



Fiscal Performance

Monthly Bulletin Published by the Ministry of Finance



Average of Daily Oil Production (000 bbl)

May 2020

1,108

May 2021

950

Average Oil Price (US\$)

54.61

60.85

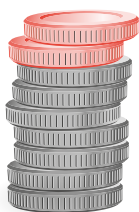
Fiscal Performance (As of end-May 2021)

Preliminary Data

RO Million

Deficit
(198.4)

Revenue
4,376.3



Expenditure
4,574.7

Deficit
(890.2)

Revenue
3,551.0



Expenditure
4,441.2

Revenue (18.86%)

Expenditure (2.92%)

2020

2021

Change (%)

National Register
of Government
Assets

Oman is among the first countries to
establish an integrated central system
for managing government assets

Fiscal Performance (As of end-May 2021)

Public Spending Declines by 2.92% Compared to the Same Period of 2020

Public Revenue

The public revenue totaled RO 3,551.0 million by the end of May 2021, down by 18.86% as compared to the same period of 2020. This is as a result of low oil price and lower oil production. Consequently, oil revenue declined by 23.06% and gas revenue decreased by 7.08% compared with the same period in 2020.

RO Million

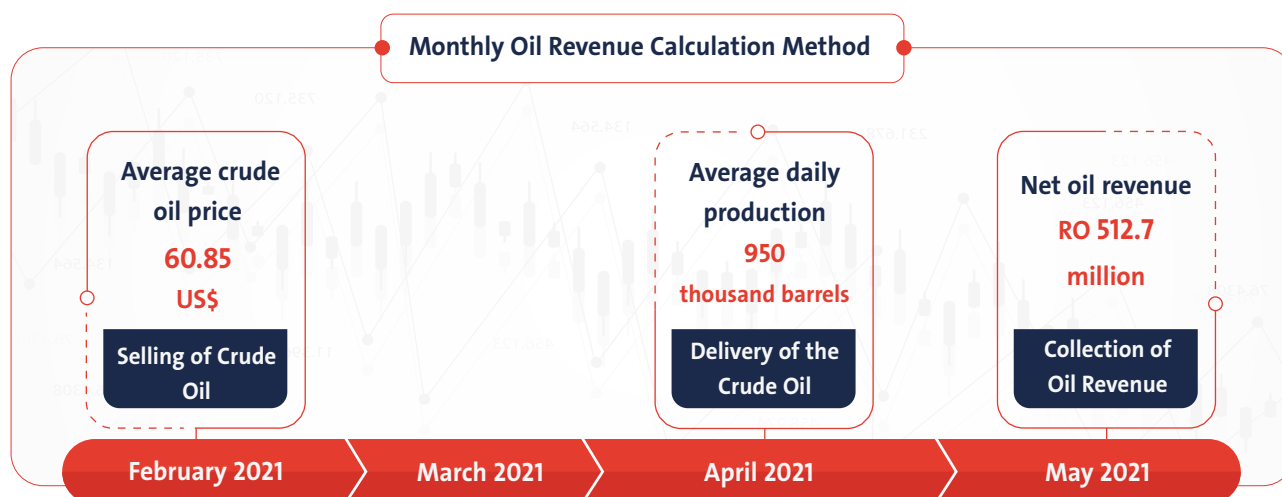
Statement (As of end-May)	2020	2021	Change (%)
Net Oil Revenue	2,418.2	1,860.6	(23.06%)
Gas Revenue	606.1	563.2	(7.08%)
Current Revenue	971.3	1,104.7	13.73%
Capital Revenue & Repayments	380.7	22.5	-
Total	4,376.3	3,551.0	(18.86%)

Public Spending

The public spending continues to decline as fiscal consolidation continues. The total spending amounted to RO 4,441.2 million as of end-May 2021, declined by 2.92% over the same period of 2020. In light of Energy Development Oman (EDO) is still in the process of being established, the Government continued to cover the expenses of oil and gas sectors, which amounted to RO 663.6 million as of end-May 2021.

Deficit

The budget deficit totaled RO 890.2 million as of end-May 2021.





Global Economy

Global GDP to Increase by 5% in 2021

According to Organisation for Economic Co-operation and Development (OECD)'s Economic Outlook (May 2021), global GDP is projected to rise by 5.75 per cent in 2021 and close to 4.5 per cent in 2022. The world economy has now returned to pre-pandemic activity levels, but will remain short of what was expected prior to the crisis by end-2022.

On the other hand, the World Bank indicated in its Global Economic Prospects (GEP) (June, 2021) that the global output growth is expected to exceed 5 percent in 2021. In addition to, an increase in global inflation by 1.4 percentage points in 2021 (from 2.5 percent in 2020 to 3.9 percent in 2021).

Oil Markets

International Agencies Expect Higher Oil Demand in 2021

The International Energy Agency (IEA) said in its Oil Market Report (June, 2021) that the oil demand is projected to rise 5.4 mb/d in 2021 and a further 3.1 mb/d next year, to average 99.5 mb/d. By end-2022, demand

should reach 100.6 mb/d, surpassing pre-COVID-19 levels. The World Bank also projects, as stated in GEP, oil prices to rise over the current year as a whole, averaging US\$ 62/bbl in 2021 and 2022.

National Economy

Oman's GDP registers RO 7,389.5 million by the end of Q1 2021

By the end of the first quarter of 2021, Oman's GDP registered RO 7,389.5 million at current prices, down by 2.5% as compared with an amount of RO 7,580.7 million recorded during the same period of 2020. According to National Centre for Statistics and Information (NCSI), oil activities declined by 20.6%, registering RO 1,927.8

million compared to RO 2,428.3 million over the same period in 2020.

On the other hand, non-oil activities registered RO 5,728.3 million by the end of the first quarter of 2021, up by 5.7% compared to RO 5,418.9 million over the same period of 2020.

New Systems in Various Phases of Implementation, Most Notably:

1- Unified Financial System (MALIYAH):

مالية
MALIYAH



Is a financial system with the purpose to create a financial database that incorporates all financial transactions of Government units and their budgets. The system aims at enhancing public spending management, promoting financial control, and integrating financial systems and processes of all Government units.

Current phase

Tendering

Next phase

Bid evaluation and
contract award

2- Tafakur Platform:

تفاكر
Tafakur

Tafakur Platform: is an e-platform with the aim to promote community participation by receiving ideas, suggestions and solutions that will help improve public financial management and achieve fiscal sustainability.

The platform targets, during the pilot phase, all employees of Ministry of Finance. The target group will expand later depending on the outcomes of pilot phase.

22 June
2021

Launch of pilot phase

Completion of pilot phase

70%

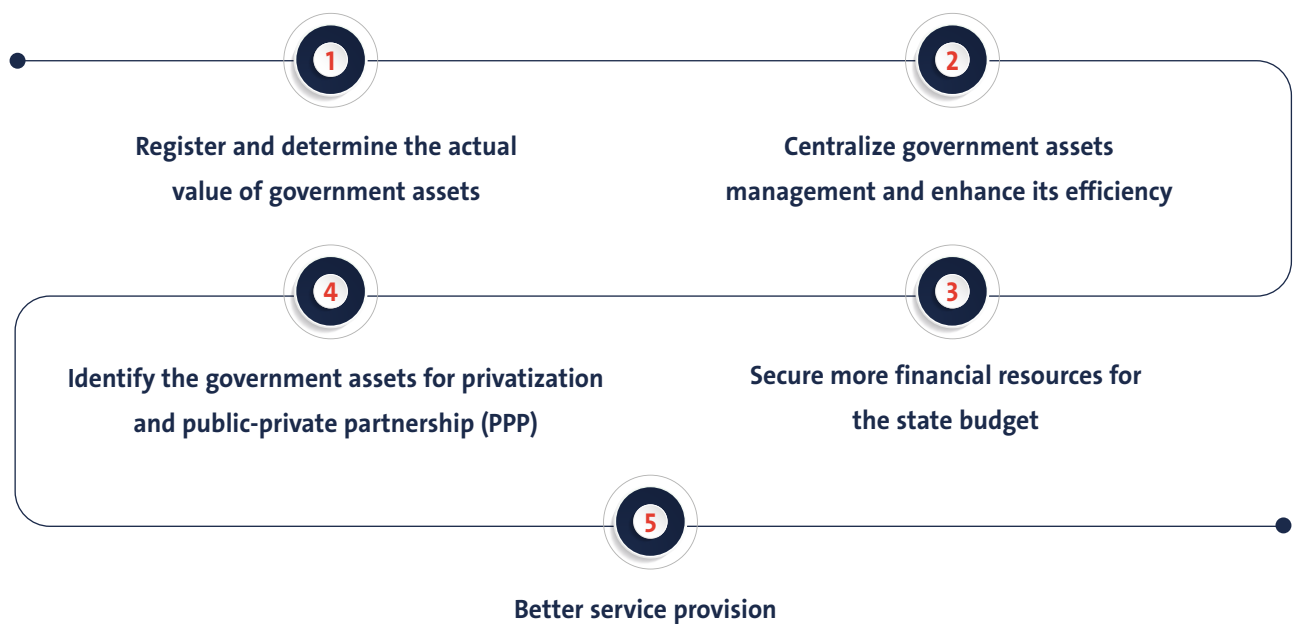




3- National Register of Government Assets

The Register is an initiative of Medium-Term Fiscal Plan (2020-2024), with the aim to take full account of government assets and draft a strategy to maximize the returns. Oman is among the first countries to establish an integrated central system for managing government assets.

Objectives of the National Register of Government Assets



Stages of Completion





Circular No. (1/2021)

On the Rules of Preparing the Estimates of 2022 State Budget

The Ministry of Finance and Ministry of Economy have jointly issued a circular on the rules of preparing the estimates of 2022 State Budget. This is to be in line with Oman Vision 2040 and programs set forth in the Strategic Programs Document of Tenth Five-Year Development Plan, as well as economic initiatives and measures of Medium Term Fiscal Plan. The Government seeks through the foregoing vision and plans to achieve fiscal sustainability and improve business environment.



Circular No. (1/2021)



Introducing an e-service to prepare the budget estimates of various Government units (current and development estimates).

Before 29/7/2021



Submission of budget estimates (current and development estimates) for FY 2022.

Make entry of budget estimates (revenue and expenditure), required for the baseline and additional budgets and allocations needed for operating new projects, into the Unified Financial System.