

FOCUS ECONOMICS

Economic Forecasts from the World's Leading Economists

CONSENSUS FORECAST Oman • April 2015

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PUBLICATION DATE 14 April 2015

FORECASTS COLLECTED 7 April - 13 April 2015

INFORMATION AVAILABLE Up to and including 13 April 2015

NEXT EDITION 12 May 2015

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ISSN 2385-5320

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Oman



Outlook stable

- Oman is pushing to diversify its economy and reduce its dependence on the oil sector. The government intends to leverage its strategic location and boost its standing as a regional logistics hub through investments in large infrastructure projects. However, deteriorating oil revenues, which represent about 80% of the government's budget, will inevitably put a damper on spending this year. The Ministry of Finance is looking for ways to minimize potential shortfalls and is considering tax hikes and levies on large industrial companies, but the fiscal deficit is still expected to balloon significantly in the near term. There is also concern that a weakening of the economy will threaten foreign investment in areas with growth potential such as the tourism sector and that it will increase social instability.
- Low oil prices will restrain economic growth in Oman in the near term. FocusEconomics panelists expect GDP to grow 2.6% this year, which is unchanged from last month. For 2016, the panel foresees the economy expanding 3.0%.
- Inflation increased from 0.4% in January to 0.7% in February. FocusEconomics panelists see inflation averaging 1.6% in 2015 and expect it to rise to 2.2% in 2016.

LONG-TERM TRENDS | 3-year averages

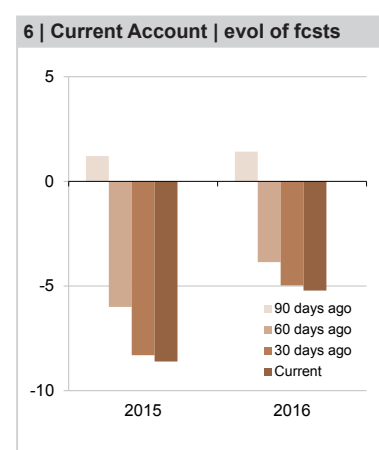
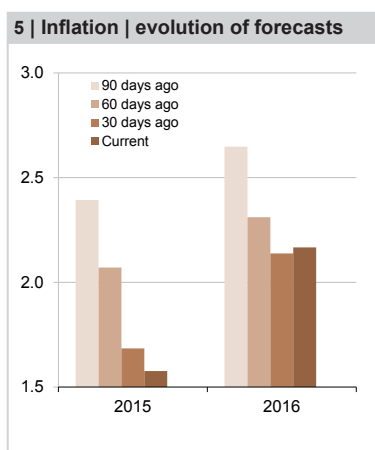
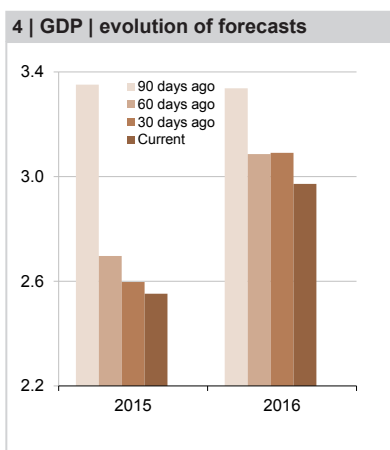
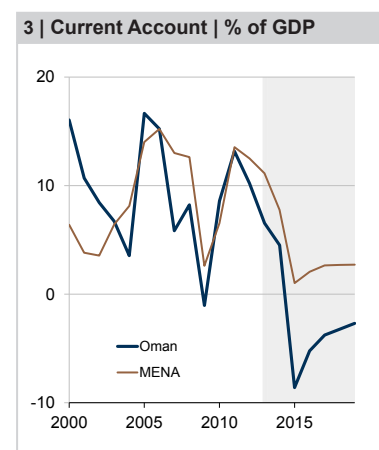
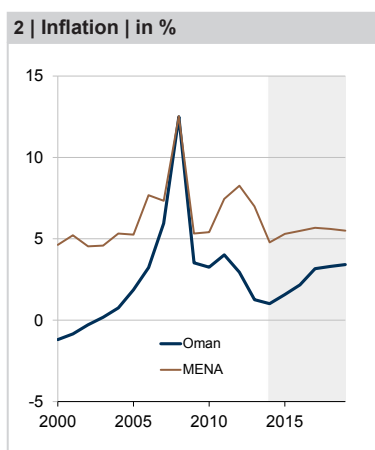
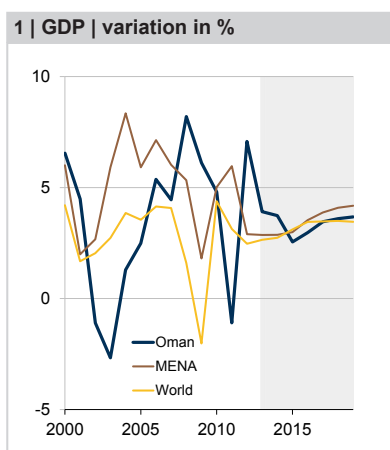
	2011-13	2014-16	2017-19
Population (million):	3.3	3.8	4.2
GDP (USD bn):	74.1	85.4	102.3
GDP per capita (USD):	22,520	22,257	24,277
GDP growth (%):	3.2	3.1	3.6
Fiscal Balance (% of GDP):	0.1	-6.0	-4.5
Public Debt (% of GDP):	4.7	8.6	8.7
Inflation (%):	2.7	1.6	3.3
Current Account (% of GDP):	10.0	-3.1	-3.2

Carl Kelly
Economist

Annual Data	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Real Sector										
Population (million)	2.9	3.0	3.3	3.6	3.7	3.8	4.0	4.1	4.2	4.3
GDP per capita (USD)	20,299	22,668	23,165	21,725	22,022	22,114	22,634	23,406	24,250	25,175
GDP (USD bn)	58.6	67.8	76.2	78.1	81.8	84.9	89.5	95.5	102.1	109.3
GDP (OMR mn)	22.5	26.1	29.4	30.1	31.6	32.9	34.6	36.9	39.4	42.2
Economic Growth (Nominal GDP, ann. var. in %)	21.2	15.9	12.4	2.4	5.1	4.1	5.1	6.6	6.9	7.1
Economic Growth (GDP, annual var. in %)	4.8	-1.1	7.1	3.9	3.7	2.6	3.0	3.5	3.6	3.7
Private Consumption (annual var. in %)	4.2	-0.8	16.0	6.6	4.3	3.3	3.5	4.0	4.1	4.2
Fixed Investment (annual variation in %)	2.3	1.3	26.2	5.1	5.1	-1.5	2.2	5.7	6.1	6.2
Industrial Production (annual variation in %)	5.7	2.4	4.4	3.5	2.5	2.5	2.6	4.2	4.4	4.9
Unemployment (% of active population, aop)	8.2	8.1	7.9	7.9	8.1	8.1	8.1	7.9	7.8	7.8
Fiscal Balance (% of GDP)	-0.2	-0.4	-0.3	0.9	-0.1	-11.0	-7.1	-4.9	-4.4	-4.2
Public Debt (% of GDP)	5.0	4.7	4.6	4.9	5.7	9.4	10.7	9.0	8.8	8.3
Monetary and Financial Sector										
Inflation (CPI, annual variation in %, aop)	3.3	4.0	2.9	1.3	1.0	1.6	2.2	3.2	3.3	3.4
Exchange Rate (OMR per USD, eop)	0.385	0.385	0.385	0.385	0.385	0.385	0.385	0.385	0.385	0.385
External Sector										
Current Account Balance (% of GDP)	8.6	13.2	10.2	6.5	4.5	-8.6	-5.2	-3.8	-3.2	-2.7
Current Account Balance (USD bn)	5.0	8.9	7.8	5.1	3.7	-7.3	-4.7	-3.6	-3.3	-2.9
Trade Balance (USD bn)	18.7	25.6	26.5	24.6	24.6	13.5	16.4	18.3	19.9	21.3
Exports (USD bn)	36.6	47.0	52.1	56.4	54.8	42.0	46.6	50.9	55.2	59.6
Imports (USD bn)	17.9	21.5	25.6	31.8	30.2	28.5	30.2	32.6	35.3	38.3
Exports (annual variation in %)	32.5	28.6	10.7	8.2	-2.7	-23.5	11.0	9.3	8.5	7.9
Imports (annual variation in %)	11.4	20.2	19.2	24.2	-5.1	-5.7	6.1	7.9	8.2	8.6
International Reserves (USD bn)	13.0	14.3	14.3	15.9	16.3	16.9	17.1	18.9	20.8	22.3
International Reserves (months of imports)	8.7	8.0	6.7	6.0	6.5	7.1	6.8	7.0	7.1	7.0

Economic Indicators

Individual Forecasts	Real GDP variation in %		Fiscal Balance % of GDP		Prices (CPI) var. in %		Current Account % of GDP		Int. Reserves USD bn	
	2015	2016	2015	2016	2015	2016	2015	2016	2015	2016
BNP Paribas	4.5	3.2	-8.2	-3.7	1.1	2.4	-11.0	-7.0	18.0	19.0
Capital Economics	2.0	1.5	-15.0	-15.0	2.0	2.0	-17.5	-17.5	-	-
Citigroup Global Mkts	-2.2	2.7	-10.3	-3.0	0.9	1.2	-3.7	4.4	-	-
EIU	2.0	2.3	-7.0	-5.9	2.3	3.0	-2.8	-3.2	17.3	17.5
Emirates NBD	2.9	3.2	-14.6	-9.9	2.0	2.5	-13.4	-7.7	-	-
Euler Hermes	4.0	4.5	-	-	-	-	-	-	-	-
HSBC	1.7	1.9	-10.1	-4.3	1.1	0.9	-7.6	-3.2	15.3	14.6
Jadwa Investment	3.1	3.2	-8.7	-5.4	1.9	2.5	-4.6	-1.4	17.2	17.4
JPMorgan	3.4	3.0	-	-	2.4	2.5	-	-	-	-
National Bank of Kuwait	3.9	3.6	-13.8	-9.8	1.0	2.5	-	-	-	-
Oxford Economics	1.8	2.5	-11.4	-6.7	1.1	2.2	-8.3	-6.1	16.8	16.9
Standard Chartered	3.5	4.0	-	-	-	-	-	-	-	-
Summary										
Minimum	-2.2	1.5	-15.0	-15.0	0.9	0.9	-17.5	-17.5	15.3	14.6
Maximum	4.5	4.5	-7.0	-3.0	2.4	3.0	-2.8	4.4	18.0	19.0
Median	3.0	3.1	-10.3	-5.9	1.5	2.4	-7.9	-4.7	17.2	17.4
Consensus	2.6	3.0	-11.0	-7.1	1.6	2.2	-8.6	-5.2	16.9	17.1



Notes and sources

Long-term chart period from 2000 to 2019 unless otherwise stated. All real, monetary and external sector data are from the Central Bank of Oman (CBO) and the National Centre for Statistics & Information (NCSI). See below for details. Forecasts based on FocusEconomics Consensus Forecast.

- 1 GDP, annual variation in %. Source: NCSI.
- 2 Inflation, annual variation of consumer price index (CPI) in % (aop). Source: NCSI.
- 3 Current account balance as % of GDP. Source: CBO.
- 4 GDP, evolution of 2015 and 2016 forecasts during the last 4 months.
- 5 Inflation, evolution of 2015 and 2016 forecasts during the last 4 months.
- 6 Current account balance, evolution of 2015 and 2016 forecasts during the last 4 months.

Fact Sheet

General Data

Official name:	Sultanate of Oman
Capital:	Muscat (0.79m)
Other cities:	As Sib al Jadidah (0.24m) Salalah (0.16m)
Area (km2):	309,500
Population (million, 2014 est.):	3.7
Population density (per km2, 2014 est.):	12
Population growth rate (% , 2014 est.):	2.1
Life expectancy (years, 2014 est.):	74.9
Illiteracy rate (% , 2010):	3.1
Language:	Arabic
Measures:	Metric system
Time:	GMT+4

Economic Infrastructure

Telecommunication (2013)

Telephones - main lines (per 100 inhabitants):	9.7
Telephones - mobile cellular (per 100 inhabit.):	155
Internet Users (per 100 inhabitants):	66.5
Broadband Subscriptions (per 100 inhabitants):	2.6

Energy (2012)

Primary Energy Production (trillion Btu):	3,037
Primary Energy Consumption (trillion Btu):	1,027
Electricity Generation (billion kW-h):	23.8
Electricity Consumption (billion kW-h):	20.4
Oil Supply (thousand bpd):	923.8
Oil Consumption (thousand bpd):	145
CO2 Emmissions (million metric tons):	62.9

Transportation (2013)

Airports:	132
Railways (km):	-
Roadways (km):	60,240
Waterways (km):	-
Chief Ports:	Sultan Qaboos, Salalah, Suhar

Political Data

Head of State	Sultan Qaboos bin Said
Last elections:	-
Next elections:	-
Central Bank Chairman:	Ali bin Mohammed bin Moosa

Long-term Foreign Currency Ratings

Agency	Rating	Outlook
Moody's:	A1	Negative
S&P:	A-	Stable
Fitch Ratings:	-	-

Strengths

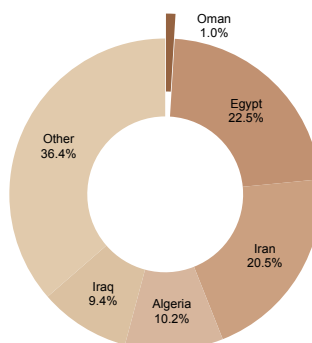
- High oil export revenues
- Significant foreign exchange reserves

Weaknesses

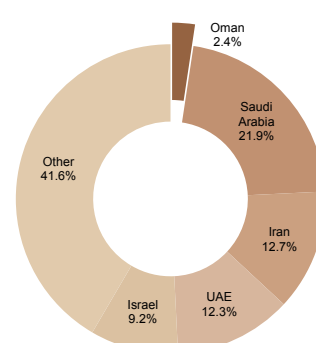
- Vulnerability to global oil price fluctuations
- Low skilled workforce

Oman in the Region

Population | %-share in MENA

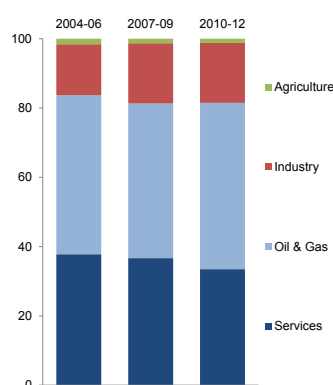


GDP | %-share in MENA

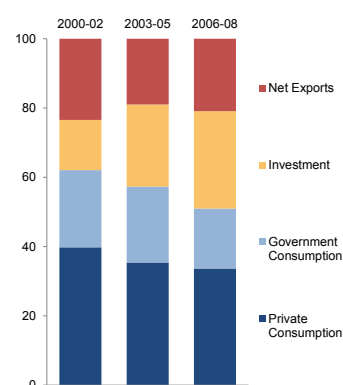


Economic Structure

GDP by Sector | share in %

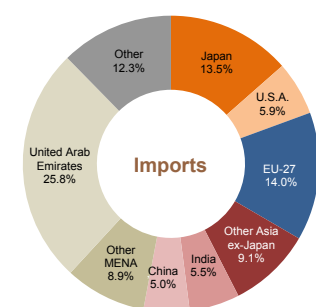
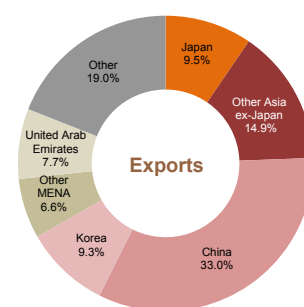


GDP by Expenditure | share in %

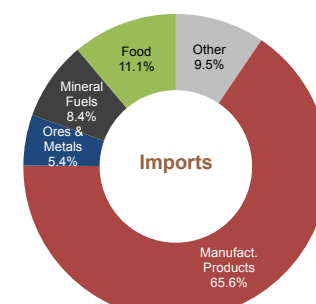
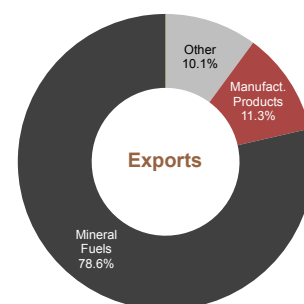


Trade Structure

Primary markets | share in %



Primary products | share in %



Notes and Statements**PUBLICATION NOTE**

Consensus forecasts are mean averages of projections of economic forecasters surveyed by FocusEconomics for our monthly publication. Quarterly averages may not correspond to the annual figures due to different forecast panels. The GDP-weighted averages for the regional aggregates refer to economies surveyed by FocusEconomics on a monthly basis, and include the following countries:

G7 (Group of Seven, 7 countries): Canada, Japan, United Kingdom and United States; France, Germany and Italy are also Euro area countries.

Euro area (19 countries): Austria, Belgium, Cyprus, Estonia, Finland, France, Germany, Greece, Ireland, Italy, Latvia, Lithuania, Luxembourg, Malta, Netherlands, Portugal, Slovakia, Slovenia, and Spain.

Nordic Economies (5 countries): Denmark, Norway, Sweden and Iceland. Finland is also a Euro area member.

Eastern Europe (14 countries): Bulgaria, Croatia, Czech Republic, Hungary, Latvia, Lithuania, Poland, Romania, Russia, Turkey and Ukraine; Estonia, Latvia, Lithuania, Slovakia and Slovenia are also Euro area members.

MENA (Middle East and North Africa, 16 countries): Algeria, Bahrain, Egypt, Iran, Iraq, Israel, Jordan, Kuwait, Lebanon, Morocco, Oman, Qatar, Saudi Arabia, Tunisia, United Arab Emirates and Yemen.

GCC (Cooperation Council for the Arab States of the Gulf, also known as Gulf Cooperation Council, 6 countries): Bahrain, Kuwait, Oman, Qatar, Saudi Arabia and United Arab Emirates.

Asia-Pacific (17 countries): Australia, Brunei, Cambodia, China, Hong Kong, India, Indonesia, Korea, Laos, Malaysia, Myanmar, New Zealand, Philippines, Singapore, Taiwan, Thailand and Vietnam.

Latin America (23 countries): Argentina, Belize, Bolivia, Brazil, Chile, Colombia, Costa Rica, Dominican Republic, Ecuador, El Salvador, Guatemala, Haiti, Honduras, Jamaica, Mexico, Nicaragua, Panama, Paraguay, Peru, Puerto Rico, Trinidad and Tobago, Uruguay and Venezuela.

Additional Countries: South Africa and Switzerland.

Weights are based on market exchange rates and reflect the latest forecasts on GDP growth, inflation and exchange rates.

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ANTICIPATE DEVELOPMENTS

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INDICATORS INCLUDED

REAL SECTOR

GDP per capita
Economic Growth
Consumption
Investment
Industrial Production
Unemployment Rate
Fiscal Balance
Public Debt

EXTERNAL SECTOR

Current Account
Trade Balance
Exports
Imports
International Reserves
External Debt

MONETARY & FINANCIAL SECTOR

Money
Inflation Rate
Policy Interest Rate
Exchange Rate

REGIONS & COUNTRIES COVERED

ASIA PACIFIC | Brunei, China, Cambodia, Hong Kong, India, Indonesia, Korea, Laos, Malaysia, Myanmar, Philippines, Singapore, Taiwan, Thailand, Vietnam, Australia & New Zealand

CENTRAL AMERICA & CARIBBEAN | Belize, Costa Rica, Dominican Republic, El Salvador, Guatemala, Haiti, Honduras, Jamaica, Nicaragua, Panama, Puerto Rico and Trinidad & Tobago

EASTERN EUROPE | Bulgaria, Croatia, Czech Republic, Estonia, Hungary, Latvia, Lithuania, Poland, Romania, Russia, Slovakia, Slovenia, Turkey & Ukraine

EURO AREA | Austria, Belgium, Cyprus, Estonia, Finland, France, Germany, Greece, Ireland, Italy, Latvia, Lithuania, Luxembourg, Malta, Netherlands, Portugal, Slovakia, Slovenia & Spain

LATIN AMERICA | Argentina, Bolivia, Brazil, Chile, Colombia, Ecuador, Mexico, Paraguay, Peru, Uruguay & Venezuela

MAJOR ECONOMIES | G7 countries (United States, Canada, Japan, United Kingdom, France, Eurozone, Germany & Italy); BRIC overview (Brazil, Russia, India & China); Switzerland

MIDDLE EAST & NORTH AFRICA | Algeria, Bahrain, Egypt, Iran, Iraq, Israel, Jordan, Kuwait, Lebanon, Morocco, Oman, Qatar, Saudi Arabia, Tunisia, United Arab Emirates, Yemen; South Africa

NORDIC ECONOMIES | Denmark, Finland, Iceland, Norway and Sweden