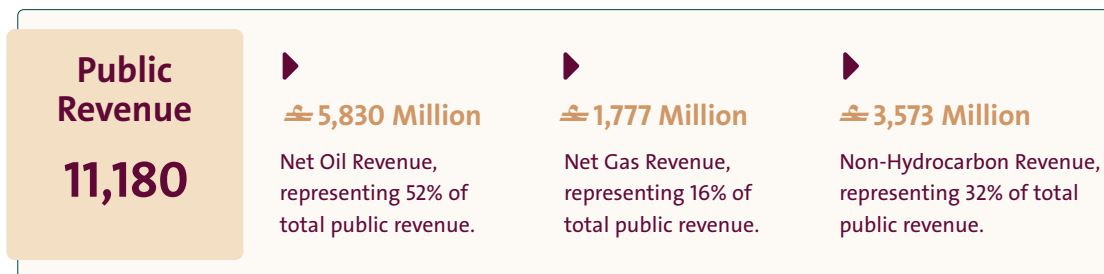
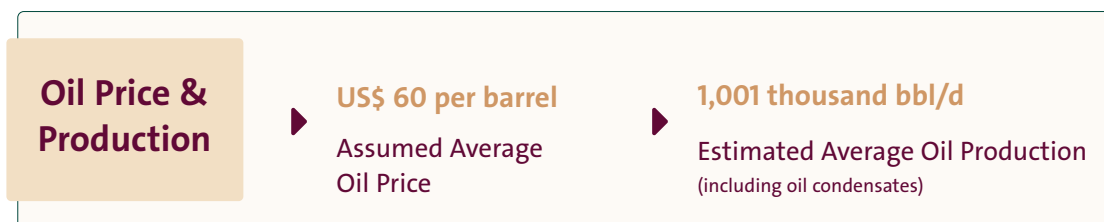
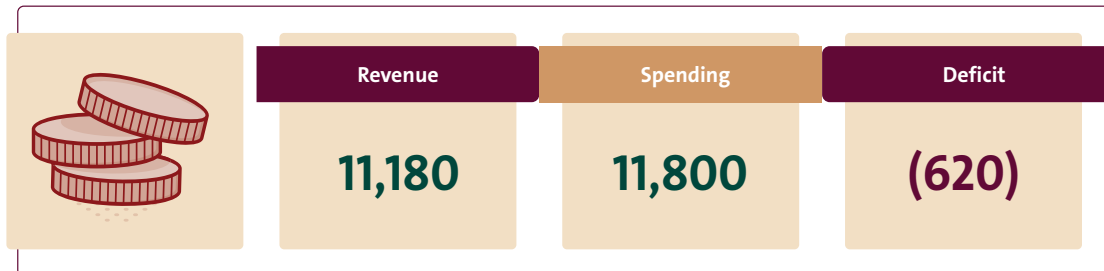
03

Overview of the 2025 Budget Estimates



Overview of the 2025 Budget Estimates

₹ Million



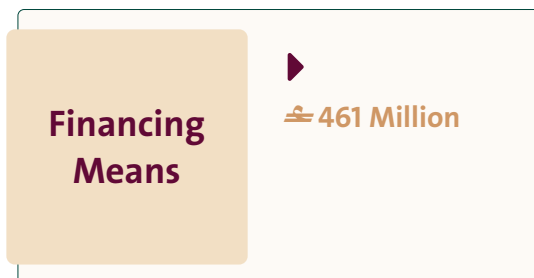
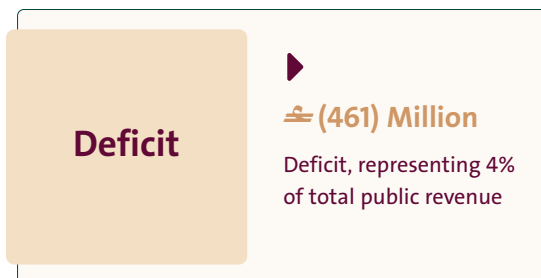
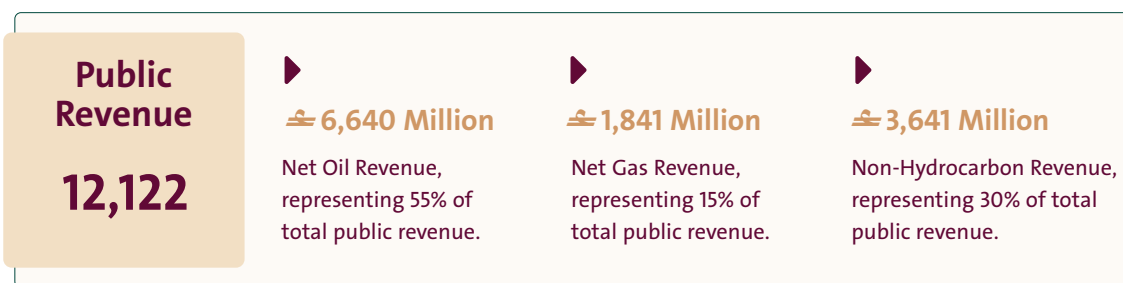
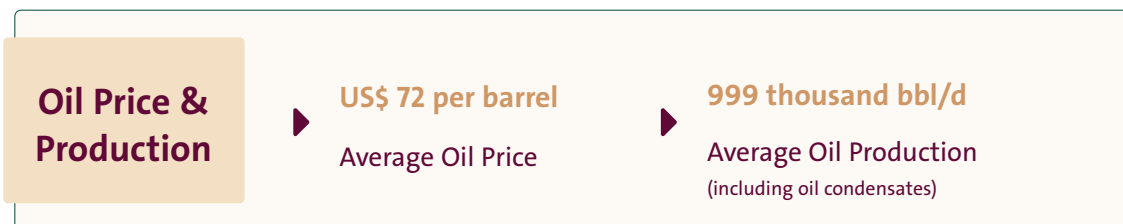
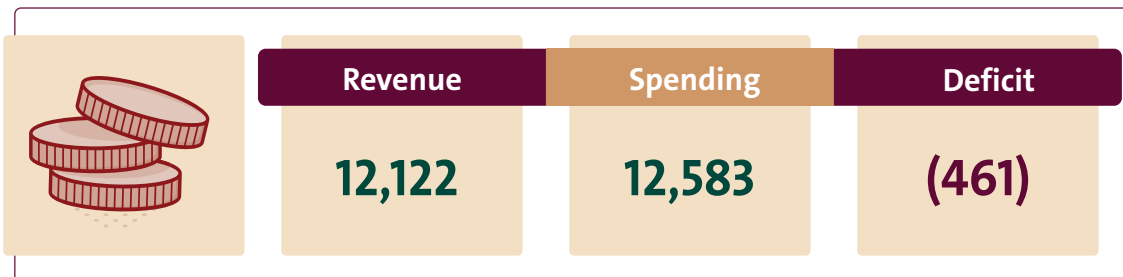
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Overview of the Actual Performance for FY2025 (Final Account)



Overview of the Actual Performance for FY2025 (Final Account)

₹ Million



05

Actual Performance for FY2025

(Final Account)



Actual Performance for FY2025

(Final Account)

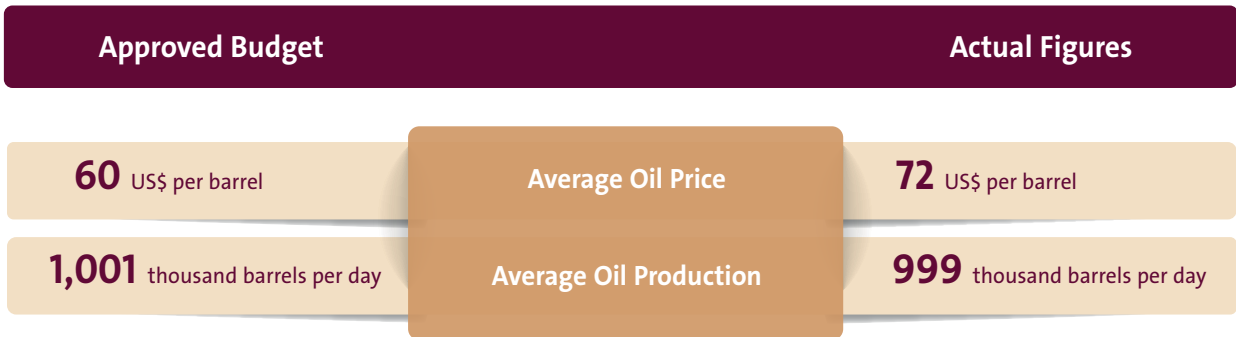
Public Revenue

Total public revenue amounted to ₦12,122 million in 2025, reflecting an 8% increase over the budgeted estimate of ₦11,180 million. This growth was driven by increased hydrocarbon revenue.

₦ Million

Statement	Approved Budget	Actual Figures	Change %
Net Oil Revenue	5,830	6,640	14%
Net Gas Revenue	1,777	1,841	4%
Non-Hydrocarbon Revenue	3,573	3,641	2%
Total	11,180	12,122	8%

Oil Price & Production



Hydrocarbon Revenue

By the end of 2025, hydrocarbon revenue totalled ₪ 8,481 million, reflecting an 11% increase over the budgeted figure of ₪ 7,607 million and accounting for 70% of total public revenue.

Net Oil Revenue

By the end of 2025, net oil revenue amounted to ₪ 6,640 million, representing a 14% increase over the budgeted amount of ₪ 5,830 million for the year. This significant growth was primarily driven by a rise in average oil prices, which increased from US\$60 per barrel to US\$72 per barrel.

On the other hand, average oil and condensate production stood at 999 thousand barrels per day, against a budgeted projection of 1,001 thousand barrels per day. This decrease was primarily driven by the government's compliance with the voluntary production cuts set by OPEC+.

Net Gas Revenue

By the end of 2025, net gas revenue amounted to ₪ 1,841 million, representing a 4% increase over the budgeted amount of ₪ 1,777 million for the year. This growth was primarily driven by a rise in average gas prices, which increased from US\$5.41 to US\$7.49.

Non-Hydrocarbon Revenue

By the end of 2025, non-hydrocarbon revenue totalled ₪ 3,641 million, up by ₪ 68 million, i.e., 2% compared to the budgeted amount of ₪ 3,520 million, representing 30% of total public revenue. The following table details non-hydrocarbon revenue.

₪ Million

Statement	Approved Budget	Change (%)	Actual Figures
Current Revenue	3,520	2%	3,602
Capital Revenue	45	(18%)	37
Capital Repayments	8	-	2
Total	3,573	2%	3,641

Current Revenue

By the end of 2025, current revenue totalled **₪ 3,602 million**, up by **₪ 82 million** from the budgeted **₪ 3,520 million**. Below is a breakdown of current revenue:

Tax and Fees Revenue

By the end of 2025, total tax and fee revenues reached **₪ 2,107 million**, reflecting a 4% increase from the approved budget estimate of **₪ 2,027 million**. This positive variance is largely due to increased corporate income tax revenue of **₪ 51 million** and value-added tax revenue of **₪ 29 million**.

Non-tax Revenue

By the end of 2025, non-tax revenue amounted to **₪ 1,495 million**, representing a 4% increase from the budgeted **₪ 1,443 million**. Below is a breakdown of the current revenue:

₪ Million

Statement	Approved Budget	Actual Figures	Change (%)
Tax & Fees Revenues			
Corporate Income Tax	656	656	-
Fees on Non-Omani Labour Licenses	190	195	3%
Excise Tax	100	84	(16%)
Value-Added Tax	580	631	9%
Domestic Miscellaneous Fees	16	14	(13%)
Municipality Fees on Property Renting Contracts	32	30	(6%)
Customs Duties	232	261	13%

Fees on Real Estate Transactions	50	53	6%
Fees on Hotels & Other Facilities	37	39	5%
Transportation Licenses	79	83	5%
Communications Services License Fees	4	3	(25%)
Other Tax Revenue	51	58	14%
Total Tax & Fees Revenue	2,027	2,107	4%
Non-Tax Revenue			
Airports & Ports Revenue	96	93	(3%)
Communications Facility Revenue	63	57	(10%)
Investment Revenue	800	805	1%
Miscellaneous Administrative Fees	70	69	(1%)
Compensations, Fines & Forfeitures	115	113	(2%)
Medical Revenue	22	25	14%
Other Revenue	277	332	20%
Total Non-tax Revenue	1,443	1,495	4%
Reserves	50	-	-
Total	3,520	3,602	2%

Public Spending

By the end of 2025, public spending totalled **₹ 12,583 million**, reflecting an increase of **₹ 783 million** compared to the budgeted amount of **₹ 11,800 million**. This growth is primarily driven by higher subsidies for oil products and the electricity sector, as well as increased development expenditures by civil ministries. The following table illustrates the budget items of public spending:

₹ Million

Statement	Approved Budget	Change (%)	Actual Figures
Current Expenditure	8,555	2%	8,726
Development Expenditure	1,140	38%	1,577
Contributions & Other Expenses	2,105	8%	2,280
Total	11,800	7%	12,583

Current Expenditure

By the end of 2025, current expenditure amounted to **₹ 8,726 million**, up by **₹ 171 million**, i.e. 2% compared to the budgeted amount of **₹ 8,555 million**. The following table illustrates the budget items of current expenditure:

₹ Million

Statement	Approved Budget	Change (%)	Actual Figures
Defense & Security Expenditure	3,070	-	3,066
Civil Ministries Expenditure	4,570	5%	4,780
Public Debt Service	915	(4%)	880
Total	8,555	2%	8,726

Defense and Security Expenditure

By the end of 2025, actual spending on defense and security amounted to ₪ 3,066 million, down by ₪ 4 million compared to the 2025 budget estimates.

Civil Ministries Expenditure

By the end of 2025, current and capital expenditure of civil ministries totalled ₪ 4,780 million, up by 5% from the budgeted amount of ₪ 4,570 million. This is due to increased spending in some sectors, as illustrated in the following table:

₪ Million

Statement	Approved Budget	Actual Figures	Change
Public Order & Security Sector	123	129	6
Education Sector	1,814	1,875	61
Energy & Minerals Sector	7	7	0
Social Security & Welfare Sector	453	538	85
Health Sector	823	885	62
Housing Sector	303	326	23
Culture & Religious Affairs Sector	213	225	12
Transport & Communications Sector	51	54	3
Agriculture & Fisheries Wealth Sector	68	76	8
Other Economic Affairs	66	73	7
Allocated Reserve	154	0	(154)
Total	4,570	4,780	210

Public Debt Service

By the end of 2025, public debt service totalled ₦ 880 million, reflecting a 4% decrease from the budgeted ₦ 915 million approved in the 2025 budget. This decrease was due to the government’s management of its financial obligations and the replacement of high-cost loans with lower-cost alternatives.

Development Expenditure

Actual spending on development projects of civil ministries and government units—including projects with developmental impact—totalled ₦ 1,577 million, up by 38% compared to approved allocations in the 2025 Budget. This increase was driven by higher allocations to the development budgets across government units and governorates for 2025, aimed at accelerating the implementation of development projects approved under the Tenth Five-Year Development Plan (2021-2025).

The following statement indicates that the development expenditure for the infrastructure sector reached 43% of total development expenditure, while the social infrastructure sector amounted to 40% in 2025. The table below illustrates the distribution of development expenditure across sectors:

₦ Million

Sector	Actual Figures	Ratio of the Total
Infrastructure Sector roads, airports, seaports, water resources, urban planning, & government administration	682	43%
Social Infrastructure Sector education, health care, information, culture, & information technology	630	40%
Services-producing Sector housing, electricity, water, commerce, & tourism	194	12%
Goods-producing Sector energy, mineral, agricultural, & fisheries	71	5%
Total	1,577	100%

Contributions & Other Expenses

By the end of 2025, contributions and other expenses totalled ₪ 2,280 million, representing an 8% increase over the ₪ 2,105 million approved in the 2025 budget. This rise was mainly driven by higher oil products subsidy, which reached ₪ 124 million in compliance with the Royal Order to fix fuel prices, compared to the budgeted ₪ 35 million. Additionally, subsidies to the electricity sector amounted to ₪ 606 million, up by ₪ 86 million from the budget estimates. The following table illustrates the budget items of contributions and other expenses:

₪ Million

Statement	Approved Budget	Actual Figures	Change
Contributions to Domestic, Regional & International Institutions	85	102	17
Development & Housing Loan Interests Subsidy	73	50	(23)
Future Debt Obligations	440	400	(40)
Electricity Subsidy	520	606	86
Basic Food Commodities Subsidy	15	8	(7)
Oil Products Subsidy	35	124	89
Water & Sewage Subsidy	194	214	20
Wastage Subsidy	59	98	39
Transport Sector Subsidy	82	82	0
Other Sector Subsidies	25	34	9
Social Protection System	577	562	(15)
Total	2,105	2,280	175

Private Sector Repayment

The Ministry of Finance paid more than **₪** 1.7 billion to the private sector by the end of 2025. This reflects the payment vouchers received through the e-financial system, which have completed the documentary cycle.

Deficit

The Actual Performance for Fiscal Year 2025 achieved a deficit of **₪** 461 million compared to a deficit of **₪** 620 million approved in the 2025 Budget. This is due to higher hydrocarbon revenue.

Financing Means

The net movement of financing means and repaid loans during 2025 reached **₪** 461 million, compared to the budgeted net borrowing of **₪** 620 million in the 2025 budget. This was primarily due to actual hydrocarbon revenue exceeding the amounts projected in the 2025 budget.

The following table shows the net movement of financing means:

₪ Million

Statement	Approved Budget	Actual Figures
External Borrowing		
Disbursements	1304	529
Repayments	(1065)	(1096)
Net External Borrowing	239	(567)
Local Borrowing		
Disbursements	750	1267
Repayments	(769)	(769)
Net local Borrowing	(19)	498
Withdrawal from Reserves	400	0
Net Movement of Financing Means *	0	530
Total Financing Means	620	461

Public Debt & the 2025 Borrowing Plan Performance

In 2025, the Ministry of Finance achieved significant results in public debt management, leveraging disciplined borrowing policies and effective liability management. Despite the anticipated budget deficit, the MOF successfully maintained total public debt at a moderate and sustainable level, reaching **ﷵ** 14.6 billion by the end of 2025, lower than **ﷵ** 15 billion in 2024. All financing needs were met, and liability management exercises were conducted without increasing total debt. The following are the key highlights of the liability management exercise and public debt reduction:

- **Repayment of Eurobonds worth **ﷵ** 348 million maturing in February 2025** utilizing a portion of reserves without undertaking any refinancing operations; this has contributed to a reduction in the external debt volume.
- **Obtaining a syndicated loan of **ﷵ** 385 million in July 2025 for a five-year term at a competitive rate**, resulting from the improvement of Oman's credit rating, aimed at refinancing part of the sukuk maturing in the fourth quarter of 2025.
- **Returning to the global capital markets with international sukuk issuance of **ﷵ** 385 million for 7.5 years**, at a 4.525% profit rate and a spread of 60 basis points over U.S. Treasury bonds, the lowest in the history of sovereign issuances for the Sultanate of Oman. A portion of the proceeds was allocated to repay outstanding international sukuk worth **ﷵ** 577 million maturing in October 2025.
- **Repurchase of international bonds worth **ﷵ** 117 million** as part of a medium-term debt management strategy; this contributed to reducing refinancing risk through proactive management of obligations, as well as reducing debt service.
- **Repayment of Government Development Bonds totalling **ﷵ** 550 million**, as per obligations due in 2025.
- **Repayment of the Domestic Sovereign Sukuk totalling **ﷵ** 208 million**, as per obligations due in 2025.
- **Refinancing domestic maturities as part of the domestic debt market development plan and approved funding plan**, through:
 - **Issuing seven series of Government Development Bonds totalling **ﷵ** 582.7 million** with competitive interest rates between 4.1% and 4.75%, and maturities from 3 to 10 years.
 - **Issuing two series of Domestic Sovereign Sukuk totalling **ﷵ** 300 million for 7 years**, with a profit rate between 4.15% and 4.65%.

Fiscal Performance of the 10th Five-Year Development Plan (2021-2025)

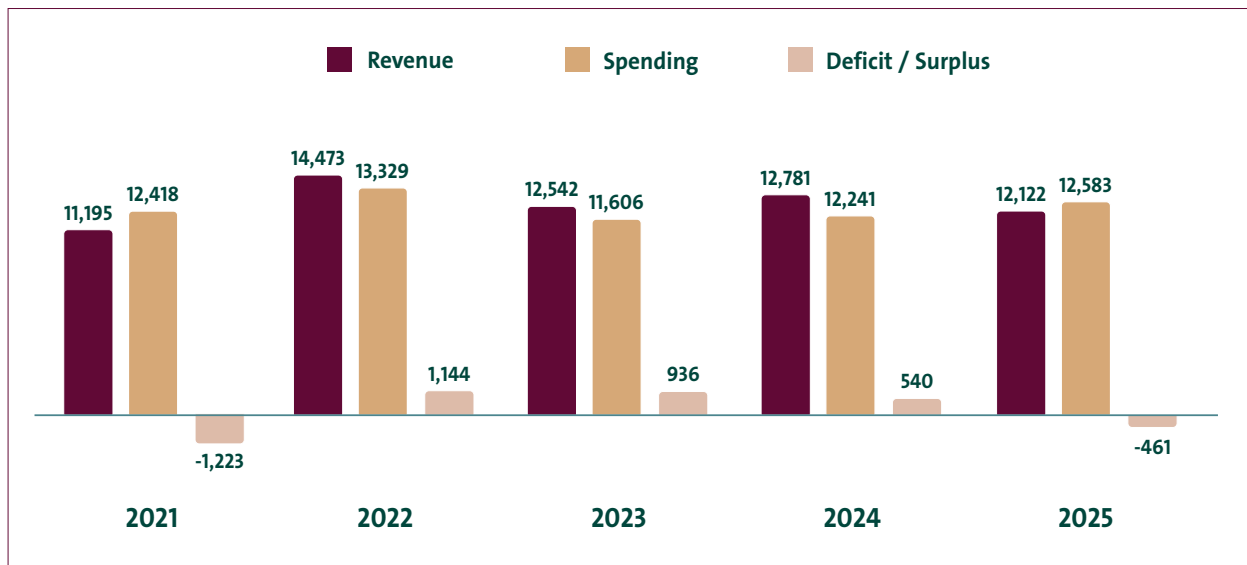
Fiscal Performance of the 10th FDP

The 10th Five-Year Development Plan (2021-2025) faced domestic and global economic challenges, including a sharp decline in oil prices, the consequences of the COVID-19 pandemic, and rising public debt and related service costs. However, the government’s strategic actions—including economic diversification, increased non-hydrocarbon revenue, improved SOEs governance, higher investment returns, and active private-sector engagement—have collectively yielded favourable impacts on public financial performance and improved financial and economic indicators.

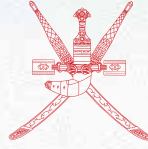
Over the past five fiscal years (2021-2025), total actual public revenue grew by 23%, reaching **₪ 63,113 million**, compared with the approved budget estimate of RO 51,460 million for the same period. Meanwhile, total actual public spending rose by 7% to **₪ 62,177 million**, compared with the budgeted allocation of **₪ 58,050 million**. Consequently, the State’s General Budget during the 10th FDP (2021-2025) achieved a cumulative fiscal surplus of **₪ 936 million**. This surplus was utilized toward strengthening social spending, supporting economic growth, managing financial obligations, and reducing public debt.

The chart below illustrates a summary of the actual fiscal performance (2021-2025)

₪ Million



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