



# Analysis of Oman's State Budget 2024

KPMG review and insight



January 2024  
KPMG Lower Gulf

# Summary

The 2024 budget is prepared in accordance with Oman Vision 2040 and the Tenth Five-Year Development Plan (2021-2025), which aims to ensure financial, economic and social stability.

It is based on a set of economic and social objectives such as achieving economic growth of not less than 3%, maintaining the inflation rate at moderate levels (around 3%), achieving financial sustainability, stimulating the investment climate, enhancing the role of Development Bank in financing value-added projects, operating Oman Future Fund and starting its financing activities, maintaining spending on basic social services provided by the government, developing income-generating sources for governorates and continuing to implement national programs. It also acknowledges various financial and economic risks such as oil price volatility, higher interest rates, geopolitical tensions, global inflationary pressures, and climate change and natural disasters.

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# Oman's 2024 budget at a glance and performance in 2023

Particulars	10th Five Year Plan - 2024	2024 Budget				2023 Budget		2023 preliminary results*	
	OMR (m)	OMR (m)	% of total	Change (%) from 2023 budget		OMR (m)	% of total	OMR (m)	Change (%) from 2023 budget
<b>Revenue</b>									
 Oil	4,770	5,915	54	11		5,320	53	6,883	29
 Gas	2,275	1,575	14	13		1,400	14	2,000	43
 Other revenues	4,270	3,520	32	6		3,330	33	3,330	-
<b>Total revenue</b>	<b>11,315</b>	<b>11,010</b>	<b>100</b>	<b>10</b>		<b>10,050</b>	<b>100</b>	<b>12,213</b>	<b>22</b>

Particulars		10th Five Year Plan - 2024	2024 Budget			2023 Budget		2023 preliminary results*	
		OMR (m)	OMR (m)	% of total	Change (%) from 2023 budget	OMR (m)	% of total	OMR (m)	Change (%) from 2023 budget
Expenditure									
	Defense and security	(3,020)	(3,070)	26	2	(3,000)	26	**	**
	Gas procurement and transport expenditure	(890)	-	-	-	-	-	**	**
	Civil ministries	(4,020)	(4,453)	38	1	(4,420)	39	**	**
	Development expenditure for civil ministries	(900)	(900)	8	-	(900)	8	(1,100)	22
	Servicing public debt	(1,610)	(1,050)	9	(13)	(1,200)	11	**	**
	Electricity subsidies	(255)	(460)	4	(5)	(485)	4	**	**
	Social protection subsidies	-	(560)	5	46	(384)	3	**	**
	Other subsidies	(175)	(477)	4	36	(351)	3		
	Provision for debt settlement	(600)	(400)	4	-	(400)	4		
	Projects of development impact	-	(240)	2	20	(200)	2		
	Participation in local, regional and international institutions	(10)	(40)	-	300	(10)	-		
Total expenditure		(11,480)	(11,650)	100	3	(11,350)	100	(11,282)	(1)
Deficit/surplus		(165)	(640)		(51)	(1,300)		931	(172)
Deficit/surplus (% of total revenue)		(1%)	(6%)			(13%)		8%	
Financing of deficit									
	Net borrowings	-	240	38	-	900	69	-	-
	Financing from reserves	-	400	62	-	400	31	-	-
Average daily oil production ('000 bbl)		1,140	1,031			1,175		1,058	
Average price per barrel (USD)		50	60			55		82	

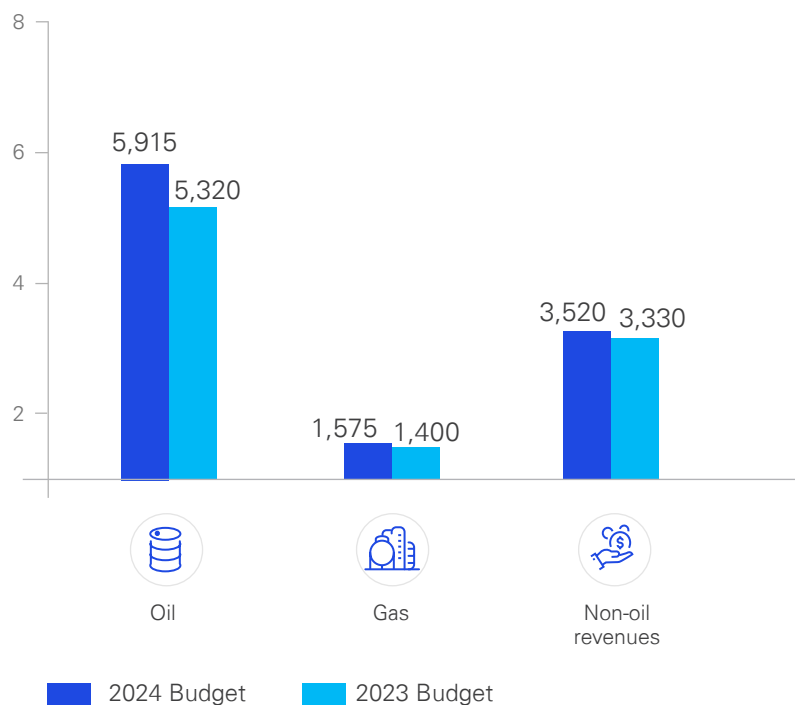
\*\*Preliminary results for 2023 as issued by the Ministry of Finance

\*\* Data not available

Source: Royal Decree 1/2024 and A Guide to the State's General Budget for Fiscal Year 2024 issued by the Ministry of Finance.

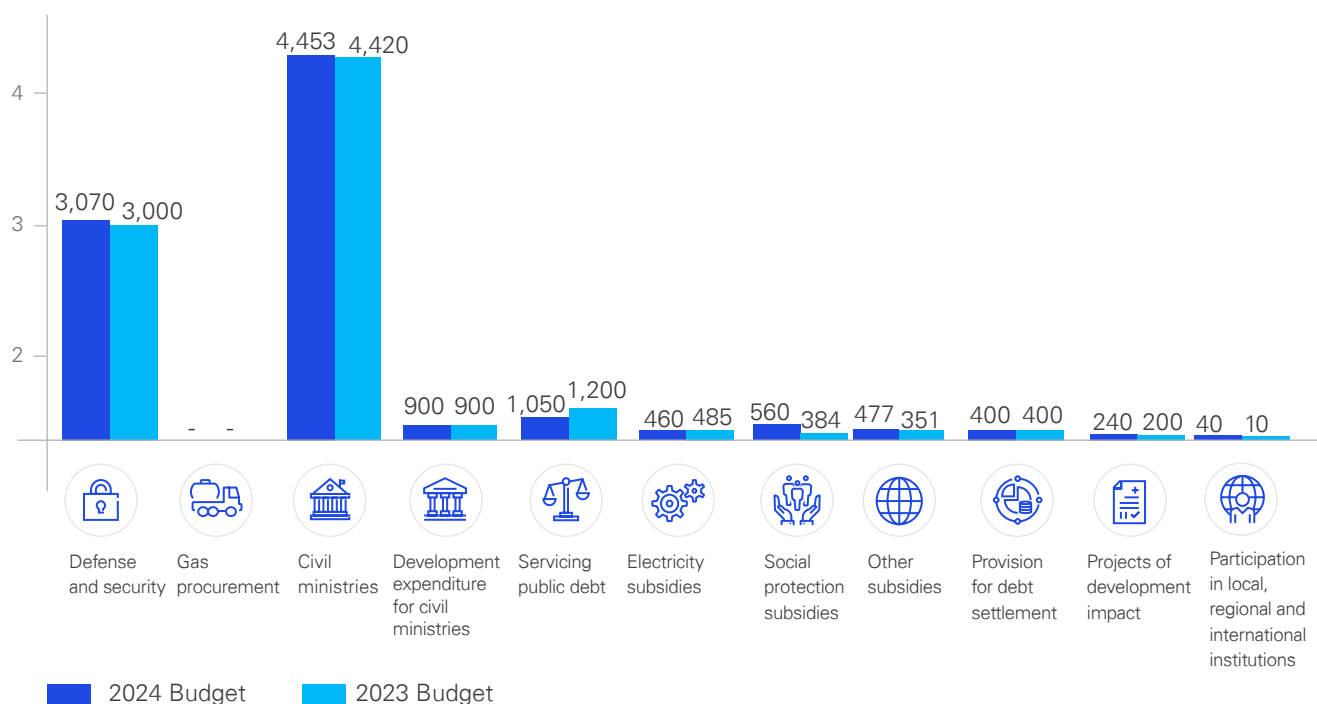
## Revenue comparison: Budget 2024 vs Budget 2023

(Million OMR)



## Expenditure comparison: Budget 2024 vs Budget 2023

(Million OMR)

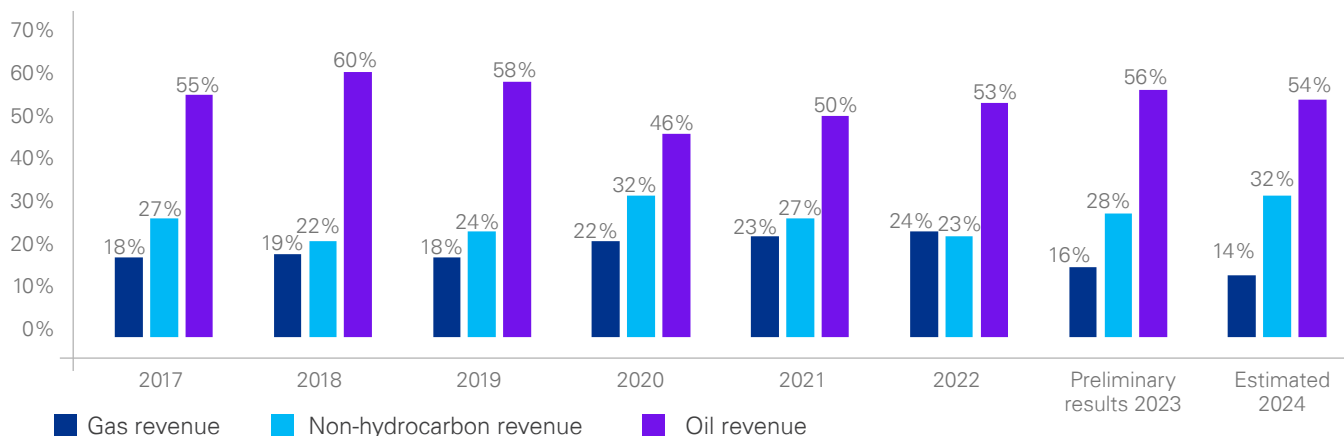


Source: Royal Decree 1/2024 and A Guide to the State's General Budget for Fiscal Year 2024 issued by the Ministry of Finance.



# Highlights of Oman's 2024 budget

Oil revenue, gas revenue and non-oil revenue as a percentage of total revenue during the period 2017-2024



**Revenue to decline by 9.9% compared to preliminary results of 2023 and increase by 9.6% compared to the 2023 budget**

**Oil and gas revenues represent 68% of total government revenues**

Oil and gas revenues are budgeted at OMR 7.49 billion, representing 11.5% increase compared to the 2023 budget of OMR 6.72 billion.

The oil revenue, budgeted at OMR 5.92 billion, represents 11% increase compared to the 2023 budget of OMR 5.32 billion. While the 2024 budget assumes an average oil price of USD 60/bbl, representing a 9% increase compared to the 2023 budget of USD 55/bbl, it assumes average oil production of 1,031 thousand barrels per day, representing a 12% decrease compared to the 2023 budget of 1,175 thousand barrels per day.

The gas revenue, budgeted at OMR 1.58 billion, represents a 12.5% increase compared to the 2023 budget of OMR 1.40 billion. This increase is attributable to the increase in the quantities of gas sold and increase in the domestic selling price of gas.

The oil and gas revenues budgeted at OMR 7.49 billion for 2024 are 15.7% lower than the 2023 preliminary results of OMR 8.88 billion. Oil revenues are lower because the 2024 budget assumes an average oil price of USD 60/bbl which

is significantly lower than the average oil price realized in the 2023 preliminary results (USD 82/bbl).

Like 2022 and 2023, if the actual oil and gas revenues exceed the budget estimate, the additional revenue will be used to reduce the deficit and repay loans.

**Non-oil and gas revenues represent 32% of total government revenues**

Non-oil and gas revenues budgeted at OMR 3.52 billion, represent a 5.7% increase compared to the 2023 budget of OMR 3.33 billion, and a 5.7% increase compared to the 2023 preliminary results of OMR 3.33 billion. The change in composition of total government revenues oil and gas versus non-oil and gas revenues since 2017 reflects the government's continued focus on economic diversification.

The optimistic projection of non-oil and gas revenue in 2024 budget is based on the anticipation of higher tax and fee revenues resulting from the recovery of economic activities. The 2024 budget estimates that VAT and Excise Tax revenues at OMR 645 million will increase by 9.3% compared to the 2023 budget of OMR 590 million. Similarly, Corporate Income Tax revenues at OMR 630 million will increase by 12.5% compared to the 2023 budget of OMR 560 million. The 2024 budget does not envisage any revenues from Personal Income

Source: Royal Decree 1/2024 and A Guide to the State's General Budget for Fiscal Year 2024 issued by the Ministry of Finance.

Tax, which was identified as a source of economic diversification in the Medium-Term Fiscal Plan.

Dividends from Oman Investment Authority (OIA) continue to be another significant source of non-oil and gas revenues (OMR 800 million) for the government.

### **Expenditure to increase by 3.3% compared to the preliminary results of 2023 and 2.6% compared to the 2023 budget**

#### **Development expenditure cut by 18% compared to the 2023 preliminary results**

The 2024 budget estimates development expenditure for civil ministries at OMR 900 million – same as the 2023 budget, but 18% lower compared to the 2023 preliminary results of OMR 1.10 billion.

#### **Expenses for servicing public debt cut by 12.5% compared to the 2023 budget**

The 2024 budget estimates expenses for servicing public debt at OMR 1.05 billion, representing a 12.5% decline compared to the 2023 budget of OMR 1.20 billion.

#### **Electricity subsidy cut by 5% compared to the 2023 budget**

The 2024 budget estimates expenses for electricity subsidy at OMR 460 million, representing a 5% decline compared to the 2023 budget of OMR 485 million.

#### **Allocation for Social Protection System increased by 46% compared to the 2023 budget**

The 2024 budget estimates expenses for Social Protection System at OMR 560 million, representing a 46% increase compared to the 2023 budget of OMR 384 million.

#### **Allocation for projects of development impact increased by 20% as compared to the 2023 budget**

The 2024 budget estimates expenses for projects

of development impact at OMR 240 million, representing a 20% increase compared to the 2023 budget of OMR 200 million.

#### **New expense item included in the 2024 budget**

The 2024 budget also provides for a new expense i.e. other sectors subsidy estimated at OMR 35 million.

#### **Budget deficit estimated at 6% of revenue and 1.5% of GDP**

The 2024 budget deficit is estimated at OMR 640 million, representing a 51% decline compared to the 2023 budget of OMR 1.30 billion. This is OMR 1.57 billion lower than the surplus of OMR 931 million as per the 2023 preliminary results. The 2024 deficit is proposed to be financed through external and domestic borrowing (OMR 240 million or 37.5%) and drawing on reserves (OMR 400 million or 62.5%).

#### **2024 budget vis-à-vis 2024 projections in the Tenth-Five Year Development Plan**

Oil and gas revenues estimated in the 2024 budget are 6% higher compared to the Tenth-Five Year Development Plan. The increase in oil revenue assuming a higher oil price (USD 60/bbl in the 2024 budget compared to USD 50/bbl in the Tenth-Five Year Development Plan) partially compensates for the decline in gas revenue (OMR 1.58 billion in the 2024 budget compared to OMR 2.28 billion in the Tenth-Five Year Development Plan).

Non-oil and gas revenues estimated in the 2024 budget are 18% lower compared to the Tenth-Five Year Development Plan.

With regard to expenditure, the removal of gas procurement expenditure is offset by the increase in subsidies and the inclusion of a new expense.

A decline in revenue, coupled with an increase in expenditure, has resulted in a deficit of OMR 640 million in the 2024 budget, which is almost four times the deficit of OMR 165 million budgeted in the Tenth-Five Year Development Plan.

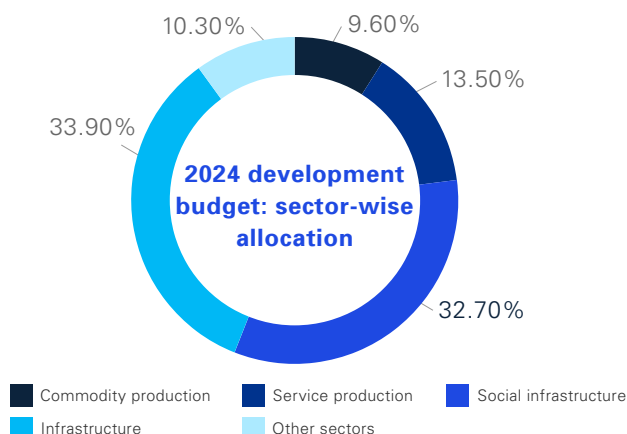
Source: Royal Decree 1/2024 and A Guide to the State's General Budget for Fiscal Year 2024 issued by the Ministry of Finance.



# Key initiatives in 2024

To achieve the objectives set out in the Tenth Five-Year Development Plan and Oman Vision 2040, the government has planned various initiatives in addition to implementing the national programs.

**Development projects in various sectors:** The government has allocated approximately OMR 900 million for development projects with an aim to implement projects that contribute to improving the economic and investment ecosystem for various sectors. Key projects intended to be implemented in 2024 include the following.



Sectors	Key projects
Education	<ul style="list-style-type: none"> <li>Construction of 15 public schools</li> <li>Tenders for construction of 20 public schools</li> <li>Construction of University of Technology and Applied Sciences in Musandam</li> <li>Abroad scholarship program (Rowad Oman) covering 150 scholarships in five years</li> </ul>
Health	<ul style="list-style-type: none"> <li>Completion of the construction of 7 government hospitals</li> <li>Construction of 3 hospitals</li> <li>Renovation of 2 government hospitals</li> <li>Expansion of 3 existing hospitals</li> </ul>
Culture sports and youth	<ul style="list-style-type: none"> <li>Construction of Oman Cultural Complex</li> </ul>
Housing and urban planning	<ul style="list-style-type: none"> <li>Construction of the first phase of the Sultan Haitham City infrastructure</li> </ul>
Governorates development	<ul style="list-style-type: none"> <li>Waterfront development projects</li> <li>Implementation of Remal Park Project, Ames Bay Project and Rathath Boulevard Project</li> </ul>
Transport	<ul style="list-style-type: none"> <li>Design and construction of an asphalt road between Khasab and Dibba and the road linking Lima in Musandam Governorate</li> <li>Design and construction of the remaining parts of Al Batinah Coastal Road (Phase I)</li> <li>Construction of Al Ansab AL Jifnain dual-carriage road</li> <li>Construction of the dual-carriage Sultan Qaboos Road in Salalah</li> <li>Construction of an asphalt road in the Province of Muqshin in Dhofar Governorate</li> <li>Construction of tunnels of Atin intersection with 18 November street in Salalah</li> </ul>
Agriculture, fisheries and water resources	<ul style="list-style-type: none"> <li>Wadi Adai Dam</li> <li>Wadi Al-Zuhaimi Dam</li> <li>Masirah Multi-purpose Port</li> <li>Shuwaimiya Multi-purpose Port</li> </ul>

Source: Royal Decree 1/2024 and A Guide to the State's General Budget for Fiscal Year 2024 issued by the Ministry of Finance.

## Key initiatives in 2024 (cont.)

### **Subsidizing interest on housing loans (Iskan):**

The Ministry of Finance, the Ministry of Housing and Urban Planning and the Oman Housing Bank have collaborated to introduce the Iskan program. The aim of this program is to expedite access to housing loans with subsidized interest rates to citizens on the Ministry of Housing and Urban Planning and Oman Housing Bank waiting lists. This program intends to, among other objectives, invigorate real estate activity, stimulate consumption of goods and services in the local market, galvanize the circulation of money and liquidity throughout the economy, enhance In-Country Value (ICV) and enable over 60,000 Omani families to obtain housing loans.

**Oman Future Fund:** The Ministry of Finance and Oman Investment Authority have collaborated to establish this fund. The aim of this fund is to stimulate the private sector and support small and medium enterprises (SMEs), as a part of the government's continued focus on economic diversification. This fund will work towards attracting foreign investment, supporting small and medium enterprises, financing private sector projects, participating in project financing, stimulating venture capital in Oman and completing government financing and investment schemes. The fund capital of approximately OMR 2 billion is allocated for direct investment in the local economy (90%) and supporting small and medium enterprises and investing in venture capital projects (10%).

**Social Protection Fund:** This fund was established in 2021 with the aim of achieving a holistic and integrated social protection system, extending its reach to the most vulnerable segments of society. This fund also aims to merge pension funds and unify the retirement benefits between the public and private sector ultimately enhancing the work environment, boosting investment efficiency and ensuring the fund's long term financial stability. The government has allocated approximately OMR 1.30 billion to cater to the objectives of this fund – of which OMR 560 million is earmarked for implementation of programs catering to the elderly, children, persons with disabilities, widows, and orphans, and OMR 750 million is dedicated to comprehensive social insurance programs.

**Oman Development Bank:** Oman Development Bank works to promote the growth of Omani companies and enterprises and expand the scope of the bank's business by raising the lending cap from OMR 1 million to OMR 5 million (which may be raised to OMR 7.50 million in the future). In 2023, the bank's lending portfolio grew by 25%, financing approvals grew by 120% and the financing disbursement amounted to about OMR 95 million with a growth rate of 108%. In 2024, the government aims to reorganize the bank and expand its lending portfolio.

### **National Program for Fiscal Sustainability and Development Financial Sector (Estidamah):**

This program has been undertaken by the Ministry of Finance with the objective of fortifying Oman's public finances and positioning the financial sector as an enabler to achieve the goals sets out in Oman Vision 2040. The Financial Sector Development Plan is crafted in cooperation with relevant authorities to encompass various initiatives and projects aimed at empowering the two pillars of the financial sector, banking and capital markets to achieve the economic and investment goals enshrined within Oman Vision 2040. The pillars of the programs are SME financing, supporting target sectors, green/sustainable finance, boosting domestic capital, foreign investment flow, and insurance.



**Public Private Partnership Program (PPP):** Through this program, the Ministry of Finance had encouraged the private sector to invest and innovate in infrastructure projects and public services, to enhance the efficiency of utilizing economic resources and public utilities. There are various projects proposed to be implemented in 2024 across sectors. Key projects intended to be implemented in 2024 include the following.

Sectors	Key projects
Transport and logistics	<ul style="list-style-type: none"> <li>Salalah-Thumrait Truck Road</li> <li>Road package for Maabela - Thameed</li> </ul>
Health	<ul style="list-style-type: none"> <li>Suhar Recovery Center Project</li> <li>Maintenance and management of health facilities of the Ministry of Health in Muscat, North and South Al Batinah Governorate</li> </ul>
Education	<ul style="list-style-type: none"> <li>Management, operation and improvement of public-school buses</li> </ul>
Agriculture, fisheries and water resources	<ul style="list-style-type: none"> <li>Development, management and operation of the Liwa Fishery Harbour and Sur Fishery Harbour</li> <li>Management, operation and development of quarries and veterinary clinics in Al Buraimi, Raysut and Saal</li> </ul>
Communications and information technology	<ul style="list-style-type: none"> <li>Invest Easy platform operation and development project</li> </ul>
Others	<ul style="list-style-type: none"> <li>Construction of the Ministry of Commerce, Industry and Investment Promotion Building</li> </ul>

Source: Royal Decree 1/2024 and A Guide to the State's General Budget for Fiscal Year 2024 issued by the Ministry of Finance.

# Key initiatives in 2024 (cont.)

**Progress on projects previously initiated:** The government continues to make progress on projects previously initiated, including:

**National programs:** The government continues to make progress on several national programs under the Tenth Five-Year Development Plan to meet the objectives of Oman Vision 2040. These national programs are focused on identifying sustainable solutions for priorities like financial and economic situation, employment, attracting investments, global competitiveness and digital transformation. Key national programs include:

- **National Program for Economic Diversification (Tanwea'a):** This program, supervised by the Ministry of Commerce, Industry and Investment Promotion, encompasses over 170 initiatives and investment projects divided into three pivotal axes: sectoral development and investment, fostering a stimulating business environment, and expanding foreign trade. This program has spearheaded the establishment of a national negotiation team dedicated to attracting high-quality investments and an investment hall to serve investors along with launching a unified investment incentives guide for all sectors.
- **Government Digital Transformation program:** This program, implemented by the Ministry of Transport, Communication and Information Technology, aims to enhance the efficiency of government units and create smooth, transparent and innovative solutions. In the 2024 budget, the government has allocated OMR 39 million to this program, representing an increase of 152% compared to the 2023 preliminary results of OMR 15.5 million.
- **National Program for Investment and Exports Development (Nazdahir):** This program implemented by the Ministry of Commerce, Industry and Investment Promotion aims to empower the private sector by creating an attractive investment environment.
- **National Employment Program (Tashgheel):** This program aims to focus on identifying sustainable solutions for creating job opportunities.
- **National Zero Neutrality Program:** This program supervised by the Ministry of Energy and Minerals and the Environment Authority aims to reach net-zero carbon neutrality by 2050 with a focus on structured transformation and implementation of the best projects and technology in line with the priorities and objectives of Oman Vision 2040.

**Government Services Pricing:** This program, undertaken by the Ministry of Finance, aims to periodically review government services fees in adherence to the Fee Setting Policy Handbook. By reducing procedures and costs, it aims to strike a balance between price, quality and service competitiveness. The first two phases of this program saw the review of 1,647 fee structures across eight government units at the end of 2022. The third phase (which is underway) focuses on studying 1,539 fee structures across six government units. The next phase will entail the approval of results from the study of fee in the third phase.

**Supply Chain Finance Project:** This project undertaken by the Ministry of Finance aims to accelerate the payment of government contractors and suppliers that have payment vouchers worth OMR 0.10 million or more to ensure supply chain sustainability. In the current phase, agreements between government units and public and private sector companies are being concluded. The next phase will entail developing work methodology to accelerate contract signing and approval.

**Public Debt Law:** This law aims to mitigate financial risks for the government, exercise control over public debt, strengthen the government's capacity to issue public debt instruments, promote the role of these instruments in developing and diversifying the local financial market and enhance credit strength. In the current phase, the law has been issued. The next phase will entail the issuance of its Executive Regulations.

**Financial Law:** The Ministry of Finance is reviewing the Financial Law and Executive Regulations in line with the projects and systems for the development of financial procedures. In the current phase, approvals are being sought on the law. The next phase will entail preparing Executive Regulations to the law.

**Program Based Budget:** This program aims to provide authenticated data about the government's performance and connect financial planning with public policies. In the current phase, 60 government units have been enabled to prepare their budgets

according to the program. The next phase entails empowering the remaining government units.

#### **Systems to improve fiscal performance:**

The government continues to make progress on implementing systems to improve fiscal performance including:

- **Government Financial System (Maliyah):** a modern IT system for managing the public finance of Oman. The next phase will entail operational acceptance test by the Ministry of Finance.
- **Debt Management System (DMS):** a system for effective and proactive management of public debt. The next phase will entail updating data and access to the services provided by the system.
- **Sustainable Finance Framework** - a tool implemented by the Ministry of Finance to issue debt instruments for sustainable finance in order to contribute to the achievement of national sustainability strategies (economic, environmental, social, and others). The program aims to affirm Oman's determination to achieve

the goals of the Oman Vision 2040, the Zero Neutrality Plan 2050, and the Sustainable Development Goals 2030; demonstrate Oman's ability to generate necessary financing to enhance government investment in development projects; attract investors interested in financing projects; and create a role model for the private sector to finance projects that achieve the environmental and social dimensions.

In addition, the government also intends to extend the following systems to include additional ministries/government units:

- **Treasury Single Account:** a unified structure of government bank accounts where all government account balances are accumulated to show the movement of net revenue and expenses.
- **National Assets Register:** an integrated central system that takes full account of government assets and helps draft a strategy to ensure centralized management of assets to maximize efficiency and returns.



# Analysis of the 2023 preliminary results

## Revenue

Actual revenues at OMR 12.21 billion increased by 21.5% compared to the budgeted revenue of OMR 10.05 billion because of:

- Increase in oil revenues by 29% at OMR 6.88 billion (average oil price realized was USD 82/bbl compared to the budgeted price of USD 55/bbl)
- Increase in gas revenue by 43% at OMR 2 billion

## Expenditure

Public spending at OMR 11.28 billion declined by 0.6% compared to the budgeted expenses of OMR 11.35 billion because of:

- A decrease of OMR 524 million in public debt servicing expenses and postponing implementation of the social protection system
- Increase in civil ministries expenditures and subsidies by OMR 465 million

## Public debt

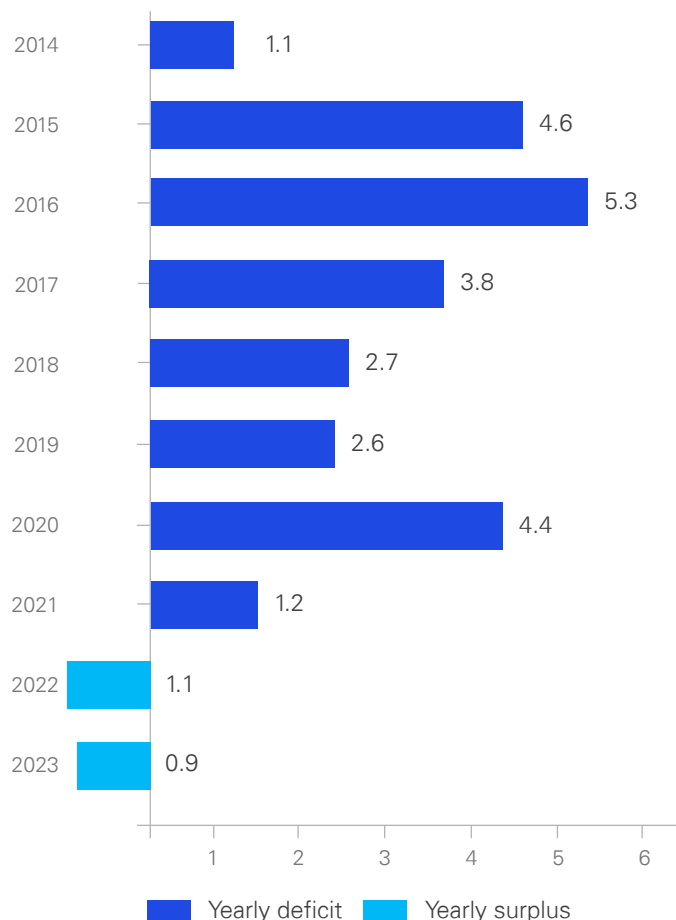
Oil and gas revenues generated in excess of the 2023 budget were used to repay loans. As a result, the public debt decreased from OMR 17.6 billion at the end of 2022 to OMR 15.2 billion at the end of 2023. Debt to GDP ratio declined to 35% compared to 43% in 2022.

## Surplus

Owing to an increase in oil prices, at the end of 2023 Oman is expected to record a surplus of OMR 931 million compared to a budgeted deficit of OMR 1.30 billion. This is the second consecutive year Oman is expected to record a fiscal surplus since 2013. The surplus has been directed towards enhancing social spending, stimulating economic growth and liability management exercise and public debt reduction.

## History of surplus/deficit upto 2023

(Billion OMR)



Source: Royal Decree 1/2024 and A Guide to the State's General Budget for Fiscal Year 2024 issued by the Ministry of Finance.

## Other performance indicators

- Improvements in Oman's credit ratings/outlook by credit rating agencies:
  - Moody's upgraded Oman's credit rating from "Ba2" to "Ba1" and revised the outlook from positive to stable in December 2023
  - Fitch revised Oman's credit rating from "BB" to "BB+" in September 2023 affirming a stable outlook
  - S&P Global Ratings revised Oman's credit rating from "BB" to "BB+" in September 2023 affirming a stable outlook
- GDP at constant prices increased by approximately 2% to OMR 26.4 billion at the end of September 2023 compared to the same period in 2022 (according to the National Centre for Statistics and Information) mainly owing to an increase in value added in non-oil activities by 2.7% at the end of September 2023.
- GDP at current prices declined by approximately 3.8% to OMR 31.42 billion at the end of September 2023 compared to the same period in 2022 (according to the National Centre for Statistics and Information) mainly owing to voluntary production cuts as per the OPEC Plus agreement and lower average oil prices.
- Inflation in Oman declined to approximately 1.03% at the end of November 2023 compared to 2.87% at the end of the same period in 2022 (according to the National Centre for Statistics and Information). The global inflation rate in 2023 is estimated at 6.9% (according to the International Monetary Fund).
- Trade balance decreased to OMR 6.37 billion at the end of October 2023 compared to OMR 8.72 billion registered over the same period in 2022. The decline was driven by the reduction in decline in oil and gas as well as non-oil exports.
- Deposits in the banking sector increased to OMR 278 billion at the end of September 2023.
- Total credit granted by conventional commercial banks grew by 4.1%, reaching OMR 30.4 billion at the end of September 2023.



# Government measures and initiatives in 2023

In addition to the national programs mentioned earlier, the government undertook several initiatives during 2023 to stimulate the national economy, promote social protection and maintain fiscal sustainability in line with Oman Vision 2040. Key measures and initiatives undertaken by the government include:

- Partnership for Development Program:**  
 Widely known as the Offset Program, this program aims to transfer state-of-the-art technologies and knowledge through relevant companies. It aims to develop and build the capacity of the national workforce through knowledge transfer and exposure to international best practices. In 2023, this program witnessed the inauguration of Oman Aviation Academy headquarters and the graduation of three batches of certified pilots comprising 58 trainees and 25 certified trainers as part of the National Program for Leadership Development and Future Foresight.
- Social spending:**  
 To promote social spending, the government increased the allocation for several subsidies. The significant one was the oil product subsidy (OMR 261 million). This was supplemented by enhancing the allocation for health and education sector (OMR 51 million); electricity and other sectors subsidy (OMR 46 million); social security and low-income household (OMR 19 million) and development and housing loans interest subsidy (OMR 17 million).
- Support for SMEs:**  
 The government exempted SMEs from loans due from Development Bank and the Small and Medium Enterprises Development Authority (306 loans at the end of October 2023).
- Support for international scholarships for students:**  
 The government increased students' international scholarship allocations by 25% and added 150 international scholarships.



Source: Royal Decree 1/2024 and A Guide to the State's General Budget for Fiscal Year 2024 issued by the Ministry of Finance.

# About KPMG

For almost 50 years, KPMG Lower Gulf Limited has been providing audit, tax and advisory services to a broad range of domestic and international, public and private sector clients across all major aspects of business and the economy in the United Arab Emirates and in the Sultanate of Oman. We work alongside our clients by building trust, mitigating risks and identifying business opportunities.

KPMG Lower Gulf is part of KPMG International Cooperative's global network of professional member firms. The KPMG network includes approximately 273,000 professionals in over 143 countries. KPMG in the UAE and Oman is well connected with its global member network and combines its local knowledge with international expertise, providing the sector and specialist skills required by our clients.

KPMG is widely represented in the Middle East: along with offices in the UAE and Oman, the firm is well established in Saudi Arabia, Bahrain, Kuwait, Qatar, Egypt, Jordan and the Lebanon. Established in 1973, KPMG in the UAE and Oman employs 1,485 people across four offices, including about 100 partners and directors.

Our latest initiative, KPMG IMPACT, aims to help clients future-proof their businesses amid times of increasing focus towards issues such as climate change and social inequality. The goal is to help them achieve success across 17 major Sustainable Development Goals (SDGs) and become more resilient and socially conscious. For FY21, the firm has earmarked a global budget of USD 1.43 million for the initiative.

As we continue to grow, we aim to evolve and progress, striving for the highest levels of public trust in our work.

Our values are:



**Integrity:** We do what is right.



**Excellence:** We never stop learning and improving.



**Courage:** We think and act boldly.



**Together:** We respect each other and draw strength from our differences.



**For Better:** We do what matters.

To meet the changing needs of our clients, we have adopted an approach aligned with our global purpose: Inspiring Confidence, Empowering Change. Our three pillars

- exceptional quality of service, an unwavering commitment to the public interest, and building empowered teams
- are the foundation of our firm.

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