

## The Financial Planning and its Role in Diversification and Economic Growth in Oman during the Period (1991-2021)

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### Abstract

*The aim of this study was to measure the impact of financial planning on both economic diversification and growth in Oman during the period of 1991-2021. Standard methods were used to measure the implementation rate of financial planning in its various dimensions, as well as to measure the degree of economic diversification. The study also linked the implementation indicators of the different dimensions of financial planning with the degrees of economic diversification and economic growth. The results showed that financial planning affects both the degree of diversification of gross domestic product and the degree of diversification of public revenues, but does not affect economic growth. The study found that 45.74% of the changes in the degree of diversification of gross domestic product, 26.74% of the changes in the degree of diversification of public revenues, and 38.52% of the changes in economic growth were attributed to changes in financial planning. The study recommends continuing the sound and disciplined approach to financial planning and highlighting its role as an important tool in achieving economic diversification and growth. This study contributes to clarifying the impact of integrating and combining all dimensions of financial planning in achieving important economic goals such as economic diversification and growth.*

**Keywords:** *Financial planning, General budget, Financial policy, Economic diversification, Economic growth.*

### INTRODUCTION

The economic growth is considered one of the most important basic goals that all countries seek to achieve, as it is an important part of economic theory and carries many economic indicators such as the degree of economic performance and the level of social welfare. Economic growth is achieved as a result of increases that occur in the productive sectors that constitute the gross domestic product. When the increase in the gross domestic product depends on the growth of one of the productive sectors, this economy is called the dominant sector, which grows at the expense of other sectors. For this reason, there are economies that are called oil, industrial, agricultural, and service economies.

There is no dispute in giving any name to the economies of countries or in increasing the importance of one of the productive sectors in them, but there is a negative impact

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when one sector dominates the rest of the productive sectors in the country, where the economy becomes single-source and non-diverse, which makes the economy weak in efficiency and performance in facing crises, and the economy becomes subordinate to that dominant sector, which may lead to the entire economy being dependent on the outside world, as is the case with oil economies. This makes economic growth in them unsustainable, as a result of the absence of economic diversification.

Therefore, economic diversification is considered one of the most important goals that countries, especially oil-rich rentier states, seek to achieve by diversifying sources of income and production. With the increase in crises, particularly related to oil price fluctuations and declines in the global market, economic diversification has become a necessary option for most oil-producing countries to have a diversified economic base that does not rely on a single resource, but rather distributed across a range of sectors that share among them to ensure economic stability and sustainable growth.

Despite the great importance of economic diversification in ensuring stability, there is an issue in achieving sustainable economic growth alongside economic diversification in countries with mono-resource economies, especially oil-producing countries. Since they depend on the production and export of oil, an increase in oil revenues leads inevitably to an increase in the gross domestic product and economic growth rate. However, at the same time, an increase in oil revenues means an increase in the importance of the oil sector compared to other productive sectors, resulting in a decrease in economic diversification.

In other words, targeting economic diversification and sustainable economic growth at the same time in oil-producing countries may lead to an issue where achieving one goal is at the expense of the other. The question here is how oil-producing countries can achieve the goal of economic diversification while achieving the goal of sustainable economic growth at the same time.

Oman is considered one of the oil-producing countries that early on realized the importance of achieving economic diversification without compromising the continuity of achieving high rates of economic growth. It also realized that achieving this can only be through planning, as it is the way to progress and achieve goals. Financial planning plays a prominent role in achieving economic diversification and growth together. Diversification and growth are the goal and the purpose, while planning is the means.

#### The Study Problem:

Financial planning plays an important role in Oman's economy by employing various financial and monetary policy tools and directing public funds towards achieving its economic and developmental goals. The goals of financial planning are to rationalize public spending, develop public revenues, reduce the deficit in the general budget, control inflation rates, maintain public debt within safe limits, and increase cash reserves. Oman's success in financial planning depends on ensuring the implementation and achievement of these goals according to the plan, which requires discipline in implementing overall financial and monetary policies.

Oman aims to achieve two main economic goals through discipline in implementing overall financial and monetary policies. The first goal is to continue achieving economic growth, while the second goal is to achieve economic diversification. This study aims to answer the following question:

What is the impact of financial planning on economic diversification and growth in Oman?

This question can be divided into a set of sub-questions, namely:

1. What are the limits and degree of economic diversification in Oman?

2. What is the rate of implementation of financial planning in Oman?
3. What is the impact of financial planning on economic diversification in Oman?
4. What is the impact of financial planning on economic growth in Oman?

#### The Study Hypotheses:

1. There is a statistically significant effect of financial planning on the degree of diversification of Oman's gross domestic product during the period 1991-2021.
2. There is a statistically significant effect of financial planning on the degree of diversification of public revenues in Oman during the period 1991-2021.
3. There is a statistically significant effect of financial planning on the economic growth in Oman during the period 1991-2021.

#### Importance of the study:

The importance of studying lies in addressing two extremely important topics that are prominent in the Omani economic scene. The first topic is achieving economic diversification, while the second topic is ensuring sustainable economic growth. Oman has succeeded in achieving high and continuous growth rates over the past five decades, but achieving complete economic diversification remains a challenge.

Oman seeks to achieve the goal of economic diversification as it is one of the countries that heavily rely on oil as a source of income. In light of the world's economic fluctuations and crises, and the example of what happened to most oil-producing countries during the significant decline in oil prices, which lost more than \$100 per barrel in 2016, and the negative repercussions that resulted from this significant decline on oil economies in general, including the Omani economy, as well as what the Sultanate faced in 2020, from a double economic crisis represented by the spread of the COVID-19 virus on one hand, and the decline in oil prices in the global market on the other hand, which made Oman realize the importance of accelerating economic diversification programs, and achieving this has become a necessary option to ensure economic stability.

Since planning has become a characteristic of the era as one of the means that leads to progress and achieving goals, the importance of researching the effectiveness of financial planning in achieving the goals of diversification and economic growth together in the Sultanate of Oman is highlighted.

#### Study goals:

The study aimed to measure the percentage of implementation in financial planning in its dimensions, by comparing the estimated percentage according to the planned with the actual achieved percentages, in order to determine the impact of financial planning on both economic diversification and economic growth in Oman during the period (1991-2021). This was done by linking the implementation ratios of financial planning indicators to the specific goals in Oman, which include rationalizing public spending, increasing public revenues, maintaining inflation levels within acceptable limits, maintaining public debt within the estimated or allowable limit, and increasing cash reserves. These goals are among the announced goals in the economic and financial plans in Oman.

#### LITERATURE REVIEW:

Many studies have addressed the challenges and difficulties facing oil-rich countries in achieving economic diversification. It can be said that what makes it difficult to achieve economic diversification is often linked to another goal, which is to ensure the continuity of economic growth. Since oil-rich economies rely on oil production and export, an

increase in oil revenues inevitably leads to an increase in GDP and economic growth rate. However, an increase in oil revenues means an increase in the importance of the oil sector and its dominance over other economic sectors, resulting in a decrease in economic diversification. Therefore, oil-rich countries rely on economic and financial planning to achieve economic diversification and economic growth together. Diversification and growth are the ultimate goals for these countries, while planning is the means.

Planning in general plays an important role in achieving economic goals, and financial planning represents the financial aspect of economic planning, where the role of financial planning is highlighted by employing various financial and monetary policy tools and directing public funds towards priorities that contribute to achieving economic and developmental goals. Many researchers have addressed topics related to planning in general, as well as financial planning and the important role it plays in achieving economic goals. Randa Shukri (2021) pointed out the positive impact of the planning process on the process of development and economic growth, through identifying starting points, mechanisms of movement, policies, and developmental goals according to long-term plans. She also believed that financial planning helps in the success of developmental plans, economic growth, and achieving economic goals. Some studies have indicated that lack of discipline in implementing government financial planning leads to an increase in overall domestic demand and contributes to price increases and unexpected waves of inflation. When the government goes to address this through borrowing without sound financial planning, it leads to an increase in money supply, causing a monetary inflationary gap. Therefore, all government procedures related to the financial aspect must be subject to sound financial planning principles and discipline in implementing planning to achieve stability, economic growth, and alleviate economic crises.

As some studies have addressed economic planning and financial planning in different and multiple ways, they have explored the role of financial planning in its various dimensions, in terms of financial policies, monetary policies, general budget planning, general revenue planning, general expenditure planning, inflation planning, public debt planning, and cash reserve planning, in achieving economic growth and various economic objectives and programs such as economic diversification.

Both Abdelhamid Zenina and Mohamed Bougazala (2020), pointed out that the nature of the oil-dependent economy as a main source of income, the lack of economic activity diversification and export structure, and the weak absorptive capacity of the economy, lead to the absence of a causal relationship between financial planning for spending and economic growth. They also added that continuing to rely on oil as a main resource has a negative long-term impact on the relationship between economic growth and economic diversification.

On the other hand, Rahal Murad and El-Saeed Brika (2019), also indicated that monetary policy alone does not lead to structural economic adjustment. Rajaa Bandar and Iman Kazem (2018), agreed with this, and added that the coordination between monetary and fiscal policies leads to clearer future visions for economic policy makers, and to studying and knowing the state of the economy and achieving economic growth and other economic goals and programs. Monetary policy and fiscal policy represent the main dimensions of state financial planning, and Abdelilah Hassan (2007), pointed out the important role of financial planning and disciplined implementation of planning in achieving economic goals, and its ability to reduce the impact of external and internal factors, since financial planning reflects the actual reality of the business environment and the economic environment in general.

All of the above refers to the multiple reasons that hinder the success of diversification and development programs due to the absence of a specific theory capable of solving this problem. It is necessary to explore all possible means that lead to the possibility of the

success of economic diversification programs and reach the level of complete diversification that does not conflict with the continuity of economic growth. Financial planning is considered one of the most important means to achieve this, where the question of financial planning is no longer about whether it is done or not, but rather the discussion revolves around determining the impact of planning, its requirements, comprehensiveness, dimensions, and importance in achieving economic goals.

### **Study methodology:**

The study relied on descriptive and analytical methods to cover the theoretical aspect of the study, and standard methods were used to analyze the data. The study relied on descriptive statistical measures to describe the study variables' data, and regression analysis was used, specifically multiple linear regressions, to find the combined effect of the independent variables on the dependent variable.

The first axis: The basic concepts of financial planning, economic diversification, and economic growth.

#### **1. The Concept of Financial Planning :**

Financial planning is defined as predicting financial needs or anticipating future situations and obstacles related to the future and estimating all financial needs for expansion requirements and achieving growth. It is also defined as the process that involves accurately identifying what needs to be achieved, and the appropriate methods to achieve it. It is also defined as a set of plans necessary to obtain resources and use them over a specific period of time to maximize growth (Mohammed Ali Al-Amiri, 2007). It is also defined as determining the size and source of the financial needs necessary to cover current and future business activities expected to be implemented in the future to ensure efficient and effective business performance. It is also defined as preparing a program that helps manage financial resources and financial affairs by linking them to the preparation of a financial budget. Financial planning includes a range of aspects, including the preparation of a financial budget, tax planning, financial resource provision, and others. It is defined as planning that focuses on how to obtain funds from various sources, how to invest them, and how to spend them so that the greatest benefit is obtained from this investment (Hussein Omar, 1994). Planning is also defined as planning financial activities by doing the following:

- Assessing and determining the need for funds.
- Identifying sources that can be relied upon to obtain the required funds.
- Working to provide funds at the appropriate time, i.e. when needed, at the lowest possible cost.
- Finally, developing financial plans by formulating all goals, policies, procedures, budgets, and aligning them with the general plans of the planning entity (Adnan Al-Naimi, 2008).

#### **2. The concept of economic diversification.**

The concept of economic diversification is defined as reducing reliance on one sector and finding new exports and different sources of revenue other than traditional sources in order to ensure sustainable revenue,( Nizar Assad, 2014). Oil-producing countries view economic diversification from their economic reality and see diversification as reducing heavy dependence on oil exports and revenues, developing a non-oil economy, introducing non-oil exports, and reducing the contribution of oil to the gross domestic product and public revenues by developing non-oil sectors(Asmaa Bellama, 2018). It is also defined as the use of oil money to create a sustainable base for a post-oil economy

through the establishment of heavy industries, the development of infrastructure, and investment in real production areas.

It can be said that economic diversification is a critical necessity and a process sought by rentier states that depend on a single source of income, especially oil-producing countries, to ensure economic and financial stability in the face of fluctuations in international markets and economic crises by diversifying the economic base through reliance on returns from the rentier or oil sector to diversify income and production.

### 3. The concept of economic growth.

The economic growth is defined as continuous increases in real income in the long term, and the increases in income are considered as economic growth. It is also defined as the increase in the Gross Domestic Product (GDP), and the definitions economic growth are related to the GDP as it is considered a measure of growth and the most famous indicator of economic performance. It is also considered the main indicator for measuring economic development (Todaro, M., & Smith, S, 2012). It is defined as the sum of the market values of all final goods and services that are produced in a country by its residents during a specified period using the resources of that country (Yamarone, Richard, 2012). It is defined as the total income of the production elements that contributed to the production process during one year and produced from locally available resources (Ibrahim Al-Masri, 2014).

The second axis: measuring the performance of financial planning in Oman during the period (1991-2021)

Although Oman has been implementing an economic planning strategy and setting numerous economic goals and programs for decades, it still follows the traditional budget items approach in public finance, which makes measuring financial planning difficult. Unlike program and performance budgeting, where measuring the success of financial planning is easier by measuring the progress towards achieving economic goals and programs, traditional budgeting is not directly linked to programs and targets. Furthermore, the lack of a comprehensive indicator to measure general financial planning increases the difficulty of measuring financial planning in Oman. Therefore, we will attempt to measure the effectiveness of financial planning for all variables with complete data, with the aim of evaluating the performance of financial planning to determine its impact on economic diversification and growth.

Since the purpose of financial planning is to ensure the implementation of desired government policies and goals, this requires discipline in actual financial data or actualized financial data compared to previously estimated financial data. Therefore, we will attempt to measure financial planning by analyzing and comparing actualized data with estimated data for important financial indicators and goals, and reaching the percentage of implementation and achievement in achieving pre-set goals.

The financial policy objectives in Oman are diverse, but what concerns us here are the objectives related to the financial aspect, for which complete data is available during the period (1991-2021). These objectives include rationalizing public spending, developing public revenues, reducing the general budget deficit, curbing inflation, keeping public debt under the estimated debt ceiling, and increasing cash reserves. After reaching the implementation and achievement rates for the previous six variables, we determine the implementation rates for financial planning by taking the arithmetic mean of the sum of the implementation and achievement rates for the previous six variables during the period (1991-2021). Thus, financial planning measurement is satisfactory to a large extent, as it reflects the implementation and achievement rates in the most important objectives of financial and monetary policy. To clarify this, we present Table (1).

Table (1): Implementation rates in the dimensions of financial planning in Oman during the period (1991-2021).

Years	Planning public expenditures	Planning public revenues	Planning budget (deficit/surplus)	Planning inflation	Planning public debt	Planning cash reserves	Compound Execution (Arithmetic Mean)
1991	%97	%101	%66	(%260)	%111	%132	%41
1992	%87	%102	%43	%110	%120	%83	%90
1993	%95	%101	%72	%80	%109	%73	%88
1994	%90	%101	%61	%270	%100	%83	%117
1995	%93	%100	%65	%330	%107	%102	%132
1996	%100	%102	%117	%80	%100	%98	%99
1997	%107	%100	%182	%60	%107	%97	%108
1998	%104	%92	%79	%140	%100	%87	%100
1999	%95	%118	%133	%160	%93	%129	%121
2000	%92	%109	%95	%110	%107	%79	%98
2001	%98	%102	%99	%280	%150	%90	%136
2002	%98	%121	%218	%230	%107	%117	%148
2003	%94	%127	%229	%180	%100	%102	%138
2004	%90	%138	%246	%140	%125	%92	%138
2005	%87	%144	%256	%10	%107	%111	%119
2006	%86	%157	%207	(%150)	%125	%104	%88
2007	%83	%132	%210	(%380)	%150	%173	%61
2008	%77	%141	%220	(%1040)	%150	%110	(%57)
2009	%86	%120	%116	(%150)	%136	%95	%67
2010	%90	%124	%194	(%130)	%136	%97	%85
2011	%76	%125	%187	(%200)	%125	%99	%68
2012	%74	%155	%193	(%90)	%115	%91	%89
2013	%92	%126	%195	%100	%107	%100	%120
2014	%89	%119	%141	%100	%100	%92	%106
2015	%103	%78	%54	%190	%36	%97	%93
2016	%92	%88	%62	%90	%88	%104	%87
2017	%95	%98	%80	%40	%96	%71	%80
2018	%92	%115	%112	%110	%100	%98	%104
2019	%98	%105	%106	%190	%106	%86	%115
2020	%102	%79	%56	%290	%104	%81	%118
2021	%88	%130	%145	%50	%112	%118	%107

Source: Prepared by the researcher, by comparing the verified data with the estimated data,

and calculating the completion percentage, based on the following sources:

-Omani Ministry of Finance, final data from 1991 to 2021.

-Omani Central Bank, annual report 2014, p60.

-Five-year plan data for Oman from the sixth to the tenth plan.

-World Bank data, <https://data.albankaldawli.org/indicator/SP.DYN.LE00.IN?locations=OM> .

- .Composite implementation percentage, calculated by the researcher.

Table (1) shows that the percentage of implementation in the composite financial planning ranged from (-57%) to (148%), and the average implementation rate was (97%), reflecting the efficiency of Oman's financial planning. Discipline in financial planning implementation, as estimated, was an average of (97%) during the period (1991-2021). It is worth noting that the years that witnessed the lowest percentage of implementation in financial planning was in 2008 due to the global financial crisis and its impact on the economic situation in Oman in general, and on the inflation rate in particular, which increased to about (12%). This is a significantly high rate compared to the estimated annual inflation rate in Oman at (1%). In the rest of the study years, although there were decreases in the implementation rates in some goals and in some years, overall, it can be said that Oman has achieved significant successes in all financial planning objectives, albeit at varying rates.

The third axis: measuring the degree of economic diversification in Oman during the period (1991-2021)

Economic diversification is linked to sources of income and production, (Johnes, B. edited. Routledge. 2011), where it focuses on productive activity, sectoral sources of GDP, government revenue structure and distribution. The Herfindahl index is the most commonly used indicator to measure the degree of diversification. Therefore, we will rely on the application of the Herfindahl-Hirschman coefficient on two variables. The first variable is GDP, and the second variable is Oman's general revenues.

1. Measuring the degree of diversification in Oman's GDP during the period (1991-2021)

Table (2) shows the development of the degree of diversification in Oman's GDP during the period (1991-2021), based on the results of the Herfindahl-Hirschman coefficient.

Table (2): Diversification in Oman's GDP during the period (2001-2021)

Years	Petroleum Activities	Industrial Activities	Agricultural Activities	Service Activities	Total Activities	Diversification of Gross Domestic Product (GDP), (H)
1991	6397.7	1077.2	238.7	5446.5	13160.1	0.28786
1992	7036.7	1230.4	224.9	5751.9	14243.9	0.28814
1993	7924.4	1388.2	259.5	5557.5	15129.6	0.29301
1994	8355.7	1422.6	289.0	5679.4	15746.7	0.29638
1995	8513.1	1572.5	257.5	6241.8	16584.9	0.28740
1996	8352.6	1746.1	221.0	6571.6	16891.3	0.27552

1997	9037.1	2000.2	264.3	6561.8	17863.4	0.27062
1998	9260.4	2100.3	216.1	6515.5	18092.3	0.27325
1999	9344.3	2030.7	234.4	6557.6	18167.0	0.27674
2000	10117.8	2167.4	232.0	6749.3	19266.5	0.28265
2001	10305.3	2507.2	243.6	7104.5	20160.6	0.26661
2002	9807.1	2758.0	242.3	7210.7	20018.1	0.24722
2003	9052.9	2798.4	237.7	7498.5	19587.5	0.23404
2004	8789.5	2919.0	240.4	8025.3	19974.2	0.22730
2005	8791.4	3272.3	235.3	8262.3	20561.3	0.21613
2006	8598.9	3779.3	230.5	8922.3	21531.0	0.20357
2007	8264.2	4250.6	240.2	9883.0	22638.0	0.19870
2008	8831.6	4983.1	253.1	10642.0	24709.8	0.18996
2009	9457.4	5625.7	266.7	10874.5	26224.3	0.18005
2010	9942.9	5763.4	295.0	11079.2	27080.5	0.17915
2011	10128.2	5777.0	295.1	11766.5	27966.8	0.18481
2012	10498.6	6394.8	293.6	13230.9	30417.9	0.18762
2013	10779.1	6659.9	340.3	14215.5	31994.8	0.19055
2014	10529.1	6706.8	346.0	14938.0	32519.9	0.19746
2015	10993.4	7220.5	465.8	15546.5	34226.2	0.19026
2016	11402.0	7900.4	504.1	16052.4	35858.9	0.18361
2017	11106.9	7768.3	534.2	16550.9	35960.3	0.19015
2018	11435.0	7526.9	650.7	16714.8	36327.4	0.19002
2019	11135.4	7388.2	678.4	16772.3	35974.3	0.19284
2020	10884.9	7108.0	775.4	15964.7	34733.0	0.18635
2021	11327.4	7159.5	785.5	16427.4	35699.8	0.18848

Source: Prepared by the researcher based on data from the Omani Ministry of Economy .

It is clear from Table (2) that the results of the Herfindahl index were relatively low, indicating an increase in the degree of diversification of GDP. It is also clear that the period (1991-2021) witnessed a decrease in the Herfindahl index to 0.07813, indicating progress, albeit to a small extent, in diversifying GDP.

2. Measuring the degree of diversification in public revenues for Oman during the period (1991-2021)

Table (3) illustrates the evolution of the degree of diversification in public revenues for Oman during the period (1991-2021), based on the results of the Herfindahl-Hirschman index.

Table (3): Diversification of public revenues for Oman during the period (1991-2021)

Millions of Omani riyals

Years	Net oil revenues	Gas revenues	Current revenues	Capital revenues & capital recovery	Total government revenues	Diversification of government revenues (H)
1991	1240.7	48.8	274.9	20.7	1585.1	0.60481
1992	1275.8	63.1	315.6	25.7	1680.2	0.56650
1993	1302.8	57.9	342.6	20.6	1723.9	0.56447
1994	1311.5	52.5	367.0	26.4	1757.4	0.55132
1995	1372.7	60.6	398.9	19.4	1851.6	0.54558
1996	1473.0	56.0	438.8	22.4	1990.2	0.54572
1997	1748.9	56.7	438.0	23.6	2267.2	0.59135
1998	1240.2	63.3	522.7	20.1	1846.3	0.45966
1999	1201.6	57.6	519.8	17.1	1796.1	0.45937
2000	1721.0	73.4	455.3	40.2	2289.9	0.55655
2001	1875.0	74.0	567.0	24.0	2540.0	0.54362
2002	2200.0	77.0	675.0	57.0	3009.0	0.53088
2003	2316.0	87.0	876.0	26.0	3305.0	0.49942
2004	2905.0	251.0	850.0	34.0	4040.0	0.50365
2005	3162.0	394.0	888.0	67.0	4511.0	0.46688
2006	3226.0	614.0	1073.0	67.0	4680.0	0.47667
2007	3678.0	811.0	1345.0	87.0	5921.0	0.35120
2008	5093.0	910.0	1554.0	82.0	7639.0	0.41448
2009	4490.0	731.0	1493.0	34.0	6748.0	0.41907
2010	5470.0	930.0	1464.0	53.0	7917.0	0.44969
2011	7798.0	1173.0	1597.0	57.0	10625.0	0.51454
2012	9831.0	1584.0	2034.0	26.0	13475.0	0.50848
2013	10429.0	1495.0	1931.0	52.0	13907.0	0.54040
2014	10205.0	1688.0	1984.0	231.0	13981.0	0.50700
2015	5656.0	1485.0	1865.0	62.0	9068.0	0.35381
2016	3651.0	1537.0	2113.0	307.0	7608.0	0.18299
2017	4682.0	1524.0	2174.0	134.0	8514.0	0.26475
2018	6536.0	2031.0	2233.0	149.0	10949.0	0.31535
2019	6099.0	1901.0	2331.0	258.0	10589.0	0.28534
2020	3938.0	1860.0	2087.0	619.0	8504.0	0.14508
2021	5613	2629.0	2874.0	79.0	11195.0	0.22064

Source: Prepared by the researcher based on data from the Omani Ministry of Economy .

The table number (3) shows that the period from (1991-2021) witnessed fluctuations in economic diversification, and that the years with an increase in economic divers while the Herfindahl of revenue diversification decreased were years (2007,2016, 2020). As for the increase in revenue diversification in 2007, it was a result of a significant increase in current revenues and gas revenues, along with a less significant increase in oil revenues. The reason for the significant increase in diversification in 2016 and 2021 was due to the significant decrease in oil prices in the international market. In 2016, oil prices decreased significantly, with the price of a barrel of oil losing about \$100 of its value compared to the years prior to 2014. In 2020, due to the repercussions of the spread of COVID-19 and its impact on economies and global trade, this reflected on all general sources of revenue for Oman in general, and oil revenues in particular.

Despite the correlation between the increase in economic diversification and the decrease in oil revenues, Oman's relatively low level of diversification during the period (2014-2016) compared to previous years of this period, despite the return of oil prices to rise during the years (2017-2019) and during the year (2021), reflects Oman's ability to achieve success in increasing the degree of diversification in public revenues. This is the result of Oman's recognition of the need to reduce the percentage of dependence on oil in financing public revenues and its success in increasing the contribution of non-oil resources to the total public revenues.

The fourth axis: The economic growth of Oman during the period (1991-2021)

To clarify the development of economic growth in Oman, we present Table (4), which shows the sectoral contributions to Gross Domestic Product, the growth rate in both the oil and non-oil sectors, as well as the economic growth rate in Oman during the period (1991-2021)

Table (4): Development of Economic Growth in Oman during the period (1991-2021).

Years	Economic growth							
	Petroleum Activities	Industrial Activities	Agricultural Activities	Service Activities	gross domestic product	Growth rate of oil GDP	Growth rate of non-oil GDP	Gross Domestic Product growth rate
1991	6397.7	1077.2	238.7	5446.5	13160.1	-	-	3.1
1992	7036.7	1230.4	224.9	5751.9	14243.9	9.9	6.5	8.2
1993	7924.4	1388.2	259.5	5557.5	15129.6	12.6	0	6.2
1994	8355.7	1422.6	289.0	5679.4	15746.7	5.4	2.5	4.0
1995	8513.1	1572.5	257.5	6241.8	16584.9	1.8	9.2	5.3
1996	8352.6	1746.1	221.0	6571.6	16891.3	(1.8)	5.7	1.8
1997	9037.1	2000.2	264.3	6561.8	17863.4	8.1	3.3	5.7
1998	9260.4	2100.3	216.1	6515.5	18092.3	2.4	0	1.2
1999	9344.3	2030.7	234.4	6557.6	18167.0	0.9	(0.1)	0.4
2000	10117.8	2167.4	232.0	6749.3	19266.5	8.2	3.6	6.0
2001	10305.3	2507.2	243.6	7104.5	19881.0	1.8	7.7	4.6
2002	9807.1	2758.0	242.3	7210.7	19725.1	(4.8)	3.6	(0.8)
2003	9052.9	2798.4	237.7	7498.5	19292.2	(7.7)	3.1	(2.1)
2004	8789.5	2919.0	240.4	8025.3	19676.6	(2.9)	6.2	2.0

2005	8791.4	3272.3	235.3	8262.3	20223.5	0.02	5.2	2.8
2006	8598.9	3779.3	230.5	8922.3	21167.9	(2.3)	9.8	4.6
2007	8264.2	4250.6	240.2	9883.0	22222.2	(3.9)	11.1	5.0
2008	8831.6	4983.1	253.1	10642.0	24211.1	6.8	10.4	9.0
2009	9457.4	5625.7	266.7	10874.5	25659.4	7.1	5.6	6.0
2010	9942.9	5763.4	295.0	11079.2	26293.7	5.1	2.2	2.5
2011	10128.2	5777.0	295.1	11766.5	27054.8	1.8	4.1	2.9
2012	10498.6	6394.8	293.6	13230.9	29452.7	3.6	11.6	8.8
2013	10779.1	6659.9	340.3	14215.5	30992.4	2.6	6.5	5.2
2014	10529.1	6706.8	346.0	14938.0	31392.9	(2.3)	3.6	1.3
2015	10993.4	7220.5	465.8	15546.5	32967.9	4.4	5.6	5.0
2016	11402.0	7900.4	504.1	16052.4	34631.6	3.7	5.2	5.0
2017	11106.9	7768.3	534.2	16550.9	34736.9	(2.6)	1.6	0.3
2018	11435.0	7526.9	650.7	16714.8	35184.0	2.9	0.1	1.3
2019	11135.4	7388.2	678.4	16772.3	34786.7	(2.6)	0.2)(	(1.1)
2020	10884.9	7108.0	775.4	15964.7	33673.2	2.2	(4.0)	(3.2)
2021	11327.4	7159.5	785.5	16427.4	34667.5	4.0	2.2	3.0

Source: Prepared by the researcher based on data from the Omani Ministry of Economy .

We can conclude from Table (4) that Oman achieved high and almost continuous economic growth, as the period (1991-2021) witnessed an economic growth rate of (171.3%), with an annual growth rate of (5.7%), and growth in oil GDP by (77%), with an average annual growth rate of (2.6%), and growth in non-oil GDP by (260.4%), with an average annual growth rate of (8.7%).

Fifth Axis: Measuring the Impact of Financial Planning on Economic Diversification and Growth in Oman during the period (1991-2021)

We will now test the study hypotheses, which involve examining the effect of financial planning on three key indicators: the degree of diversification in gross domestic product, the degree of diversification in public revenues, and the rate of economic growth.

1. Hypothesis (1) : There is a statistically significant effect of financial planning on the degree of diversification of Oman's Gross Domestic Product during the period 1991-2021.

To test this hypothesis, multiple regression analysis was used, and the results are as shown in Table (5).

Table (5) Results of Estimating the Effect of Financial Planning on the Degree of Diversification of Gross Domestic Product (Y1)

Dependent Variable: Y1

Method: Least Squares

Sample: 1991 2021

Included observations: 31

Variable	Coefficient	Std. Error	t-Statistic	Prob.
C	-0.408480	0.237351	-1.720996	0.0987
X1	1.751148	0.587039	2.983020	0.0066
X2	1.469346	0.540662	2.717679	0.0123
X3	1.241878	0.499081	2.488327	0.0205
X4	1.291376	0.501482	2.575121	0.0169
X5	1.322225	0.493273	2.680515	0.0134
X6	1.318174	0.506581	2.602102	0.0159
X7	-7.763521	3.022312	-2.568736	0.0172
R-squared	0.457471			
Adjusted R-squared	0.292353			
S.E. of regression	0.036787			
Sum squared resid	0.031125			
Log likelihood	63.02071			
F-statistic	2.770575			
Prob(F-statistic)	0.030414			

Source: Prepared by the researcher based on the outputs of EViews software.

As shown in the above Table (5), the value of the constant term "c" in the model is not significant above the level of significance (0.05), since the probability value of the t-test for the constant term is (0.0987), which is greater than the level of significance (0.05), meaning that we accept the null hypothesis, which states the insignificance of the constant term.

It also appears that all independent variables (financial planning) have an effect on the degree of diversification of Gross Domestic Product, as the probability value of the t-test for the coefficients is less than 0.05. Therefore, we accept the alternative hypothesis, which states the significant effect of financial planning on the degree of diversification of Gross Domestic Product. Additionally, the coefficient of determination (R-squared) was (0.4574), which means that (45.74%) of the variations in the degree of diversification of Gross Domestic Product are attributed to the variations in financial planning. Hence, we conclude that all independent variables (financial planning variables) have an effect on the degree of diversification of Gross Domestic Product.

1.1. Hypothesis (2): There is a statistically significant effect of financial planning on the degree of diversification of public revenues in Oman during the period 1991-2021 AD.

To test this hypothesis, multiple regression analysis was used. The results are shown in Table (6).

Table (6): Results of estimating the effect of financial planning on the degree of diversification of public revenues (Y2)

Dependent Variable: Y2

Method: Least Squares

Sample: 1991 2021

Included observations: 31

Variable	Coefficient	Std. Error	t-Statistic	Prob.
C	-0.893232	0.788573	-1.132720	0.2690
X1	4.621634	1.950372	2.369617	0.0266
X2	4.208106	1.796292	2.342663	0.0282
X3	3.685039	1.658144	2.222388	0.0364
X4	3.721597	1.666118	2.233693	0.0355
X5	3.766990	1.638846	2.298563	0.0310
X6	3.662470	1.683059	2.176080	0.0401
X7	-22.40492	10.04131	-2.231275	0.0357
R-squared	0.267471			
Adjusted R-squared	0.044527			
S.E. of regression	0.122220			
Sum squared resid	0.343567			
Log likelihood	25.79948			
F-statistic	1.199724			
Prob(F-statistic)	0.342049			

Source: Prepared by the researcher based on the outputs of EViews software.

From the above Table (6), we note that the value of the constant term c for the model is not significant above the significance level (0.05), because the probability value for the t-test of the constant term is (0.2690), which is greater than the significance level (0.05). Therefore, we accept the null hypothesis that the constant term is not significant.

It also appears that all independent variables (financial planning) have an effect on the degree of diversification of public revenues, as the probability value for the t-test of the coefficients is less than 0.05. Therefore, we accept the alternative hypothesis that there is a significant effect of financial planning on the degree of diversification of public revenues. Moreover, the coefficient of determination (R-squared) is (0.2674), which means that (26.74%) of the variation in the degree of diversification of public revenues is due to the variation in financial planning. Hence, we can conclude that all independent variables (financial planning variables) have an effect on the degree of diversification of public revenues.

1.2. Hypothesis (3): There is a statistically significant effect of financial planning on economic growth in Oman during the period of 1991-2021.

To test this hypothesis, multiple regression analysis was used. The results are shown in Table (7).

Table (7): Results of estimating the impact of financial planning on economic growth (Y3)

Dependent Variable: Y3

Method: Least Squares

Sample: 1991 2021

Included observations: 31

Variable	Coefficient	Std. Error	t-Statistic	Prob.
C	8.297984	17.59002	0.471744	0.6416
X1	18.74493	43.50528	0.430866	0.6706
X2	31.41129	40.06834	0.783943	0.4411
X3	23.48359	36.98679	0.634918	0.5317
X4	25.43541	37.16467	0.684398	0.5006
X5	25.84844	36.55633	0.707085	0.4866
X6	24.62853	37.54255	0.656016	0.5183
X7	-155.9501	223.9828	-0.696259	0.4932
R-squared	0.385254			
Adjusted R-squared	0.198157			
S.E. of regression	2.726255			
Sum squared resid	170.9467			
Log likelihood	-70.45125			
F-statistic	2.059115			
Prob(F-statistic)	0.090458			

Source: Prepared by the researcher based on the outputs of EViews software.

From the above Table (7), we observe that the constant value  $c$  of the model is not significant above the level of significance (0.05) because the probability value of the t-test for the constant and which is (0.6416) is greater than the level of significance (0.05). This means that we accept the null hypothesis, which states that the constant is not significant.

It also shows that all independent variables (financial planning) are not significant in economic growth, where the probability value of the t-test for the coefficients is greater than (0.05). Therefore, we accept the null hypothesis, which states that there is no significant effect of financial planning on economic growth. Moreover, the coefficient of determination ( $R^2$ ) value is (0.3852), which means that (38.52%) of the variation in economic growth is attributed to the variation in financial planning, and hence we

conclude that all independent variables (financial planning variables) do not affect economic growth.

## **RESULTS:**

1. Oman achieved discipline in implementing financial planning as estimated, with a compliance rate of (97%) on average during the period (1991-2021).
2. The Omani economy achieved an increase in the degree of diversification of Gross Domestic Product (GDP) measured by a decreasing Herfindahl index from (0.28786) in 1991 to (0.18848) in 2021. It also achieved an increase in the degree of diversification of public revenues measured by a decreasing Herfindahl index from (0.60481) in 1991 to (0.22064) in 2021.
3. The Omani economy achieved an economic growth rate of (171.3%), with an annual growth rate of (5.7%), and a growth in oil GDP of (77%), with an average annual growth rate of (2.6%), and a growth in non-oil GDP of (260.4%), with an average annual growth rate of (8.7%) during the period (1991-2021).
4. The results of the standard analysis related to the study hypotheses showed that all independent variables (financial planning) affect both the degree of diversification of gross domestic product and the degree of diversification of public revenues, while not affecting economic growth. The results of the standard study showed the impact of financial planning on economic growth in the Sultanate of Oman during the period (1991-2021), where there was a significant impact of financial planning on both the degree of diversification of gross domestic product and the degree of diversification of public revenues, while there was no significant impact of financial planning on economic growth. The results showed that (45.74%) of the variations in the degree of diversification of gross domestic product, (26.74%) of the variations in the degree of diversification of public revenues, and (38.52%) of the variations in economic growth were due to variations in financial planning.

## **DISCUSSION:**

The standard study results showed the effect of financial planning on diversification and economic growth in Oman during the period (1991-2021). All independent variables (financial planning) affect both the degree of diversification of gross domestic product and the degree of diversification of public revenues, while they do not affect economic growth.

It can be said that what explains this result is that Oman has been making great efforts over decades to achieve economic diversification by focusing on income and production diversification, using all means including financial planning in an attempt to develop non-oil productive sectors. This explains the positive effect of financial planning on the degree of economic diversification, whether in diversifying gross domestic product or diversifying public revenues. On the other hand, despite Oman's significant progress in diversifying its economy, it still relies to a considerable extent on oil revenues, which have a fundamental impact on economic growth. It also uses oil revenues to develop non-oil sectors and achieve economic diversification programs, and although oil revenues are estimated in advance, this estimate is actually linked to changes in the global market price more than any planning or prior estimation mechanisms. Therefore, it is not entirely subject to financial planning controls in Oman.

Oman relies on sectoral planning, and it is known that focusing on one sector or a few sectors may lead to greater chances of success, in terms of advantages and benefits of this type of planning. However, on the negative side, sectoral planning does not

systematically take into account the mutual effects between sectors, resulting in uneven growth of different productive sectors.

Economist Arthur Lewis believes that the economy does not grow at the same rate in all sectors. When planning to achieve growth in the economy to a certain extent, the planner looks for two or three industrial sectors that provide rapid growth as a driver for the overall economy growth. While the overall growth rate may be 5%, for example, the impact comes from a few sectors where growth is 10% or more. There are two reasons for this. First, growth opportunities are not equal for all industries. Assuming a country has discovered a large reserve of commodity A and not B, the industry for A will grow faster than the industry for B. Additionally, the discovery of new natural resources, the introduction of good technology, the opening of trade routes or new facilities, and changes in institutional obstacles to growth, all affect some industries more than others, leading to different and varying growth rates. The second reason is economies of scale. The industry that grows rapidly creates self-reinforcing mechanisms that make it grow even faster, but only to a certain extent. This industry attracts investors, inventors, resources, and specialized facilities such as banks, research institutes, training centers, marketing institutions, etc., to address its problems, reduce its costs, and thus attract minds and financial resources to contribute to its growth until it reaches saturation when new opportunities dry up.

Louis's statement applies to Oman's situation as it works towards achieving economic diversification and growth by developing specific priority strategic sectors such as services, manufacturing, tourism, and infrastructure. Oman sees greater opportunities for success in developing these sectors than in others. As for the oil sector, it creates self-enhancing factors that make it grow faster than other sectors up to a certain extent and is linked to external factors related to global market prices more than internal factors. Although this sector is considered a fast-growing sector that attracts investors and specialized facilities such as banks, institutes, centers, and institutions, etc., to address its problems and maximize its benefits, attention and financial resources are directed towards it to contribute to maximizing its growth. This, in turn, reflects its impact on economic growth, but all of this affects some sectors more than others, resulting in different and varying growth rates between productive sectors, stimulating some industries to other industries.

According to Lewis, the amount of stimulation that a new industry provides to the rest of the economy depends on several factors, each of which has a partial impact. These factors include the employment of the new industry's local resources, the possibility of local manufacturing, the amount of income generated from local goods and services, the extent to which facilities specifically created for this industry contribute to providing a better climate for other industries, and the extent to which technology and institutional imitation can be absorbed for this industry in other sectors. Lewis believes that one of the most beneficial results of planning could be the exploitation of economic potential, especially financial potential that could have been lost. Thus, the impact of a basic or emerging industry could spread over the widest possible range. Therefore, Lewis believes that development planning should not begin with predictions about what the consumer demands, but with a search for the most potential production and exception. What are the two or three main industries that are expected to sustain the entire economy? What are the obstacles in their way? How can economic and financial potential be exploited as widely as possible? This is where planning begins so that the economy as a whole can be generalized. And Louis concludes that unless the planner can identify two or three industries to rely on for active economic growth stimulation, the likelihood of achieving overall growth and economic goals becomes marginal and very small.

Financial planning is concerned with managing the necessary funds in both local and foreign currency to implement the investments outlined in the economic plan. For example, if the economic plan aims to produce a certain amount of a particular

commodity and another amount of a different commodity, financial planning's task is to manage the necessary funds to produce these quantities of various goods. This does not only mean specifying the amount and sources of these funds, but it also means equally important to flow those funds in a way that makes them proportional and balanced with the size and structure of the tangible flows. There are many means and procedures that the state can resort to manage the necessary funds to implement the economic plan and achieve its objectives, especially to achieve an increase in economic growth rates. In fact, these means, procedures, and policies differ from one country to another depending on the prevailing economic system and whether the country is advanced or developing. Generally, funding sources are divided into two categories: internal funding sources and external funding sources. Internal funding sources include optional and mandatory savings, direct and indirect taxes, loans from individuals and banks, and inflationary financing. External funding sources include international trade, loans and investments, financial and technical assistance from advanced countries, and financial and technical assistance from international organizations.

For Oman, it heavily relies on the financial resources obtained from the oil sector to achieve economic goals and programs, as well as to develop the non-oil productive sector. It also uses oil surpluses to address various economic and financial imbalances, including Oman's use of oil surpluses to reduce public debt levels that reached unprecedented levels during the period (2015-2020).

Regarding the impact of financial planning on economic diversification and growth, policymakers use two main types of macroeconomic policies, namely monetary policy and fiscal policy, to manage the economy, achieve growth, and economic objectives. This is because these two policies complement each other, in addition to their overall treatment of the economy at the local and external levels.

The impact of monetary and fiscal policies on economic activity is considered one of the important topics in macroeconomic analysis, which is still a subject of debate among economic schools. While supporters of the monetary school believe that monetary policy is the most effective, supporters of the Keynesian school emphasize the importance of fiscal policy in achieving economic growth and goals. In order for a country to achieve a set of economic goals such as increasing the rate of economic growth, economic diversification, or full employment, it adopts economic policies that depend on the nature and degree of development of the country's economic structure. To achieve both fiscal and monetary policies in achieving growth and economic goals, there must be coordination between decision-makers responsible for planning and managing both policies to avoid conflicts that may weaken their performance. Therefore, countries face two main considerations when setting fiscal and monetary policies: the appropriate level of aggregate demand and the best monetary and fiscal mix (Thomas I. Palley, Milton Friedman's, 2015).

Both Murad Rahal and Saïd Berika (2019), have pointed out that monetary policy alone does not lead to the restructuring of the economy. Rajaa Bandar and Iman Kazem (2018), agreed with this opinion and added that the coordination between monetary and fiscal policies leads to a clearer view of future economic policy makers, studying and knowing the state of the economy, achieving economic growth, and other economic goals and programs. The monetary policy and fiscal policy represent the main aspects of financial planning for the state. Abdellah Hassan (2007), pointed out the important role of financial planning and disciplined implementation of planning in achieving economic goals, and its ability to reduce the impact of external and internal factors, as financial planning expresses the actual reality of the economic environment in general.

The effectiveness of fiscal policy depends on the structural nature of the economy, its level of development, and its openness to the outside world. In addition, the development of the financial sector, which affects economic growth, capital diversity, and efficiency,

has been confirmed by theoretical and practical studies. Financial resources should be managed with maximum diversity and efficiency, and balance should be achieved between cash and non-cash flows in the economy to avoid significant price increases that have a negative impact on economic growth.

Based on the views of monetary school theorists regarding the mechanism of the impact of fiscal policy on economic activity, they suggest that fiscal policy is ineffective in the long term if it is not accompanied by changes in the money supply. They emphasize that the increase in public spending should be funded through tax increases or the issuance of public debt or managed currency. If the increase is financed through taxes or the issuance of public debt, the increase in public spending cancels out the decrease in private spending, which is reflected in a decline in private investment due to tax increases or increased public debt.

Finally, it can be said that all of the above indicate the positive impact of sound financial planning on economic diversification, and that financial planning must be disciplined and implemented according to the plan in order to achieve the goals for which the planning was prepared. In addition to sound financial planning and its disciplined implementation, it is worth noting the multitude of factors and variables that affect diversification and economic growth, and the absence of a specific theory that provides a complete explanation for the impact of those factors and variables on diversification and economic growth. Therefore, it is necessary to explore all the means and factors that affect diversification and economic growth to achieve the possibility of success of economic diversification programs and reach the desired level of diversification without conflicting with the continuity of economic growth. Economic diversification is a relatively new approach and has become a critical necessity in recent years, especially for oil-producing countries. The factors affecting economic diversification are topics that have not yet been fully discussed, although sound financial planning in its various dimensions and disciplined implementation according to the plan is considered one of the most important ways to influence the degree of economic diversification and the rate of economic growth.

## **CONCLUSION:**

The study aimed to measure the percentage of implementation in financial planning in its different dimensions, by comparing the estimated percentage according to what is planned with the actual achieved ratios, in order to determine the impact of financial planning on both economic diversification and economic growth in Oman during the period (1991-2021). The descriptive and analytical methods were used to cover the theoretical aspect, and the standard methods were used to measure the impact of financial planning on economic diversification and economic growth .

The study found that Oman achieved discipline in implementing financial planning according to what was estimated, with a compliance rate of (97%) on average during the period (1991-2021). It also achieved an increase in the degree of diversification of the gross domestic product, measured by a decreasing Herfindahl index from (0.28786) in 1991 to (0.18848) in 2021. In addition, it achieved an increase in the degree of diversification of public revenues, measured by a decreasing Herfindahl index from (0.60481) in 1991 to (0.22064) in 2021. Moreover, it achieved an economic growth of (171.3%), with an annual growth rate of (5.7%), and a growth in the oil gross domestic product by (77%), with an average annual growth rate of (2.6%), and a growth in non-oil gross domestic product by (260.4%), with an average annual growth rate of (8.7%) during the period (1991-2021).

The results of the standard analysis related to the study hypotheses showed that all independent variables (financial planning) affect both the degree of diversification of the

GDP and the degree of diversification of public revenues, while they do not affect economic growth. The results of the standard study of the effect of financial planning on economic growth in Oman during the period (1991-2021) showed a significant effect of financial planning on both the degree of diversification of the GDP and the degree of diversification of public revenues, while there was no significant effect of financial planning on economic growth. The results showed that (45.74%) of the variations in the degree of diversification of the GDP, (26.74%) of the variations in the degree of diversification of public revenues, and (38.52%) of the variations in economic growth were due to variations in financial planning.

The study recommended the adoption of more integrated policies that achieve integration and interconnection between all planning curricula with their different and diverse dimensions, since these different dimensions of planning are not alternatives to each other. The study also recommended continuing the approach of sound financial planning and its disciplined implementation, highlighting its role as an important tool in achieving economic diversification and economic growth .

Finally, since the approach of economic diversification is relatively new, or because it has become in recent years one of the urgent necessities, especially for oil-producing countries, as a result of the successive economic crises and instability, especially in the oil market, and since the factors influencing economic diversification have not completed the discussion of all its aspects, the study recommends encouraging research into all economic factors and policies that contribute to a positive impact on both economic diversification and economic growth together.

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### Annexes:

Annex (1): Estimated and actual data for Oman's general budget during the period (1991-2021)

Year s	Public expenditures		Public revenues		The (deficit/surplus)	
	Actual expenditure s	Estimated expenditure s	Actual revenue s	Estimate d revenues	)Actual (deficit/surplu s	Estimated (deficit/surplu s
1991	1868.1	1814	1585	1577	(283.0)	(187)
1992	2258.7	1959	1680	1654	(578.5)	(248)
1993	2242.4	2138	1723	1698	(518.5)	(375)
1994	2252.9	2033	1757	1732	(495.5)	(300)
1995	2331.0	2159	1851	1847	(479.4)	(312)
1996	2253.7	2249	1990	1940	(263.5)	(309)
1997	2307.3	2477	2267	2258	(40.1)	(218)
1998	2221.6	2307	1846	2012	(375.3)	(295)
1999	2269.0	2156	1796	1525	(472.9)	(631)
2000	2656.2	2440	2289	2091	(366.3)	(.349)
2001	2860.2	2812	2540	2495	(320.4)	(317)
2002	2939.5	2870	3009	2490	70	(380)
2003	3188.9	3000	3305	2600	116.4	(400)
2004	3809.9	3425	4040	2925	230.3	(500)
2005	4207.6	3680	4511	3140	302.9	(540)
2006	4936.1	4237	5628	3587	43.8	(650)
2007	5880.4	4890	5921	4490	40.2	(400)
2008	7560.3	5800	7639	5400	78.4	(400)
2009	7428.7	6424	6748	5614	(680.3)	(810)
2010	7965.3	7180	7917	6380	(48.8)	(800)

2011	10737.9	8130	9067	7280	(113.2)	(850)
2012	13555.1	10000	13655	8800	(80.6)	(1200)
2013	13990.2	12855	14082	11155	(82.6)	(1700)
2014	15171.8	13500	13981	11700	(1064.3)	(1800)
2015	13698.9	14100	9068	11600	(4631.4)	(2500)
2016	12908.2	11900	7608	8600	(5300.0)	(3300)
2017	12273.7	11700	8514	8700	(3759.6)	(3000)
2018	13599.2	12500	10949	9500	(2649.6)	(3000)
2019	13211.2	12900	10589	10100	(2622.5)	(2800)
2020	12926.0	13200	8503	10700	(4423)	(2500)
2021	12418.0	10880	11195	8640	(1223)	(2240)

Source: is the Omani Ministry of Finance, The final data for the general budget from 1991 to 2021.

Annex (2): Actual and estimated data during for inflation, public debt, and foreign currency reserves the period (1991-2021)

Years	Inflation rate (%)		Public debt ratio (billion Omani rials)		Cash reserve size (billion US dollars)	
	Actual inflation	Estimated inflation	Actual public debt	Planned public debt level	Actual cash reserve	Estimated cash reserve
1991	4.6	%1	0.9	1.0	2.64	2.0
1992	0.9	%1	1.0	1.2	2.42	2.9
1993	1.2	%1	1.1	1.2	1.92	2.6
1994	(0.7)	%1	1.3	1.3	1.76	2.1
1995	(1.3)	%1	1.3	1.4	1.94	1.9
1996	1.2	%1	1.5	1.5	2.07	2.1
1997	1.4	%1	1.4	1.5	2.15	2.2
1998	0.6	%1	1.5	1.5	2.02	2.3
1999	0.4	%1	1.6	1.5	2.85	2.2
2000	0.9	%1	1.4	1.5	2.46	3.1
2001	(0.80)	%1	1.0	1.5	2.45	2.7
2002	(0.30)	%1	1.4	1.5	3.17	2.7
2003	0.20	%1	1.5	1.5	3.59	3.5
2004	0.60	%1	1.2	1.5	3.60	3.9
2005	1.90	%1	1.4	1.5	4.36	3.9
2006	3.50	%1	1.2	1.5	5.01	4.8

2007	5.80	%1	1.0	1.5	9.52	5.5
2008	12.40	%1	1.0	1.5	11.58	10.5
2009	3.50	%1	1.1	1.5	12.20	12.8
2010	3.30	%1	1.1	1.5	13.03	13.4
2011	4.00	%1	1.2	1.5	14.37	14.4
2012	2.90	%1	1.3	1.5	14.40	15.8
2013	1.00	%1	1.4	1.5	15.95	15.9
2014	1.00	%1	1.5	1.5	16.32	17.6
2015	0.10	%1	4.1	1.5	17.54	18.0
2016	1.10	%1	8.4	7.4	20.26	19.3
2017	1.60	%1	12.2	11.7	16.09	22.4
2018	0.90	%1	15.5	15.5	17.39	17.7
2019	0.10	%1	17.6	18.8	16.66	19.2
2020	(0.90)	%1	20.0	20.9	15.01	18.4
2021	1.50	%1	20.8	23.3	19.73	16.6

Source:

-The Omani Ministry of Economy data on the five-year plans from the sixth to the tenth plan.

-The Central Bank of Oman, the 2014 annual report, and the data included in the fifth development plan.

- Data from the World Bank, <https://data.albankaldawli.org/indicator/SP.DYN.LE00.IN?locations=OM> .