

The agency responsible for compiling the balance of payments (BoP) and International Investment position (IIP) for the Sultanate of Oman is the Central Bank of Oman (CBO). The CBO prepares the balance of payments statistics on an annual basis and publishes them regularly in its Annual Report as well as in its Quarterly Statistical Bulletin. The data are presented in OMR million. The compilation of the balance of payments is based on the BPM6, which has been adopted since the publication of CBO annual report 2021 with the dissemination of IIP.

## **Balance of Payments (BoP)**

The balance of payments is a statistical statement that summarizes transactions between residents and nonresidents during a period. It consists of the current account, the capital account and the financial account.

### **Current account**

The current account shows flows of goods, services, primary income, and secondary income between residents and nonresidents. It is compiled on the basis of a double entry recording system of credits and debits. The data collected from different sources including Directorate General of Customs, ministries, NCSI, OIA, deposit taking corporations, financial institutions and corporate companies.

### **Goods (Trade balance)**

Goods consist of most movable goods that change ownership between Oman residents and non-residents, that are exported to, or imported from.

### **Services**

services are products other than physical goods which include travel, construction, insurance and pension services transportation, financial services, telecommunications, computer and information services, and other services.

### **Primary Income**

The primary income shows primary income flows between resident and nonresident. It covers compensation of Employees and investment income. Compensation of employees are earnings of Omanis residing in border areas and working in neighboring countries which are estimated and recorded under credits. Investment income includes direct investment, portfolio investment and other investment in which the income on equity and the interest is recorded.

### **Secondary Income**

The secondary income shows current transfers between residents and nonresidents. It reflects the remittances of expatriates working in Oman.

## Capital account

The capital account shows the capital transfers receivables and payable between residents and nonresidents.

## Financial account

The Financial Account is a component of a country's balance of payments that covers all the transactions associated with changes of ownership in the foreign financial assets and liabilities of an economy. It shows the net acquisition of financial assets (net changes in financial assets) and the net incurrence of financial liabilities (net changes in liabilities) with the rest of the world. The financial account indicates the functional categories, sectors, instruments, and maturities used for net international financing transactions and it is classified according to the instrument and functional categories. Data is collected from different sources including NCSI, MoF, OIA, MSX, deposit taking corporations, financial institutions and corporate companies.

The major components of the financial accounts are direct investment, portfolio investment, other investment and reserve assets.

**Direct investment** is a category of international investment in which a resident entity in one economy (the direct investor) acquires a lasting interest in an enterprise resident in another economy (the direct investment enterprise). It is when the investor resident makes an investment that gives control or a significant degree of influence on the management of an enterprise that is resident in another economy.

**Portfolio investment** includes purchases and sales of tradable equity and investment fund shares, debt securities (bonds, money market debt instruments). The purchase of these products does not give substantial control rights.

**Other investment** covers financial instruments not included in direct investment, portfolio investment, or reserve assets. Other investment includes currency and deposits, trade credits, loans, other accounts receivable and payable and special drawing rights.

**Reserve assets** are external assets that are readily available to, and controlled by, the monetary authorities for direct financing of payments imbalances. The reserve assets of Oman consist of CBO foreign assets that reflect changes in monetary gold, SDR holdings, the reserve position in the Fund, and the foreign exchange holdings of the CBO. OIA assets of the Government are also part of the reserve assets.

**Net errors and omissions** a residual item in the balance of payments that captures imbalances arise because estimates of various components of the BOP.