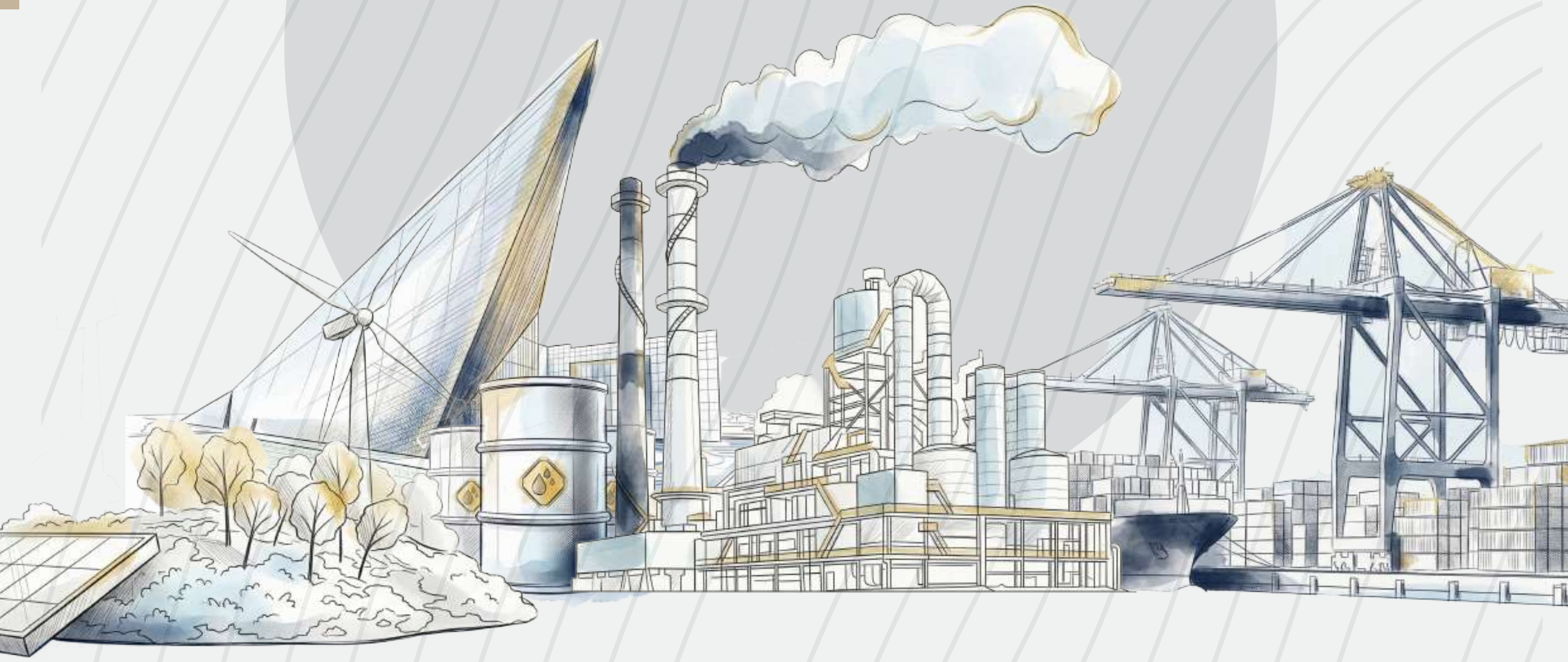
وزارة الاقتصاد
Ministry of Economy

Oman Economic Performance Bulletin

June 2026



A quarterly bulletin highlighting most important indicators of the Omani economy

Key Economic Developments - Q1 2026

Globally:

In April 2026, the International Monetary Fund (IMF) revised down its global growth forecast from 3.4% in 2025 to 3.1% in 2026, compared with its previous forecast of 3.3% in January 2026. This downward revision reflects the impact of heightened uncertainty, weaker momentum in global trade and investment across some advanced and emerging economies, as well as the continued effects of geopolitical shocks on global supply chains.

Regarding global trade, the IMF expects global trade growth to slow to 2.80% in 2026, compared with 5.10% in 2025, amid continued weakness in trade momentum due to slower global demand and the increasing trend toward restructuring supply chains. Meanwhile, global inflation is projected to rise to 4.40%, compared with 4.10% in 2025.

In the same context, global debt reached a record high of approximately USD 353 trillion by the end of the first quarter of 2026.This rise was primarily driven by increased government borrowing in China and the United States, contributing to a widening divergence in debt levels among major economies, according to the Institute of International Finance (IIF).

Domestically:

At current prices, GDP declined by 1.98% during the first quarter of 2026, reaching OMR 10.29 billion, compared with OMR 10.50 billion during the same period in 2025. This decline was mainly attributed to a 16.47% decrease in the average oil price, which resulted in an 11.69% decline in oil-related activities.

In terms of real GDP, the Omani economy recorded growth of 2.58%, supported mainly by the expansion of oil activities, which grew by 4.59%, driven by a 4.78% increase in average daily production. In addition, non-oil activities grew by 2.36%, supported by growth in agriculture and fisheries activities 6.13% and services activities 3.68%. Meanwhile, industrial activities declined by 1.24%, despite accounting for 20.44% of GDP, highlighting the continued critical role of non-oil activities in supporting economic growth and advancing economic diversification efforts.

On the inflation front, the average inflation rate increased during the first quarter of 2026 to 2.33%, compared with 0.85% during the same period in 2025. This increase reflects higher inflationary pressures in the domestic economy, which may be attributed to rising prices of certain goods and services, as well as higher import costs resulting from global economic developments.

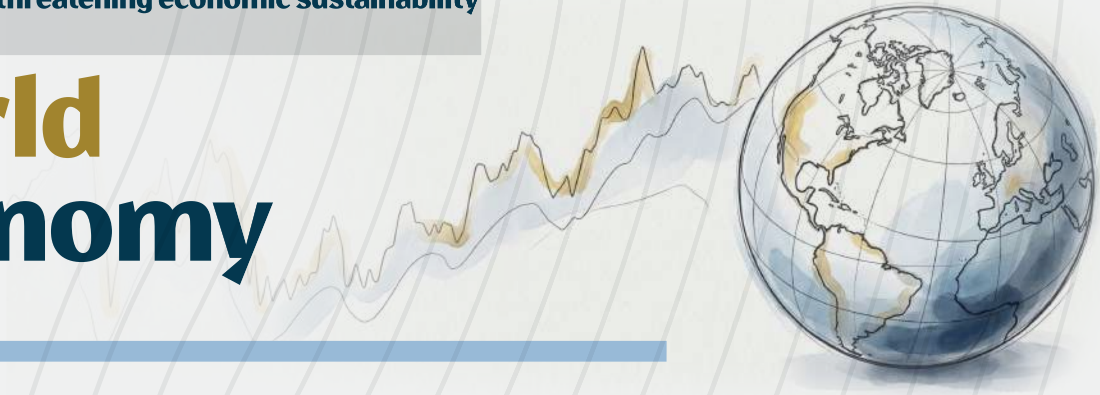
Regarding public finances, Oman's fiscal performance improved during the first quarter of 2026. Public revenues increased by 13.28% to reach OMR 2.99 billion, while public expenditure grew by 8.63% to OMR 3.01 billion. Consequently, the fiscal deficit narrowed to OMR 25 million, compared with OMR 136 million during the same period in 2025. Moreover, in march 2026 S&P Global Ratings affirmed Oman's sovereign credit rating at "BBB-" (investment grade) while maintaining a stable outlook, reflecting the resilience of Oman's fiscal and external positions, as well as the availability of financial buffers that support creditworthiness amid regional geopolitical developments.

Regarding foreign trade, total merchandise exports declined by 8.46% to OMR 5.33 billion during the first quarter of 2026, mainly due to a 12.98% decline in oil exports. Meanwhile, non-oil exports remained relatively stable, with their share of total exports increasing to 30.21%. Imports also decreased by 11.71% to OMR 3.79 billion, contributing to a 0.65% increase in the trade surplus, which reached OMR 1.54 billion.

Foreign Direct Investment (FDI) increased by 8.66% to reach OMR 32.20 billion by the end of the first quarter of 2026, compared with OMR 29.63 billion during the same period in 2025, reflecting the continued attractiveness of Oman's investment environment. The oil and gas extraction sector accounted for the largest share of total FDI at 80.41%, followed by manufacturing at 8.91% and financial intermediation activities at 4.86%. At the country level, the United Kingdom remained the largest investor in Oman, accounting for 52.44% of total FDI, followed by the United States with 27.0%, and the State of Kuwait with 4.49%.

Slowing global growth, rising inflationary pressures, and energy price volatility, alongside unprecedented levels of public debt, are threatening economic sustainability in 2026.

world Economy



World Economy Growth

2025	2026
3.4%	3.1%
Actual growth	Expected growth

Source: IMF (April 2026)

World Inflation

2025	2026
4.1%	4.4%
actual rate	Expected rate

Source: IMF (April 2026)

World trade

2025	2026
5.1%	2.8%
actual rate Growth	Expected Growth

Source: IMF (April 2026)

Crude Oil Prices

2025	2026
69$	95$
average actual price per oil barrel	average expected price per oil barrel

Source: EIA (June 2026)

Global Debt

Trillion $ 324	At the End of QI 2025
Trillion $ 353	At the End of QI 2026

Source: The IIF

Economy of Oman

- Oman's economy continues to record positive real growth, supported by oil and non-oil activities.
- The rise in inflation to 2.33% is directly attributed to the repercussions of regional geopolitical conflicts; however, it requires continuous monitoring to ensure it remains within a safe range.
- Agriculture, fisheries, Oil and services activities recorded the highest growth rates
- Despite the growth in the number of Omani workers in the private sector, the share of Omanis in total private sector employment remains below the desired level.
- The manufacturing Activity, public administration and defense, and construction remain among the largest contributors to GDP.

GDP Growth in Current Prices

Q1 2025	Q1 2026
10.50 Billion	10.29 Billion
4.71%	-1.98 %

Q1 2025	Q1 2026	
34.82%	31.37%	contribution of Oil Activities to the GDP in current prices
67.09%	72.50%	contribution of Non-oil activities to the GDP in current prices

Growth Rates in Constant Prices During Q1 2025

2.58% GDP growth in constant prices

Oil activities

Growth Rate	4.59 ▲
The percentage of contribution in GDP	31.34%

Industrial activities

Growth Rate	-1.24% ▼
The percentage of contribution in GDP	20.44%

Agriculture and fishing activities

Growth Rate	6.13% ▲
The percentage of contribution in GDP	3.49%

Services activities

Growth Rate	3.68% ▲
The percentage of contribution in GDP	48.75%

The most contributing activities in GDP at constant prices

Manufacturing

Growth Rate -3.06%

The percentage of contribution in GDP 8.98%

Public administration & defence

Growth Rate 1.95%

The percentage of contribution in GDP 9.54%

Construction

Growth Rate -1.86%

The percentage of contribution in GDP 8.61%

Wholesale & Retail Trade

Growth Rate 1.57%

The percentage of contribution in GDP 8.27%

Transportation and storage

Growth Rate 3.11%

The percentage of contribution in GDP 5.89%

Financial and insurance activities

Growth Rate 9.61%

The percentage of contribution in GDP 5.87%

Omanis working in the private sector (in thousands)

QI 2025 400.80 Thousand Worker

QI 2026 436.10 Thousand Worker

Growth 8.81%

Inflation

QI 2025 0.85%

QI 2026 2.33%

Public Finance

*Provisional Data

Continued improvement in fiscal performance, driven by revenue growth and enhanced public financial management efficiency.

Balanced fiscal policies have contributed to reducing the deficit, strengthening fiscal sustainability pathways, and maintaining public debt at stable levels.

	Q1 2025	Q1 2026	Change Rate
Spending	2.77 Billion	3.01 Billion	8.63% ▲
Revenue	2.64 Billion	2.99 Billion	13.28% ▲

Budget Surplus/Deficit

Q1 2025	Q1 2026
Million (136)	Million (25)

Public Debt

Change Rate 2.00%

End of QI 2025	End of QI 2026
Billion 14.30	Billion 14.50

Expenditure on Development Projects

Total allocations for development projects in 2026	Spending Until the End of QI 2025
1.30 Billion	334 Million

Credit Rating

	Moody's	S&P Global	FitchRatings
2025	Baa3 Stable	BBB- Stable	BBB- Stable
2026	-	BBB- Stable	-

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Foreign Trade

The trade balance maintained a strong surplus despite the decline in exports, supported by lower imports and the stability of non-oil exports.

The structure of trading partners highlights the continued importance of Gulf markets, particularly the UAE and Saudi Arabia, as key hubs for trade exchange, alongside the expansion of trade relations with Asian and international markets.

Foreign Trade

	Q1 2025	Q1 2026	Growth Rate
Exports	5.83 Billion	5.33 Billion	-8.46 %
1 Oil Exports	3.85 Billion	3.35 Billion	-12.98 %
Share of Total Exports	66.15%	62.88%	
2 Non-oil Exports	1.62 Billion	1.61 Billion	-0.62 %
Share of Total Exports	27.82%	30.21%	

	Q1 2025	Q1 2026	Growth Rate
Imports	4.29 Billion	3.79 Billion	-11.71%
Trade Balance	1.53 Billion	1.54 Billion	0.65 %

Major Trading Partners

Non-oil Export partners During Q1 2026

South Korea	KSA	India	USA	UAE	Other
10%	12%	10%	8%	24%	36%

Import partners During Q1 2026

China	Kuwait	India	KSA	UAE	Other
14%	4%	8%	8%	28%	38%

Foreign Direct Investment (FDI)

- Foreign direct investment is experiencing strong growth, led by the oil and gas sector, with a gradual increase in non-oil sectors.
- The United States, the United Kingdom, and GCC countries are among the main sources of foreign direct investment.

At the End of Q1 2025	At the End of Q1 2026	Change Rate
29.63 Billion	32.20 Billion	▲ 8.66 %

FDI by activity At the End of Q1 2026

	Share in foreign direct investment
Oil and Gas Exploration	80.41%
Manufacturing	8.91%
Other	3.94%
Financial Intermediation	4.86%
Real Estate Activities	1.87%

FDI by country
At the End of Q1 2026

UAE	2.00%
USA	27.01%
UK	52.44%
Switzerland	1.12%
China	2.80%
India	0.91%
Kuwai	4.49%
Qatar	2.50%
Bahrain	1.69%
Netherlands	1.74%
Others	3.25%