



OMAN

REPORT ON OBSERVANCE OF STANDARDS AND CODES (ROSC)—DATA MODULE

June 2015

This Report on the Observance of Standards and Codes—Data Module for Oman was prepared by a staff team of the International Monetary Fund as background documentation for the periodic consultation with the member country. It is based on the information available at the time it was completed on June 12, 2015.

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REPORT ON THE OBSERVANCE OF STANDARDS AND CODES (ROSC)—DATA MODULE VOLUME I

The Report on the Observance of Standards and Codes (ROSC)—Data Module, provides an assessment of Oman’s macroeconomic statistics against the recommendations of the General Data Dissemination System (GDDS) complemented by an assessment of data quality based on the IMF’s Data Quality Assessment Framework (DQAF) 2012 (<http://dsbb.imf.org/Pages/DQRS/DQAF.aspx>). The DQAF lays out internationally accepted practices in statistics, ranging from good governance in data-producing agencies to practices specific to datasets.

The datasets covered in this report are national accounts, the consumer and producer price indices, government finance, monetary, and external sector statistics. The agencies compiling the datasets assessed in this report are the Central Bank of Oman (CBO), Ministry of Finance (MOF), and the National Center for Statistics & Information (NCSI).

The datasets to which this report pertains can be accessed in print and on the Internet:

CBO website (<http://www.cbo.gov.om/>)

MOF website (<https://www.mof.gov.om/>)

NCSI website (http://www.ncsi.gov.om/NCSI_website/N_Default.aspx)

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Acronyms

1993 SNA	<i>System of National Accounts 1993</i>
2008 SNA	<i>System of National Accounts 2008</i>
BPM5	<i>Balance of Payments Manual</i> , fifth edition
BPM6	<i>Balance of Payments and International Investment Position Manual</i> , sixth edition
CBO	Central Bank of Oman
COICOP	Classification of Individual Consumption by Purpose
CPC	Central Product Classification
CPI	Consumer Price Index
DQAF	Data Quality Assessment Framework
DSBB	Dissemination Standards Bulletin Board
ERSD	Economic Research and Statistics Department
ESS	External Sector Statistics
FCS	Financial Corporations Survey
FDI	Foreign Direct Investment
GCC	Gulf Cooperation Council
GDDS	General Data Dissemination System
GDP	Gross Domestic Product
<i>GFSM 1986</i>	<i>A Manual of Government Finance Statistics, 1986</i>
<i>GFSM 2001</i>	<i>Government Finance Statistics Manual, 2001</i>
GFS	Government Finance Statistics
GFSY	Government Finance Statistics Yearbook
HIES	Household Income and Expenditure Survey
IMF	International Monetary Fund
IIP	International Investment Position
<i>ISIC</i>	<i>International Standard Industrial Classification of all Economic Activities</i>
ILO	International Labor Organization
ISWGNA	Inter-Secretarial Working Group on National Accounts
KPI	Key Performance Indicators
MFS	Monetary and financial statistics
<i>MFSCG</i>	<i>Monetary and Financial Statistics Compilation Guide, 2008</i>
<i>MFSM</i>	<i>Monetary and Financial Statistics Manual, 2001</i>
MOF	Ministry of Finance
NCSI	National Center for Statistics and Information
OFS	Other Financial Statistics
PPI	Producer Price Index
ROSC	Report on the Observance of Standards and Codes—Data Module
SDDS	Special Data Dissemination Standard
SUT	Supply and Use Table

OVERALL ASSESSMENT

1. Oman began to participate in the General Data Dissemination System (GDDS) in 2002 and started posting its metadata on the Dissemination Standards Bulletin Board (DSBB) in June of the same year. Oman meets the GDDS good practices for data coverage, periodicity, and timeliness with a few exceptions including the timeliness of the first annual estimate of GDP in volume terms, which is available eleven months after the reference period. Graduation to the Special Data Dissemination Standard (SDDS) would require stronger and sustained effort to enhance data collection and to strengthen the legal framework for the production of macroeconomic statistics, as set out in the recommendations ahead. Appendix I provides an overview of Oman's dissemination practices compared to the GDDS.

2. This report provides an update of the assessment conducted in February 2004, which was based on the 2003 version of the IMF's Data Quality Assessment Framework (DQAF). This report uses the May 2012 version of the DQAF, and provides an assessment of Oman's national accounts (NA), consumer price index (CPI), producer price index (PPI), government finance statistics (GFS), monetary statistics, and external sector statistics (ESS). The three agencies that produce these statistics are the National Center for Statistics and Information (NCSI), the Central Bank of Oman (CBO), and the Ministry of Finance (MOF). The NCSI and the CBO disseminate data as distinct statistical outputs. The MOF produces GFS for dissemination by the NCSI as an input to macroeconomic statistics, but not as a distinct statistical output.

3. Oman has made significant progress in the compilation and dissemination of macroeconomic statistics since the 2004 ROSC mission. The main progress has been achieved in monetary statistics, price indices, and balance of payments, in particular the introduction of the PPI, and improvements in data relevance, transparency, classification, and sectorization. Also of great significance are the establishment of the NCSI as an autonomous statistical institution on May 26, 2012, (Royal Decree No. 31/2012) and an elaboration of its duties in August 2014. Among the NCSI's main duties is the "technical supervision of the management and organization of statistics and information activities in Oman" (Royal Decree No. 40/2014). Table 1 provides an indication of areas of progress.

4. Recognizing the need for Oman to move to higher data standards, this report also identifies shortcomings in statistical practices and products that remain to be addressed. These include the need to strengthen the legal and institutional framework to support the effective compilation and dissemination of macroeconomic statistics; the need to improve the scope of GFS and ESS, the consistency of PPI, the accessibility of GFS metadata, and to conduct revision studies.

5. Section II provides a summary assessment by agency and data set, based on a four-point rating scale. This is followed by staff's recommendations in Section III. Appendix I provides a summary of practices compared to the GDDS. The authorities' response to this report and a volume of detailed assessments are presented in separate documents. The remainder of this section

presents the mission's main conclusions. The presentation follows the level of the DQAF's quality dimensions, by agency for the first two dimensions, and across datasets for the remaining four.

6. Legal Environment: The three data producing agencies in Oman (CBO, MOF, and NCSI) rely on several laws that have supported the compilation and dissemination of official statistics over the years. The compilation of data within the CBO is guided by the *Banking Law* and within the MOF by the *Financial Law*. The NCSI relies on the *Statistical Law*, which vested statistical responsibilities in the former Ministry of National Economy that was dissolved in 2011. With the establishment of the NCSI as an autonomous entity responsible for, inter alia, supervising the management and organization of statistics and information activities, there is an urgent need to update the existing *Statistical Law* to provide the NCSI with an adequate legal mandate to execute its duties and responsibilities. There is a case to consider strengthening the legal mandate with a view to formally assign the CBO with the responsibility to compile and disseminate monetary and external sector statistics. Similarly, there is a need to amend the *Financial Law* to provide the MOF with the flexibility to disseminate GFS in an additional and separate format than the *State's Final Account* as a statistical output with the required timeliness and periodicity. The current *Financial Law* inhibits this process as it allows MOF to disseminate annual budgetary expenditure and revenue only six months after the reference year.

7. Institutional Environment: The existing data-sharing arrangements between government institutions, including CBO, are well-coordinated, but consistency checks of shared data could be formalized and secured via legal mechanisms. The envisaged amendment of the current *Statistical Law* provides a good opportunity to address some key statistical constraints, namely the coordination of data collection, the classification, and the validation to ensure methodological consistency across datasets. Resources in the three data producing agencies are broadly commensurate with existing statistical programs. However, with the growing needs for high frequency data, as well as the need to implement new international standards, the number of staff working in some statistical areas may need to be augmented. Monitoring the relevance of statistics through user feedback is broadly appropriate, but could be strengthened especially for national accounts. The recently established processes (by CBO and NCSI) to focus on quality management, including measures to monitor and review the quality of ongoing activities are to be commended. Staff are well motivated and provided with opportunities to expand their knowledge and skills.

8. Assurances of Integrity: All three data producing agencies demonstrate professionalism, are transparent in their practices, and provide guidelines on ethical conduct to their staff. The choice of source data, methodologies, and statistical techniques is based on measurement objectives and data requirements. Transparency is fostered by public availability of the *Banking Law*, the *Financial Law*, and the *Statistical Law*. The extent of internal government access to statistics prior to their public release is disclosed in the GDDS metadata. Clear and comprehensive ethical standards are set out in the CBO's *Code of Ethics and Staff Regulations*, and the *Civil Service Law*, which stipulates, among other issues, the conduct expected of all civil servants and responsibilities applicable to MOF and NCSI staff. Areas for further improvement include announcing upcoming statistical releases to ensure equal access for users, and disclosing the principles under which selected users receive prior

access to official statistics. These issues can be addressed via publication and maintenance of relevant material on the NCSI website.

9. Methodological Soundness: The implementation of the 2004 ROSC mission recommendations has led to improvements in methodology applied to statistics. National accounts, price indices, monetary statistics, and balance of payments, broadly follow internationally accepted guidelines in terms of concepts and definitions, classifications and sectorization, and basis for recording. The GFS are yet to be prepared with the full scope of general government. Work is ongoing within the MOF to transition the Chart of Accounts to the *Government Finance Statistics Manual 2001 (GFSM2001)* around 2017, and in the NCSI to align with the minimum data requirements determined by the Inter-Secretariat Working Group on National Accounts (ISWGNA). Furthermore, the scope of monetary statistics could be improved by including Islamic banks that meet the definition of other depository corporations; and balance of payments by expanding coverage to include financial transactions of the nonfinancial private sector.

10. Accuracy and Reliability: Source data and processes for validating data, collected for the macroeconomic datasets, are broadly adequate. The techniques for benchmarking in national accounts need to be improved to produce a reliable time series. While the compilation of ESS employs sound statistical techniques, source data need to be augmented to cover the full scope of all transactions via the banking system, financial transactions of the nonfinancial private sector, and stocks data. So too, is the need to augment some of the benchmarks and measures taken to update and adjust the source data for balance of payments, and the need to conduct formal revision studies to test reliability of statistics. For the PPI, the source data for weights and samples are outdated, and the replacement of disappearing items and establishments should be made a routine practice.

11. Serviceability: The periodicity and timeliness of CPI, GFS, monetary statistics, and balance of payments meet the GDDS requirements. However, national accounts and PPI are yet to meet the GDDS requirements for periodicity and timeliness—the first annual estimate of GDP in volume terms is published approximately eleven months after the reference period and PPI is produced quarterly. Priority areas for further improvement include, the dissemination of quarterly balance of payments statistics, international investment position (IIP) data; and national accounts based on GDDS requirements for periodicity and timeliness. The need for this improvement was echoed by respondents in a survey of key users (User Survey), conducted prior to this ROSC mission. Users indicated significant lags in the publication of data that constrain monitoring and analytical work on current economic trends.

12. Accessibility: Accessibility of the official statistics has improved considerably since the 2004 ROSC. All the six data sets covered in this report are readily available to the public and are accompanied by suitable documentation. Serviceability to users is broadly adequate and includes clear identification of contact details in all publications and websites. Areas for further improvement include publication and maintenance of key documentation in several areas such as concordances, sources and methods; and general dissemination policy on various websites to enhance accessibility. So too, is the need to create a centralized data portal accessible to users, publish data at a more granular level with a longer time series, and to keep metadata on the IMF's Dissemination Standards

Bulletin Board (DSBB) up-to-date. The current strategy employed by the CBO and the NCSI towards electronic online databases is a step in the right direction.

ASSESSMENT BY AGENCY AND DATASET

13. Assessment of the quality of six macroeconomic datasets was conducted using the DQAF 2012. In this section, the results are presented at the level of the DQAF elements using a four-point rating scale (Table 1). Table 1 also shows areas of improvements compared to the 2004 ROSC ratings. Assessments of the prerequisites of data quality and the assurances of integrity (Dimensions "0" and "1" of the DQAF) are presented in Tables 2a–c. For each dataset, the assessment of methodological soundness, accuracy and reliability, serviceability, and accessibility (Dimensions "2" to "5" of the DQAF) are shown in Tables 3a–f.

14. In order to complement the Fund's assessment of the quality of official statistics, and with the assistance of the CBO and the NCSI, the mission conducted a survey of key users of macro-economic statistics that are published by the CBO and the NCSI. The questionnaire was sent to a broad range of users in Oman who were asked to evaluate the coverage, periodicity, timeliness, accessibility, and overall quality assessment of the official statistics.

15. Users are generally satisfied with the overall quality of the official statistics. On a scale of 1 to 5, 1 being "poor" and 5 being "excellent", the average for all official statistics was 3.7, slightly improved from 3.6 in 2004. Overall, users are highly satisfied with monetary statistics and price statistics, but less so on national accounts, balance of payments, and GFS. While users are satisfied with coverage, they would like to see more details on national accounts, GFS, and balance of payments. On periodicity and timeliness, while users expressed a high level of satisfaction with the timeliness of prices, monetary statistics, and GFS, they were less satisfied with national accounts and balance of payments. They stated that the significant lags in the publication of data prevent them from conducting analyses of current economic trends.

16. The vast majority of respondents (96 percent) access statistics via the official websites for all sectors, with highest rating given to the CPI and monetary statistics. However, users expressed less satisfaction with the accessibility to the metadata across all sectors. On specific comments, some users would appreciate the creation of an interactive online database where they could select time series and frequency given their heavy reliance on the official websites for statistical data. A more detailed analysis of the User Survey and tabulated results are provided in Volume III of this report.

Table 1. Oman: Data Quality Assessment Framework 2012—Summary Results

Key to symbols: O = Practice Observed; LO = Practice Largely Observed; LNO = Practice Largely Not Observed; NO = Practice Not Observed; NA = Not Applicable; ▲ = Improvement on 2004 ROSC Rating; and ▼ = Deterioration on 2004 ROSC Rating.							
Dimensions/Elements	Datasets						
	National Accounts	Consumer Price Index	Producer Price Index	Government Finance Statistics	Monetary Statistics	Balance of Payments Statistics	
0. Prerequisites of quality							
0.1	Legal and institutional environment	LNO▼	LNO▼	LNO	LNO▼	LO▼	LO▼
0.2	Resources	LO▼	O	LO	LO▼	O	LO
0.3	Relevance	LO	LO	LO	O▲	O▲	O▲
0.4	Other quality management	O	O	O	O	O	O
1. Assurances of integrity							
1.1	Institutional integrity	O	O	O	O▲	O	O
1.2	Transparency	LO	LO	LO	LO	LO	O▲
1.3	Ethical standards	O	O	O	O	O	O
2. Methodological soundness							
2.1	Concepts and definitions	LO▼	O	O	LO	O	LO▼
2.2	Scope	LO	LO▼	LO	LNO	LO▼	LO
2.3	Classification/sectorization	LO▼	O	LO	LO	O▲	LO
2.4	Basis for recording	LO	LO▼	O	LO▼	O▲	LO
3. Accuracy and reliability							
3.1	Source data	LO▼	LO	LO	O▲	O▲	LO
3.2	Assessment of source data	O	O	O	O	O	O
3.3	Statistical techniques	LO	O▲	LO	O	O	LO
3.4	Assessment and validation of intermediate data and statistical outputs	O▲	O	O	O	O	O
3.5	Revision studies	LNO▼	O	NA	O	LO	LO
4. Serviceability							
4.1	Periodicity and timeliness	LO▼	O▲	LNO	LO	O	LO▼
4.2	Consistency	O	LO▼	O	LO	O▲	O
4.3	Revision policy and practice	LO	LNO▼	LNO	O▲	O▲	O▲
5. Accessibility							
5.1	Data accessibility	LO	LO	LO	LO	LO	LO
5.2	Metadata accessibility	LO	LO▲	LO	LNO	O▲	LO
5.3	Assistance to users	O▲	O▲	O	O▲	O▲	O▲
<p>Practice observed: Current practices generally meet or achieve the objectives of DQAF internationally accepted statistical practices without any significant deficiencies. Practice largely observed: Some departures, but these are not seen as sufficient to raise doubts about the authorities' ability to observe the DQAF practices. Practice largely not observed: Significant departures and the authorities will need to take significant action to achieve observance. Practice not observed: Most DQAF practices are not met. Not applicable: Used only exceptionally when statistical practices do not apply to the country's circumstances.</p>							

Table 2a. Oman: Assessment of Data Quality—Dimensions 0 and 1—Central Bank of Oman

0. Prerequisites of quality	1. Assurances of integrity
<p>Legal and institutional environment The compilation of external sector statistics (ESS) and monetary statistics is supported by the <i>Banking Law</i> (Royal Decree No. 114/ 2000, December 2000 that was amended by Royal decree 69/2012 dated December 6, 2012) and <i>Statistical Law</i> (Royal Decree No. 21/2001), which includes: (i) provisions that empower the CBO to collect data from the central bank and banks, but does not explicitly mandate data collection from non-financial corporations; and (ii) provisions that govern the confidentiality of individual data, including sanction. Application of <i>Statistical Law</i> to the CBO macroeconomic data collection and dissemination would be further reinforced by explicit recognition in the <i>Banking Law</i> of the CBO responsibility to compile and disseminate ESS and monetary statistics. Inter-agency cooperation is broadly adequate; however the CBO legal mandate can be further strengthened.</p> <p>Resources Staff resources allocated to compilation of monetary statistics is sufficient to perform existing tasks. Increase in staff resources is needed for development of external sector stock data and implementation of new international standards. Elaborated CBO annual performance review procedures, talent management and knowledge exchange initiatives together with extensive training programs enhance efficient use of human resources. Computer and financial resources are adequate.</p> <p>Relevance There is an ongoing process to monitor market developments and identify gaps in data collection. The CBO regularly conducts seminars targeted at principal data users, which include academia, to inform them of the specific aspects of current data, the usefulness of existing statistics, and to identify emerging data needs. From these seminars, the CBO received feedbacks and monitors the usability of the published ESS and monetary statistics. Updates to international standards are also monitored (e.g., an action plan exists for <i>BPM6</i> implementation).</p> <p>Other quality management The CBO vision emphasizes the provision of timely statistics without compromising the quality. CBO managers are aware of the trade-offs between accuracy and timeliness of statistics, in the event of a trade-off between timeliness and accuracy/reliability, the latter is given priority. The CBO has implemented all of the key recommendations on monetary statistics made by the 2004 ROSC.</p>	<p>Institutional integrity Statutory provisions in the <i>Banking Law</i> (Article 6 and Article 8A) provide the legal basis for institutional independence and professionalism followed by the <i>Code of Ethics</i> that states that employees shall apply their professional skills, judgment, care, and due diligence to the best of their ability at all times with honesty and integrity, and hold these above personal considerations. In 2012, the integrity of statistical compilation was further reinforced by establishing the NCSI as the major source data provider agency for ESS. The choice of sources and methods is based solely on statistical considerations.</p> <p>Transparency Public availability of the <i>Banking Law</i> and the <i>Statistical Law</i> foster transparency. Somewhat limited written information is available to the public about the terms and conditions under which the statistical series are compiled on the DSBB website. However, staff are available to respond to specific inquiries regarding metadata. The acknowledgement of internal governmental access to statistics prior to their release is available on DSBB website. Data released to the public are clearly identified as the product of specific data producing agency. For monetary statistics, advance notice is not usually provided to the public to inform of major changes in methodology, source data, and statistical techniques. For ESS, the CBO has introduced the practice to provide formal advance notice of major changes in methodology or source data.</p> <p>Ethical standards The CBO has a comprehensive set of ethical standards outlined in the CBO <i>Code of Ethics</i> complemented by the CBO <i>Staff Regulation</i>. Both regulations are available to all staff. Any conflicts are resolved via the CBO Grievances Committee.</p>

Table 2b. Oman: Assessment of Data Quality—Dimensions 0 and 1—Ministry of Finance

0. Prerequisites of quality	1. Assurances of integrity
<p>Legal and institutional environment The responsibility to collect, process, and disseminate fiscal data of government is clearly assigned in the <i>Financial Law</i>, Royal Decree No. 47/98. The <i>Statistical Law</i> (Royal Decree No 29/2001,) does not support the MOF with the authority to collect data from government units.</p> <p>Resources None of the current MOF officials have attended an IMF course based on Government Finance Statistics Manual 2001; however the staff is well trained for their current needs. The MOF has no dedicated statistical positions for the compilation of GFS. Recently the <i>Civil Service Law</i> was revised, whereby conditions of employment are determined evenly across ministries and no longer at the discretion of ministries. This has increased the attractiveness of the MOF as employer and reduced staff turnover. Efficient use of resources is ensured through sound performance management, evaluations and training.</p> <p>Relevance The relevance of fiscal data is illustrated by the MOF, Ministry of Planning, line ministries, and other policymakers (including the CBO) who use these data while determining, monitoring, and evaluating fiscal policy. Fiscal data produced by the MOF are also used by the Fund for surveillance purposes. User needs other than that of government are not actively sought.</p> <p>Other quality management Quality management is well exercised by the MOF, including measures to control and audit all relevant processes.</p>	<p>Institutional integrity The <i>Financial Law</i> (Royal Decree No. 47/98) assigns the responsibility for compiling government accounts. The <i>State Audit Law</i> (Royal Decree No. 112/2011) and the <i>Protection of Public Property and Preventing of Conflict of Interest Law</i> (Royal Decree No. 112/2011) strengthen the controls on the compilation of data and the required integrity of staff. The Ministry of Civil Services appoints staff through an open public enrollment process that includes a targeted skills assessment. Professionalism is actively promoted and supported through formal and on-the-job training of staff and continued participation in seminars, courses, and workshops arranged by regional and international organizations.</p> <p>Transparency The methodology according to which fiscal statistics are compiled is promoted by wide availability of the <i>Financial Law</i> and regulations related to the budgeting and planning process. The MOF issues financial circulars every year to spell out budgeting processes and the terms and conditions for compiling government accounts. Fiscal data are well identified as being compiled by the MOF. However, the extent of internal government access to statistics prior to their release to the public is not publicly identified and no advance notice is given of methodological changes.</p> <p>Ethical standards Ethical standards are supported through the legal framework applicable to all government employees. Government employees are subject to a code of conduct. Sound management and cultural practices, as well as mentoring and peer review, ensure that staff are regularly reminded of the behavior expected of them.</p>

Table 2c. Oman: Assessment of Data Quality—Dimensions 0 and 1—National Center for Statistics and Information (NCSI)

0. Prerequisites of quality	1. Assurances of integrity
<p>Legal and institutional environment Royal Decree No. 31/2012 establishes the NCSI as an autonomous national statistics office while the historical <i>Statistical Law</i> (Royal Decree No. 29/2001) establishes the authority for coordination, collection, processing, and disseminating national statistics in Oman. Amendments are required to vest the <i>Statistical Law's</i> authority within the NCSI as no effective <i>Statistical Law</i> currently exists. Data sharing and coordination is largely adequate and functions due to informal relationships without formal documentation. The mission observed the NCSI's compliance with its legal obligations and work undertaken to encourage effective statistical reporting by respondents. Further work is recommended to improve reporting respondent burden to inform future planning.</p> <p>Resources Staff, facilities, computing resources, and financing are commensurate with the current statistical program. Further resources from government are required to expand the national accounts to meet future policy analysis. The NCSI is developing appropriate Key Performance Indicators (KPIs) to improve staff performance.</p> <p>Relevance The NCSI actively engages with government and regional users such as GCC-Stat. There is minimal consultation with key users outside of government. The mission recommends establishment of a representative user advisory group for macroeconomic statistics.</p> <p>Other quality management Quality is managed via existing informal relationships and minimal formal management information and material is available. No training program.</p>	<p>Institutional integrity Royal Decree No. 31/2012 supports professional independence by establishing NCSI as an autonomous statistical agency. Staff are appointed based on merits and capabilities. The NCSI agency head (Executive Director) is appointed by the Sultan of Oman and established via a Royal Decree. The choice of data sources is based on statistical considerations only, and statistics are disseminated according to their availability.</p> <p>Transparency The historical <i>Statistical Law</i> is available upon request in hardcopy, both in Arabic and English; however, the <i>Statistical Law</i> does not apply to the NCSI. All publications clearly identify the NCSI as the source, and there is a small volume of government access to statistics prior to public release, of which the public is not informed. Advance notice is given of significant changes to the statistics.</p> <p>Ethical standards Staff behavior is guided by the rules and regulations of the Oman civil service. Royal Decrees No. 101/96 and 39/82 establish terms and conditions for the conduct of staff, and specify sanctions for participation in political events etc. Penalties include salary deductions and/or dismissal. There are no formal procedures for staff to encourage the adoption of these rules, such as signing a corresponding undertaking.</p>

Table 3a. Oman: Assessment of Data Quality—Dimensions 2 and 5—National Accounts

2. Methodological soundness	3. Accuracy and reliability	4. Serviceability	5. Accessibility
<p>Concepts and definitions The national accounts statistics are compiled according to the <i>1993 SNA</i>. The NCSI is currently developing plans for implementation of the <i>2008 SNA</i>.</p> <p>Scope Oman's national accounts comprise a subset of the <i>minimum requirement</i> specified by ISWGNA. Documentation outlining deviations from the international standard is not available.</p> <p>Classification/sectorization The elemental classifications underpinning Oman's national accounts are consistent with historical versions of international standards. The mission understands deviations from the international reference classifications are minimal.</p> <p>Basis for recording Most transactions are recorded on a basis consistent with the <i>2008 SNA</i>. Transactions involving general government are derived from GFS which is cash based.</p>	<p>Source data Source data are broadly suitable for compiling national accounts. Government Finance Statistics need to be moved to an accrual basis. The implementation of PPIs for deflating national accounts is a laudable achievement.</p> <p>Assessment of source data Accuracy of source data is broadly suitable. Assessment is routinely undertaken.</p> <p>Statistical techniques Statistical techniques generally support estimates consistent with <i>1993 SNA</i>. The double indicator method is used to derive industry value added in many industries; however the deflation of net taxes on products needs attention. Additional development to support the <i>2008 SNA</i> is required. The existing methodology to derive quarterly national accounts should be replaced with the international standard.</p> <p>Assessment and validation of intermediate data and statistical outputs Validation of intermediate data and outputs is undertaken and generally suitable. This has improved from the 2004 ROSC due to the implementation of SUT.</p> <p>Revision studies No revision studies are currently conducted and this should be addressed.</p>	<p>Periodicity and timeliness The timeliness of Oman's national accounts does not meet the requirements of GDDS (nine months after the reference period) as volume estimates of GDP are first published eleven months after the reference period.</p> <p>Consistency Oman's annual national accounts are consistent throughout the published time series commencing in 1998. Data can be reconciled with other macroeconomic statistics including balance of payments.</p> <p>Revision policy and practice Revisions to national accounts are undertaken according to an established timeframe. This timetable should be published. Revision analyses are not undertaken.</p>	<p>Data accessibility National accounts are accessible through the NCSI website and supported by a web based client servicing. Internal government users obtain access prior to release. The principles and process for prior access should be published.</p> <p>Metadata accessibility Oman's national accounts include summary detail of data sources, however detailed information on the methods employed is lacking. GDDS metadata requires updating.</p> <p>Assistance to users Free user assistance is available via the web-based client service tool. Management information is required to assess the effectiveness of the current arrangements.</p>

Table 3b. Oman: Assessment of Data Quality—Dimensions 2 and 5—Consumer Price Index

2. Methodological soundness	3. Accuracy and reliability	4. Serviceability	5. Accessibility
<p>Concepts and definitions Overall, the NCSI strives to reflect the concepts and definitions reflected in the 2004 ILO CPI Manual and the 2008 SNA.</p> <p>Scope The CPI weights include most types of resident households, including those of foreigners. Production of own consumption is included, which does not reflect international best practice for a headline measure of inflation and an index used for monetary policy formulation. The CPI covers all main groups of the COICOP classification from 01 to 12, with the exception of alcohol. In accordance with international best practice, the CPI does not include fixed capital formation. Imputed rents of owner-occupied dwellings are included.</p> <p>Classification/sectorization Following international best practices, the CPI is classified using COICOP classification up to 4-digit-level.</p> <p>Basis for recording The CPI weights are constructed using market prices. Collected prices for index calculation also relate to actual transaction prices. These valuations are consistent with international standards. The weight of second-hand cars is not a net weight.</p>	<p>Source data The weights were derived from the 2008/2009/2010 Household Income and Expenditure Survey (HIES). Products were selected using the same data. Outlets were selected based on local knowledge of the most popular outlets. There was no sample frame, which might cause the sample to be biased. Price collection includes all governorates of Oman, except for Musandam and Al Wusta.</p> <p>Assessment of source data When updating the weights, the HIES data are reviewed by the CPI staff. All price data are carefully checked.</p> <p>Statistical techniques Prices for missing items are imputed and permanently missing items are replaced. Elementary indexes are calculated as a ratio of geometric prices, and they are aggregated using the preferred Modified Laspeyres formula.</p> <p>Assessment and validation of intermediate data and statistical outputs Intermediate data are compared to relevant components of other indexes.</p> <p>Revision studies When a new set of weights is introduced, it is compared with the old set and the changes are evaluated; however these studies are not published or made available.</p>	<p>Periodicity and timeliness The CPI is produced on a monthly basis and disseminated 1 month after the reference month. These are in line with GDDS recommendations.</p> <p>Consistency There is some discrepancy in the inflation rates for 2013, when comparing the old 2000=100 index and the new 2012=100 index. This is due to incorrect rebasing. There is a consistent time series available for the 2012=100 index from 2002, as the new indexes were linked to the corresponding old base year indexes to form a continuous time series. The CPI weights are consistent with household final consumption as this would be recorded in the National Accounts.</p> <p>Revision policy and practice There is no regular schedule for updating weights for the CPI. According to international best practice, CPI weights should be updated every five years at minimum. Currently the weights are up to date. CPI data are revised in the event of an error, and are clearly identified in publications with a footnote explaining the reason.</p>	<p>Data accessibility The CPI is published clearly in several publications. Publications present the actual values of indexes as well as changes over relevant periods. Longer monthly time series can only be combined from the publications of different periods. Written explanations of current developments of the index are published only in the quarterly publication of the Economic Review. This also contains information on the contribution of different main groups on overall inflation. There is no formal preannounced schedule for the CPI publications, but data are available to all users at the same time.</p> <p>Metadata accessibility Detailed methodological manual is published and available on the NCSI website in Arabic and in English. The manual is currently being updated to reflect the recent changes in methodology.</p> <p>Assistance to users Publications contain a general contact point for the NCSI. Contacts rely partly on informal relations that have been built over the years.</p>

Table 3c. Oman: Assessment of Data Quality—Dimensions 2 and 5—Producer Price Index

2. Methodological soundness	3. Accuracy and reliability	4. Serviceability	5. Accessibility
<p>Concepts and definitions Although the NSCI strives to reflect the concepts and definitions as noted in the IMF's 2004 PPI Manual and the 2008 SNA, deficiencies exist.</p> <p>Scope The PPI covers three core industrial activities in Oman, which include the ISIC groups (C) Mining and quarrying, (D) Manufacturing and (E) Electricity and water. These cover about 95 percent of the total production. Prices are collected separately for domestic and export markets.</p> <p>Classification/sectorization The PPI uses the CPC 2 classification to classify the products. Responding establishments are classified by the ISIC 3.1. ISIC 4 is yet to be implemented. According to international best practice, the PPI should be compiled by products as well as by activities. The Omani PPI is compiled using both the CPC and the ISIC. However, data according to the ISIC are only disseminated annually.</p> <p>Basis for recording Following international best practices, the prices used to calculate the PPI are factory-gate (basic) prices excluding taxes and transportation surcharges.</p>	<p>Source data Weights were derived from the Industrial Survey of 2007. Selection of establishments was done by cut-off sampling on the basis of total value of production. Prices are collected separately for domestic and export markets. Product and item selection were done in cooperation with the selected establishments. Current weights/samples are outdated.</p> <p>Assessment of source data Source data for weights and establishment sample are thoroughly scrutinized. Price quotations are carefully checked.</p> <p>Statistical techniques Missing prices are imputed. Currently, products and establishments can only be replaced using separate Excel-files outside of the compilation system. This is not convenient and increases the risk of errors. Elementary aggregates are calculated using the Jevons formula. Higher level indexes are calculated using the geometric Laspeyres formula.</p> <p>Assessment and validation of intermediate data and statistical outputs Components of the PPI are compared to the corresponding components of the CPI.</p> <p>Revision studies The PPI has not yet been revised or updated since its first introduction.</p>	<p>Periodicity and timeliness The PPI is produced on a quarterly basis and disseminated 3 months after the reference quarter. These are not in line with GDDS recommendations.</p> <p>Consistency Statistics are consistent irrespective of the classification used for aggregation. There is a consistent time series available from 2007. Weights for the PPI are based on the Industrial Survey; they reflect the total value of production and are consistent with the SNA.</p> <p>Revision policy and practice There is no regular schedule for updating weights for the PPI. This does not reflect international best practices, according to which PPI weights should be updated every five years at minimum. Revisions to the index take place in the event of an error in the index, and are clearly identified in publications with a footnote explaining the reason.</p>	<p>Data accessibility The PPI is published clearly in several publications. Publications present the actual values of indexes as well as changes over relevant periods. Longer quarterly time series can only be combined from the publications of different periods. Written explanations of current developments of the index are published in the quarterly publication of the Economic Review. There is no formal preannounced schedule for the PPI publications, but data are available to all users at the same time. Data by activity are disseminated annually only, which does not conform to international best practice.</p> <p>Metadata accessibility Detailed methodological manual is published and available on the NSCI website in Arabic and in English.</p> <p>Assistance to users Publications contain a general contact point for the NSCI. Contacts rely partly on informal relations that have been built over the years.</p>

Table 3d. Oman: Assessment of Data Quality—Dimensions 2 and 5—Government Finance Statistics

2. Methodological soundness	3. Accuracy and reliability	4. Serviceability	5. Accessibility
<p>Concepts and definitions Fiscal data broadly follow the Government Finance Statistics Manual (GFSM 1986). The MOF bridges data from the fiscal accounts to the GFSM 2001 cash bases of accounting format, when compiling the GFS Yearbook (GFSY). Although data are bridged, some concepts such as the consumption of fixed capital, other accounts payable or imputations are not captured.</p> <p>Scope The GFS scope is not fully consistent with international standards, since gaps remain. Only the revenue, expense and balance sheet flows data of the budgetary central government are published, although stock positions are also available. Sovereign Wealth Funds are excluded in the compilation of GFS for the budgetary central government.</p> <p>Classification/sectorization Classification and sectorization are broadly in line with GFSM 2001 guidelines. A noteworthy caveat is that the Current defense and security expenditure includes compensation of employees and acquisition of nonfinancial assets that cannot be delineated.</p> <p>Basis for recording Transactions data are recorded on cash basis. Stock position data are only available at face or book value.</p>	<p>Source data The MOF obtains source data for the GFS on budgetary central government ministries and units from comprehensive and fully electronic and hard copy administrative records. However, for other units the MOF does not have a secure collection remit that is supported by the <i>Statistical Law</i>. Non civil service ministries data are recorded on an aggregated level, whereby a significant part of expenditure is appropriated to an inappropriate classification. All source data are received timely.</p> <p>Assessment of source data Source data are mainly based on administrative records and are sufficiently assessed through internal and external audit controls.</p> <p>Statistical techniques Generally, data compilation employs sound statistical techniques to deal with data sources, which are mainly administrative.</p> <p>Assessment and validation of intermediate data and statistical outputs Strict legal requirements and well-established management practices have led to continued assessment and validation of intermediate data and statistical outputs.</p> <p>Revision studies The well-documented audit trail serves as revision studies. Audit reports document the nature of any discrepancies discovered.</p>	<p>Periodicity and timeliness Revenue and expenditure data for budgetary central government are disseminated annually and monthly, which adheres to the GDDS recommendations. Debt data are only disseminated annually, which does not adhere to the GDDS good practices. Although monthly operations data are generally published within 45 days after the end of the reference month, December final data are published 6 months after the reference month.</p> <p>Consistency GFS data are consistent internally and over time. Consistency between GFSY, balance of payments, and national accounts cannot be verified.</p> <p>Revision policy and practice The revision policy and practice are primarily determined by the internal and external controls mandated by the legal framework. Revisions are affected after audits have been performed. In practice revisions are immaterial.</p>	<p>Data accessibility GFS accessibility could be improved in a number of aspects. Annual GFS are only disseminated in the GFSY. Fiscal data are available monthly in Excel or PDF format on the websites of the CBO and NCSI, and annually on the MOF website. However, there is no database that contains a long times series.</p> <p>Metadata accessibility Summarized metadata accessibility is only facilitated by the summary methodologies available on the IMF's DSBB website (GDDS metadata), but no cross-reference to this website or a hyperlink is provided in national websites.</p> <p>Assistance to users Users can contact the MOF, CBO or NCSI through centralized contact points.</p>

Table 3e. Oman: Assessment of Data Quality—Dimensions 2 and 5—Monetary Statistics

2. Methodological soundness	3. Accuracy and reliability	4. Serviceability	5. Accessibility
<p>Concepts and definitions The implementation of the key recommendations of the 2004 ROSC has significantly improved the concepts and definitions used by the CBO to compile monetary statistics in broad conformity with the guidelines outlined in the <i>MFSM</i> and <i>MFSCG</i>.</p> <p>Scope The DC survey covers the CBO and the 16 commercial banks. Islamic banks are not yet included in the monetary statistics published by the CBO. The CBO does not compile the other financial corporations survey (OFCS) and financial corporations survey (FCS).</p> <p>Classification/sectorization The classification and sectorization of financial instruments follow the guidelines outlined in the <i>MFSM</i>.</p> <p>Basis for recording Beginning in January 2001, the CBO and the commercial banks have been following the IAS 39 to value financial assets and financial liabilities (see CBO, Banking Circular, BM 913 dated May 5, 2001), hence basis for recording for compiling monetary statistics follow the recommendations of the <i>MFSM</i> and <i>MFSCG</i>.</p>	<p>Source data The source data for compiling monetary statistics are the balance sheet of the CBO and the balance sheets of commercial banks, which are prepared sufficiently timely and in accordance with the guidelines outlined in the <i>MFSM</i>.</p> <p>Assessment of source data The CBO routinely assesses the accuracy of the source data using an automated validation procedure (using a macro program). When inconsistencies occur, the CBO takes steps to make necessary corrections.</p> <p>Statistical techniques Sound statistical techniques are used. Monetary data are based on the balance sheets of the CBO and commercial banks. The CBO does not use secondary sources.</p> <p>Assessment and validation of intermediate data and statistical outputs The CBO routinely assesses and validates the consistency between the source data for monetary statistics with other information obtained from other departments.</p> <p>Revision studies The CBO does not have a policy of regular revision studies for monetary statistics. Data are considered final when first released, except for December data.</p>	<p>Periodicity and timeliness The periodicity and timeliness of monetary statistics (monetary survey, the CBO balance sheet, and commercial bank's balance sheet) meet the GDDS recommendations.</p> <p>Consistency Monetary data published by the CBO are released in consistent historical series. Monetary data presented in the sectoral balance sheets of the CBO and commercial banks are internally consistent. Monetary data are largely consistent with the balance of payments statistics. Data on financial accounts for government finance statistics are not available. The CBO has taken steps to provide information to the MOF on financial positions of the CBO and commercial banks with the government and public sector.</p> <p>Revision policy and practice The revision policy for monetary statistics is posted on the CBO website. The revision cycle for monetary statistics is predetermined and occurs after the financial statements for the year are audited. The provisional and revised data are clearly identified by footnotes in the publications.</p>	<p>Data accessibility Monetary statistics are presented in an aggregated form. The table "Commercial Bank's Combined Balance Sheet" has lack of detailed sectoral breakdown. The CBO compiles monetary statistics by the 25th of the following month, and are regularly posted on the CBO website within 45 days. The advanced release calendar is posted on the CBO website. Time series for monetary statistics in a format that is easy for use and reuse are only available upon request.</p> <p>Metadata accessibility The CBO disseminates metadata for monetary statistics on the IMF's DSBB (GDDS metadata), which were updated in September 2011. A link to the DSBB website is posted on the CBO website. Explanatory notes to statistical tables are posted on the CBO website, but not in the hardcopy publications.</p> <p>Assistance to users The CBO's statistical bulletins and Annual Report clearly identify contact points for inquiries by mail, telephone, facsimile, or email. Data in an Excel format are available upon request. The CBO website allows the users to submit their data requests online. The CBO responds promptly to these data requests and keeps documentation of the responses.</p>

Table 3f. Oman: Assessment of Data Quality—Dimensions 2 and 5—External Sector Statistics

2. Methodological soundness	3. Accuracy and reliability	4. Serviceability	5. Accessibility
<p>Concepts and definitions ESS broadly follow the fifth edition of the <i>Balance of Payments Manual (BPM5)</i>. To adhere to <i>BPM6</i>, recording of selected goods and FDI transactions should be fine-tuned.</p> <p>Scope The BOP scope is broadly consistent with international standards; however several deficiencies remain, mainly related to private sector transactions and stocks, FDI, and goods and services.</p> <p>Classification/sectorization Classification and sectorization are broadly in line with <i>BPM5</i> guidelines, shortcomings include classification of selected goods, insurance services, and transactions of the sovereign wealth funds.</p> <p>Basis for recording For the most part, transactions data are valued at market prices. A number of transactions are recorded on an accrual basis in accordance with <i>BPM5</i>. In most cases, where transaction estimates are derived from the stock data, rough valuation adjustments are estimated.</p>	<p>Source data Coverage of compilation program is insufficient. Enhancement of banking reporting system and introduction of new surveys to cover gaps in recording goods and services components and in stocks statistics are needed. Timeliness of source data supports annual but not quarterly compilation.</p> <p>Assessment of source data The CBO staff ensure consistency with the requirements of the <i>BPM5</i> through coordination/ discussions with the primary source data providers and developed procedures to adjust source data.</p> <p>Statistical techniques Generally, data compilation employs sound statistical techniques to deal with data sources, however several benchmark collections are to be updated and there are limited sources to make adjustments to source data.</p> <p>Assessment and validation of intermediate data and statistical outputs Intermediate results are validated against other independent data sources when possible.</p> <p>Revision studies Formal revision studies and analyses are not conducted, while internal monitoring and analysis are performed.</p>	<p>Periodicity and timeliness Balance of payments statistics are disseminated annually with six months timeliness, which adheres to the GDDS recommendations. Quarterly balance of payments estimates are compiled for internal purposes (an input to GDP). Data for comprehensive IIP is under development.</p> <p>Consistency Balance of payments data are consistent internally and over time and generally consistent or reconcilable with other datasets.</p> <p>Revision policy and practice In recent years, the revision policy and practice has been refined. Data for a new year are preliminary and subject to revisions during the following year. Public is informed of revisions via explanatory notes included in the CBO's Annual Report. Formal studies and analyses of revisions have not been carried out.</p>	<p>Data accessibility Data are disseminated in accordance with <i>BPM5</i> standard components. Supplementary publications on specific components are available. Separate ESS publication is to be considered. Work is ongoing to ensure dissemination of time-series in database format. A schedule announces in advance the approximate date the statistics are to be released, although there is no precise date.</p> <p>Metadata accessibility The balance of payments metadata are published on the IMF's DSBB website and the country notes section in the Balance of Payments Statistics Yearbook, Part 3. Separate publication on ESS data sources and methods is considered.</p> <p>Assistance to users A "Feedback" box is posted on the CBO website for comments/questions of users. The ERSD is specified as an entry point for the data queries. Contact information is also provided on the IMF's DSBB website.</p>

STAFF'S RECOMMENDATIONS

17. Based on the review of Oman's statistical practices, discussions with the data producing agencies, and responses from data users (see Appendix IV of the Detailed Assessments volume), the mission developed a set of recommendations. They are designed to increase Oman's adherence to internationally accepted statistical practices and their implementation would, in the mission's view, enhance the analytical usefulness of Oman's statistics and progression to the Special Data Dissemination Standards. Some additional technical suggestions are included in the Detailed Assessments in Volume III.

Cross-cutting recommendations

- Develop, publish, and implement a new *Statistical Law* to clarify responsibilities and to strengthen inter-agency coordination within the Oman's statistical system.
- Update the *Financial Law* to allow timely release of monthly, quarterly and annual preliminary GFS data, and to improve the scope of the data.
- Institute legal mandate for the CBO to compile and disseminate monetary and external sector statistics.
- Establish formalized arrangements among government institutions, including the CBO, to ensure efficient data exchange and methodological consistency.
- Enhance data accessibility and timeliness of publications for all datasets by improving statistical databases in all institutions and introducing user-friendly time-series formats for data dissemination. This should include publication of a calendar showing all upcoming releases.
- The CBO in cooperation with the NCSI should expand data collections to address existing gaps and consider the introduction of the International Transactions Reporting System.
- Establish a formal user advisory group for macroeconomic statistics to provide feedback on the relevance of current data and identify new and emerging data requirements on a regular basis.

National accounts

- Replace the current benchmarking technique with a standard technique such as the Proportional Denton Method to enable preparation of consistent quarterly time series.
- Publish documentation outlining the regular and transparent schedule for which national accounts are revised.
- Ensure volume movements for taxes less subsidies on products reflect volume movements of the underlying products.

- Construct and publish a policy documenting the users receiving statistics prior to release, the principles under which this disclosure occurs, and the process by which access can be requested.

Consumer price index

- Continue to explore ways of fine-tuning the rebasing of CPI; notably, set the annual average of 2012 to 100, while allowing monthly changes.
- Disseminate detailed monthly time series on the NCSI website in a user-friendly format.
- Provide explanations on current period developments of the index in the monthly publication.

Producer price index

- Update the production system to facilitate replacement of items and establishments consistent with the PPI manual to facilitate monthly publication of PPI.
- Establish procedures for regular updates of the weights and the item/establishment samples consistent with availability of contemporary source data.
- Provide detailed time series on the NCSI website, readily available and in a convenient format.

Government finance statistics

- Fine-tune classification of government units and economic phenomena consistent with *GFSM 2014* methodology.
- Expand MOF staff positions to include dedicated GFS compilers.
- Improve GFS metadata dissemination.

Monetary statistics

- Include the Islamic banks in the coverage of other depository corporations (ODCs).
- Improve the presentation of table “Commercial Bank’s Combined Balance Sheet” in the CBO’s statistical bulletins by expanding the sectoral breakdown for loans, debt securities, and deposits.
- Explore the feasibility to collect data from the major other financial corporations, such as pension funds and insurance corporations to compile other financial corporations survey (OFCS) and financial corporations survey (FCS) in the future.

Balance of payments statistics

- Elaborate the plan and timetable to migrate ESS to *BPM6* methodology, identifying actions and key target dates.

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- Increase the number of staff dedicated to the compilation of ESS to ensure the smooth migration to *BPM6* and development of IIP.
- Disseminate international investment position statistics and external debt.
- Improve the adjustments in the estimation of data on foreign trade, including the process to estimate trade via free economic zones, and on international trade in services, based on expanded collection and improved techniques.

Appendix I. Oman: Practices Compared to the GDDS Coverage, Periodicity, and Timeliness of Data					
GDDS Data Category	Coverage (meets GDDS)	Periodicity		Timeliness	
		GDDS	Oman	GDDS	Oman
Real Sector					
National accounts aggregates: GDP (nominal and real) <i>Gross national income, capital formation, saving</i>	No No	A (Q) A	A (Q) A	6–9M 6–9M	11 M (4 M) ¹ 11 M
Production index/indices: Manufacturing or industrial indices, monthly index of economic activity Primary commodity, agricultural, or other indices, as relevant	Yes Yes	M (as relevant)	Q N/A	6–12W 6–12W	3 M N/A
Price indices: Consumer price index <i>Producer price index</i>	Yes Yes	M M	M Q	1–2M 1–2M	1M 3M
Labor market indicators: Employment Unemployment Wages/earnings (all sectors)	Yes Yes Yes	A A A	A 1/ A	6–9M 6–9M 6–9M	1 M 1/ 8–9 M
Fiscal Sector					
Central government aggregates: <i>Revenue, expenditure, balance, and financing with breakdowns (debt holder, instrument, currency), as relevant</i> <i>Interest payments</i>	No Yes	Q Q	A (M) ² A(M)	1Q (1M) 1Q (1M)	2 M 2 M
Central government debt: Domestic and foreign debt, as relevant, with appropriate breakdowns (debt holder, instrument, currency) <i>Government-guaranteed debt</i>	No N/A	(Q) A (Q)	A No	1–2Q 1–2Q	6 M N/A
Financial Sector					
Broad money and credit aggregates: Net external position, domestic credit, broad or narrow money	Yes	M	M	1–3M	45D
Central bank survey: Monetary base	Yes	M	M	1–2M	45D
Interest rates: Short- and long-term government. Security rates, policy variable rate Money or interbank market rates and a range of deposit and lending rates	Yes Yes	M M	D M	2/ 2/	D D (45D)
Stock market: <i>Share price index, as relevant</i>	Yes	M	D	2/	D
<p>¹ A preliminary quarterly estimate of nominal GDP(P) is available four months after the reference period. An annual estimate of nominal GDP is therefore available four months after the reference period. The first estimate of real GDP (the preliminary benchmark) is derived from a balanced, annual SUT and published 11 months after the reference period. No quarterly estimate of real GDP is produced</p> <p>² Annual data only cover budgetary central government data. Monthly data on the revenue and expenditure of budgetary central government, following a national presentation, are disseminated in the Monthly Statistical Bulletin of the Central Bank of Oman. December data are only available 6 months after the end of the fiscal year.</p>					

Appendix I. Oman: Practices Compared to the GDDS Coverage, Periodicity, and Timeliness of Data (concluded)

GDDS Data Category	Coverage (meets GDDS)	Periodicity		Timeliness	
		GDDS	Oman	GDDS	Oman
External Sector					
Balance of payments aggregates: Goods, services, income, current transfers, capital account, direct investment, portfolio investment, other investment, reserves, net errors and omissions.	Yes	A (Q)	A	6M	6M
External debt and service: Public and publicly guaranteed external debt, broken down by maturity	Yes	Q	(...)	3–6M	(...)
Public and publicly guaranteed debt service schedule	Yes	Twice A	(...)	1-2 Q	(...)
Private external debt not publicly guaranteed, and debt service schedule	Yes	A	(...)	6–9M	(...)
International reserves: Gross official reserves	Yes	M	M	1–4W	45 days
<i>Reserve-related liabilities</i>	N/A	M	(...)	1–4W	(...)
<i>Template on international reserves and foreign currency liquidity</i>	N/A	M	(...)	1–3M (1M)	(...)
Merchandise trade: Total exports and total imports	Yes ³	M	M	8–12W	3M
<i>Major commodity breakdowns with longer time lapse</i>	Yes ³	M	M	8–12W	3M
International Investment Position: Assets and liabilities disaggregated by: direct investment, portfolio investment (equity and debt securities), other investment, and reserve assets.	No	A	(...)	6–9M	(...)
Exchange rates: Spot rates	Yes	D	M	²	2 W
<p>Note: Periodicity and timeliness: (D) daily; (W) weekly or with a lag of no more than one week from the reference data or the closing of the reference week; (M) monthly or with a lag of no more than one month; (Q) quarterly or with a lag of no more than one quarter; (A) annually; and (...) not applicable.</p> <p><i>Italics indicate encouraged categories.</i></p> <p>¹ Unemployment data is published whenever a census is conducted.</p> <p>² Disseminated as part of a high-frequency (e.g. monthly) publication.</p> <p>³ Partial coverage. Goods not recorded by Customs are excluded.</p>					



OMAN

June 12, 2015

REPORT ON THE OBSERVANCE OF STANDARDS AND CODES (ROSC)—DATA MODULE VOLUME II

RESPONSE BY THE AUTHORITIES

This document contains the authorities' response to the IMF's data quality assessment (Volumes I and III).

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Acronyms

<i>BPM6</i>	Sixth edition of the <i>Balance of Payments and International Investment Position Manual</i>
CBO	Central Bank of Oman
CPI	Consumer Price Index
ESS	External Sector Statistics
IIP	International Investment Position
MOF	Ministry of Finance
NCSI	National Centre for Statistics and Information
PPI	Producer Price Index
ROSC	Report on the Observance of Standards and Codes

INTRODUCTION

The National Centre for Statistics and Information (NCSI) of Oman compiled responses in coordination with the Central Bank of Oman (CBO), and the Ministry of Finance (MOF). The authorities appreciated the mission's recommendations and agreed to publication of the three volumes of the Report on the Observance of Standards and Codes (ROSC) data module on the International Monetary Fund external website. Below are the authorities' specific comments relating to national accounts, consumer price index, producer price index, monetary statistics, and balance of payments statistics.

SPECIFIC RESPONSES

RESPONSE BY NATIONAL CENTRE FOR STATISTICS AND INFORMATION

A. National Accounts

1. **Replace the current benchmarking technique with a standard technique such as the Proportional Denton Method to enable preparation of consistent quarterly time series.** (i) A quarterly time series will be updated and published each quarter to reflect revised data. (ii) The Denton Method will be used to post data after calculating or estimating annual data.
2. **Publish documentation outlining the regular and transparent schedule for which national accounts are revised.** The NCSI is currently updating its website and will shortly determine a timetable for subsequent publication.
3. **Ensure volume movements for taxes less subsidies on products reflect volume movements of the underlying products.** The note will be taken into consideration for future development.
4. **Construct and publish a policy documenting the users receiving statistics prior to release, the principles under which this disclosure occurs, and the process by which access can be requested.** The note will be taken into consideration for future development.

B. Consumer Price Index

5. **Continue to explore ways of fine-tuning the rebasing of Consumer Price Index (CPI); notably, set the annual average of 2012 to 100, while allowing monthly changes.** NCSI rebased the CPI on a monthly basis from 2012 and it will be available on the NCSI website ASAP.

- 6. Disseminate detailed monthly time series on the NCSI website in a user-friendly format.** NCSI launched new website and the time series will be available in PDF format and we will make sure to make it user friendly ASAP.
- 7. Provide explanations on current period developments of the index in the monthly publication.** A footnote has been added in the NCSI monthly publication mentioning all changes and explanations for new index in the NCSI website.

C. Producer Price Index

- 8. Update the production system to facilitate replacement of items and establishments consistent with the producer price index (PPI) manual to facilitate monthly publication of PPI.** The NCSI has commenced implementation.
- 9. Establish procedures for regular updates of the weights and the item/establishment samples consistent with availability of contemporary source data.** The recommendation will be taken in consideration as part of future development.
- 10. Provide detailed time series on the NCSI website, readily available and in a convenient format.** The time series will be available on the NCIS website in PDF format and publication in excel format will be considered as part of future development.

RESPONSE BY THE CENTRAL BANK OF OMAN

D. Monetary Statistics

- 11. Include the Islamic banks in the coverage of other depository corporations (ODCs).** The inclusion of Islamic banks and Windows in the coverage of other depository corporations following a detailed mapping to align balance sheets of conventional and Islamic banks has been completed. The Combined Monetary Survey is being published in CBO's Monthly and Quarterly Bulletins commencing the current year for data beginning from the year 2013.
- 12. Improve the presentation of table "Commercial Bank's Combined Balance Sheet" in the CBO's statistical bulletins by expanding the sectoral breakdown for loans, debt securities and deposits.** The institutional and sectoral classification on both the assets and liabilities side of the combined balance sheet of commercial banks is being published commencing with the 2015 statistical bulletins.
- 13. Explore the feasibility to collect data from other financial corporations such as Pension Funds and insurance companies to compile other financial cooperation survey in the future.** At present, the deposits and loans of Pension Funds and Insurance companies with the banking system are captured and separately shown in the balance sheet of commercial banks under financial corporations. The feasibility of obtaining detailed sheets from Pension Funds and Insurance Companies in the future will be investigated as per recommendation of the ROSC Mission.

E. Balance of Payments Statistics

14. Elaborate the plan and timetable to migrate external sector statistics (ESS) to the Sixth edition of the *Balance of Payments and International Investment Position Manual (BPM6)* methodology, identifying actions and key target dates.

The CBO is currently producing the BOP statistics based on balance of payments Manual 5. The migration to BPM6 required additional surveys from various entities to gather more detailed information. The process has been underway and we expect to finalize the migration during 2015 itself as the mapping has already been done.

15. Increase the number of staff dedicated to the compilation of ESS to ensure the smooth migration to BPM6 and development of International Investment Position (IIP). CBO has already initiated the process to recruit additional staff for this purpose.

16. Disseminate International investment position statistics and external debt. Presently IIP is prepared on an annual basis for internal use but it has not been published for various reasons. There are some issues relating to lack of firm data on household's foreign assets and liabilities position and some data relating to state owned companies. We are in the process of narrowing and closing the gaps in data collection and hope to publish the IIP once we are confident that the data is more representative and comprehensive.

17. Improve the adjustments in the estimation of data on foreign trade, including the process to estimate trade via free economic zones, and on international trade in services, based on expanded collection and improved techniques. The information on trade between free zones and the rest of the world is not fully captured by the Directorate General of Customs as a result of the definitional aspects arising from 'free zones'. Currently, while the data between Oman and free zones is included in the customs data, the trade between free zones and the rest of the world is not being captured. The authorities will look into the matter in depth to resolve the issue.



OMAN

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REPORT ON THE OBSERVANCE OF STANDARDS AND CODES (ROSC)—DATA MODULE VOLUME III

DETAILED ASSESSMENTS USING THE DATA QUALITY ASSESSMENT FRAMEWORK (DQAF)

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This document contains a detailed assessment by dataset of the elements and indicators that underlie the data quality dimensions discussed in Oman's Report on the Observance of Standards and Codes (ROSC)—Data Module. It also includes as appendices: the 2012 DQAF generic framework Oman's practices compared to the SDDS coverage, periodicity, and timeliness of data; and the results of the users' survey.

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ACRONYMS

<i>1993 SNA</i>	<i>System of National Accounts 1993</i>
<i>2008 SNA</i>	<i>System of National Accounts 2008</i>
ABOD	Accounting and Banking Operation Department
APR	Performance Review Process
BCG	Budgetary Central Government
BDD	Banking Development Department
BED	Banking Examination Department
BIS	Bank for International Settlements
BM	Banking Circular
BOP	Balance of Payments
BOPSY	Balance of Payments Statistics Yearbook
<i>BPM4</i>	<i>Balance of Payments Manual, fourth edition</i>
<i>BPM5</i>	<i>Balance of Payments Manual, fifth edition</i>
<i>BPM6</i>	<i>Balance of Payments and International Investment Position Manual, sixth edition</i>
BSD	Banking Surveillance Department
CBFS	College of Banking and Financial Studies
CBO	Central Bank of Oman
CBS	Central Bank Survey
COFOG	Classification of the Functions of Government
COICOP	Classification of Individual Consumption by Purpose
CPC	Central Product Classification
CDIS	Coordinated Direct Investment Survey
CPIS	Coordinated Portfolio Investment Survey
CPI	Consumer price index
CSL	Civil Service Law
DCS	Depository Corporation Survey
DQAF	Data Quality Assessment Framework
DSBB	Dissemination Standards Bulletin Board
ERSD	Economic Research and Statistic Department
ESS	External Sector Statistics
FCS	Financial Corporation Survey
FDI	Foreign Direct Investment
FII	Foreign Institutional Investment
FISIM	Financial Intermediary Services Indirectly Measured
FSD	Financial Stability Department
GAD	General Accounts Department
GCC	Gulf Cooperation Council
GCC-Stat	Statistical Center for the Cooperation Council for the Arab Countries
GDDS	General Data Dissemination System, 2013

GDP	Gross Domestic Product
GFS	Government Finance Statistics
<i>GFSM 1986</i>	<i>A Manual of Government Finance Statistics, 1986</i>
<i>GFSM 2001</i>	<i>Government Finance Statistics Manual 2001</i>
GFSY	Government Finance Statistics Yearbook
HIES	Household Income and Expenditure Survey
HBS	Household Budget Survey
IASB	International Accounting Standards Board
IAS	International Accounting Standards
IFS	International Financial Statistics
InFS	Integrated Financial System
IIP	International Investment Position
ILO	International Labor Organization
IMF	International Monetary Fund
IMTS	International Merchandise Trade Statistics
IPD	Implicit Price Deflator
IRD	International Relations Department
<i>ISIC</i>	<i>International Standard Industrial Classification of all Economic Activities</i>
ISWGNA	Inter-Secretarial Working Group on National Accounts
ITD	Information Technology Department
ITRS	International Transactions Reporting System
KPIs	Key Performance Indicators
LNG	Liquefied Natural Gas
MBS	Money and Banking Section
MCD	Muscat Clearing and Depository
MCI	Ministry of Commerce and Industry
MFS	Monetary and Financial Statistics
<i>MFSCG</i>	<i>Monetary and Financial Statistics Compilation Guide, 2008</i>
<i>MFSM</i>	<i>Monetary and Financial Statistics Manual, 2001</i>
<i>MFSMCG</i>	<i>Monetary and Financial Statistics Manual and Compilation Guide (draft)</i>
MMF	Money Market Funds
MOCI	Ministry of Commerce and Industry
MOCS	Ministry of Civil Service
MOD	Monetary Operation Department
MOF	Ministry of Finance
MONE	Ministry of National Economy
MSM	Muscat Market Authorities
NCSI	National Center for Statistics and Information
NPISH	Non-profit institutions serving households
NSDP	National Summary Data Page
NSO	National Statistics Office
ODCs	Other depository corporations
OECD	Organization for Economic Cooperation and Development

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OFCs	Other Financial Corporations
PPI	Producer price index
<i>PPPPCI</i>	<i>Prevention of Public Property and Preventing of Conflict of Interest,</i>
ROSC	Report on the Observance of Standards and Codes
SAC	Statistical Advisory Committee
SAL	State Audit Law
SDDS	Special Data Dissemination Standard, 2013
SDR	Special Drawing Rights
SGRF	Special General Reserve Fund
SNA	System of National Accounts
SRF	Standardized Report Form
STA	IMF's Statistics Department
SUT	Supply and Use Table
SWFs	Sovereign Wealth Funds (The Sultanate of Oman has three sovereign wealth funds)
WPI	Wholesale Price Index

DETAILED ASSESSMENT USING THE DATA QUALITY ASSESSMENT FRAMEWORK

The following detailed information on indicators of statistical practices in the areas of the national accounts, prices, government finance, monetary, and balance of payments statistics was gathered from publicly available documents and information provided by the Omani officials. This information, organized along the lines of the generic Detailed Assessment using the Data Quality Assessment Framework (DQAF) (see Appendix III), was used to prepare the summary assessment of data quality elements. It is based on a four-part scale of observance, shown in Oman’s Report on the Observance of Standards and Codes (ROSC)—Data Module.

NATIONAL ACCOUNTS

0. Prerequisites of Quality

0.1 Legal and institutional environment

0.1.1 The responsibility for collecting, processing, and disseminating the statistics is clearly specified.

Royal Decree No. 31/2012 establishes the National Center for Statistics & Information (NCSI) as an autonomous national statistics office (NSO). Articles 3 and 6 provide for subsequent legislation to establish the organization’s board of directors and statute respectively. Royal Decree No. 40/2014 was issued on August 12, 2014, and defines one of the NCSI’s duties as “technical supervision of the management and organization of statistics and information activities in Oman”.

The Statistical Law is provided through Royal Decree No. 29/2001 and establishes the authority for collection, processing, and disseminating national statistics in Oman. These statistics include the Statistical Yearbook that comprises important data available for economic and social development and a monthly bulletin reflecting the main social and economic indicators. The current Statistical Law vests these responsibilities with the Ministry of National Economy (MONE) which was dissolved in 2011. Amendments are currently being drafted to vest these responsibilities with the NCSI as Oman’s Statistical Law has not been updated.

The Statistical Advisory Committee (SAC) is established by article 9 of the Statistical Law and provides a coordination and approval mechanism for government units undertaking statistical compilation. The SAC’s current legal status needs to be defined as part of the review process following the MONE’s dissolution, to make it effective in promoting consistency of statistical methods and resolving conflicts between agencies. NCSI staff also indicated strong informal relationships between members of the Omani statistical system were integral to this objective.

Recommendation

Develop a new *Statistical Law* to clarify responsibilities and to strengthen inter-agency coordination within Oman's statistical system.

0.1.2 Data sharing and coordination among data-producing agencies are adequate.

The exchange of unpublished data for individuals from government units to the NCSI is effective and was clearly legislated within the statistical system.¹ National Accounts staff have direct access to government accounts and are able to utilize the data without making a request for hardcopy transmissions or electronic transfers. The Ministry of Commerce and Industry (MOCI) undertakes a survey of units in the manufacturing industry and results are provided for compilation of the annual national accounts. The current arrangements facilitating data exchange to the NCSI are the result of informal relationships established over many years.

Recommendation

Establishment of formalized arrangements with other government units to document existing data exchange arrangements. This action will mitigate the loss of effective data exchange following the departure of key senior staff.

The NCSI has little formalized contact with data producers to promote a proper understanding of data requirements, avoid duplication of effort, and take into account reporting burden. The majority of these discussions occur via informal contacts. This aspect is mandated by the historical *Statistical Law*, and SAC (see 0.1.1) needs to be defined in updated legislation.

Recommendation

Publish a statement outlining the operation of the SAC and legislative arrangements for the exchange of unpublished, individual data to other data-producing agencies.

0.1.3 Individual reporters' data are kept confidential and used for statistical purposes only.

The historical *Statistical Law*² prohibits the publication of individual data unless it is "in an aggregate form" and restricts its use to statistical purposes. The NCSI employs suppression under the "rule of three" policy³ to achieve compliance with this legal obligation. An exception enabled publication of

¹ Article 4, Royal Decree No. 29/2001.

² Article 8, Royal Decree No. 29/2001.

³ The "rule of three" deems an "aggregate form" statistic to be confidential if the proportionate contribution of any three units combined exceeds a given threshold.

individual data for statistical purposes if consent has been provided. The NCSI does not use this exception in the published national accounts.

The likelihood of unauthorized access is reduced by the use of password protection and access restrictions for individual staff. The historical Statistical Law requires staff to maintain confidentiality and imposes up to six months imprisonment and/or a fine of 500 Omani Rials (\$US 1,300) for breaching this obligation.

0.1.4 *Statistical reporting is ensured through legal mandate and/or measures to encourage response.*

Article 6 of the historical Statistical Law requires government units, private entities and individuals to provide data to units undertaking statistical activity approved by the SAC. The consequence of non compliance is a fine of 300 Omani Rials (\$US 780). The NCSI typically achieves survey response rates over 90% and indicated no attempts have been made to prosecute units under this provision since its inception in 2012. A likely contributor is the NCSI's program to educate and encourage cooperation of timely and accurate responses.

The majority of data collected by the NCSI are provided via the internet, with paper forms used for a small number of units. Accordingly, most follow up is undertaken using email links to further survey detail. Estimates of respondent burden are constructed using judgmental estimates of time taken to complete a survey form.

Recommendation

Construct an estimate for the respondent burden of each survey instrument. The estimate can be compiled using observational studies and/or additional information on the survey instrument. Updated estimates of respondent burden will assist in planning and evaluation of future collection activity.

0.2 Resources

0.2.1 *Staff, facilities, computing resources, and financing are commensurate with statistical programs.*

Staff responsible for compilation of national accounts are adequate for undertaking the current statistical program. Seven full time staff are responsible for Oman's national accounts and comprise the Director (National Accounts) and six compilers. Task responsibility is currently allocated to achieve comparable workloads and similarity of economic subject matter.

Current staff are well qualified and experienced. Six of the seven staff have a university degree in economics and/or statistics while the seventh has a high school diploma. All staff have more than five years of experience and turnover is minimal as a result of a recent decree that standardized salaries and employee benefits for each level across Oman's civil service from 2014.

A recent external review recommended additional staff to achieve an expanded set of national accounts to meet Oman's policy needs. A proposal is currently before the Ministry of Finance (MOF) to provide additional resources to hire eleven staff.

Priority tasks include compilation of quarterly volume estimates of value added, quarterly Gross Domestic Product (GDP) by final expenditure, and flash estimates of GDP.. The latter task is considered highly feasible given approximately half of Oman's value added comes from oil and natural gas for which real time, monthly data are readily available.

All staff have access to appropriate accommodation, hardware, and software to perform the required tasks. The NCSI leased a new office building from 2013 which has been equipped with new office furniture and equipment. Computing facilities are connected by a network and data are backed-up each week. Funding for the identified needs of the statistical program is broadly adequate.

0.2.2 Measures to ensure efficient use of resources are implemented.

The NCSI is developing a framework to assign Key Performance Indicators (KPIs) to individual staff and improve the quality of periodic reviews. Staff are currently assessed by their supervisor and receive a discretionary bonus commensurate with the assessment.

The review of national accounts (see 0.2.1 above) provided a basis for which future resources can be estimated. The majority of the NCSI's funding⁴ is provided by the State Budget and is subject to review by the board of directors and the MOF.

0.3 Relevance

0.3.1 The relevance and practical utility of existing statistics in meeting users' needs are monitored.

- NCSI staff undertakes consultation with users in government agencies via informal relationships established over a lengthy time period. Formalized consultation arrangements include a bi-annual gathering of up to forty users. Consultation with users outside of government is limited to interaction via brochures when the user is selected as a survey respondent and other informal contacts. A user survey was conducted in 2009 and 2010 and considered a one off response to the global financial crisis. A formalized user advisory committee does not exist.

Recommendation

- Establish a formal user advisory group for macroeconomic statistics to assess relevance of current data and identify new and emerging data requirements on a regular basis.

⁴ An example of other sources of funding is revenue from sales of publications.

NCSI staff actively participate in regional statistical coordination activity undertaken by the Statistical Center for the Cooperation Council for the Arab Countries of the Gulf (GCC-Stat). Senior NCSI staff attends selected international meetings. The NCSI may delegate representation in international forums to regional delegates from GCC-Stat.

0.4 Other quality management

0.4.1 Processes are in place to focus on quality.

New national accounts staff is provided with dedicated one-on-one coaching from experienced, senior staff to reinforce the importance of statistical quality. Experienced, senior staff demonstrate a shared commitment to this core value.

No formal training regime, process or public information exists to reinforce quality and demonstrate the associated trade-offs.

0.4.2 Processes are in place to monitor quality during the planning and implementation of the statistical program.

National accounts staff demonstrates a strong understanding and commitment to coherence of published aggregates. The ability of staff is enhanced by the strong interpersonal relationships between data-providers and readiness to correct errors in source data. A limited suite of information, such as the survey response rate, is available to make an objective quality assessment.

No management information is available to monitor the quality of intervention by national accounts staff beyond derived statistical metrics such as the statistical discrepancy.

Recommendation

- Develop and implement formalized strategies to reinforce quality within the NCSI. Possible activities include: (a) development of a standard set of quality metrics to be compiled with statistical data provided to inform editing decisions made by national accounts; and (b) a training course, using historical case studies, to demonstrate the impact upon decision making and resulting importance of quality and relevant monitoring processes. The course would be undertaken by all staff upon commencement and after completing a five year period of service.

1. Assurances of integrity

1.1 Institutional Integrity

1.1.1 Statistics are produced on an impartial basis.

Royal Decree No. 31/2012 supports professional independence by establishing the NCSI as an autonomous statistical agency. The historical *Statistical Law* and the 2012 decree do not explicitly

prohibit interference from other agencies in the compilation and/or dissemination of statistical information.

Staff is appointed through existing merit based, civil service processes conducted in consultation with the NCSI's management. All vacancies are reported via a job description to the Ministry of Civil Service who liaise with the Ministry of Manpower to identify applicants meeting the criteria specified by the NCSI. Applicants complete a written test specified by the NCSI and receive a preliminary ranking based on their performance. The top five applicants are subsequently interviewed and receive a final ranking from two NCSI staff and one delegate from the Ministry of Civil Service.

Staff participate in regional and international workshops and training conducted by GCC-Stat and the Fund.

The NCSI head (Executive Director) is appointed by the Sultan of Oman via a Royal Decree. However, details of the Executive Director's tenure and reporting arrangements are not explicitly stated in legislation and do not reflect international best practice.⁵ *The mission recommended the new Statistical Law (see 0.1.1) includes provisions specifying the choice, tenure and reporting arrangements of the NCSI Executive Director to reflect international best practice.*

1.1.2 Choices of data sources and statistical techniques, as well as decisions about dissemination, are informed solely by statistical considerations.

The choice of data sources, statistical techniques and dissemination are informed solely by statistical considerations. NCSI staff determines the techniques, methodologies, and data sources in the light of international best practice. A visible example is the direct implementation of an industry classification closely aligned to the International Standard Industrial Classification of All Economic Activities (ISIC) throughout the national accounts dataset.

Data are disseminated according to their availability without the influence of non statistical considerations. The quarterly national accounts are finalized by the end of the third month following the end of the reference period and delivered to the NCSI Information Directorate for inclusion in the monthly bulletin. The monthly bulletin is a compendium of social and economic statistics disseminated in the first week of the month. Annual national accounts are disseminated in the relevant chapter of the *Statistical Yearbook* immediately following finalization and delivery to the publication area.

⁵ Section II(C) of the *Handbook of Statistical Organization* (<http://unstats.un.org/unsd/dnss/hb/>).

1.1.3 The appropriate statistical entity is entitled to comment on erroneous interpretation and misuse of statistics.

The NCSI is entitled to, and always contacts relevant media when data are misinterpreted or misused. The Information Directorate monitors all media channels to identify all references to its statistics.

1.2 Transparency

1.2.1 The terms and conditions under which statistics are collected, processed, and disseminated are available to the public.

The historical *Statistical Law* is available in hardcopy, both in Arabic and English, and is available upon request. NCSI survey forms clearly state data are being collected under the historical *Statistical Law*⁶ and further note all data will be kept confidential and used for statistical purposes.

1.2.2 Internal governmental access to statistics prior to their release is publicly identified.

Internal governmental access to statistics prior to release occurs infrequently according to existing informal relationships. These arrangements can be inferred from the 2004 ROSC, however the resulting recommendations have not been addressed (see also 5.1.4).

1.2.3 Products of statistical agencies/units are clearly identified as such.

All publications of statistics clearly identify the NCSI as the source. The branding of publications is modern and uniform.

1.2.4 Advance notice is given of major changes in methodology, source data, and statistical techniques.

Advance notice of significant changes to the statistics is given to users through several channels, including television and radio interviews, and the NCSI website.

1.3 Ethical standards

1.3.1 Guidelines for staff behavior are in place and are well known to the staff.

Staff behavior is guided by the rules and regulations of Oman's civil service. These include the *Civil Service Law* established by Royal Decrees No. 101/1996 and 39/1982 establishing terms and

⁶ The applicability of this statement to processes employed by the NCSI is unclear given historical *Statistical Law* applied to MONE and no transitional arrangements have been identified.

conditions for the conduct of staff and specifying sanctions for participation in political events. Penalties include salary deductions and/or dismissal.

Article 10 of the historical *Statistical Law* sets a maximum penalty of 500 Omani Rials (US\$ 1,300) and/or six months imprisonment for staff who knowingly collect or publish incorrect data. Staff are advised of these arrangements during on the job training but not required to formally acknowledge their legal obligations. The mission recommended development of documentation outlining the legal obligations of staff and asking individual staff (both new and existing) are to sign a corresponding undertaking.⁷

2. Methodological soundness

2.1 Concepts and definitions

2.1.1 The overall structure in terms of concepts and definitions follows internationally accepted standards, guidelines, or good practices.

The national accounts are compiled according to the guidelines of *System of National Accounts (1993 SNA)*. Annual time series commence in 1998.⁸ The NCSI is currently reviewing its source data collection to collect additional detail required for the *2008 System of National Accounts (2008 SNA)*, with a view to undertaking implementation in the coming years. No documentation is available to describe current deviations from the international standard (see 5.2.1).

2.2 Scope

2.2.1 The scope is broadly consistent with internationally accepted standards, guidelines, or good practices.

Oman's national accounts consist of the following:

- annual value added and GDP at current and constant prices by activity;
- annual expenditures of GDP at current and constant prices;
- annual value added components at current prices by activity;
- sequence of accounts for the total economy (until net lending) with an annual frequency;

⁷ By way of example, *Australia's Census and Statistics Act (1905)* requires employees of the NSO to sign an "undertaking of fidelity and secrecy" (paragraph 7, <http://www.comlaw.gov.au/Details/C2006C00178>).

⁸ The current time series was first published with the 2007 annual accounts as all ten years were constructed using a SUT. The time series (commencing in 1980) published with the 2006 accounts contained a statistical discrepancy.

- annual rest of the world accounts (until net lending);⁹
- annual general government sector accounts (until net lending);¹⁰ and
- quarterly value added and GDP at current prices by activity.

The following are not compiled and recommended to achieve the *minimum requirement* of the ISWGNA:

- annual non-financial corporation sector accounts (until net lending);¹¹
- annual financial corporations accounts (until net lending);
- annual household sector accounts (until net lending);
- annual non-profit institutions serving households (NPISH) sector accounts (until net lending);
- quarterly sequence of accounts for the total economy;
- quarterly rest of the world accounts (until net lending);
- quarterly value added and GDP at constant prices by activity; and
- quarterly expenditure of GDP at current and constant prices.

Oman compiles four (quarterly value added components by industry at current prices; annual general government final consumption expenditure by purpose in current prices; annual individual final consumption expenditure by purpose in current prices; and annual supply and use tables) of the eleven *recommended* tables and accounts recommended by the ISWGNA.

Differences from the 2008 SNA standard are:

- goods received and sent abroad for processing without a change in economic ownership are recorded as imports and exports;
- illegal output sold to willing buyers is not considered material and no attempt is made to account for these transactions;
- weapons systems are classified outside the asset boundary and therefore included as consumption expenditure;

⁹ Balance of payments is compiled by the Central Bank of Oman (CBO).

¹⁰ Government finance statistics is compiled by the MOF. The current general government account extends to value added, however the remaining items can be observed in published data from MOF.

¹¹ Oman currently produces sectoral accounts until value added for all five resident sectors.

- valuables and historical monuments are not classified as capital formation and therefore recorded as consumption expenditure;
- agricultural work-in-progress is not recorded as output of the agriculture industry, but is recorded when the product changes economic ownership. Oman's agriculture industry is relatively small and this issue is of little interest to the NCSI and/or policy analysis;
- systems and standard applications computer software and databases are not classified as capital formation. These transactions are likely to have grown in materiality and the current treatment will be reviewed during 2008 SNA implementation; and
- entertainment, literary or artistic originals; research and development products; and leases and other transferable contracts such as purchased goodwill are not considered capital formation.

Recommendation

- The mission recommended the current review of the treatment of systems and standard applications computer software and databases should include all known deviations from 2008 SNA. Documentation outlining the deviations and the rationale (e.g., immaterial in Oman, disagreement with the treatment, strong demand, user feedback etc) should be published.

2.3 Classification/sectorization

2.3.1 Classification/sectorization systems used are broadly consistent with internationally accepted standards, guidelines, or good practices.

The elemental classifications underpinning Oman's national accounts are consistent with international standards. These include SNA institutional sector; ISIC Rev 3.1¹² (industry); CPC (product); Classification of Individual Consumption by Purpose (COICOP) (household final consumption expenditure); COFOG (government final consumption expenditure). There is little information outlining deviations from the international reference classification and aggregation of the elemental classification to generate publication categories. The mission understands deviations are minimal and most aggregations are easily inferred.¹³ The mission recommended documentation is produced to outline deviations between the international standards and the elemental classifications used in Oman's national accounts. This document should be published and updated annually following release of the Statistical Yearbook and include a concordance between the elemental classification and publication categories.

¹² The NCSI intend to implement ISIC Rev. 4 in 2015.

¹³ For example, it is clear the sixteen industry categories labeled A to P inclusive under Non Petroleum Activities correspond to the first sixteen ISIC 3.1 sections with some minor labeling changes. It is assumed the seventeenth section (Extraterritorial Organizations and Bodies) contains no resident units and is therefore zero. It is not clear which units (presumably from ISIC section C) have been presented under Petroleum Activities.

2.4 Basis for recording

2.4.1 *Market prices are used to value flows and stocks.*

The valuation rules used for recording flows and stocks are consistent with *2008 SNA*, namely:

- market output is valued at basic prices;
- output for own use is valued at equivalent market prices;
- sales and excise taxes are included in the valuation of intermediate consumption. Oman has no value added taxes;
- corrections can be made if transfer prices were detected, however no cases have been identified;
- the purchasers' price is estimated by deducting the value of subsidies on products; and
- total imports and exports of goods and services are valued on an f.o.b. basis as the value of insurance and freight is available from the customs dataset.

Transactions in foreign currency are converted using exchange rates provided by the Directorate General of Customs. The NCSI undertakes no adjustment to ensure these are mid-point exchange rates as required by *2008 SNA*.

2.4.2 *Recording is done on an accrual basis.*

Most transactions are recorded on an accrual basis including audited financial data provided by the Muscat Securities Market, most data collected via an enterprise survey for many non-financial corporations, and work-in-progress for construction activity. However, this practice is not universal as several aggregates are recorded on a cash basis including taxes and subsidies on products, expenditure and revenue data reported by Government Financial Statistics (GFS) (see 4.2.3).

2.4.3 *Grossing/netting procedures are broadly consistent with internationally accepted standards, guidelines, or good practices.*

Transactions between two establishments in the same enterprise are typically recorded on a gross basis given most data are collected at the establishment level.

3. Accuracy and reliability

3.1 Source data

3.1.1 *Source data are obtained from comprehensive data collection programs that take into account country-specific conditions.*

The source data for national accounts are obtained from a variety of data sources including annual enterprise surveys, administrative datasets, irregular household budget surveys, and existing sectoral macroeconomic accounts. The source data are broadly suitable for compilation.

(a). Annual Establishment Survey

The NCSI conducts an annual survey of establishments to provide details for units within the non-financial corporations and NPISH sectors. The survey is also used to complement existing data sources for household production to maximize coverage of the national accounts.

The survey frame is drawn from a decennial¹⁴ census of establishments last undertaken in 2010. A quarterly update of births and deaths is provided by the MOCI and each of Oman's eleven governorates.¹⁵ The frame contains variables including employment, revenue and industry code based on data provided at the time of registration and existing administrative processes. Institutional sector is not maintained on the frame, but set during survey estimation (see below).

Units in the general government sector (defined by GFS), financial corporations sector (defined by data provided by the CBO), NPISH sector (defined by data from a variety of sources including Ministry of Endowment and Religious Affairs and Ministry of Sports Affairs) and the manufacturing industry (see below) are excluded. The survey subsequently undertakes full enumeration of all enterprises exceeding a defined threshold set according to the industry code. Some example thresholds are as follows:

Building and Construction (ISIC Section F): establishments with 50 or more employees;

Wholesale and Retail Trade (ISIC Section M): establishments with 21 or more employees;

Education (ISIC Section N): Annual revenue greater than 70,000 Omani Rials (US\$ 182,000); and

Health (ISIC Section (G): Annual revenue greater than or equal to 40,000 Omani Rials (US\$ 104,000).

A subset of units failing to meet these criteria are randomly selected, enumerated and used to construct estimates of the population from which they were selected. Estimates derived from the

¹⁴ Oman expects to adopt a GCC-Stat recommendation to undertake a census of establishments at the start of each decade.

¹⁵ Registered units must have permission from both the national authority (Ministry of Commerce and Industry) and the corresponding governorate(s) in which they operate. A single enterprise operating two hotels in each of three governorates will have one registration with the Ministry of Commerce and Industry, but six registrations with the relevant governorates (i.e., two in each). If one of the six hotels ceases offering accommodation and becomes a restaurant, they must contact the governorate to exchange a hotel permit for a restaurant permit. The maintenance of governorate records provides information to set and maintain industry coding. The national authority provides details of employment and revenue from regulatory reporting.

sample survey are added to those for the fully enumerated population to generate estimates for the national accounts.

The survey form asks whether responses are obtained from clerical estimates or a chart of accounts. Units whose responses are clerical estimates or have employment under a defined employment threshold are considered unincorporated and assigned to the household sector. The remaining units are assigned to the nonfinancial corporations sector. The NCSI realizes this method is likely to overstate (understate) the household (non-financial corporations) sector.

Results are edited when the national accounts are compiled and considered reasonable since the response rate exceeds 90 percent.

(b) Household Budget Survey (HBS)

The NCSI first conducted a HBS in 1990. The survey was repeated every year between 1999 and 2011.¹⁶ The next HBS is planned for 2016. Results are used to compile estimates of household final consumption expenditure, own account production for consumption, and informal activity in benchmark years.

The HBS conducts twelve representative samples over a calendar year to address the issue of seasonality. Results are considered reasonable since the response rate exceeds 90 percent.

(c) Price Indexes and Quantity Changes

The NCSI compiles a suite of price statistics including Producer Price Index (PPIs) and Consumer Price Index (CPIs). The construction of a PPI is an observable and material improvement implemented since the 2004 ROSC was conducted. As the PPI does not provide complete coverage, national accounts make use of the CPI and a variety of quantity indicators from sources such as the Ministry of Oil and Gas (see below) and Directorate General of Customs.

(d) Other Data Sources

Oman's national accounts make use of other data sources including:

MOCI: An annual census of units in the manufacturing industry is conducted by this ministry. Results are used to construct national accounts estimates for this industry including output, intermediate consumption and compensation of employees;

MOF: Estimates for the general government sector are used to compile general government output and final consumption expenditure;

¹⁶ With the exception of years where a population census was undertaken.

CBO: Imports and exports of goods and services are used to populate final expenditure and adjust household expenditure from the household budget survey for expenditure by residents (non-residents) outside (inside) its geographical domain. The CBO also provides data on the financial corporation's sector which is used to estimate key items including financial intermediation services indirectly measured (FISIM) and insurance; and

Ministry of Oil and Gas: Detailed information describing quantities and prices of oil production are used to construct constant price estimates for the mining industry, and

Ministry of Agriculture and Fisheries: Data are compiled for "traditional fishing" and represent output of the household sector.

3.1.2 *data reasonably approximate the definitions, scope, sectorization, classifications, valuation, and time of recording required.*

The annual establishment survey is designed specifically to account for the needs of national accounts compilation and approximate the definitions, scope, classification, valuation, and time of recording required. The survey forms are specifically designed to cover the particular economic activity being surveyed and therefore vary according to the industry being covered. The survey form is currently subject to review and testing to assess feasibility for implementing 2008 SNA.

3.1.3 *Source data are timely.*

The data are generally received on a timely basis. Preliminary estimates are compiled by summing four quarterly estimates and disseminated four months after the end of the reference year. Results of the annual establishment survey are available for the provisional estimate published eleven months after the end of the reference year. All required source data are included in the final estimate published approximately twenty three months after the end of the reference year.

3.2 Assessment of source data

3.2.1 *Source data—including censuses, sample surveys, and administrative records—are routinely assessed, e.g., for coverage, sample error, response error, and nonsampling error; the results of the assessments are monitored and made available to guide statistical processes.*

Validation rules are designed to capture data entry and consistency errors. These are enforced by a series of validation checks and comparisons with other data items provided by the unit. Staff also assess results with administrative data sources such as published financial records.

3.3 Statistical techniques

3.3.1 Data compilation employs sound statistical techniques to deal with data sources.

Imputations are made for nonresponse based on characteristics of units with similar industry and/or employment characteristics and are consistent with international standards. The average growth rate of enterprises with similar characteristics is used if the establishment responded in the previous period. Average output per employee, based on the establishment's employment is used if no response was provided in the previous period.

3.3.2 Other statistical procedures (e.g., data adjustments and transformations, and statistical analysis) employ sound statistical techniques.

The output of owner-occupied dwellings is derived as the estimated rental values that owners would pay for similar accommodation. The data are obtained from the HBS which also provides information on dwelling rental value from owner-occupiers.

Output of FISIM is calculated as interest received less interest paid by financial institutions. Domestic usage of this item is calculated as total output less net exports and assigned to an imputed industry. This treatment is consistent with the recommendations of the 1993 SNA.

The 2008 SNA recommendations to derive FISIM separately for loans and deposits using a reference rate and allocate to intermediate and final consumption will be considered at some point in the future. All other things equal, Oman's GDP will be understated by the value of FISIM consumed as final use¹⁷ relative to other countries who have implemented this recommendation.

Employee stock options are treated according to reporting of these transactions in relevant source data. These transactions are considered immaterial in Oman and of little concern to the NCSI and policy analysis.

Output of non-life insurance is derived as the difference of premiums received less claims paid. This will generate material volatility and potentially negative gross operating surplus and value added in years where large claims are paid due to catastrophic events. The 2008 SNA recommended treatment for insurance service charge derived from premiums, claims and premium supplements has not been implemented.

¹⁷ Intermediate consumption of FISIM was 549.6 million Omani Rials in 2011. This comprises 2 percent of Oman's GDP (26,731 million Omani Rials) for the same period. If half of this amount was consumed by households and/or is consumed by non market producers such as general government and/or NPISH, GDP will increase by approximately 1 percent.

Goods sent (received from) abroad for processing without a change of economic ownership are recorded as exports (imports). This is consistent with the 1993 SNA and has not been updated to the 2008 SNA standard.

Work-in-progress is estimated for large construction projects, but generally not reflected in other industries. This is not a major concern to the NCSI as industries such as agriculture and manufacturing of large equipment are of lower significance relative to other countries. No adjustment is made to output and intermediate consumption to remove the impact of holding gains/losses. Change in inventories is derived as a residual.

Consumption of fixed capital is set equal to depreciation as reported from various data sources. Oman has not implemented a perpetual inventory model as recommended by 2008 SNA. Most source data, and therefore the national accounts are compiled on an accrual basis. An exception is the GFS data compiled by the MOF, which is on a cash basis.

The double indicator method is used to deflate output and intermediate consumption for the approximately 100 industry and product groups in the SUT. PPIs are used where possible to deflate output and intermediate consumption and represent a material improvement in quality since the 2004 ROSC. Where PPIs are not available, deflation is undertaken using IPDs constructed using observed volume movements and is typically undertaken for oil products (quantity of oil) and output of general government (number of employees). The last resort used for deflation is the economy wide CPI.

Taxes less subsidies on products is deflated using a weighted average of unit values derived from data provided by the Directorate General of Customs. This method is an approximation of the 2008 SNA recommended methodology which requires the use of volume movements for each product. Given recent increases in (mostly oil) subsidies, the current method (deflating subsidies on products with an aggregate measure of price change of imported products) requires attention.

GDP volumes are calculated in respect of 2010 constant prices. The base year was updated from 2000 in 2012.

Household final consumption expenditure for many products is estimated by applying the corresponding current price movement in total resources at purchasers prices since the last household budget survey was undertaken. Gross fixed capital formation is derived independently as expected. Changes in inventories are derived as a residual.

Household and government final consumption expenditure are compiled for approximately 100 product groups of the SUT. This level of compilation is typically more detailed than the one digit level of COICOP and COFOG. Gross fixed capital formation is compiled by activity and by type of asset. No activity or type of asset detail is available for change in inventories.

The reliance of fixed ratios is limited to several activities in agriculture. These are of minimal significance and interest to the NCSI and policy analysis.

Government final consumption expenditure excludes sales of market output as required by 2008 SNA.

Quarterly estimates for output, intermediate consumption, and taxes on production are compiled using data obtained by three categories of source data:

- survey data: The NCSI conducts quarterly enumeration of large units included within the annual enterprise survey. Estimates for the population are constructed by assuming the enumerated units represent the same proportion of the population as observed in the most recent annual enterprise survey. This method is employed for industries such as construction and hotels & restaurants;
- administrative reporting: Example included the MOCI (mining industry) and government finance (public administration and defense industry); and
- models: Estimates for owner-occupied dwellings are compiled by extrapolating data from the 2010 HBS by movements in population and the CPI for rents.

The quarterly time series for the latest year are scaled to obtain consistency with the latest annual benchmark. By way of example, the quarterly series for 2013 will be scaled using a constant ratio to match the provisional benchmark for 2013 published in November 2014. No adjustment will be made when the final annual benchmark is released in November 2015. This practice ensures the quarterly dataset is not a consistent time series.

The current benchmarking process enables production of current quarterly output (calendar year to date current price GDP for the current and previous calendar year only). No quarterly time series is published. The NCSI acknowledges the current benchmarking process is suboptimal and prohibits construction of a quarterly constant price GDP.

Recommendations

- Ensure volume movements for taxes less subsidies on products reflect volume movements of the underlying products.
- Replace the current benchmarking technique with a standard technique such as the Proportional Denton Method¹⁸ to enable publication of consistent quarterly time series. Addressing this issue is a precondition of publishing quarterly time series in constant prices.

¹⁸ This methodology is described in chapter six of <http://www.imf.org/external/pubs/ft/qna/2000/textbook/> along with a general discussion of benchmarking quarterly national accounts.

3.4 Assessment and validation of intermediate data and statistical outputs

3.4.1 Intermediate results are validated against other information, where applicable.

Survey results are confronted against data from external data sources and validated for coherency with other SNA aggregates.

3.4.2 Statistical discrepancies in intermediate data are assessed and investigated.

Ad hoc assessments of intermediate data are conducted when warranted.

3.4.3 Statistical discrepancies and other potential indicators of problems in statistical outputs are investigated.

The SUT framework is used to identify and resolve discrepancies to achieve consistency of outputs.

3.5 Revision studies

3.5.1 Studies and analyses of revisions and/or updates are carried out and used internally to inform statistical processes (see also 4.3.3.).

Formal revision studies are not conducted. However, the NCSI assesses differences between preliminary and final estimates at a disaggregated level. Major differences are noted and investigated.

4. Serviceability

4.1 Periodicity and timeliness

4.1.1 Periodicity follows dissemination standards.

National accounts data are disseminated annually and adhere to the General Data Dissemination System (GDDS) recommendations for periodicity.

4.1.2 Timeliness follows dissemination standards.

Quarterly, current price estimates of value added and GDP are disseminated in the first week of the fourth quarter after the reference period in the monthly bulletin. The first annual, current price estimate of GDP is therefore disseminated within four months of the reference year and meets the GDDS requirement for annual GDP.

Revisions to annual, current price estimates of GDP and provisional estimates of volume change are disseminated eleven months after the reference period¹⁹ in the *Statistical Yearbook*. These values are finalized after twenty three months in the subsequent *Statistical Yearbook*.

4.2 Consistency

4.2.1 *Statistics are consistent within the dataset.*

Estimates and growth rates in the published series are consistent as there is no statistical discrepancy due to the implementation of SUTs for all reference periods. The published annual GDP time series commences in 1998.

4.2.2 *Statistics are consistent or reconcilable over a reasonable period of time.*

Oman's national accounts are a consistent annual time series commencing in 1998, although several 1993 SNA aggregates could be constructed from 1980.²⁰ Oman commenced annual publication of national accounts in 1980 following 1968 SNA and published an annual time series on this basis until 2007. Annual SUTs are constructed from 1998 (the first year for which source data from a household survey was available) as part of Oman's transition to 1993 SNA. Following implementation of 1993 SNA, the (balanced) time series commencing in 1998 replaced the existing (unbalanced) time series commencing in 1980. The NCSI has no plans to backcast GDP to 1980 as no significant user demand is anticipated.

Historical revisions are applied throughout the historical SUT time series to ensure consistency and are advised to users. Oman's national accounts are rebased periodically and are backcast throughout the time series. The annual time series for 2012 (published in November 2013) incorporates revisions due to modified methodologies and availability of updated product detail for 2010. An explanation for these revisions is provided in the *National Accounts Bulletin*.

National Accounts publications provide limited analysis of economic trends. Published data include tables and graphical presentations of information to highlight key points.²¹ The publication also contains material outlining the definition of key aggregates such as GDP, government final consumption expenditure and gross capital formation.

¹⁹ This does not meet the GDDS standard of nine months after the end of the reference period.

²⁰ The time series of SUTs commence in 1998. All periods prior to this date have a statistical discrepancy.

²¹ The mission notes the monthly bulletin contains pie charts which have: three (rather than two) dimensions; ovals (rather than circles); and inconsistent radii. These three factors have the potential to mislead if users interpret shares in proportion to area rather than radians.

Recommendation

Consider including analytical text of economic trends in future national accounts publications and based on good practices in other countries.²²

4.2.3 Statistics are consistent or reconcilable with those obtained through other data sources and/or statistical frameworks.

Oman's national accounts are consistent with balance of payments²³ published by the CBO. Consistency between *Government Finance Statistics Yearbook* data and national accounts cannot be verified. The NCSI compiles estimates of exports and imports of goods according to the International Merchandise Trade Statistics (IMTS) framework in consultation with the Directorate General of Customs. The CBO incorporates data from other sources including international trade in services, and includes adjustments for personal effects of travelers, and timing adjustments for large capital items to construct a *BPM5/1993 SNA* compliant series. The NCSI ensures the time series provided by CBO are reflected in the national accounts. No adjustments are made to the *GFSM 1986* series for general government provided by MOF.²⁴ The statistical impact of including GFS aggregates constructed on a cash basis into national accounts constructed on an accrual basis is considered to be immaterial, and is ignored to achieve consistency of published aggregates.

Recommendation

Undertake detailed analysis to assess materiality of the difference between a cash and accruals GFS series to validate the current assumption.

4.3 Revision policy and practice

4.3.1 Revisions and/or updates follow a regular and transparent schedule.

The cycle for revisions follows a regular and transparent schedule. The first, preliminary annual estimate is derived by summing the four quarterly values and published four months after the reference period. A revised, provisional estimate, derived from a SUT with partial information, is published eleven months after the reference period. A final estimate, derived from a SUT with complete information, is published twenty three months after the reference period (see 4.1.2 for more details). The final estimates are only revised in the event of methodological changes and/or

²² An indicative example is the media release accompanying the June Quarter 2014 national accounts for the United States of America (http://www.bea.gov/newsreleases/national/gdp/2014/gdp2q14_2nd.htm)

²³ Key aggregates such as net exports of goods and services are identical, however some minor issues (e.g., the need to include re-exports in both imports and exports, signage on net lending) were identified and will be corrected. The CBO and NCSI resolved to a regular annual meeting prior to publication of the annual national accounts to ensure coherency of published series. The NCSI are encouraged to undertake a similar exercise with Department of Finance in respect of government final consumption expenditure and net taxes on products.

²⁴ The NCSI obtains data for public trading enterprises via direct collection as part of the annual enterprise survey.

rebasing. No formal documentation of the revision schedule is available as key users are well aware of the schedule.

Recommendation

- Publish documentation outlining the regular and transparent schedule for which national accounts are revised.

4.3.2 Preliminary and/or revised/updated data are clearly identified.

The *National Accounts Bulletin* and *Statistical Yearbook* identify the provisional estimates. No annotations are available to identify revised/updated data.

4.3.3 Studies and analyses of revisions are made public (see also 3.5.1).

Analyses of revisions were conducted while the national accounts were compiled by the MONE. No analyses of revisions have been made available to the public.

Responsibility for this task currently lies with the NCSI Information Directorate and has not been undertaken since the NCSI commenced operations in 2012.

Recommendation

Undertake annual revision studies for national accounts and make the results available publicly.

5. Accessibility

5.1 Data accessibility

5.1.1 Statistics are presented in a way that facilitates proper interpretation and meaningful comparisons (layout and clarity of text, tables, and charts).

The national accounts data are presented clearly and use the expected classifications including industry, sector and product. The publication includes a short description of data sources and methodology. The publication is presented in both Arabic and English and the latter contains multiple typographical errors in labels which can be readily corrected. The current presentation of pie charts (see 4.2.2) is a risk to proper interpretation.

The published quarterly, current price GDP series is not subjected to any seasonal adjustment. The risk of errant decision making is mitigated by presenting changes from the corresponding period of the previous year.

5.1.2 *Dissemination media and format are adequate.*

The data are presented in hardcopy publications, CD-ROM, and on the NCSI website.²⁵ The NCSI is currently investigating methods to improve access to electronic versions of the time series. User requests for additional detail and/or alternative classifications using existing concordances, are provided free of charge subject to quality and confidentiality assessments.

5.1.3 *Statistics are released on a preannounced schedule.*

Statistics are not released according to a preannounced schedule. The general timing has remained stable over time and regular users are generally aware of upcoming data releases. As occasional users are unlikely to find any guidance on this issue, this is a major weakness of the current dissemination process.

Recommendation

Publish an advance data release calendar which refers to all upcoming releases.

5.1.4 *Statistics are made available to all users at the same time.*

Published statistics are made available to all interested users via the NCSI website and represent a material improvement since the last ROSC in 2004. Selected government stakeholders including the CBO are provided with preliminary versions of published statistics on an ad hoc basis via existing informal relationships. Users are instructed to: (a) restrict further dissemination; and (b) expect revisions between the preliminary version and the final version released on the website due to final editing adjustments. No public information is available to advice of this practice and the procedures and principles enabling this access.

Recommendation

- Construct and publish a policy documenting the users receiving statistics prior to release, the principles under which this disclosure occurs, and the process by which access can be requested.

5.1.5 *Statistics not routinely disseminated are made available upon request.*

Additional detail is freely disseminated upon request subject to quality and confidentiality constraints.

²⁵ www.ncsi.gov.om.

5.2 Metadata accessibility

5.2.1 Documentation on concepts, scope, classifications, basis of recording, data sources, and statistical techniques is available, and differences from internationally accepted standards, guidelines, or good practices are annotated.

Summary information on data sources and methodology is published in the *National Accounts Bulletin*. No comprehensive document outlining the relationship between 1993 SNA and the national accounting framework employed by Oman is available.

Recommendation

Develop a comprehensive sources and methods document which is updated and published annually following release of the *Statistical Yearbook*.

GDDS metadata is populated, but has not been updated since September 2011. It does not reflect the current processes employed by the NCSI.

Recommendation

Update GDDS metadata annually following release of the updated sources and methods document.

5.2.2 Levels of detail are adapted to the needs of the intended audience.

The summary information in the *National Accounts Bulletin* is adequate to meet the needs of a broad audience interested in the economic significance of the data. A comprehensive sources and methods document (see 5.2.1) will be appropriate for users and researchers interested in measurement techniques.

5.3 Assistance to users

5.3.1 Contact points are publicized.

Publications readily identify the NCSI as the agency responsible for the national accounts and provide a variety of access points including the website, Facebook and Twitter. These sources contain a phone number and/or web form to reach staff in the NCSI Information Directorate responsible for consulting with national accounts compilers to resolve the enquiry. The NCSI may wish to consider including a phone number and email address within the publication to ensure clients do not have to obtain this information from an intermediate website.

5.3.2 Publications, documents, and other services, including information on any charges, are widely available.

All publications can be freely accessed from the NCSI website. The website is a notable achievement since the 2004 ROSC. National accounts staff do not impose charges for servicing requests coming through the Information Directorate.

Table 1. Oman: Data Quality Assessment Framework (May 2012): Summary of Results for National Accounts Statistics*(Compiling Agency: National Center for Statistics & Information)*

Key to symbols: NA = Not Applicable; O = Practice Observed; LO = Practice Largely Observed; LNO = Practice Largely Not Observed; NO = Practice Not Observed; GDDS = Complies with GDDS Criteria							
Element	NA	Assessment				Comments on Assessment	Plans for Improvement and Target Dates
		O	LO	LNO	NO		
0. Prerequisites of quality							
0.1 Legal and institutional environment				X		The powers and responsibilities of the historical <i>Statistical Law</i> have not been applied to the NCSI. Data sharing and coordination are based on informal relations with little documentation.	A new <i>Statistical Law</i> must be developed and implemented. Development of Memoranda of Understanding will formalize existing relationships.
0.2 Resources			X			Resources and financing to compile the ISWGNA minimum requirement are not available	A submission for additional government funding to increase resources for national accounts is currently under development.
0.3 Relevance			X			The NCSI undertakes informal consultation with users in the public sector, however little consultation is undertaken with the private sector.	Establishment of a formal user advisory group for macroeconomic statistics.
0.4 Other quality management			X			No work plans, no internal training programs.	
1. Assurances of integrity							
1.1 Institutional integrity		X					
1.2 Transparency			X			No public information is available to advise some government users receive statistics prior to release.	Publication of terms and conditions under which statistical series are disclosed to internal government users prior to publication.
1.3 Ethical standards		X					
2. Methodological soundness							
2.1 Concepts and definitions			X			1993 SNA instead of 2008 SNA.	
2.2 Scope			X			Oman's (predominantly 1993 SNA) implementation does not meet the ISWGNA minimum standard.	Continued development of the sequence of accounts.
2.3 Classification/sectorization			X			ISIC Rev. 3.1 instead of Rev. 4. CPC Ver 1 instead of Ver. 2.	
2.4 Basis for recording			X			GFS data is provided and recorded on a cash accounting basis.	GFS estimates to be recorded on an accrual basis when the Ministry of Finance implements the latest international standard for GFS.

Table 1. Oman: Data Quality Assessment Framework (May 2012): Summary of Results for National Accounts Statistics (concluded)*(Compiling Agency: National Center for Statistics & Information)*

Key to symbols: NA = Not Applicable; O = Practice Observed; LO = Practice Largely Observed; LNO = Practice Largely Not Observed; NO = Practice Not Observed; GDDS = Complies with GDDS Criteria							
Element	NA	Assessment				Comments on Assessment	Plans for Improvement and Target Dates
		O	LO	LNO	NO		
3. Accuracy and reliability							
3.1 Source data			X			The suite of PPIs are not exhaustive.	Increase scope of PPIs
3.2 Assessment of source data		X					
3.3 Statistical techniques			X			The procedure for benchmarking quarterly and annual accounts does not support a quarterly time series.	Replace current benchmarking technique with international standard technique.
3.4 Assessment and validation of intermediate data and statistical outputs		X				Implementation of SUTs results in improved rating of this element from 2004 ROSC assessment of "LO".	
3.5 Revision studies				X		No revisions studies are undertaken.	Undertake revision studies to inform statistical processes.
4. Serviceability							
4.1 Periodicity and timeliness			X			Volume GDP is published eleven months after reference period concludes. The GDDS requirement is within nine months.	Reduce time between publication of volume GDP and conclusion of reference year.
4.2 Consistency			X			Government finance statistics cannot be reconciled with national accounts .	
4.3 Revision policy and practice			X			No revisions studies are published.	Publish periodic revisions analyses.
5. Accessibility							
5.1 Data accessibility			X			No preannounced publication schedule is available. Several government agencies receive statistics prior to release.	Publish and maintain a preannounced schedule of upcoming release dates on the NCSI website.
5.2 Metadata accessibility			X			A detailed description of concepts and sources does not exist. GDDS metadata is not periodically updated.	Construct and publish a comprehensive sources and methods document. Update this document and GDDS metadata immediately following release of annual estimates in the <i>Statistical Yearbook</i> .
5.3 Assistance to users		X					

PRICE STATISTICS (CONSUMER PRICE INDEX)

0. Prerequisites of Quality

0.1 Legal and institutional environment

0.1.1 The responsibility for collecting, processing, and disseminating the statistics is clearly specified.

Royal Decree No. 31/2012 establishes the NCSI as an autonomous NSO. Articles 3 and 6 establish the organization's board of directors and statute respectively. Royal Decree No. 40/2014, issued on August, 12, 2014, defines one of the NCSI's duties as "technical supervision of the management and organization of statistics and information activities in Oman".

The *Statistical Law* is provided through Royal Decree No. 29/2001 and establishes the authority for collection, processing, and disseminating national statistics in Oman. These statistics include the Statistical Yearbook that comprises important data available for economic and social development and a Monthly Bulletin reflecting the main social and economic indicators. The current *Statistical Law* vests these responsibilities with the MONE, which was dissolved in 2011. Amendments are currently being drafted to vest these responsibilities with the NCSI. Oman currently has no valid *Statistical Law* applying to the NCSI.

The SAC is established by article 9 of the historical *Statistical Law* and provides a coordination and approval mechanism for government units undertaking statistical compilation. The SAC's current legal status needs to be defined as part of the review process following the MONE's dissolution, to make it effective in promoting consistency of statistical methods and resolving conflicts between agencies. NCSI staff also indicated strong informal relationships between members of the Omani statistical system.

Recommendation

Develop *Statistical Law* to clarify responsibilities and to strengthen coordination mechanisms within the Omani statistical system.

0.1.2 Data sharing and coordination among data-producing agencies are adequate.

The exchange of unpublished data for individuals from government units to the NCSI is effective and was previously legislated within the Omani statistical system.²⁶ The current arrangements facilitating data exchange to the NCSI are the result of informal relationships established over many years. *The mission underscores the need to improve inter-agency coordination and recommends the establishment of formalized arrangements with other government units to document existing data*

²⁶ Article 4, Royal Decree No. 29/2001.

exchange arrangements. This action will help mitigate the loss of institutional memory that could occur with the departure of senior staff.

The historical *Statistical Law*²⁷ prohibits the publication of data concerning an individual by MONE – only statistical information in an aggregate form can be provided; however, as noted above, the *Statistical Law* does not apply to the NCSI.

The NCSI has little formalized contact with data producers to promote a proper understanding of data requirements, avoid duplication of effort, and take into account reporting burden. The majority of these discussions occur via informal contacts. This aspect was mandated by the historical *Statistical Law*, and a SAC (see 0.1.1) should be established in the updated legislation noted above.

0.1.3 Individual reporters' data are kept confidential and used for statistical purposes only.

The historical *Statistical Law*²⁸ prohibits the publication of individual data unless it is “in an aggregate form” and restricts its use to statistical purposes; however, as noted above, the *Statistical Law* does not apply to the NCSI. The production system of the CPI, as well as handheld computers for price collection, are protected by passwords. Only the CPI staff have access to these systems. The historical *Statistical Law* requires staff to maintain confidentiality and imposes up to six months imprisonment and/or a fine of 500 Omani Rials (US\$1,300) for breaching this obligation and these same provisions should be included in the updated version of the legislation.

0.1.4 Statistical reporting is ensured through legal mandate and/or measures to encourage response.

Article 6 of the historical *Statistical Law* requires government units, private entities and individuals to provide data to units undertaking statistical activity approved by the SAC. The consequence of non-compliance is a fine of 300 Omani rials (US\$780). The *Statistical Law* does not apply to the NCSI and updated version of the legislation should include these provisions. Since the inception of the NCSI in 2013, there are no identified units that have refused to provide data. A likely contributor is the NCSI's program to educate and encourage cooperation of timely and accurate responses.

0.2 Resources

0.2.1 Staff, facilities, computing resources, and financing are commensurate with statistical programs.

There are 28 staff members working on the CPI, 20 of whom are price collectors. The staff have the qualifications required to undertake the work and are encouraged to develop and diversify their

²⁷ Article 8, Royal Decree No. 29/2001.

²⁸ Article 8, Royal Decree No. 29/2001.

skills. This means that the staff are extremely flexible, being able to change roles to meet changing demands. The number of staff is sufficient for the current production. The salaries paid by the NCSI are set by the Ministry of Civil Service, but bonuses are used to reward good work. Staff turnover is low following recent harmonization of civil salary pay scales.

Price collection for the CPI is done efficiently using handheld computers. The CPI production system is comprehensive and up to date.

The offices have the necessary facilities and are well maintained. Furniture and equipment are all modern and in good working condition.

Financial resources for the current CPI program are adequate.

0.2.2 Measures to ensure efficient use of resources are implemented.

The NCSI is developing a framework to assign Key Performance Indicators to individual staff and improve the quality of periodic reviews. Staff are currently assessed by their supervisor and receive a discretionary bonus commensurate with the assessment.

The majority of the NCSI's funding is provided by the government²⁹ and is subject to review by the board of directors and the MOF.

0.3 Relevance

0.3.1 The relevance and practical utility of existing statistics in meeting users' needs are monitored.

The NCSI staff undertake regular consultation with data users in other government agencies via informal relationships established over a lengthy time period. Formalized consultation arrangements include a bi-annual gathering of up to forty government data users. Consultation with users outside of government is limited to interaction via brochures when the user is selected as a survey respondent and other informal contacts. A user survey was conducted in 2009 and 2010 and considered a one off response to the global financial crisis. A formalized user advisory committee does not exist.

The NCSI staff actively participate in regional statistical coordination activity undertaken by the GCC-Stat. Senior NCSI staff attend selected international meetings. The NCSI may delegate representation in international forums to regional delegates from GCC-Stat.

²⁹ Other funding comes from selling the publications.

Recommendation

Establish a formal user advisory group for macroeconomic statistics to assess relevance of current data and identify new and emerging data requirements on a regular basis.

0.4 Other quality management

0.4.1 Processes are in place to focus on quality.

New CPI staff is provided with dedicated one-on-one coaching from experienced senior staff to reinforce the importance of statistical quality. Experienced staff demonstrates a shared commitment to this core value.

No formal training regime, process or public information exists to reinforce quality and demonstrate the associated trade-offs.

0.4.2 Processes are in place to monitor quality during the planning and implementation of the statistical program.

- CPI staff demonstrate a strong understanding and commitment to coherence of published aggregates. The NCSI has sophisticated computer systems to monitor all aspects of the surveys in operation. In recent years, heavy use has been made of external experts to improve the quality of processes. *The mission recommends development and implementation of formalized strategies to reinforce quality within the NCSI, such as a training course, using historical case studies, to demonstrate the impact upon decision making and resulting importance of quality and relevant monitoring processes.* The course would be undertaken by all staff upon commencement and after completing a five year period of service.

1. Assurances of integrity

1.1 Institutional Integrity

1.1.1 Statistics are produced on an impartial basis.

Royal Decree No. 31/2012 supports professional independence by establishing the NCSI as an autonomous statistical agency. The historical *Statistical Law* and this legislation do not explicitly prohibit interference from other agencies in the compilation and/or dissemination of statistical information.

Staff are appointed through existing merit based, civil service processes conducted in consultation with NCSI management. All vacancies are reported via a job description to the Ministry of Civil Service who liaise with the Ministry of Manpower to identify applicants meeting the criteria specified by the NCSI. Applicants complete a written test specified by the NCSI and receive a preliminary ranking based on their performance. The top five applicants are subsequently interviewed and receive a final ranking from two NCSI staff and one delegate from the Ministry of Civil Service. Staff

participate in regional and international workshops and training conducted by GCC-Stat and the Fund.

The NCSI head (Executive Director) is appointed by the Sultan of Oman via a Royal Decree. However, details of the Executive Director's tenure and reporting arrangements are not explicitly stated in legislation as per international best practice.³⁰ *The mission recommends that the new Statistical Law (see 0.1.1) should include provisions specifying the choice, tenure and reporting arrangements of the NCSI Executive Director to reflect international best practice.*

1.1.2 Choice of data sources and statistical techniques as well as decisions about dissemination are informed solely by statistical considerations.

The choice of data sources, statistical techniques and dissemination are informed solely by statistical considerations. NCSI staff determine the techniques, methodologies, and data sources in the light of international best practice.

Data are disseminated according to their availability without the influence of non-statistical considerations.

1.1.3 The appropriate statistical entity is entitled to comment on erroneous interpretation and misuse of statistics.

The NCSI is entitled to, and will always, contact relevant media when data are misinterpreted or misused. The Information Directorate monitors all media channels to identify all references to its statistics.

1.2 Transparency

1.2.1 The terms and conditions under which statistics are collected, processed, and disseminated are available to the public.

The historical *Statistical Law* is available in hardcopy, both in Arabic and English and available upon request; however, as noted above this legislation does not apply to the NCSI. The updated version of the legislation should be made widely available in both English and Arabic.

1.2.2 Internal governmental access to statistics prior to their release is publicly identified.

Internal governmental access to CPI statistics prior to their release does not currently exist. However, no decree exists to stipulate this.

³⁰ Section II(C) of the *Handbook of Statistical Organization* (<http://unstats.un.org/unsd/dnss/hb/>).

1.2.3 Products of statistical agencies/units are clearly identified as such.

All publications of statistics clearly identify the NCSI as the source. The branding of publications is currently being updated to make it modern and uniform.

1.2.4 Advance notice is given of major changes in methodology, source data, and statistical techniques.

Advance notice of significant changes to the statistics is given to users through several channels, including television and radio interviews³¹, and the NCSI website.

1.3 Ethical standards

1.3.1 Guidelines for staff behavior are in place and are well known to the staff.

Staff behavior is guided by the rules and regulations of the Oman's *Civil Service Law*. These include Royal Decrees No. 101/1996 and 39/1982 which establish terms and conditions for the conduct of staff and specifying sanctions for participation in political events. Penalties include salary deductions and/or dismissal.

Article 10 of the historical *Statistical Law* sets a maximum penalty of 500 Omani rials (US\$1,300) and/or six months imprisonment for staff who knowingly collect or publish incorrect data. The *Statistical Law* does not apply to the NCSI. Updated legislation should include similar penalties for falsifying data. Staff are advised of these arrangements during on the job training but not required to formally acknowledge their legal obligations. *The mission recommends the development of documentation outlining the legal obligations of staff and asking individual staff (both new and existing) are to sign a corresponding undertaking.*³²

2. Methodological soundness

2.1 Concepts and definitions

2.1.1 The overall structure in terms of concepts and definitions follows internationally accepted standards, guidelines, or good practices.

Overall, the NCSI strives to reflect the concepts and definitions reflected in the 2004 ILO *CPI Manual* and the 1993 *SNA*. The CPI uses the *Classification of Individual Consumption by Purpose (COICOP)* to classify the products. The weights are derived from the *Household Income and Expenditure Survey*

³¹ There is a 30 minute radio program every Sunday, where the NCSI staff can take part and inform the audience about recent developments in different statistics.

³² By way of example, *Australia's Census and Statistics Act (1905)* requires employees of the NSO to sign an "undertaking of fidelity and secrecy" (paragraph 7, <http://www.comlaw.gov.au/Details/C2006C00178>).

(HIES). Elementary indexes are calculated using the Jevons formula, while aggregate indexes are calculated using the Laspeyres formula.

2.2 Scope

2.2.1 The scope is broadly consistent with internationally accepted standards, guidelines, or good practices.

The CPI weights include most types of resident households, including those of foreigners. However, as is the usual practice, institutional households such as hospitals and army barracks are not covered. The consumption of households that are also producers is included, as is the consumption of their own production. According to international best practices, for a CPI used for monetary policy decisions and as a general measure of inflation, the production for own consumption should be excluded from the index weights. If it is included, the index should be calculated with and without production for own consumption.

- The CPI covers all main groups of the *COICOP* classification from 01 to 12, with the exception of alcohol. The CPI does not include fixed capital formation, that is, residential property, which is consistent with international standards. Imputed rents of owner-occupied dwellings are included. *The mission recommends that NCSI exclude production for own consumption from the CPI weights.*

2.3 Classification/sectorization

2.3.1 Classification and sectorization systems are broadly consistent with internationally accepted standards, guidelines, or good practices.

Following international best practices, the CPI is classified using *COICOP* classification up to 4-digit-level. Under the 4-digit-level, the basket of products is classified at 5-digit-level or 6-digit-level, depending on the products.

2.4 Basis for recording

2.4.1 Market prices are used to value flows and stocks.

The CPI weights are constructed using market prices. Collected prices for index calculation also relate to actual transaction prices, that is, after any discounts have been deducted. These valuations are consistent with international standards.

2.4.2 Recording is done on an accrual basis.

Price collectors have to report the price as of the day of collection. The period for price collection within the month is predetermined. For fresh products such as fruit, prices are collected on Sunday four times per month. For other products, prices are mainly collected on the second week of the month. For the prices of flights, the collected price is the price for an open air ticket for four months

out. There are also some centrally collected prices, such as water and electricity. Changes in these are allocated to the month when they were introduced. Information on changes in centrally collected prices is obtained from the media. The authorities state that in case there are changes in centrally collected prices, it is clearly presented in the media, and thus the price change will not be missed.

2.4.3 Grossing/netting procedures are broadly consistent with internationally accepted standards, guidelines and good practices.

- Secondhand goods are not included in the CPI price collection. Sales of secondhand cars are included in the total weight of cars, as they cannot be separated. Thus, the weight of new cars also includes the weight of secondhand cars. The weight of secondhand cars is not a net weight, which is against international best practice. *The mission recommends that NCSI set the weight of secondhand cars to be a net weight. The net weight reflects the value a household receives for the sale of car less the amount paid for the purchase of a new second-hand car.*

3. Accuracy and reliability

3.1 Source data

3.1.1 Source data are obtained from comprehensive data collection programs that take into account country-specific conditions.

The current weights are an average of three years from the 2008/2009/2010 *HIES*. An average of three years of expenditure data was selected to overcome the shortages of the *HIES*, such as missing data for certain products or variability of the figures from year to year. Compared to one year data, the three year average is considered a better reflection of the average consumption structure.

The outlets from which prices are collected were comprehensively reviewed for the current index. Outlets were selected based on local knowledge of the most popular outlets. There was no sample frame, and the selection was not based on statistical sampling. It can be argued, that the local knowledge of field staff is comprehensive enough for selecting the outlets; however, without clear statistical basis, there is a risk that the outlet selection is based on subjective considerations, could be biased and is not broadly representative of those outlets where the reference population shop. The enumerators should begin listing all establishments in a given area, this list should be used as an initial sample frame. In the future, sales data of establishments should be used for selecting the sample. During the life cycle of the index, collectors and their supervisors keep the selected outlets under continuous review, changing the list of outlets as considered necessary.

The list of products selected for price collection, was derived from the 2008/2009/2010 *HIES*. All products that had consumption higher than 0.2 percentages within each 4-digit *COICOP* group were selected. The weight of the excluded products was distributed to the products that were selected according to the consumption share of each product.

Price collection includes all areas of Oman, except for Musandam and Al Wusta. The exclusion of these two governorates is due to the unavailability of weight data. However, the population in Musandam accounts for about 1.1 percent, and the population in Al Wusta accounts for about 1.4 percent of the total population. Thus, excluding these is not considered to be a major drawback.

3.1.2 Source data reasonably approximate the definitions, scope, sectorization, classifications, valuation, and time of recording required.

All price data are specifically collected for the CPI, and it fully matches to the concept and the requirements of the CPI.

The *HIES* is compiled based on a sample of households. The survey reflects the consumption of households measured in purchasers prices. The sample includes 5000 households for a one-year period (from May to April), and the sample covers all areas of the country. Data obtained from the *HIES* is considered to reasonably estimate the definitions and scope of weights for the CPI.

3.1.3 Source data are timely

All price quotations are received on time for index calculation. New data for the *HIES* are published approximately every five years. Currently, new data are expected to be available in 2016, which would be on time for the next weight update.

3.2 Assessment of source data

3.2.1 Source data—including censuses, sample surveys, and administrative records—are routinely assessed, e.g., for coverage, sample error, response error, and nonsampling error; the results of the assessments are monitored and made available to guide statistical processes.

When updating the weights, the *HIES* data are reviewed by the CPI staff in close co-operation with the national accounts staff. Sampling errors are evaluated by the staff compiling the *HIES*.

Monthly price quotes are entered into handheld computers and are automatically sent to the central office. The handheld computer checks the price against that of the previous month, and highlights any odd changes. The collector then has to identify the reason for the change from a standard list. At the central office, the CPI staff check all price quotations and any odd changes. For all questionable prices, the price collector is contacted for a more specific explanation. If needed, also the outlet is contacted for further verification. Overall, the validation process of price data is highly automated and effective to minimize the possibility of errors in the collected data.

3.3 Statistical techniques

3.3.1 Data compilation employs sound statistical techniques to deal with data sources.

Prices for temporarily missing items are imputed using the group price change. For certain fresh products that typically are very volatile within a month, the method of week-on-same-week in preceding month is used. This means for example, that the first week prices of the current month for the available items are compared to the first week prices of the previous month. The average change of these is used to estimate the price for missing items. This method was recommended during the technical assistance mission in 2013. Permanently missing items are replaced. The price change for the first month of replacing is estimated using the group price change, and an overlap price is collected for the replacement item to be used in the next month index calculation. All permanently missing items are treated accordingly. Replacement items are selected by the price collectors with assistance of outlet personnel. Selection of replacement items is based on representativity, measured by the sales. New products are introduced only when the weights are updated. If the weight and sample updates do not follow any regular schedule, the product sample becomes outdated and the price changes of new products are not taken into account. Considering the availability of new source data from the *HIES*, the mission recommends to update the weights and the product sample regularly at least every five years, to better reflect any product changes in the market.

3.3.2 Other statistical procedures (e.g., data adjustments and transformations, and statistical analysis) employ sound statistical techniques.

Weights for the CPI are constructed using the three year average data from the *HIES*, as was described above. These data are price updated to the price reference period.

Elementary aggregates are calculated by product and region, as a ratio of geometric average prices (Jevons formula). These elementary aggregates are then aggregated to higher level indexes, using the preferred Modified Laspeyres formula. The formula is applied as a two-stage formula, meaning that the current month is always compared to the previous month, and the index is chained according to the monthly change. Higher level indexes are calculated separately for the different governorates, and these are aggregated using the relative expenditure shares to form the national CPI.

When the new base year for the current index was introduced, the new indexes were linked to the corresponding old base year indexes to form a continuous time series from 2002.

3.4 Assessment and validation of intermediate data and statistical outputs

3.4.1 Intermediate results are validated against other information where applicable.

The CPI is occasionally checked against the relevant import prices as well as the relevant components of the Producer Price Index (PPI) and the Wholesale Price Index (WPI).

3.4.2 Statistical discrepancies in intermediate data are assessed and investigated.

Staff routinely check different components of the CPI against each other to identify any unusual movements, which are then further investigated. For example, price changes and indexes for the different governorates are compared and evaluated.

3.4.3 Statistical discrepancies and other potential indicators of problems in statistical outputs are investigated.

Aggregation of different governorates to form a national index is carried out in a manner that does not produce inconsistent aggregate results regardless of the order of aggregation.

3.5 Revision studies

3.5.1 Studies and analyses of revisions and/or updates are carried out and used internally to inform statistical processes (see also 4.3.3.).

When a new set of weights is introduced, it is compared with the old set and the changes are evaluated. This is routine practice. However, this analysis is not published. The prices of the CPI are not normally revised.

4. Serviceability

4.1 Periodicity and timeliness

4.1.1 Periodicity follows dissemination standards.

Currently there are two CPIs, a national CPI which covers all major cities, and a CPI for the Muscat area. Both of them are monthly indexes, which is in line with GDDS recommendations and international best practices.

4.1.2 Timeliness follows dissemination standards.

The CPI is published in the *Monthly Bulletin* within one month after the reference period. The *Monthly Bulletin* is always published at the end of the month, but there is no formal predefined schedule for the publication. Publication within one month after the reference period is in line with the GDDS recommendations. *To reflect international best practices, the mission recommends that the authorities develop and disseminate an advanced calendar of CPI release dates.*

4.2 Consistency

4.2.1 Statistics are consistent within the dataset.

The index for Muscat area and the national index are produced totally consistently. When comparing the 2012=100 national index to the previous one 2000=100, there is some discrepancy in

inflation rates for year 2013. For the 2012=100 CPI, indexes for 2012 were incorrectly set to 100 for all months, instead of setting the annual average of 2012 to 100. This is partly the reason for differing inflation rates compared to the 2000=100 index. This was discussed with the authorities during the mission, and they immediately started all necessary recalculations.

Recommendation

- Rebase the index correctly. Add a footnote to each of the months for 2013, explaining that part of the annual change is due to price differences, while part of the change is due to differences in weights, coverage and item/outlet samples.

4.2.2 Statistics are consistent or reconcilable over a reasonable period of time.

When the new base year for the current index was introduced, the new indexes were linked to the corresponding old base year indexes to form a continuous time series from 2002.

4.2.3 Statistics are consistent or reconcilable with those obtained through other data sources and/or statistical frameworks.

The CPI weights are consistent with household final consumption as would be recorded in the *National Accounts*.

4.3 Revision policy and practice

4.3.1 Revisions and/or updates follow a regular and transparent schedule.

Revisions to the index take place in the event of an error in the index. This is very rare, as the validation process is built to catch any errors in individual data and intermediate results.

According to international best practices, CPI weights should be updated on a regular basis, at least every five years at a minimum. Currently updates to the Omani CPI do not follow any regular and transparent schedule, and are not necessarily done at least every five years.

The HIES is not conducted on a routine and regular schedule every five years. Although the HIES is the ideal source of data for CPI weights, other sources of data can be considered in the absence of HIES data. For example, partial weight updates can be done using national accounts estimates of household final consumption expenditure. For a partial weight update, the upper level weights are updated using data from the national accounts, but the lower level weights based on HIES data remain fixed until more current data are available. *The mission recommends that the NCSI introduce and make public a regular schedule for future index updates, every five years at minimum, considering the availability of new data from the HIES or alternative sources.*

4.3.2 Preliminary and/or revised/updated data are clearly identified

In case of a revision or update, revised values are clearly identified in the publication with a footnote explaining the reason.

4.3.3 Studies and analyses of revisions and/or updates are made public (see also 3.5.1).

The weights and the samples were updated for the 2012=100 index, but no studies have been published regarding this update. *The mission recommends that NCSI publish studies of revisions and updates on its website.*

5. Accessibility

5.1 Data accessibility

5.1.1 Statistics are presented in a way that facilitates proper interpretation and meaningful comparisons (layout and clarity of text, tables, and charts).

The CPI is published clearly in several publications. These include the *Monthly Bulletin*, quarterly publication specifically for the CPI, quarterly release of the *Economic Review*, and an annual publication. All of these are published either in Arabic and/or in English. CPI data can also be obtained from the *Statistical Yearbook*. The *Monthly Bulletin* includes figures for the last three months, and it shows the actual index values, changes over relevant periods, and the weights. The quarterly *Economic Review* as well as the annual publication contains longer time series. The *Economic review* gives more detailed interpretation of inflation in writing, and also includes information on the contribution of different main groups on overall inflation. However, data on the contribution of different main groups/lower level groups would also be useful on a monthly basis, for more detailed interpretation of the current period developments. There is also a press release and a special publication that is sent to governmental authorities, containing information on the CPI as well as other social and economic indicators. Recently the NCSI introduced an iPhone application that presents selected economic and social key figures.

In the *Monthly Bulletin*, data for the 2012=100 index is not disseminated at the same level of detail as the old index was. For the old index series, detailed indexes were published for housing, water, electricity, and gas and other fuels. For the current index, only the group level index for housing is published. This practice limits data accessibility. Users should be able to access detailed item indexes to better understand and make use of the data. The limited publication of detailed indexes is contrary to international best practices.

Recommendation

- Provide detailed explanations and analysis of the contributions to change on a monthly basis in the CPI publications.

- Disseminate data at more detailed level in the *Monthly Bulletin*, as was done before with the 2000=100 index. Include at minimum those groups that were included in the old index publication. Ideally data should be disseminated at COICOP 4-digit level.

5.1.2 Dissemination media and format are adequate.

Dissemination media and format are clear and adequate for short time period comparisons. Longer time series for monthly figures can only be obtained by collecting the *Monthly Bulletins* for different months. On the current NCSI website, the *Monthly Bulletins* for previous months are slightly difficult to obtain. In addition, data is only available in pdf-format, which is not convenient for users to combine longer time series data. Thus, longer time series of monthly data is not considered to be readily available. The NCSI website is currently being updated, the new website is expected to allow for more flexibility in presenting and organizing data and publications on the website.

Recommendation

- Disseminate detailed time series data on the NCSI website. Preferably there should be an electronic database, which includes detailed monthly time series data.

5.1.3 Statistics are released on a preannounced schedule.

There is no formal preannounced schedule for publication. However, the NCSI's *Monthly Bulletin* is always released right at the end of the month. It is recommended that the NCSI provide users with advance release calendar for new CPI data.

5.1.4 Statistics are made available to all users at the same time.

The CPI statistics are made available to all users at the same time. Neither the press nor any governmental agencies are given a preview of the CPI before its publication.

5.1.5 Statistics not routinely disseminated are made available upon request.

More detailed data and additional available breakdowns of the CPI can be provided free of charge on request.

5.2 Metadata accessibility

5.2.1 Documentation on concepts, scope, classifications, basis of recording, data sources, and statistical techniques is available, and differences from internationally accepted standards, guidelines, or good practices are annotated.

A comprehensive methodological guide is available both in Arabic and in English. It is published in the annual CPI publication, which is disseminated on the NCSI website. The guide includes all necessary information on data sources and statistical techniques used to calculate the CPI. The manual is currently being updated to reflect the recent methodological changes implemented with

the new CPI. In the *Monthly Bulletin*, there is also a short description of the data that is used to calculate the CPI.

Metadata can also be found on the IMF's GDDS metadata site. However, these data are outdated. *The mission recommends that the GDDS metadata on the website be kept up-to-date.*

5.2.2 Levels of detail are adapted to the needs of the intended audience.

Detailed explanations of concepts and methods are adopted to the needs of different users. As noted above, a short summary is available in the monthly publication for all users. More detailed methodological explanations are available in the annual publication for more sophisticated users.

5.3 Assistance to users

5.3.1 Contact points are publicized.

Publications contain a general contact point for the NCSI. Contacts rely partly on informal relations that have been built over the years. To provide effective assistance to users, it is recommended that specific contact points be provided in all publications.

5.3.2 Publications, documents, and other services, including information on any charges, are widely available.

The NCSI provides a full list of its publications. The NCSI has a library that is open to public.

Table 2. Oman: Data Quality Assessment Framework (May 2012): Summary of Results for Price Statistics (Consumer Price Index)

(Compiling Agency: National Center for Statistics and Information)

Key to symbols: NA = Not Applicable; O = Practice Observed; LO = Practice Largely Observed; LNO = Practice Largely Not Observed; NO = Practice Not Observed; GDDS = Complies with GDDS Criteria							
Element	NA	Assessment				Comments on Assessment	Plans for Improvement and Target Dates
		O	LO	LNO	NO		
0. Prerequisites of quality							
0.1 Legal and institutional environment				X		The <i>Statistical Law</i> applied to the MONE has not been transferred to the NCSI.	
0.2 Resources		X					
0.3 Relevance			X			Views of nongovernment users are not actively sought. Views of government users based on informal relations.	
0.4 Other quality management		X					
1. Assurances of integrity							
1.1 Institutional integrity		X					
1.2 Transparency			X			No material is available to the public beyond references to other legislation on the NCSI website.	
1.3 Ethical standards		X					
2. Methodological soundness							
2.1 Concepts and definitions		X					
2.2 Scope			X			Production of own consumption should be excluded from the weights of the headline CPI.	
2.3 Classification/sectorization		X					
2.4 Basis for recording			X			Weight of secondhand cars is not a net weight.	
3. Accuracy and reliability							
3.1 Source data			X			Outlet sample is not based on a sample frame.	
3.2 Assessment of source data		X					
3.3 Statistical techniques		X					
3.4 Assessment and validation of intermediate data and statistical outputs		X					
3.5 Revision studies		X					

**Table 2. Oman: Data Quality Assessment Framework (May 2012): Summary of Results for Price Statistics (Consumer Price Index)
(Concluded)**

(Compiling Agency: National Center for Statistics and Information)

Key to symbols: NA = Not Applicable; O = Practice Observed; LO = Practice Largely Observed; LNO = Practice Largely Not Observed; NO = Practice Not Observed; GDDS = Complies with GDDS Criteria							
Element	NA	Assessment				Comments on Assessment	Plans for Improvement and Target Dates
		O	LO	LNO	NO		
4. Serviceability							
4.1 Periodicity and timeliness		X					
4.2 Consistency			X			Rebasing to 2012=100 was not done correctly.	
4.3 Revision policy and practice				X		Index weights are not updated on a routine and regular basis.	
5. Accessibility							
5.1 Data accessibility			X			No explanations of current-period developments in the monthly publication. Time series not readily available. No preannounced schedule for data dissemination.	
5.2 Metadata accessibility			X			Methodological guide is published on the website. GDDS metadata are not up to date.	
5.3 Assistance to users		X					

PRICE STATISTICS (PRODUCER PRICE INDEX)

0. Prerequisites of Quality

0.1 Legal and institutional environment

0.1.1 *The responsibility for collecting, processing, and disseminating the statistics is clearly specified.*

Royal Decree No. 31/2012 establishes the NCSI as an autonomous NSO. Articles 3 and 6 establish the organization's board of directors and statute respectively. Royal Decree No. 40/2014, issued on August, 12, 2014, defines one of the NCSI's duties as "technical supervision of the management and organization of statistics and information activities in Oman".

The *Statistical Law* is provided through Royal Decree No. 29/2001 and establishes the authority for collection, processing, and disseminating national statistics in Oman. These statistics include the Statistical Yearbook that comprises important data available for economic and social development and a Monthly Bulletin reflecting the main social and economic indicators. The current *Statistical Law* vests these responsibilities with the MONE, which was dissolved in 2011. Amendments are currently being drafted to vest these responsibilities with the NCSI. Oman currently has no valid *Statistical Law* applying to the NCSI.

The SAC is established by article 9 of the historical *Statistical Law* and provides a coordination and approval mechanism for government units undertaking statistical compilation. SAC's legal status, however, needs to be established as part of the review process following the MONE's dissolution, to make it effective in promoting consistency of statistical methods and resolving conflicts between agencies. NCSI staff also indicated strong informal relationships between members of the Omani statistical system. *The mission recommends development and implementation of new Statistical Law to clarify responsibilities and to strengthen coordination mechanisms within the Oman's statistical system.*

0.1.2 *Data sharing and coordination among data-producing agencies are adequate.*

- The exchange of unpublished data for individuals from government units to the NCSI is effective and was previously legislated within the Omani statistical system.³³ The current arrangements facilitating data exchange to the NCSI are the result of informal relationships established over many years. *The mission underscores the need to improve inter-agency coordination and recommends the establishment of formalized arrangements with other government units to document existing data exchange arrangements. This action will help mitigate the loss of institutional memory that could occur with the departure of senior staff.*

³³ Article 4, Royal Decree No. 29/2001.

The historical *Statistical Law*³⁴ prohibits the publication of data concerning an individual by MONE – only statistical information in an aggregate form can be provided. As noted above, the *Statistical Law* does not apply to the NCSI. Updated versions of the legislation should include similar prohibitions against the publication of data concerning individual data reporters.

The NCSI has little formalized contact with data producers to promote a proper understanding of data requirements, avoid duplication of effort, and take into account reporting burden. The majority of these discussions occur via informal contacts. This aspect was mandated by the historical *Statistical Law*, and a SAC (see 0.1.1) should be established in the updated legislation noted above. *The mission recommends publication of a statement outlining the operation of the SAC and legislative arrangements for the (non) provision of unpublished, individual data to other data-producing agencies.*

0.1.3 Individual reporters' data are kept confidential and used for statistical purposes only.

The historical *Statistical Law*³⁵ prohibits the publication of individual data unless it is “in an aggregate form” and restricts its use to statistical purposes; however, as noted above, the *Statistical Law* does not apply to the NCSI and the updated legislation should include similar provisions. The production system of the PPI, as well as electronic questionnaires for collection of prices, are protected by passwords. Only the PPI staff have access to these systems. The historical *Statistical Law* requires staff to maintain confidentiality and imposes up to six months imprisonment and/or a fine of 500 Omani Rials (\$US 1,300) for breaching this obligation; however, the *Statistical Law* does not apply to the NCSI and the updated legislation should include similar penalties.

0.1.4 Statistical reporting is ensured through legal mandate and/or measures to encourage response.

Article 6 of the historical *Statistical Law* requires government units, private entities and individuals to provide data to units undertaking statistical activity approved by the SAC. The consequence of non-compliance is a fine of 300 Omani rials (US\$ 780). As noted above, the *Statistical Law* does not apply to the NCSI and updated legislation should include similar language. Since the inception of the NCSI in there are no identified units that have violated this provision. A likely contributor is the NCSI's program to educate and encourage cooperation of timely and accurate responses.

³⁴ Article 8, Royal Decree No. 29/2001.

³⁵ Article 8, Royal Decree No. 29/2001.

0.2 Resources

0.2.1 Staff, facilities, computing resources, and financing are commensurate with statistical programs.

There are currently 3 staff members working on the PPI. The staff have the qualifications required to undertake the work and are encouraged to develop and diversify their skills. This means that the staff are extremely flexible, being able to change roles to meet changing demands. The number of staff is sufficient for the current production; however, there is pressure for improvements concerning the PPI, such as expanding the coverage and producing the indexes on a monthly basis. Undertaking these improvements would require additional staff. The salaries paid by the NCSI are set by the Ministry of Civil Service, but bonuses are used to reward good work. Staff turnover is low following recent harmonization of civil salary pay scales.

Price collection for the PPI is done efficiently using electronic questionnaires. There is a production system for producing the PPI, but the current system is not up-to-date. For example, the calculation of the indexes heavily relies on Excel-files, which is considered very vulnerable. Thus, the production system is in need of updating.

The offices have the necessary facilities and are well maintained. Furniture and equipment are all modern and in good working condition.

Financial resources for the current PPI program are adequate, but as stated above, there are certain issues that need to be improved. These improvements would require additional financial resources.

0.2.2 Measures to ensure efficient use of resources are implemented.

The NCSI is developing a framework to assign Key Performance Indicators to individual staff and improve the quality of periodic reviews. Staff are currently assessed by their supervisor and receive a discretionary bonus commensurate with the assessment.

The majority of the NCSI's funding is provided by the government³⁶ and is subject to review by the board of directors and the MOF.

0.3 Relevance

0.3.1 The relevance and practical utility of existing statistics in meeting users' needs are monitored.

The NCSI staff undertake regular consultation with data users in other government agencies via informal relationships established over a lengthy time period. Formalized consultation arrangements include a bi-annual gathering of up to forty users. Consultation with users outside of government is

³⁶ Other funding comes from selling the publications.

limited to interaction via brochures when the user is selected as a survey respondent and other informal contacts. A user survey was conducted in 2009 and 2010 and considered a one off response to the global financial crisis. A formalized user advisory committee does not exist. *The mission recommends that a formal user advisory group for macroeconomic statistics be established to regularly assess the relevance of current data and identify new and emerging data requirements on a regular basis. Membership should comprise of users from both government and the private sector.*

The NCSI staff actively participate in regional statistical coordination activity undertaken by the GCC-Stat. Senior NCSI staff attend selected international meetings. The NCSI may delegate representation in international forums to regional delegates from GCC-Stat.

0.4 Other quality management

0.4.1 Processes are in place to focus on quality.

New PPI staff is provided with dedicated one-on-one coaching from experienced senior staff to reinforce the importance of statistical quality. Experienced staff demonstrates a shared commitment to this core value.

No formal training regime, process or public information exists to reinforce quality and demonstrate the associated trade-offs.

0.4.2 Processes are in place to monitor quality during the planning and implementation of the statistical program.

PPI staff demonstrate a strong understanding and commitment to coherence of published aggregates. The NCSI has sophisticated computer systems to monitor all aspects of the surveys in operation. In recent years, heavy use has been made of external experts to improve the quality of processes. *The mission recommends the development and implementation of strategies to reinforce quality within the NCSI, such as a training course, using historical case studies, to demonstrate the impact upon decision making and resulting importance of quality and relevant monitoring processes. The course would be undertaken by all staff upon commencement and after completing a five year period of service.*

1. Assurances of integrity

1.1 Institutional Integrity

1.1.1 Statistics are produced on an impartial basis.

Royal Decree No. 31/2012 supports professional independence by establishing the NCSI as an autonomous statistical agency. The historical *Statistical Law* and this legislation do not explicitly prohibit interference from other agencies in the compilation and/or dissemination of statistical information.

Staff are appointed through existing merit based, civil service processes conducted in consultation with NCSI management. All vacancies are reported via a job description to the Ministry of Civil Service who liaise with the Ministry of Manpower to identify applicants meeting the criteria specified by the NCSI. Applicants complete a written test specified by the NCSI and receive a preliminary ranking based on their performance. The top five applicants are subsequently interviewed and receive a final ranking from two NCSI staff and one delegate from the Ministry of Civil Service. Staff participate in regional and international workshops and training conducted by GCC-Stat and the Fund.

The NCSI head (Executive Director) is appointed by the Sultan of Oman via a Royal Decree. However, details of the Executive Director's tenure and reporting arrangements are not explicitly stated in legislation as per international best practice.³⁷ *The mission recommends that the new Statistical Law (see 0.1.1) includes provisions specifying the choice, tenure and reporting arrangements of the NCSI Executive Director to reflect international best practice.*

1.1.2 Choice of data sources and statistical techniques as well as decisions about dissemination are informed solely by statistical considerations.

The choice of data sources, statistical techniques and dissemination are informed solely by statistical considerations. NCSI staff determine the techniques, methodologies, and data sources in the light of international best practice.

Data are disseminated according to their availability without the influence of non-statistical considerations.

1.1.3 The appropriate statistical entity is entitled to comment on erroneous interpretation and misuse of statistics.

The NCSI is entitled to, and will always, contact relevant media when data are misinterpreted or misused. The Information Directorate monitors all media channels to identify all references to its statistics.

1.2 Transparency

1.2.1 The terms and conditions under which statistics are collected, processed, and disseminated are available to the public.

The historical *Statistical Law* is available in hardcopy, both in Arabic and English and available upon request; however, the *Statistical Law* does not apply to the NCSI. Versions of the updated legislation should be made widely available to all users in both English and Arabic. The electronic PPI survey forms neither state that the data is being collected under legislative mandate nor do the forms note

³⁷ Section II (C) of the *Handbook of Statistical Organization* (<http://unstats.un.org/unsd/dnss/hb/>).

that all data will be kept confidential and used for statistical purposes only. *The mission recommends that data collection forms (electronic and others) indicate clearly whether the data are for statistical purposes and reference the Statistical Law, when updated.*

1.2.2 Internal governmental access to statistics prior to their release is publicly identified.

Internal governmental access to PPI statistics prior to their release does not currently exist. However, no decree exists to stipulate this.

1.2.3 Products of statistical agencies/units are clearly identified as such.

All publications of statistics clearly identify the NCSI as the source. The branding of publications is currently being updated to make it modern and uniform.

1.2.4 Advance notice is given of major changes in methodology, source data, and statistical techniques.

Advance notice of significant changes to the statistics is given to users through several channels, including television and radio interviews³⁸, and the NCSI website.

1.3 Ethical standards

1.3.1 Guidelines for staff behavior are in place and are well known to the staff.

Staff behavior is guided by the rules and regulations of the Omani civil service. These include Royal Decrees No. 101/1996 and 39/1982 which establish terms and conditions for the conduct of staff and specify sanctions for participation in political events. Penalties include salary deductions and/or dismissal.

Article 10 of the historical *Statistical Law* sets a maximum penalty of 500 Omani rials (US\$ 1,300) and/or six months imprisonment for staff who knowingly falsify data; however, this law applies to the NCSI and similar provisions should be included in the updated legislation for the NCSI. Staff are advised of these arrangements during on the job training but not required to formally acknowledge their legal obligations. *The mission recommends development of documentation outlining the legal obligations of staff and asking individual staff (both new and existing) are to sign an agreement acknowledging their understanding.*³⁹

³⁸ There is a 30 minute radio program every Sunday, where the NCSI staff can take part and inform the audience about recent developments in different statistics.

³⁹ By way of example, *Australia's Census and Statistics Act (1905)* requires employees of the NSO to sign an "undertaking of fidelity and secrecy" (paragraph 7, <http://www.comlaw.gov.au/Details/C2006C00178>).

2. Methodological soundness

2.1 Concepts and definitions

2.1.1 *The overall structure in terms of concepts and definitions follows internationally accepted standards, guidelines, or good practices.*

Although the NSCI strives to reflect the concepts and definitions as provided in the IMF's 2004 *PPI Manual* and the 2008 *SNA*, deficiencies exist. The PPI uses the *Central Product Classification (CPC)* to classify the products, and the *ISIC* for classifying the responding establishments. The weights are derived from the 2007 *Industrial Survey*, and they reflect the total value of production. Prices are defined as factory gate prices excluding taxes. Prices are collected for both domestic and export markets. Elementary indexes are calculated using the Jevons formula, while aggregate indexes are calculated using the Laspeyres formula.

2.2 Scope

2.2.1 *The scope is broadly consistent with internationally accepted standards, guidelines, or good practices.*

The current PPI covers three core industrial activities in Oman, which include the *ISIC* groups (C) Mining and quarrying, (D) Manufacturing and (E) Electricity and water. These cover about 95 percent of the total production. All activities in these sectors are included. There are plans to include also agriculture, fishing, and communication, but currently the resources are not sufficient for these methodological changes to take place.

Prices are collected separately for domestic and export markets. However, during the technical assistance mission in 2013, it was recommended that the sample of establishments that provide export prices should be augmented using data from the customs authority, in order to provide a stronger basis for the production of a separate export price index. Implementing the recommendation would also improve the quality of the total PPI. *The mission recommends that the coverage of the PPI be increased, and the sample of establishments that provide export prices be augmented using data from the customs authority be augmented.*

2.3 Classification/sectorization

2.3.1 *Classification and sectorization systems are broadly consistent with internationally accepted standards, guidelines, or good practices.*

The PPI uses the *CPC 2* classification to classify the products. Responding establishments are classified by the Rev *ISIC 3.1*. However, the authorities should update the activity classification to *ISICRev 4*. According to international best practice, the PPI should be compiled by product as well as by activity. The Oman PPI is compiled using both the *CPC* and the *ISIC*; however, data by activity are

disseminated annually only. Quarterly data by activity are available upon request. There are plans to routinely disseminate quarterly data according to the *ISIC* in the future.

2.4 Basis for recording

2.4.1 Market prices are used to value flows and stocks.

Following international best practices, the prices used to calculate the PPI are factory-gate prices excluding taxes.

2.4.2 Recording is done on an accrual basis.

The PPI is currently produced quarterly, and data providers are asked to provide an average price of the three months of each quarter. In rare occasions, even though the item is not missing, the average price of the three months is not available on time for index calculation. In these cases, the average of the middle month of the quarter is taken. Price quotes refer to actual prices. For some items, such as oil, the collected prices can also refer to contract prices. *The mission recommends that missing prices should be imputed, which is the international best practice.*

2.4.3 Grossing/netting procedures are broadly consistent with internationally accepted standards, guidelines and good practices.

Grossing/netting procedures for the weights of the PPI reflect international best practices.

3. Accuracy and reliability

3.1 Source data

3.1.1 Source data are obtained from comprehensive data collection programs that take into account country-specific conditions.

The 2007 *Industrial Survey* is used as source data to calculate the weights for the PPI. These data reflect the total value of production of enterprises, separately for the domestic and export markets. This is compliant with the *SNA*. According to international best practice, weights for the PPI should be updated at least every five years. Thus, current weights are outdated.

Selection of establishments included in the sample was done by cut-off sampling on the basis of size, as determined by total value of production. Data from the 2005 *Industrial Survey* were used. In the current sample, prices are collected from 157 major industrial establishments. Most of these are concentrated in the Muscat governorate, but other areas are also included. The selected establishments cover about 75 percent of total value of production. In the current production system, it is not convenient to replace establishments. Thus, the sample on establishments cannot routinely be kept up to date. If an establishment discontinues production, the prices for the establishment are imputed. As the last sample was drawn using the 2005 *Industrial Survey*, the current sample is out of date, and should be updated.

Prices are currently collected for 223 products, including total of some 900 items. Product and item selection were done by first visiting the establishments. All establishments provided a list of the items and their shares of total sales. From these items, the NCSI staff selected the most representative products and items to be included in the price collection. As is the case with replacing establishments, the current production system does not allow replacing items. Prices for permanently missing items are imputed, or sometimes replaced using special Excel-files. Due to the difficulty of replacing items, the item sample is also presumably out of date and should be updated.

Recommendation

- Update the weights and establishment sample at least every five years based on new source data.

3.1.2 Source data reasonably approximate the definitions, scope, sectorization, classifications, valuation, and time of recording required.

Weight data reflect the total value of production, and are compliant with the *SNA*.

Price data are collected quarterly for all items that were included in the price survey. Prices are collected using electronic questionnaires, which also include detailed item descriptions. There are clear written guidelines for the data providers on how to submit data that meets the requirements for the PPI. In addition, all data providers are visited once they enter the PPI price collection survey for the first time. They are informed about the general purpose of the PPI as well as the details of data requirements, (e.g. price concept, detailed item description, and reason for price change). Whenever appropriate, the NCSI staff keep close contact with the data providers also during the quarterly surveys, in order to ensure good quality of the individual price data.

3.1.3 Source data are timely.

Quarterly price data are collected in a timely manner. Generally all questionnaires are submitted on time. In case of a missing response, the establishment is contacted via e-mail or phone. Sometimes the establishment is visited by the NCSI staff. Non-response is usually due to a temporary disruption in production or an establishment that ceases production and closes. When an establishment closes or ceases production, prices for the establishment are imputed.

3.2 Assessment of source data

3.2.1 Source data—including censuses, sample surveys, and administrative records—are routinely assessed, e.g., for coverage, sample error, response error, and nonsampling error; the results of the assessments are monitored and made available to guide statistical processes.

Source data for weights and establishment sample are thoroughly scrutinized in close co-operation with the national accounts staff. Cut-off sampling is used to select the establishment sample, and thus there is no information available on sampling errors.

Price quotations are carefully checked and compared to the previous ones, as well as to similar items within the establishment and within other establishments. Any questionable changes are further examined, and data providers are contacted to give detailed explanations on the changes. Data providers are also required to give explanations of price changes on the electronic questionnaire.

Response rate is generally 100 percent, with only rare exceptions. The PPI staff always react to non-response by contacting the respondent.

3.3 Statistical techniques

3.3.1 *Data compilation employs sound statistical techniques to deal with data sources.*

Quarterly price changes for both temporarily and permanently missing items are imputed. For temporarily missing items, the price change is imputed using the average change of other similar items of the same establishment. If there are no similar items within the establishment, average change of similar items of other establishments are used. The current production system itself does not allow for replacing permanently missing items. For this reason, price changes for permanently missing items are also imputed using the same techniques described above. Occasionally, replacements are made using Excel-files. However, this is neither efficient nor convenient. Using several Excel-files increases the risk for errors. In case a replacement is selected, the selection is made in cooperation with the establishment, and it is based on representativity, as measured by the sales.

New products are introduced only when the weights are updated. As the weight and sample updates do not follow any regular schedule, the product sample becomes outdated and the price changes of totally new products are not taken into account.

Imputing price changes of missing items is in line with international best practices. However, permanently missing items should be replaced, and the price changes should not be imputed.

Recommendation

- Update product and item sample on a regular basis, at least every five years.
- Create a production system that allows for the replacement establishments and items.

3.3.2 *Other statistical procedures (e.g., data adjustments and transformations, and statistical analysis) employ sound statistical techniques.*

Weights for the PPI are constructed using data from the *Industrial Survey*, as was described above. The current weights were derived from the *Industrial Survey* of 2007, which also refers to the price reference year. Thus, price updating was not needed.

Elementary aggregates are calculated by the lowest level of the *CPC*, as a ratio of geometric average prices (Jevons formula). Current prices are compared to average base period prices. These

elementary aggregates are then aggregated to higher level indexes using the geometric Laspeyres formula (geometric weighted average). However, it would be preferred to implement the Modified Laspeyres to allow for easier replacement of missing items, establishments, and the introduction of new items.

3.4 Assessment and validation of intermediate data and statistical outputs

3.4.1 Intermediate results are validated against other information where applicable.

Components of the PPI are compared to the corresponding components of the CPI on a regular basis.

3.4.2 Statistical discrepancies in intermediate data are assessed and investigated.

Staff routinely check intermediate results of the PPI to find any unusual movements, which are then further investigated.

3.4.3 Statistical discrepancies and other potential indicators of problems in statistical outputs are investigated.

The PPI is compiled by product and by activity. Careful checks are made to ensure consistency between the two datasets.

3.5 Revision studies

3.5.1 Studies and analyses of revisions and/or updates are carried out and used internally to inform statistical processes (see also 4.3.3.)

The PPI has not been revised or updated since its first introduction.

4. Serviceability

4.1 Periodicity and timeliness

4.1.1 Periodicity follows dissemination standards.

Currently the PPI is produced on a quarterly basis. This does not reflect GDDS dissemination recommendations or international best practices. The GDDS recommends the dissemination of a monthly PPI.

4.1.2 Timeliness follows dissemination standards.

The PPI is disseminated three months after the end of the reference quarter, which does not reflect GDDS dissemination recommendations for the PPI. The NCSI is therefore encouraged to start producing the PPI on a monthly basis, and to disseminate the index within eight weeks of the

reference month. Ideally, the NCSI should strive to disseminate the PPI one month after the reference month.

4.2 Consistency

4.2.1 *Statistics are consistent within the dataset.*

The PPI is currently compiled using the *CPC* and the *ISIC*. However, quarterly data are only disseminated using the *CPC*. Annual publication of the PPI also includes data compiled by the *ISIC*. Statistics are consistent irrespective of the classification used for aggregation.

4.2.2 *Statistics are consistent or reconcilable over a reasonable period of time.*

There is a consistent time series available from 2007, which is the current index reference period. Before 2007 the PPI did not exist, thus, there are no data available to calculate a longer time series.

4.2.3 *Statistics are consistent or reconcilable with those obtained through other data sources and/or statistical frameworks.*

The NCSI runs an enterprise survey which provides not only the basis for developing the weights, but also a key data source for constructing the *National Accounts* of Oman. Enterprises are asked to report data on the total value of their production. Thus, weights for the PPI are consistent with the *SNA*.

4.3 Revision policy and practice

4.3.1 *Revisions and/or updates follow a regular and transparent schedule.*

Revisions to the index take place in the event of an error in the index. This is very rare, as the validation process is built to catch any errors in individual data and intermediate results.

Updates to the weights do not follow a regular and transparent schedule. According to international best practices, weights for the PPI should be updated at least every five years. The current weights are derived from the *Industrial Survey* of 2007, thus, the current weights are outdated. The mission recommends that the NCSI update the current weights for the PPI, and introduce and make public a regular schedule for future updates, every five years at minimum.

4.3.2 *Preliminary and/or revised/updated data are clearly identified*

In the case of a revision or update, revised values are clearly identified in the publication with a footnote explaining the reason.

4.3.3 *Studies and analyses of revisions and/or updates are made public (see also 3.5.1).*

The PPI has not been updated since its first publication. There are currently no studies on revisions or updates.

5. Accessibility

5.1 Data accessibility

5.1.1 Statistics are presented in a way that facilitates proper interpretation and meaningful comparisons (layout and clarity of text, tables, and charts).

According to international best practice, the PPI should be compiled by product as well as by activity. The Oman PPI is compiled using both the *CPC* and the *ISIC*; however, data by activity are disseminated annually only. *The mission recommends disseminating the PPI data by activity each quarter.* The PPI is published clearly in several publications. These include the *Monthly Bulletin* and quarterly release of the *Economic Review*. PPI data can also be obtained from the *Statistical Yearbook*. All of these are published either in Arabic and/or in English. The *Monthly Bulletin* shows the index for the latest three quarters, while the annual publication contains more detailed data, as well as a longer time series from the last three years (only annual figures). The *Economic Review* gives a more detailed interpretation of current period developments of the PPI in writing, including information on the main contributors to overall annual change. The mission noted that detailed information on the contributors to quarterly change would also be useful for more detailed interpretation. *Thus, the mission recommends providing detailed analysis of the contributions to overall quarterly change.* Recently the NCSI introduced an iPhone application that presents the selected economic and social key figures.

5.1.2 Dissemination media and format are adequate.

Dissemination media and format are clear and adequate for short time period comparisons. Longer time series for quarterly figures can only be obtained by collecting the *Monthly Bulletins* for different months. On the current NCSI website, publications for previous months are slightly difficult to obtain. In addition, data is only available in pdf-format, which is not convenient for users to combine longer time series data. Thus, longer time series of quarterly data is not considered to be readily available. The NCSI website is currently being updated, and the new website is expected to allow for more flexibility in presenting and organizing data and publications on the website.

Recommendation

- Disseminate detailed time series data on the NCSI website. Preferably there should be an electronic database, which includes detailed quarterly time series data.

5.1.3 Statistics are released on a preannounced schedule.

There is no formal preannounced schedule for publication. However, the NCSI's *Monthly Bulletin* is always released right at the end of the month. It is recommended that the NCSI provide users with advance release calendar for new PPI data.

5.1.4 Statistics are made available to all users at the same time.

The PPI statistics are made available to all users at the same time. Neither the press nor any governmental agencies are given a preview of the PPI before its publication.

5.1.5 Statistics not routinely disseminated are made available upon request.

The PPI is published quarterly only using the *CPC* classification, but it is also compiled using the *ISIC* classification. These data can be provided upon request free of charge.

5.2 Metadata accessibility

5.2.1 Documentation on concepts, scope, classifications, basis of recording, data sources, and statistical techniques is available, and differences from internationally accepted standards, guidelines, or good practices are annotated.

A comprehensive methodological guide is available both in Arabic and in English. It is published in the annual PPI publication, which is disseminated on the NCSI website. The guide includes all necessary information on data sources and statistical techniques used to calculate the PPI. In the *Monthly Bulletin*, there is also a short description of the data that is used in calculating the PPI.

Metadata can also be found on the IMF's GDDS metadata site. However, these data are outdated. The mission recommends that the GDDS metadata on the website be kept up-to-date.

5.2.2 Levels of detail are adapted to the needs of the intended audience.

Detailed explanations of concepts and methods are adopted to the needs of different users. As noted above, a short summary is available in the monthly publication for all users. More detailed methodological explanations are available in the annual publication for more sophisticated users.

5.3 Assistance to users

5.3.1 Contact points are publicized.

Publications contain a general contact point for the NCSI. Contacts rely partly on informal relations that have been built over the years.

5.3.2 Publications, documents, and other services, including information on any charges, are widely available.

The NCSI provides a full list of its publications. The NCSI has a library that is open to public.

Table 3. Oman: Data Quality Assessment Framework (May 2012): Summary of Results for Price Statistics (Producer Price Index)

(Compiling Agency: National Center of Statistics and Information)

Key to symbols: NA = Not Applicable; O = Practice Observed; LO = Practice Largely Observed; LNO = Practice Largely Not Observed; NO = Practice Not Observed; GDDS = Complies with GDDS Criteria							
Element	NA	Assessment				Comments on Assessment	Plans for Improvement and Target Dates
		O	LO	LNO	NO		
0. Prerequisites of quality							
0.1 Legal and institutional environment				X		The <i>Statistical Law</i> applied to the MONE has not been transferred to the NCSI.	
0.2 Resources			X			Computer system needs updating.	
0.3 Relevance			X			Views of nongovernment users are not actively sought. Views of government users based on informal relations.	
0.4 Other quality management		X					
1. Assurances of integrity							
1.1 Institutional integrity		X					
1.2 Transparency			X			No material is available to the public beyond references to other legislation on the NCSI website.	
1.3 Ethical standards		X					
2. Methodological soundness							
2.1 Concepts and definitions		X					
2.2 Scope			X			The PPI includes only three core industrial activities.	
2.3 Classification/sectorization			X			<i>ISIC 3.1</i> is used instead of <i>ISIC 4</i> .	
2.4 Basis for recording		X					
3. Accuracy and reliability							
3.1 Source data			X			Source for weights and samples is outdated.	
3.2 Assessment of source data		X					
3.3 Statistical techniques			X			Replacements of establishments and items cannot easily be made in the current production system.	
3.4 Assessment and validation of intermediate data and statistical outputs		X					
3.5 Revision studies	X					The PPI was first introduced using 2007=100, and has not yet been revised or updated since its first introduction.	

Table 3. Oman: Data Quality Assessment Framework (May 2012): Summary of Results for Price Statistics (Producer Price Index)*(Compiling Agency: National Center of Statistics and Information)*

Key to symbols: NA = Not Applicable; O = Practice Observed; LO = Practice Largely Observed; LNO = Practice Largely Not Observed; NO = Practice Not Observed; GDDS = Complies with GDDS Criteria							
Element	NA	Assessment				Comments on Assessment	Plans for Improvement and Target Dates
		O	LO	LNO	NO		
4. Serviceability							
4.1 Periodicity and timeliness				X		Periodicity is quarterly instead of monthly.	
4.2 Consistency		X					
4.3 Revision policy and practice				X		The PPI is not revised on a regular schedule. The weights, as well as the establishment and items samples, are outdated.	
5. Accessibility							
5.1 Data accessibility			X			Concerning quarterly changes, detailed analysis of contributors to overall PPI change are not available. Data are not disseminated quarterly by economic activity. No preannounced release dates.	
5.2 Metadata accessibility			X			Methodological guide is published on the website. GDDS metadata are not up to date.	
5.3 Assistance to users		X					

GOVERNMENT FINANCE STATISTICS

0. Prerequisites of Quality

0.1 Legal and institutional environment

0.1.1 The responsibility for collecting, processing, and disseminating the statistics is clearly specified.

The responsibility to collect, process and disseminate fiscal data of governments clearly assigned in the *Financial Law*, Royal Decree No. 47/1998. The law assigns the MOF the responsibility to deal with all matters related to the financial affairs of government. These responsibilities include recording revenue, expenditure, financing and debt related transactions of the budgetary central government (BCG) and autonomous government agencies. The MOF has the authority to control all government accounts and must issue complete instructions to other government units on the processing and recording of all government transactions. Under the law the final audited accounts of government (the State's Final Account) must be made available six months after the end of the fiscal year. The *Financial Law* also explains the (reporting) responsibilities of the line ministries to the MOF, outlines accountability to the MOF, and stipulates action required and the penalty scheme in case of financial misconduct.

The responsibility to compile GFS is not explicitly assigned in the *Financial Law*. However by convention, the compilation of fiscal data and the GFS has become the responsibility of the General Accounts Department (GAD), in the Directorate General Treasury and Accounts of the MOF. The production and use of GFS therefore has been integrated into fiscal policy formulation, budget processing, and monitoring. The underlying fiscal accounts are disseminated in various publications, and serve as an integral source to compile GFS as published in the *Government Finance Statistics Yearbook (GFSY)* by the International Monetary Fund (IMF). The NCSI and the CBO publish the monthly fiscal data, according to a national presentation.

Importantly, the MOF compiles GFS without a specific remit in the *Statistical Law*. Because the *Statistical Law* has not made provisions for the MOF to compile GFS, the MOF is inhibited to collect financial statements from government units outside of the State Accounts, such as the DUQM Authority, the Public Authority for Stores and Food Reserves, and the State General Reserve Fund.

0.1.2 Data sharing and coordination among data-producing agencies are adequate.

- Data sharing among government units, as well as data sharing with other data producing agencies, namely the NCSI and the CBO, is adequate. All BCG data are captured on the Integrated Financial System (IFS), a sophisticated yet easily operated electronic accounting system. This system has been in place for several years. All budgetary account units are connected to the GAD by this system. The system allows for real time online access to all transactions of government. Each reporting entity has writing and reading access, specifically to their own data, while the State Audit Office and the NCSI have reading access to all records. The GAD has reading and writing

access to the IFS and is the only unit that could execute changes to data after they have been captured in the IFS.

- The NCSI uses the accounting records from the IFS as source data for compiling the national accounts. Data sharing and coordination with the CBO is adequate, and data feed into the balance of payments and monetary and financial accounts. The MOF provides the CBO with data for use in the compilation of its statistics, and the CBO reproduces and analyzes MOF data in its monthly, quarterly, and annual publications.
- Data sharing and coordination among the CBO and the MOF on debt of government is adequate. The CBO issues government securities on behalf of government. For this purpose, a technical committee, namely the Domestic Debt Committee has been in operation for several years. The committee draws directly on fiscal data to determine financing needs. In addition to this formal contact, working relations among officials of the respective agencies are conducive to regular informal contact. The MOF has regular informal (telephone) contact with the NCSI and CBO.
- Fiscal data are also shared with the Financial Affairs and Energy Resources Council. Representatives of several government ministries at ministerial level, the deputy governor of the CBO, Advisors of the Sultan of Oman, the Secretary General of the Cabinet, and the Under Secretary of Financial Affairs serve on this council. The council meets frequently to discuss the stance of the economy.

0.1.3 Individual reporters' data are to be kept confidential and used for statistical purposes only.

- The laws regarding confidentiality have been in place for several years. All government employees are subject to the Civil Service Law, Royal Decree No. 78/2013 (CSL), whereby all government employees are prohibited from disclosing any confidential matters of which they have knowledge as a result of their position. The law on *Protection of Public Property and Preventing of Conflict of Interest*, Royal Decree No. 111/2011 (PPPPCI), prohibits all government employees from using any information for personal gain and demands that all civil servants act according to the best conduct of their positions. Employees are provided the relevant laws at the commencement of their tenure and clarifications can be easily sought with senior staff.
- Technical measures are also in place, whereby access to the Integrated Financial System (InFS) is restricted by user domains. Agencies and departments can only view data relating to their own unit. No confidentiality breaches have yet been reported.

0.1.4 Statistical reporting is ensured through legal mandate and/or measures to encourage response.

- Data on revenue, expenditure, financing, and debt of the budgetary account are recorded and reported to the MOF in accordance with the *Financial Law*. The law also requires continuous monitoring of the budget execution process, which allows for monthly compilation of the fiscal

data. The law includes provisions to enforce timely reporting to the MOF in a format (template) determined by the MOF. Noncompliance with reporting requirements, including issues like timeliness or veracity, would constitute financial misconduct, which could potentially result in prosecution. Although not under the direct remit of the MOF, Article 6 of the *Statistical Law* requires government units, private entities and individuals to provide data to units undertaking statistical activity approved by the SAC.

- The MOF Loans Department is responsible for the management of loan disbursements and repayments. The administration of domestic debt is the responsibility of the CBO on behalf of the MOF. In addition, the CBO and other depository corporations (ODCs) operate under the regulations stipulated in *General Instructions for the Maintenance of Government Accounts*. These institutions are compelled to regularly provide data on the government's bank accounts to the MOF. Data on loans and repayments are based on accounting records held by the MOF in the IFS, as well as in the Debt Management System of the Loans Department. The MOF can also draw upon its status as (partial) shareholder or regulator to request financial statements of extrabudgetary and public sector units.

0.2 Resources

0.2.1 Staff, facilities, computing resources, and financing are commensurate with statistical programs.

The budget of the GAD is allocated annually on a needs basis and is adequate to serve current needs. The department comprises a director and nine other members and reports to the Director General of Treasury and Accounts. Currently, the GAD has not assigned dedicated staff positions for the statistical compilation of Government Finance Statistics (GFS) data. Although the staff cope with the current workload, they are often under pressure, having to regularly work additional hours.

The GAD staff is well trained for their current needs; they are proficient in computer literacy, English, economics, and the *GFSM 1986*. The interpretation of the *GFSM 2001*, however, requires extra guidance, through external expertise, such as the technical assistance that provided by the IMF. The GAD staff is well qualified and experienced in either accounting or business finance. A member of the directorate attended the IMF course based on the *Government Finance Statistics Manual 2001 (GFSM 2001)* at the Arab Monetary Fund, but has subsequently left the Ministry. He was able to transfer some of the acquired knowledge to the current team and set up the Classification Assistant files for *GFSY* reporting.

Staff in the civil service are appointed in accordance with the CSL. During the last few years, the GAD has been subject to relatively high staff turnover, which has since declined following the recent revision of the CSL that standardized salaries and employee benefits for each level across the Omani public administration. Government employees, including the MOF staff, receive remuneration commensurate to their qualifications, across budgetary central government units. Previously, the level of remuneration was determined at the discretion of each government unit. Government is regarded as a secure employer and offers benefits like shorter office hours. This, to some extent, counters

better remuneration in the financial sectors (such as the CBO, commercial banks, and other financial institutions in the private sector).

The fiscal accounts of government are fully computerized. The *IFS* is in use in all budgetary government units, is integrated with the Human Resource System, and provides the facilities for all data collection and processing in the MOF. The system integrates, the budget process, and the recording of final outcomes of government's finances. The GAD is highly organized, achieving an almost paperless environment. Both hardware and software needs are sufficiently served by the network. The facilities are spacious, modern and computer equipment are up to date.

0.2.2 Measures to ensure efficient use of resources are implemented.

In accordance with the *Financial Law*, all ministers are responsible for ensuring that the resources of government, including financial resources, are used efficiently and in accordance with the law during the execution of their tasks. Misuse of resources must immediately be reported to the MOF, and ministers must take immediate action to rectify and protect the property of government.

In addition to the *Financial Law*, the *PPPPCI* also ensures the protection of the resources of government. The law (only available in Arabic) applies to all public employees, including all permanent and temporary government employees. The law reportedly stipulates that government employees (i) must at all times ensure the proper use of government property, (ii) may not in any way derive additional personal benefits from their employment position, (iii) may not assist any third party to benefit from government property, and (iv) must at all times act according to the best expectations of them according to their position.

The efficient use of staff resources is ensured through sound management practices. The CSL ensures that, the performance of all employees of government is evaluated annually in accordance with a set of performance criteria. Evaluations are documented centrally with the Ministry of Civil Services (MOCS) and also used to signify needs for in-house, external or international training. Ample resources are available to provide training ranging from management, software, or topical trainings. Managers can reward exceptional performance through a system of performance bonuses. Management has the discretion to reallocate resources within the budget as priorities arise.

0.3 Relevance

0.3.1 The relevance and practical utility of existing statistics in meeting users' needs are monitored.

The MOF, the Ministry of Planning, line ministries, and other policymakers (including the CBO) use primarily fiscal data in determining, monitoring, and evaluating fiscal policy. User needs other than that of government are not actively sought. The ministry is dependent on users seeking consultation with the Ministry. However, interaction on policy issues with the Ministry of Planning is intensive. The MOF also gathers information from users through informal contact. The MOF engages with the

media, and at times seeks rectification for erroneous reporting. Fiscal data produced by the MOF are also used by the Fund for surveillance purposes.

0.4 Other quality management

0.4.1 Processes are in place to focus on quality.

Since the 2004 ROSC mission, the MOF has maintained a focus on quality management. The *IFS* has built-in quality controls with routine internal audits, and independent state audit processes. The compilation of budgetary central government statistics is facilitated because these are produced directly from *IFS*, where accounting and classification rules are embedded in the system. *IFS* work processes include continuous reviews of the quality of the output. The MOF regularly seeks expert guidance on technical, management, and technological aspects of the work processes. The MOF actively consults with the NCSI on supplying of GFS data as input to the National Accounts.

0.4.2 Processes are in place to monitor the quality during the planning and implementation of the statistical program.

The collection, processing and dissemination of fiscal data are monitored through well-established quality control processes. All payment transactions are automatically verified against approved budgeted amounts in the fully computerized *IFS*. Once verified, a payment voucher is requested and subjected to a pre-audit by internal auditors, checking, and validating the nature of the transaction. After approval, the payment request is captured in the *IFS*, and controlled by GAD before the final payment is issued. Similar quality control processes with regards to revenue and debt transactions are also well established. Significant errors are published as rectifications in the official gazette.

The process of quality control ultimately results in random and routine audits performed by the State Audit Institution. In terms of the *State Audit Law*, Royal Decree No, 111/2011 (SAL), the institution is an autonomous legal entity and enjoys financial, administrative, and operational independence. The institution is responsible for both performance and financial audits of all government entities, wholly and partially owned public entities, entities that receive guaranteed or subsidized debt, and all companies that have been granted a concession for a public utility or natural resources. The audit process requires regular reviews of noncompliance with the provisions of financial laws, rules, regulations, and systems in use in government entities. Audit reports document the contravention and require the entity concerned to investigate the situation. The result of the investigation, steps taken to rectify the situation, and steps instituted to prevent a recurrence of the contravention must be properly documented and submitted to the State Audit Office within 30 days. An annual report, containing issues of special significance, is submitted to His Majesty, the Sultan.

1. Assurances of integrity

1.1 Institutional Integrity

1.1.1 Statistics are produced on an impartial basis.

GFS are compiled from underlying administrative records of fiscal data and government accounts. The *Financial Law*, in assigning the responsibility for compiling government accounts, ensures the independence and authority of the compilers of the fiscal data. The law ensures the professional independence of the MOF without interference from other government agencies. The *Financial Law* does not assign the MOF the responsibility for compiling GFS, although this has been done by convention for several years. The underlying fiscal data are published by the NCSI and CBO, whereby implicit co-ownership is established.

Staff are appointed by the MOCS. The MOF puts forward staff requirements to the MOCS who appoint staff through an open public enrollment process that includes a targeted skills assessment. Professionalism is actively promoted and supported through formal and on-the-job training of staff and continued participation in seminars, courses, and workshops arranged by regional and international organizations.

1.1.2 Choices of sources and statistical techniques as well as decisions about dissemination are informed solely by statistical considerations.

The budgetary central government data are based on actual records found in the *IFS* used by the MOF for its operational work. The comprehensive nature of these data and their alignment with *GFSM* 1986 make these data the obvious choice for compiling GFS. These comprehensive records also eliminate the need to supplement statistical information for the budgetary account. However, additional data from financial statements of units outside of budgetary central government are required for the compilation of the rest of the general government and the public sectors.

Decisions on data dissemination, timing, media, and other aspects of dissemination are primarily vested in legal requirements, such as the *Financial Law*.

1.1.3 The appropriate statistical entity is entitled to comment on erroneous interpretation and misuse of statistics.

The MOF monitors media coverage of its data, allows senior officials to provide interpretation on technical aspects of the data, and permits response to the public on misinterpretations of the GFS data. Well-established customs and regulations deal with data misinterpretations.

1.2 Transparency

1.2.1 The terms and conditions under which the statistics are collected, processed, and disseminated are available to the public.

Since the chart of accounts is aligned with *GFSM 1986*, the *Financial Law* implicitly governs the methodology according to which fiscal data are compiled. Currently the Ministry of Finance is working in collaboration with the World Bank to revise the chart of accounts. The plan is to complete the alignment of the chart of accounts with *GFSM 2001*, by end-2017. The *Financial Law* is also under revision to take into account the proposed changes. Circulars and regulations related to the budgeting and planning process are regularly issued and published in the government gazette available from the Ministry of Legal Affairs.

The MOF also issues financial circulars every year to spell out the budgeting process and terms and conditions for compiling government accounts. However, several documents disclosing the terms and conditions under which statistics are collected are available only in Arabic. Although MOF officials are quite willing to assist users with acquiring these documents, the availability of these documents is not publicized.

1.2.2 Internal governmental access to statistics prior to their release is publicly identified.

The MOF releases monthly fiscal data to the NCSI and CBO 15 days after the reference month, which subsequently publish these data approximately 2 weeks later. The State Audit Institute and all members of the Financial Affairs and Energy Resources Council (responsible for analyzing and formulating financial and economic policy) and the Secretariat-General of Cabinet also receive these data 15 days after the reference month. Information on the extent of internal government access to statistics prior to their release to the public is not made public.

1.2.3 Products of statistical agencies/units are clearly identified as such.

Fiscal data disseminated in publications and websites are well identified as being compiled by the MOF. Where data are obtained from other agencies or sources, they are clearly acknowledged in footnotes and the MOF requests attribution when its statistics are used or reproduced.

1.2.4 Advance notice is given of major changes in methodology, source data, and statistical techniques.

Methodology changes seldom occur, however advanced notice of major changes in methodology, source data, and statistical techniques are not published in advance.

1.3 Ethical standards

1.3.1 Guidelines for staff behavior are in place and well known to the staff.

Civil servants are recruited and appointed according to CSL. Furthermore, government employees are subject to the PPPPCI that governs the misuse of privileged information for personal gain and the misuse of any other property of government. In addition, the *Financial Law* stipulates certain specific responsibilities and behavior of MOF staff. Copies of these laws are readily available to all staff members.

Ethical behavior is also guided by the "Employee's Rights and Duties Directory," available to all staff members. The directory stipulates the details of conditions of employment, the conduct expected of all civil servants, and the duties and responsibilities. The directory also stipulates disciplinary actions to be taken against any employee who breaches any condition of employment. The code of conduct firmly establishes the position of civil servants and demands that all employees act at all times with the dignity appropriate to their positions.

A strong culture for maintaining ethical standards is further enhanced by sound management practices and a system of mentoring and of peer review of individual behavior that regularly remind staff of the behavior expected of them.

2. Methodological soundness

2.1 Concepts and definitions

2.1.1 The overall structure in terms of concepts and definitions follows internationally accepted standards, guidelines, or good practices.

The fiscal accounts follow the analytical framework used by the MOF for its operational work and budgetary purposes and is based on the *GFSM 1986*. All civil ministries follow this framework. The *GFSM 1986* is embedded in the chart of accounts of these ministries. Defense and national security expenditure and expenditure on oil and gas production are reported as aggregates and not delineated according to the same chart of accounts.

The MOF bridges data from the fiscal accounts to the *GFSM 2001* cash basis of accounting format, when compiling the *GFSY*. The MOF carefully evaluates whether cash inflows or outflows refer to revenue, expenditure or financing, although some significant financing transactions (related to equity injections) are presented in the fiscal data as expenditure. These instances signify a departure from *GFSM 2001* methodology. Although data are bridged, some concepts such as the consumption of fixed capital, other accounts payable or imputations cannot be captured in a cash based framework which would otherwise be captured in an accrual framework.

The MOF has started compiling the financial balance sheet. The stock positions and flows recorded in the balance sheet largely follow the concepts of assets and liabilities except some financing transactions explained above.

Starting the fiscal year 2017 the chart of accounts will incorporate the *GFSM 2001* concepts and definitions into the fiscal accounts, including accrual accounting concepts such as other accounts receivable, and accrued interest.

2.2 Scope

2.2.1 The scope is broadly consistent with internationally accepted standards, guidelines, or good practices.

The GFS scope is not fully consistent with international standards, since gaps remain. The MOF has made some progress since the 2004 ROSC mission by identifying a list of public sector institutional units during the IMF GFS technical assistance mission in April 2014. This list is very comprehensive, but misses a few institutional units such as the Chambers of Commerce and the Capital Market Authority. All the institutional units on the list were provisionally classified according to the *GFSM 2001* into the subsectors of general government and the public sector. Data for general government units are available and are being compiled but not disseminated. Best practice would be to disseminate general government data, on the basis that relevant data is available.

The general government comprises the budgetary central government and extra budgetary central government. The budget of the governorates and municipalities are consolidated as part of the central government account. The extra budgetary account comprises several regulatory authorities. The Sultanate of Oman has three sovereign wealth funds (SWFs): the State General Reserve Fund, the Oman Investment Fund and the Petroleum Reserve Fund. According to the *GFSM 2001* these are part of the budgetary central government, however although data is available, these are not included in data reported for the *GFSY* submission.

The public sector comprises several nonfinancial and financial corporations. These include the Central Bank of Oman, the Oman Housing Bank, Oman LNG, Oman Tel and Oman Air. Included in the public financial sector are the Pension Funds, which are autonomous defined benefit schemes. The Civil Service pension fund covers civil servants. The Public Authority for Social Insurance covers private sector employees, who are compelled by law to contribute to the fund. All other social security is administered as part of the budgetary central government.

The MOF has been publishing fiscal data and compiling and submitting to the IMF *GFSY* data based on the budgetary central government (excluding SWFs) in a time series dating back to 1980. Since the 2004 ROSC mission, the MOF has started expanding the scope by compiling (but not yet disseminated) the extra budgetary central government.

The MOF publishes fiscal data on revenue, expense and balance sheet flows. Since the 2004 ROSC mission the MOF has started compiling (but not yet disseminated) the stock positions of the financial balance sheet.

2.3 Classification/sectorization

2.3.1 Classification/sectorization systems used are broadly consistent with internationally accepted standards, guidelines, or good practices.

Revenue, grants, expenditure, lending, repayments and financing are broadly classified according to the *GFSM 1986*. Fiscal data in the summarized tables are presented with the following classification:

Revenue data are classified into five categories:

- Net oil revenue,
- Natural gas revenue,
- Other current (subdivided into taxes and non-tax revenue in the detailed tables),
- Capital revenue and
- Capital repayments (which comprise repayments of lending to public authorities and other establishments).

Expenditure are classified into the following categories:

- Current expenditure.
- Defense and security expenditure.*
- Civil ministries expenditure.**
- Oil production expenditure.*
- Gas production expenditure.*
- Interest on loans.
- Capital expenditure.
- Development expenditure for civil ministries.**
- Capital expenditure for civil ministries.**
- Oil production expenditure.*
- Gas production expenditure.*
- Participation and subsidy to the private sector.

- Subsidies to development & housing loans interests.
- Participation in domestic, regional and international establishments.
- Subsidies to the electricity sector.
- Subsidies to the petroleum sector.

Notes:

- * Data are reported as aggregates and not delineated according to the chart of accounts.
- ** Data are reported as aggregate and delineated according to the chart of accounts.

Fiscal data is bridged to the *GFSY 2001* cash bases of recording format. The resulting classification is broadly consistent with the *GFSM 2001*, although some line items should be classified elsewhere within the revenue and expenditure aggregates. A noteworthy caveat is that *Current defense and security expenditure* is classified as the *Use of goods and services (22)*. However, *Current defense and security expenditure* also includes significant amounts related capital expenditure and compensation of employees. As a consequence an unknown amount of the *Acquisition nonfinancial assets (31)* and *Compensation of employees (21)* is erroneously classified as *Use of goods and services (22)*.

- Although total revenue and total expenditure are generally classified correctly, some revenue and expense classification could be reevaluated to better reflect components of government consumption, including equity injections.
- The classification of institutional units in the general government and public sector is explained in 2.3.1.
- The MOF uses the annual *Final State Accounts* to compile the *GFSY* and bridges individual items to the *GFSM 2001* classification. However, the bridging would be enhanced if it could be documented in a centralized register and updated on an annual basis. The register would also be further enhanced if a rationale and/or *GFSM 2001* references were documented. The register could be shared with the NCSI and CBO to support consistency within all macroeconomic statistics.

2.4 Basis for recording

2.4.1 Market prices are used to value flows and stocks.

Stock positions of all assets and liabilities are recorded at face value or book value, and transactions on a cash basis. As a consequence, only transactions and no other economic flows are recorded. No assets or liabilities are recorded according to market values or an appropriate proxy. Foreign currency stock positions are converted to Omani Rials using the appropriate spot exchange rate at the end of the fiscal period.

2.4.2 Recording is done on an accrual basis.

All budgetary central government revenue, expenditure, and financing transactions are recorded on a cash basis, and checks received and paid or issued basis. Stocks in suspense accounts are included in deposit stock positions to ensure reconciliation with cash inflows and outflows within a fiscal period. Although interest accrued is administered, this is recorded as a separate line item, and interest is recorded on cash received or paid basis. Most goods and services are paid within a few business days of delivery.

2.4.3 Grossing/netting procedures are broadly consistent with internationally accepted standards, guidelines, or good practices.

Revenue and expense data generally follow the *GFSM 2001* guidelines for grossing/netting procedures, although oil revenue is published net of transfers, and grants are recorded net. Financial balance sheet data are correctly shown on a gross and/or net basis, as recommended by the *GFSM 2001*.

3. Accuracy and reliability

3.1 Source data

3.1.1 Source data are obtained from comprehensive data collection programs that take into account country-specific conditions.

Source data for the budgetary central government are comprehensive and based on accurate and reliable administrative records available in well-established electronic systems, that provides a real-time online link to the GAD. These systems provide complete geographical coverage of budgetary central government in Oman and therefore provide comprehensive and all-inclusive data sources. Furthermore, the MOF maintains complete sets of records of government borrowings, guarantees issued by government, and the related interest flows in the IFS. Also detailed records of government investments, subsidies, and transfers to government agencies are available in real time. Financial data on sovereign wealth funds are available to the MOF.

Source data for the extra budgetary central government units and public sector corporations are based on annual audited financial statements. Unfortunately, the MOF does not have a secure collection remit that is supported by the *Statistical Law*.

3.1.2 Source data reasonably approximate the definitions, scope, classifications, valuation, and time of recording required.

The definitions and classifications applied to the civil ministries align with *GFSM 1986* and thus a cash basis of recording. The non civil service ministries data are recorded on an aggregated level, whereby a significant part of expenditure is appropriated to an unlikely classification. Market values are not available from the IFS, whereby securities are recorded according to book or face value.

Data on extra budgetary central government units are derived from financial statements that do not necessarily bridge to *GFSM 2001* classifications, although revenue, expenditure and financing aggregates can be appropriately determined. These data are recorded on an accrual basis of recording and market value.

3.1.3 Source data are timely.

Budgetary central government data is available from *IFS* in real time, with monthly statements available. Finalized annual data are available from the *State's Final Account* 6 months after the end of the reference year.

Annual extra budgetary central government data are available after the release of annual financial statements of these entities. This may vary between 3 and 6 months after the end of the reference financial year.

3.2 Assessment of source data

3.2.1 Source data-including censuses, sample surveys and administrative records- are routinely assessed, e.g., for coverage, sample error, response error, and other nonsampling error; the results of the assessments are monitored and guide statistical processes.

Source data are comprehensive and based on administrative records. The source data from the *IFS* are internally consistent and have been subject to internal and external audit controls. Data on the extra budgetary central government are subject to external audits and are internally consistent.

3.3 Statistical techniques

3.3.1 Data compilation employs sound statistical techniques to deal with data sources.

Fiscal data are compiled with sound statistical techniques. These techniques are in part simplified because the budgetary central government is integrally based on *IFS* data and the *State's Final Account*. Including the extra budgetary account is also a simplified statistical exercise, as this requires only aggregation from financial statements. No estimates are required. The main complexity lies with the classification of the various line items, and requires an annual review for new line items or irregular transactions.

3.3.2 Other statistical procedures (e.g., data adjustments and transformations, and statistical analysis) employ sound statistical techniques.

MOF compile GFS data through simple aggregation and adjust fiscal data by netting the transactions of the market producers currently included on a gross basis in the fiscal accounts and the consolidation of intra-government transactions. No other adjustment and transformation procedures are employed in compiling GFS.

3.4 Assessment and validation of intermediate data and statistical outputs

3.4.1 Data compilation employs sound statistical techniques to deal with data sources.

Fiscal data are compiled with sound administrative and statistical techniques as explained in 3.3.1 and 0.4.2.

3.4.2 Statistical discrepancies in intermediate data are assessed and investigated.

Statistical discrepancies found in the results of individual government units are dealt with in accordance with the processes in place to monitor quality (see also 0.4.2).

3.4.3 Statistical discrepancies and other potential indicators of problems in statistical outputs are investigated.

Statistical discrepancies are regarded as an indicator of possible problems in source data and are investigated with a view to making improvements.

3.5 Revision studies

3.5.1 Studies and analyses of revisions and/or updates are carried out and used internally to inform statistical processes (see also 4.3.3.).

Revisions result from the regular (annual) audit processes, which are supplemented with random audits and internal audits. The well-documented audit trail serves as revision studies. Audit reports document the nature of any discrepancies discovered. No other revisions or revision studies are performed for fiscal statistics.

4. Serviceability

4.1 Periodicity and timeliness

4.1.1 Periodicity follows dissemination standards.

The GDDS recommends that countries disseminate central government operations quarterly and central government debt data annually, and encourages countries to disseminate central government operations data monthly and central government debt data quarterly. The periodicity of data on central government operations follows the GDDS recommendations. However, debt data do not follow GDDS recommendations. Furthermore, breakdowns (debt holder, instrument, currency), although available, are not published. Although GFS data are only available annually, fiscal data that reasonably serve as a proxy for GFS data are disseminated monthly, as well as quarterly. The GDDS encourages countries to publish Government-guaranteed debt data annually. These data are not published.

4.1.2 Timeliness follows dissemination standards.

The GDDS recommends that central government operations are released within one quarter after the end of the reference period. Oman's budgetary account operations are in line with the timeliness recommended by the GDDS—they are released within 45 days after the end of the reference period. MOF provides these data to the CBO and the NCSI 15 days after the end of the reference period. However, December data are only available after data contained in the *State's Final Account* become available, 6 months after the end of the fiscal year (June). The fourth quarter is therefore published 1 quarter later than recommended by GDDS. The data could be reported as timely if the *State Audit Law* is amended to allow a release of December data on a preliminary basis.

For central government debt data GDDS recommends release within one to-two quarters after the end of the reference period. The CBO disseminates central government debt data in its annual report, which is available online 6 months after the reference year. Central government debt data therefore adheres to the timeliness recommendation of the GDDS. In addition, a comprehensive debt report, including data on the guaranteed debt, is compiled monthly, but is not disseminated to the public.

Central government operations and debt data in the *GFSM 2001* format is normally available within 11 months after the end of the reference period.

4.2 Consistency

4.2.1 Statistics are consistent within the dataset.

Fiscal data were found to be internally consistent. Monthly and quarterly data accumulate to the annual data, and major aggregates equal the sum of their components. The deficit calculated by the MOF equals financing, and all bank balances are routinely reconciled with accounting records. Outstanding suspension accounts are included in the closing balance of currency and deposits.

4.2.2 Statistics are consistent or reconcilable over a reasonable period of time.

The MOF has compiled a set of consistent time series from 1980 onward. A break in the data was recorded in 1988 when the classification of accounts aligned with *GFSM 1986*. Changes in source data, merging, and separating of government units, and new classifications are seldom introduced. However, in such instances, the historical series is reconstructed on a best effort basis. If breaks and discontinuities in the component time series occur, the causes are explained in footnotes and commentary in the *State's Final Accounts*.

4.2.3 Statistics are consistent or reconcilable with those obtained through other data sources and/or statistical frameworks.

Fiscal data from the GAD serve as the primary source for compiling national accounts data and balance of payments relating to the general government sector. However, consistency between *GFSY*, balance of payments, monetary statistics, and national accounts cannot be verified. Although the

same source data are applied, no systems are in place to coordinate and document the consistent classification of transactions, institutional units and GFS specific concepts.

4.3 Revision policy and practice

4.3.1 Revisions and/or updates follow a regular and transparent schedule.

The revision policy and practice for fiscal data follow the legal framework for the compilation of the government accounts, according to a schedule that is made publically available in September each year. Monthly data revisions are restricted to minor post-corrections that may only be made by the GAD within a month of the reference month. Annual data may be revised only after the completion of the independent state audits. Generally these revisions are not material and can be ascribed to minor corrections and misclassifications. The revision cycle of the fiscal accounts follows a regular and well-understood schedule, whereby preliminary data are replaced by final audited data. Revised data are not explicitly indicated.

4.3.2 Preliminary and/or revised data are clearly identified.

The budgetary central government data are published only once these have been finalized. Where applicable, these data are identified as preliminary. Users are not generally informed about the cause or effect of revisions, owing to the unavailability of audit reports to the public.

4.3.3 Studies and analysis of revisions are made public.

Only revisions stemming from the audit result in revisions of monthly data. Annual budgetary account data are only compiled once and in final audited form. The audit trail records all discrepancies discovered, the reason for the discrepancy, the steps taken to correct them, and the measures introduced to avoid reoccurrence. However, these documents are only for internal use and are available for public consumption. Generally, revisions are immaterial.

5. Accessibility

5.1 Data accessibility

5.1.1 Statistics are presented in a way that facilitates proper interpretation and meaningful comparisons (layout and clarity of text, tables, and charts).

Annual GFS data are disseminated according to the standard components of the *GFSM 2001* in the *GFSY*. Fiscal data on the operations of government use the national presentation as disseminated in the *State's Final Accounts*. These accounts include charts and tables to facilitate analysis, and present data according to items, ministries, and national functional classifications. Data tables are clearly laid out and annotated by footnotes where appropriate. Data are presented in time series of the reference fiscal year compared with the preceding five years. The reference fiscal year outcomes are also compared with the budget of that same year.

In addition to the annual data disseminated by the MOF, the CBO and NCSI also disseminate the same data on budgetary account operations on a monthly basis in their respective publications. These publications include commentaries on current-period developments according to sound statistical practices.

Data on the outstanding stock of government debt are disseminated in the *GFSY* and by the CBO. These data are presented as a breakdown between domestic and foreign debt. Explanatory notes or details on the total government debt are not available, which reduces the usefulness of the debt data. However, it should be noted that the internally available government debt report (available in Arabic) contains details on the outstanding debt of government with appropriate breakdowns according to debt holder, instrument, currency, and maturity. These internal records also include detailed information on all guarantees issued by government.

5.1.2 Dissemination media and format are adequate.

The MOF publishes annual fiscal data in the *State's Final Account* as a hardcopy and on the MOF website (<http://www.mof.gov.om>). The MOF reports GFS data for dissemination in the *GFSY*. Monthly fiscal data, from which quarterly data can be derived, are routinely compiled and distributed by the MOF to the CBO and NCSI. These data are published on the websites of the CBO and NCSI (<http://www.ncsi.gov.om>, <http://www.cbo-oman.org>). These data are published in PDF or Excel format and cannot be retrieved from a database that provides easy access to a long time series of data. The monthly time series are relatively short in these publications, but users could access the historical data through special requests to the disseminating agencies. Other official publications such as the *State's Budget* also include annual data on fiscal operations. The publications mentioned above are available in both Arabic and English. Compilers will improve access if these data are available in a comprehensive database, with the respective agencies providing links on their websites for relevant statistical topics.

Limited data on central government debt are available in the annual publication of the *GFSY* and are also published by the CBO. The dissemination format for government debt statistics does not provide the details users may need, although these details are available in underlying source data systems.

5.1.3 Statistics are released on a preannounced schedule.

Monthly fiscal data are released on the websites of the CBO and NCSI according to a preannounced schedule.

The *Financial Law* and regular financial circulars specify the release schedule for the *State's Final Accounts*. These accounts are regularly released six months after the end of the fiscal year. The State's budgets are released on January 1, at the start of the fiscal year. The release of GFS for publication in the *GFSY* relies on the release announced by the IMF's Statistics Department (STA). The MOF has no other release schedule that preannounces the release of the monthly data.

5.1.4 Statistics are made available to all users at the same time.

Annual statistics are made available to all interested users simultaneously. No preferential treatment of selected users was identified.

5.1.5 Statistics not routinely disseminated are made available upon request.

Special requests for statistics not routinely disseminated are subject to management approval. The unpublished data are made available free upon request. However, the availability of this service is not specifically stated in the MOF's publications, and details on the procedure to obtain such requests are not explicitly made known. General contact details for the MOF are provided on their website, and the metadata on the IMF's Dissemination Standards Bulletin Board (DSBB) website also contains contact details of the MOF.

5.2 Metadata accessibility

5.2.1 Documentation on concepts, scope, classifications, basis of recording, data sources, and statistical techniques is available, and differences from internationally accepted standards, guidelines or good practices are annotated.

No detailed documentation exists of concepts, scope, classification, basis for recording data sources, and statistical techniques, although some broad guidelines are provided in the *Financial Law*. Summarized metadata are available on the IMF's DSBB website, but users are not cross-referred to the DSBB website on the MOF website or in its publications.

5.2.2 Levels of detail are adapted to the needs of the intended audience.

Metadata are not specifically adapted to the needs of different users.

5.3 Assistance to users

5.3.1 Contact points are publicized.

The MOF's website provides a general telephone and email address to be used for queries to the MOF. The contact person for GFS is publicized in the metadata for Oman on the IMF's DSBB website. The MOF seldom received queries, with only one instance reported in the last 5 years.

Users can contact the NCSI through a web-form, via a central telephone, or via the post. Users can contact the CBO via email, a central telephone number or the post.

5.3.2 Publications, documents, and other services, including information on any charges, are widely available.

- The MOF, CBO and NCSI make data freely available on their respective websites and in hardcopy.

Table 4. Oman: Data Quality Assessment Framework (May 2012): Summary of Results for Government Finance Statistics

(Compiling Agency: Ministry of Finance)

Key to symbols: NA = Not Applicable; O = Practice Observed; LO = Practice Largely Observed; LNO = Practice Largely Not Observed; NO = Practice Not Observed; GDDS = Complies with GDDS Criteria							
Element	NA	Assessment				Comments on Assessment	Plans for Improvement and Target Dates
		O	LO	LNO	NO		
0. Prerequisites of quality							
0.1 Legal and institutional environment				X		The MOF's remit is well supported by the Financial Law. However, it produces GFS without an explicit remit in the Statistical Law, which hinders its data collection process.	Revise the Statistical Law and Fiscal Law to expand the remit and assign full collection, compilation and publication rights and responsibilities.
0.2 Resources			X			The MOF is sufficiently resourced, and has ample funding for training. However, there is no statistical positions in the MOF dedicated to compilation of GFS.	Appoint staff dedicated to GFS compilation.
0.3 Relevance		X				Fiscal data are relevant and extensively used for fiscal policy purposes, by the Cabinet, the Ministry of Planning, the IMF.	
0.4 Other quality management		X					
1. Assurances of integrity							
1.1 Institutional integrity		X					
1.2 Transparency			X			Cabinet ministers have access to statistical data before available to the general public and no advance notice is given of methodological changes..	Publish this information on the MOF, NCSI and CBO websites
1.3 Ethical standards		X					
2. Methodological soundness							
2.1 Concepts and definitions			X			The MOF bridges data from the fiscal accounts to the GFSM 2001 cash bases of accounting format when compiling the GFSY. Concepts such as the consumption of fixed capital, other accounts payable or imputations are not captured, which would otherwise be captured in an accrual framework.	Implement a Chart of Accounts based on the GFSM 2001
2.2 Scope				X		Transactions and stock positions only for budgetary central government. Data related to extra budgetary and sovereign wealth funds are not reported.	Compile data for general government that include all government units into, considering that data are available

Table 4. Oman: Data Quality Assessment Framework (May 2012): Summary of Results for Government Finance Statistics (continued)

(Compiling Agency: Ministry of Finance)

Key to symbols: NA = Not Applicable; O = Practice Observed; LO = Practice Largely Observed; LNO = Practice Largely Not Observed; NO = Practice Not Observed; GDDS = Complies with GDDS Criteria							
Element	NA	Assessment				Comments on Assessment	Plans for Improvement and Target Dates
		O	LO	LNO	NO		
2.3 Classification/sectorization			X			<i>The nature of current defense and security expenditure cannot be delineated—therefore data for use of goods and services include capital expenditure and compensation of employees.</i>	Include delineation in new Chart of Accounts based on <i>GFSM 2014</i> .
2.4 Basis for recording			X			Cash recording, face or book value. Payments occur within short period of delivery.	Adopt accrual accounting, as is currently being implemented in the new Chart of Accounts based on <i>GFSM 2014</i>
3. Accuracy and reliability							
3.1 Source data		X					
3.2 Assessment of source data		X					
3.3 Statistical techniques		X					
3.4 Assessment and validation of intermediate data and statistical outputs		X					
3.5 Revision studies		X					
4. Serviceability							
4.1 Periodicity and timeliness			X			Monthly operations data available within one month, except December data, which is available six months after the end of the fiscal year. Debt data is only available annually with 6 months after the end of the fiscal year.	Change the Financial Law/State Audit Law to allow for preliminary releases of data.
4.2 Consistency			X			Although inputs are the same, consistency between GFSY cannot be verified with balance of payments, monetary and financial statistics, and national accounts.	Implement a coordination committee to coordinate and centrally document classification of institutional units and economic phenomena

Table 4. Oman: Data Quality Assessment Framework (May 2012): Summary of Results for Government Finance Statistics (concluded)

(Compiling Agency: Ministry of Finance)

Key to symbols: NA = Not Applicable; O = Practice Observed; LO = Practice Largely Observed; LNO = Practice Largely Not Observed; NO = Practice Not Observed; GDDS = Complies with GDDS Criteria							
Element	NA	Assessment				Comments on Assessment	Plans for Improvement and Target Dates
		O	LO	LNO	NO		
4.3 Revision policy and practice		X					
5. Accessibility							
5.1 Data accessibility			X			Data are only available in Excel or PDF format and not as a database with long time series	
5.2 Metadata accessibility				X		Summarized metadata is only available on the IMF website. No cross reference is provided to the DSBB website.	
5.3 Assistance to users		X					

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MONETARY STATISTICS

0. Prerequisites of Quality

0.1 Legal and institutional environment

0.1.1 The responsibility for collecting, processing, and disseminating the statistics is clearly specified.

The CBO is responsible for collecting, compiling and disseminating the analytical accounts of the central bank and the ODCs. The legal authority is provided for the CBO by the *Banking Law* (Royal Decree No. 114/2000 and subsequent amendments)⁴⁰. Article 17(a) of the Law states, "*The Central Bank shall prepare a monthly statement for distribution to each governor showing the financial condition of the Central Bank, including a statement of the domestic and foreign currencies held as reserves, the amount, nature and maturity of commercial papers and other negotiable instruments owned or held by the Central Bank and a statement of the assets and liabilities of the Central Bank. A summary of such statements shall be prepared for publication in the official gazette quarterly.*"

The *Banking Law* assigns primary responsibility as well as the legal authority to the CBO for collecting monthly financial statements of the central bank and each licensed bank that are necessary for compiling monetary statistics. However, the *Banking Law* does not explicitly state the legal authority of the CBO to compile and disseminate monetary statistics, though this function is implicitly guided by Article 30 (b) "Residual Functions" of the *Banking Law*, which stipulates that the CBO can carry out all other operations that are usually undertaken by central banks, which are not inconsistent with the exercise of its powers and responsibilities under this Law or under any other applicable law of the Sultanate of Oman. In practice, the CBO has been responsible for collecting, compiling and disseminating monetary statistics since its inception effectively.

In addition, the existing *Statistical Law* issued by Royal Decree No. 29/2001 implicitly empowers the CBO to compile and disseminate statistical data under its jurisdiction, including but not limited to monetary statistics. Article (4) of the *Statistical Law* states: "*As an exemption from the provisions of Article (3) above, Government units may gather and publish the statistical data that falls within the jurisdiction of each of these units according to an annual plan approved by the Statistical Advisory Committee (SAC) stipulated in Article (9) of this Law.*" This Law defines government units as Ministries, public corporations and establishments.

Oversight of the institution(s) involved in collecting, reporting and disseminating statistics is conducted by the SAC, which is responsible for reviewing regulations under the *Statistical Law*, standardization of concepts and statistical terms in the Sultanate, as well as monitoring the implementation of international recommendations in this regard (Article 9 of the *Statistical Law*). The

⁴⁰ The amendment of the *Banking Law* (issued by Royal Decree No. 69/2012 dated December 6, 2012) added a new title on Islamic Banking.

Executive President of the CBO is a member of this Committee. Consistency of methods and results is also reinforced by the Royal Decree No. 40/2014 issuing the Statute of the NCSI, which assigns to NCSI the development and implementation of the statistics and information strategy; coordination with government entities to enable them to implement the national strategy defined for them in the area of statistics and information; and development of a work program for the production of official statistics (Article 3).

To address potential conflicts between the legal authority to produce the statistics and other laws or provisions, Article 7 of the *Statistical Law* states: “*The General Security authorities shall, if requested, assist those assigned for conducting the surveys or the census, should they be asked for that, in such a way that ensure conducting their task in the appropriate way.*”

The mission was informed that the *Statistical Law* is undergoing revision following the issuance of Royal Decrees No. 40/2014 and No. 31/2012. The mission encourages authorities to strengthen legal mandate for the production and dissemination of macroeconomic statistics. Application of *Statistical Law* to the CBO macroeconomic data collection and dissemination would be further reinforced by explicit recognition in the *Banking Law* of the CBO responsibility to compile and disseminate monetary statistics.

0.1.2 Data sharing and coordination among data-producing agencies are adequate.

The CBO is the sole institution responsible for compiling monetary statistics in the sultanate of Oman. Within the CBO, the Economic Research and Statistics Department (ERSD) holds the primary responsibility for compiling monetary statistics. The ERSD collects all the requisite source data needed for this purpose pursuant the Articles 17(a) and 72(a) of the *Banking Law*.

To avoid duplication of effort, the banking returns for banks RD1 through RD15⁴¹ were designed to meet both statistical and supervisory needs of the CBO. The returns also help in reducing reporting burden of the banks. Procedures and arrangements are in place to ensure the smooth flow of information between the ERSD and other departments within the CBO, namely Banking Development Department (BDD), Banking Surveillance Department (BSD), Banking Examination Department (BED), and Financial Stability Department (FSD).

In the banking returns (RD7A and RD7B), the CBO collects detailed records on quarterly credit and deposit positions of government units with the banks and transmits the information routinely to the MOF for its statistical compilation and data verification programs. The CBO also conducts regular meetings with the MOF, including monthly meetings of the public debt committee, called Working Group on the Government of Oman Financial and Domestic Debt Management Policies. Data

⁴¹ The banking returns comprise several returns: RD1 (Balance Sheet: Assets), RD2 (Balance Sheet: Liabilities), RD3 (Statement of Off Balance Sheet Items), RD 7A and 7B (Detailed deposits of and loans to the various government sectors), RD8 (Interest Rates on Domestic Interbank Lending and Borrowing), RD 912 (Detailed sectoral breakdown on deposits and loans), and RD15 (Annual Statement of Earnings and Expenses).

collected from both institutions are also shared and discussed in meetings of inter-agency subcommittee on liquidity management that occurs frequently.

0.1.3 Individual reporters' data are kept confidential and used for statistical purposes only.

The *Banking Law* requires that individual data are to be treated as confidential, and each staff (and former staff member) of the CBO must maintain the confidentiality of data submitted by individual banks. Article 24(a) of the *Banking Law* states: *"Members of the Board of Governors and all officials, employees, advisers, special experts or consultants appointed hereunder shall not disclose any information acquired in the performance of their functions except when such disclosure is necessary to the fulfillment of their duties and is made to other central bank personnel or other authorized representatives of the Central Bank, when such person is called to give evidence in a judicial or similar proceeding before a tribunal created under the laws of the Sultanate or when such disclosure is necessary to the fulfillment of obligations imposed by other laws of the Sultanate or to foreign Central Banks or other regulators responsible for the supervision of any aspect of activities of banks in Oman or their branches or affiliates abroad."*

Article 24(b) of this Law states: *"Any former member of the Board of Governors and any former official, employee, adviser, special expert or consultant of the Central Bank shall not disclose any information, whether documentary or otherwise, acquired in the performance of his function, without the express permission of the Board of Governors."*

To prevent disclosure of individual data, article 24(c) of the *Banking Law* include penalties against CBO staff who violate article 24(a) and 24(b). This article states: *"Any person who contravenes the provisions of this Article shall be subject to prosecution under the provisions of Chapter Two, Title Two, Book Two of the Penal Code of Oman as amended from time to time."* In addition, the *Statistical Law* also provides the required legal framework to maintain confidentiality that includes penalties against staff who disclose confidential data. Article (10) of the *Statistical Law* stipulates that violations to confidentiality shall be sentenced for a maximum period of imprisonment for six months or a fine not exceeding five hundreds Omani Rials (i.e., around US\$1,300) or both punishments.

Even though the CBO does not disclose data on individual banks to anyone outside the institution, within the CBO, the ERSD shares individual banks' returns RD1 through RD15 (see 3.1.1) to the BDD and BSD for supervisory purposes. Each individual bank is aware that their financial information is used for both statistical and supervisory purposes, albeit no legal document that clearly indicates these purposes. Procedures are in place to prevent disclosures of individual banks' data to unauthorized staff: (i) within the ERSD, each concerned staff member has access to both the electronic and hardcopy versions of the data for individual banks; (ii) each computer workstation within the ERSD is password protected in accordance with the CBO's *Code of Ethics* Article 1.15 that states: *"Employees shall take utmost care to safeguard the confidentiality of user name/PIN/Password and change the PIN/Password periodically in accordance with the Bank guidelines."*; (iii) the ERSD only shares the individual banks' data to a selected few banking

supervisors in BDD and BSD for supervisory purposes; (iv) the ERSD shares only the aggregated balance sheet of banks to other CBO departments, as well as to other data users outside the CBO, including banks as data providers.

The CBO's *Staff Regulations*⁴² establish the confidentiality provisions in Section 3–4. Accordingly, Article 3-4-6 of the regulations requires the CBO staff to comply with confidentiality requirements by signing the declaration of confidentiality at the time of appointment. Article 3-4-7 enforces sanction and states: “*Staff who contravene any provision of Section 3-4 shall be subject to prosecution under the provisions of the relevant Laws of the Sultanate and/or disciplinary action as provided under Section nine of the Staff Regulations.*”

Furthermore, the CBO's *Code of Ethics* that is formulated to promote ethically sound professional conduct in conjunction with the provisions of the *Staff Regulations* and Employment Contract also enforces confidentiality provision for CBO staff. Article 1.14 states: “*Employees shall maintain strict confidentiality with regard to information acquired in the course of their work in the Bank, unless disclosure is either done with the consent of the Bank or required by laws, as mentioned in Staff Regulations.*”

Therefore, the CBO staff are well trained and fully cognizant of the requirements of confidentiality. Reportedly, no cases of prosecution have occurred in this regard.

0.1.4 Statistical reporting is ensured through legal mandate and/or measures to encourage response.

The Circular BM 1058 dated September 14, 2009 provides the legal authority for the CBO to collect data required to compile monetary statistics, as well as requiring the banks in Oman to submit their balance sheet data using the revised banking returns.

Article 2 of the Circular states: “In view of the changes in compilation standards and the need for classification of monetary and banking data by various categories of financial instruments, sectorization of the economy and the delineation of resident and non-resident entities, the RD returns have been revised to be broadly in conformity with the Monetary and Financial Statistics Manual of the IMF (see also 3.1.1 and 3.1.2 below).” The circular also stipulates requirements for reporting periodicity, and timelines (no later than the 15th of every following month), and reporting procedures. The 2009 Circular implicitly provides the authority for the CBO to compile monetary statistics based on the information submitted by banks to the CBO using the new banking returns and with the required level of accuracy and consistency.

This *Banking Law* also has provisions for imposing penalties and/or sanctions for noncompliance or failure to submit reports. Article 74 of the Law states: “A licensed bank which shall fail to cooperate

⁴² The third edition, issued by the Resolution of the Board of Governor No. BOG/1642/123/9/03/12, dated September 28, 2003, that became effective from January 1, 2004.

in any examination by the Central Bank or to submit reports required under this Law shall be subject to suspension or withdrawal of its license or such other sanctions as may be appropriate pursuant to Article 14(g) and 83 of this Law.” In addition, Article (10) of the *Statistical Law* also stipulates “Any person who refuses to provide the required data or knowingly provide incorrect data as per the provisions of this Law shall be punishable with a fine not exceeding three hundreds Omani Rials. Any person who fails to provide the required data within the specified date shall be considered as refusing to provide such data, unless he/she proves that the delay was due to an acceptable excuse.” However, noncompliance has been very rare.

As noted in 0.1.2, the CBO is mindful of not overburdening the banks on data reporting. The banking returns are designed to meet both statistical and supervisory purposes to avoid duplication of reporting by banks. The CBO staff also maintain goodwill with the banks by providing appropriate support in preparing the report forms, transmitting data, and identifying contact persons in the CBO for banks to consult for any data-related issues. Prior to its implementation in September 2009, the CBO sent the draft revised banking returns to banks for their comments and feedback. Sufficient transition time was also given to give ample time for banks to align their data reporting IT system accordingly with the requirements for the new banking returns.

0.2 Resources

0.2.1 Staff, facilities, computing resources, and financing are commensurate with statistical programs.

Overall the staff is adequate to perform the required tasks in the compilation of monetary statistics. The ERSD has 22 staff members, five of whom are assigned to the Money and Banking Section (MBS) to compile monetary statistics. These staff are mainly responsible for collecting, compiling, and disseminating monetary statistics. Two staff are responsible for statistical concepts and methodology, improvement of the coverage and accuracy of monetary data. The dissemination of data to international financial organizations, including to the IMF, is done by the International Relations Department (IRD).

There is little turnover of staff and a core staff with adequate training and experiences is maintained. Salary levels are adequate for the nature of work and competitive with public administration conditions in Oman. The new staff are recruited on a competitive basis. Only candidates with bachelor’s degrees (economics/computer science) or, preferably, with master’s degree are recruited to professional posts. The new recruits are provided on-the-job training and are encouraged to participate in the seminars/courses offered within and outside the CBO. The staff also participate in the courses offered by multilateral and international institutions, such as the IMF, Arab Monetary Fund, and other Gulf Cooperation Council (GCC). From the five staff assigned to the Money and Banking Section, four of them have attended the Monetary and Financial Statistics (MFS) course (one staff attended MFS course in Washington D.C., three staff attended MFS course in the IMF’s Regional Training Center in Kuwait).

Computer resources (both hardware and software) for compiling monetary statistics are adequate to perform the required tasks. Each staff in the MBS is provided with one desktop computer for their work. The Information Technology Department (ITD) backs up the database weekly on a network server, while the ERSD does it monthly on compact disks. The computer (hardware) are replaced regularly, usually within three years of use, and the necessary software for compiling monetary statistics are made available by the ITD upon request from the ERSD.

Every year, ERSD submits its budget to the CBO's Budget Committee. If any increase is needed, the additional resources are requested in the budget process. The Budget Committee reviews the proposals and submits its recommendations to the Executive President. The draft budget of the CBO is then debated and approved by the Board of Governors.

0.2.2 Measures to ensure efficient use of resources are implemented.

Further improvements were recently implemented to annual performance review process. The key performance indicators (KPI) are currently applied in staff performance assessment process, in which the work performed by the staff is continuously monitored throughout the year (i.e., quarterly performance review). Accordingly, the Head of the MBS evaluates the performance of each staff in the section and sends the evaluations to the Manager of the ERSD. Upon further review by the Vice President who oversees the ERSD, these reports are submitted to the Annual Increment Review Committee for salary increase and promotion. In addition, in the context of annual performance review, the CBO Human Resource Department, in corporation with the management of ERSD, defines competency gaps, training needs, and administrative actions within Talent Management Initiative, as necessary.

The performance appraisals and continuous monitoring of the work of the staff ensure the efficient use of resources. The efficiency is also gained by providing adequate computer facilities (both hardware and software) to the staff members. The staff are well trained and motivated, and computer resources are suitable for statistical needs. An annual budget from the ERSD submitted to the Budget Committee incorporates any additional resources necessary. The periodic discussions with the banking control departments streamline the process of data gathering from the banks and data reporting to other departments within the CBO, thereby making the data collection process more efficient.

Currently, the CBO undergoes a comprehensive review of all internal processes with a view to developing and implementing additional measures to enhance efficiency starting from 2015.

0.3 Relevance

0.3.1 The relevance and practical utility of existing statistics in meeting users' needs are monitored.

There is an ongoing process on monitoring market developments and identifying gaps in data collection. The ERSD regularly conducts seminars targeted for principal data users, which include

academia (i.e., lecturers and students from Sultan Qaboos University, College of Banking and Financial Studies (CBFS), and other colleges), to inform the specific aspects of current data, the usefulness of existing statistics, and to identify emerging data needs. From these seminars, the ERSD received feedbacks and monitors the usability of the published monetary statistics as well as other statistics. Nevertheless, in the compilation of monetary statistics, priority is primarily given to meeting the requirements of macroeconomic analysis and policymaking of the CBO.

The senior CBO officials participate in statistical meetings and seminars organized by professional organizations, such as the International Statistical Institute (including the Irving Fisher Committee on Central Bank Statistics), Saudi Arabian Monetary Agency, and so on.

0.4 Other quality management

0.4.1 Processes are in place to focus on quality.

The CBO places high importance on the quality of statistics. The CBO has implemented all of the key recommendations made by the 2004 ROSC. The implementation of these recommendations has significantly improved the quality of monetary statistics compiled by the CBO. One of the CBO's medium-term plans to integrate its work program to compile and disseminate monetary statistics in broad conformity with the *Monetary and Financial Statistics Manual (MFSM)* and *Monetary and Financial Statistics Compilation Guide (MFSCG)* has been completed since the implementation of the new banking returns in September 2009.

The CBO follows, for its balance sheets, the development in the international accounting standards (IAS), such as IAS 39 (see 2.4.1). In its financial statements for the year ended December 31, 2013, the CBO has adopted all of the new and revised standards and interpretations issued by the International Accounting Standard Board (IASB) and the International Financial Reporting Interpretations Committee of the IASB that are relevant to its operations. The CBO staff, in turn, exercise great care in compiling accurate monetary statistics. The department has a yearly action plan and periodic work program on various aspects of monetary statistics compilation. Staff training programs, computer facilities (including computerized data processing and cross-checking procedures), and ongoing discussions with other departments, banks, and the MOF on data issues emphasize the CBO's commitment to data quality. As will be explained in 3.4.2, if data for any major category for any given bank exceed data in a previous monthly return by more than 10 percent, the bank is immediately contacted for explanation.

The ERSD's training budget enables the staff to enhance the language skills in English and in the subject fields, such as accounting and finance. Some staff are also sent abroad for higher education (graduate program) with an explicit contract that they stay in service for several years upon their return to improve the methodological and compilation issues on monetary statistics. Each staff in the MBS is expected to be completely knowledgeable about the banking returns (source data—see 3.1.1). Therefore, in the absence of any staff member, the other staff members will be able to contact banks in case any data problems arise so that the monthly data are compiled on a timely basis.

0.4.2 Processes are in place to monitor quality during the planning and implementation of the statistical program.

The whole system of bank's returns contains built-in algorithms that facilitate crosschecking across various returns from an individual bank. For example, information on loans reported on the assets side of balance sheet (RD1) and information on deposits reported in the liability side of the balance sheet (RD2) are regularly crosschecked with the detailed information on loans and deposits, respectively, reported in the returns RD9RD12. A macro program has been developed to automatically produce crosschecking tables across various banking returns. In addition, the positions between banks with the CBO reported by banks in the banking returns RD1 to RD3 are also crosschecked with the CBO balance sheet, to ensure consistency between the two datasets within monetary statistics. The ERSD's work program and the yearly action plan provide a mechanism to monitor the quality of its statistical program on an ongoing basis. The CBO balance sheet itself goes through internal and external auditing.

0.4.3 Processes are in place to deal with quality considerations in planning the statistical program.

Improvement in quality is a continuous process in CBO and quality considerations are embedded in the statistical program and all planning activities. In December 2009, the CBO amended the *Banking Law* to introduce a section on Islamic Banking. Starting in January 2013, the ERSD received banking returns from the Islamic banks in Oman. However, the assets size is relatively small (4.9 percent, based on August 2014 data) compared to the total asset of commercial banks. Data submitted by the Islamic banks are continuously being monitored with a view to including them in the coverage of ODCs by January 2015. The CBO monitors the financial markets for any new developments and for any new instruments. The IAS 39 has been adopted since 2001 to value financial instruments both by the CBO and the banks. Feedback from internal and external users, as well as the MOF, is carefully considered with a view to improving the CBO's collection and compilation system. In the event of a trade-off between timeliness and accuracy/reliability, the latter is given priority.

1. Assurances of integrity

1.1 Institutional Integrity

1.1.1 Statistics are produced on an impartial basis.

The CBO *Code of Ethics* is formulated to promote ethically sound professional conduct in conjunction with the provisions of the *Staff Regulations* and employment contract. Article 1.2 of the *Code of Ethics* states: "Employees shall take all reasonable steps to develop their professional competence, skills, and job knowledge to a level consistent with their responsibilities through self-development initiatives and training programs." Furthermore, Article 1.3. states: "Employees shall apply their professional skill, judgment, care, and due diligence to the best of their ability at all times with honesty and integrity, and hold these above personal considerations."

The CBO enhanced capacity building and recruitment process also aids improving professionalism of the ERSD staff. Vacancies in the ERSD are announced internally or externally with clear job descriptions and job requirements with a view to recruiting new staff with relevant aptitude and/or expertise in statistics. Successful candidates are selected solely on the performance in the written test and oral interviews. After the initial three-to-six month probationary period, either the new recruits are confirmed as regular staff or their employment contracts are terminated. The staff are provided on-the-job training and are encouraged to attend internal and external seminars (domestic and abroad). Expert from the GCC Stat and from abroad provide on the job trainings and review of the processes.

The CBO promotes a culture of professionalism—the staff are also encouraged to publish on economic and banking issues in the CBO’s bimonthly publication of *Al Markazi*. In addition, the staff are allowed to present papers in seminars or publish in external publications upon obtaining the clearance from the CBO.

Statutory provisions in the *Banking Law* further provide for the CBO the legal basis for institutional independence and professionalism in compiling the monetary statistics. Article 6 of the Law states, “The Central Bank shall be a juristic person, financially and administratively independent.” Article 8(One) stipulates that “*The management of the Central Bank shall be entrusted to the Board of Governors which shall have full authority to perform all acts required for the management and operations of the Central Bank and the supervision of the banking business in the Sultanate of Oman.*”

1.1.2 Choices of data sources and statistical techniques, as well as decisions about dissemination, are informed solely by statistical considerations.

The choices of source data and statistical techniques are based solely on statistical considerations. The objective of the compilation system is to provide data suitable for the CBO’s macroeconomic policy analysis and for use in publications. The ERSD collects source data directly from all the 16 commercial banks in the Sultanate of Oman with no estimation. The dissemination of monetary statistics is based solely on statistical considerations. Monthly data on balance sheets of the CBO and commercial banks, as well as the monetary survey and various interest rate tables are produced within 25 days after the end of the reference month.

1.1.3 The appropriate statistical entity is entitled to comment on erroneous interpretation and misuse of statistics.

To prevent misinterpretation of monetary statistics, the ERSD publishes on the CBO website explanatory notes to the banking returns and metadata for monetary statistics, e.g., definition of money supply, components of money supply, and factors affecting money supply.

The CBO has an active monitoring and response mechanism to comment on erroneous interpretation of its statistics. Usually, the BDD gathers articles appearing in various newspapers and other media on the CBO, and provides copies of them to other departments. Instances of misinterpretation have generally been few. If the CBO identifies any erroneous interpretation of the

statistics in the media, it follows up and comments publicly in a timely manner by issuing a press release. All the outgoing press statements go with the signature of the Executive President.

1.2 Transparency

1.2.1 *The terms and conditions under which statistics are collected, processed, and disseminated are available to the public.*

The *Banking Law*, banking returns, explanatory notes to the banking returns, and metadata for monetary statistics are publicly available for download on the CBO website. Hardcopy of the *Banking Law* is available at an affordable price. The Law explicitly refers to the CBO's right to collect data and implicitly refers to the CBO's responsibility to compile and disseminate monetary statistics. The Law also discusses confidentiality and penalty for noncompliance of reporting (see 0.1.3). The CBO website also provides a list of publications and carries background information on the CBO. Information on the terms and condition under which the statistical series are compiled and disseminated is available on the country's GDDS page on the IMF's DSBB website with the link from the CBO website.

1.2.2 *Internal governmental access to statistics prior to their release is publicly identified.*

Data compiled and disseminated by the CBO that are important from the point of view of formulating the policies, are sometimes made available to the MOF, NCSI, and any other Ministries before dissemination to the public. The prior access is acknowledged on the DSBB website with the link from the CBO website.

1.2.3 *Products of statistical agencies/units are clearly identified as such.*

The CBO's *Monthly Statistical Bulletin*, *Quarterly Statistical Bulletin*, and *Annual Report* clearly identify that the ERSD is responsible for publishing these documents. These publications have tables and charts prepared from data provided by various departments within the CBO, by other government institutions (MOF and NCSI), and by some banks. The tables based on CBO data identify the source as CBO without indicating the name of the department. Tables based on data from the other institutions attribute these institutions as the source. Similarly, information/tables related to monetary statistics published in other agency's publication (such as NCSI's monthly bulletin) also attribute the CBO as the source.

1.2.4 *Advance notice is given of major changes in methodology, source data, and statistical techniques.*

Advance notice is not usually given to the public to inform major changes in methodology, source data, and statistical techniques. Changes are indicated by footnotes only after they are introduced. Nevertheless, prior to the implementation of the new banking returns, the CBO send the revised draft banking returns to the commercial banks in their role as data providers for their feedbacks and comments. Relevant comments were taken into account in the final version of the banking returns

implemented in September 2009 (Circular BM 1058 dated September 14, 2009). The CBO is encouraged to announce in advance to the users (public) when major changes in methodology, source data, and statistical techniques for monetary statistics are envisaged.

1.3 Ethical standards

1.3.1 *Guidelines for staff behavior are in place and are well known to the staff.*

- A clear set of ethical standards covering conflicts of interest, discipline, and ethical issues, are clearly set out in the CBO's *Staff Regulations* and *Code of Ethics*. These procedures are well established and known to the staff and are strictly enforced. For example, the staff are required every year to make detailed declarations on their outside business interest, the staff shall seek permission from the CBO to obtain loans from the commercial banks beyond certain maximum levels, and the staff shall not accept any commissions, gift, gratuities and benefits in any forms from any customer, vendor, or service provider. New recruits are briefed on the staff regulations. Copies of the *Staff Regulations* and *Code of Ethics* in Arabic and English are available to all staff on the CBO intranet and the hard copy of these documents are kept in the reference section of the library. Any conflicts are resolved via the CBO Grievances Committee.

2. Methodological soundness

2.1 Concepts and definitions

2.1.1 *The overall structure in terms of concepts and definitions follows internationally accepted standards, guidelines, or good practices.*

The implementation of the key recommendations of the 2004 ROSC has significantly improved the concepts and definitions used by the CBO to compile monetary statistics in broad conformity with the guidelines outlined in the *MFSM* and *MFSCG*. The monetary statistics for the central bank and ODCs are submitted to the IMF using the standardized report forms (SRFs) with proper sectorization and classification of financial instruments. The central bank survey (CBS), ODCS, and depository corporations survey (DCS) are compiled and published in the *IFS*.

The "Broad money" defined as "M1" plus "quasi money" in CBO's official publications, is equivalent to the "broad money" published in the *IFS*. "M1" comprises currency in circulation plus demand deposits of the resident sectors (excluding banks and central government) in Omani Rials. "Quasi money" comprises liabilities of the CBO and commercial banks to the resident sectors (excluding banks and central government) in the forms of: (i) savings and time deposits in Omani Rials; (ii) all foreign currency deposits (demand, savings, and time deposits); (iii) certificates of deposits (CDs) in both Omani Rials and foreign currencies; and (iv) import and margins deposits, which are not that restricted.

The counterparts of the "broad money" in the monetary survey published in the CBO's statistical bulletins are net claims on nonresidents and net domestic assets. Gross positions of foreign assets

and foreign liabilities are not separately shown in monetary survey but are available in the CBO balance sheet and commercial bank's balance sheet published in the statistical bulletins. Net domestic assets have the following four components: (1) net claims on central government; (2) claims on private sector; (3) claims on public enterprises; and (4) other items (net). The monetary survey does not provide any further sector and instrument breakdown. *The CBO is encouraged to follow the sectorization and instruments breakdown as prescribed in the MFSM and MFSCG for the monetary survey published in its statistical bulletins and Annual Report.*

2.2 Scope

2.2.1 The scope is broadly consistent with internationally accepted standards, guidelines, or good practices.

The scope of monetary statistics in Oman is largely in line with the guidelines outlined in the *MFSM*, except that Islamic banks that meet the definition of ODCs are not included. The DC sector in Oman consists of the CBO and 16 resident commercial banks⁴³, of which, seven are domestic, and nine are branches of foreign banks. Branches of domestic banks abroad are considered nonresidents and are not included in the coverage of ODCs. In addition, there are two full-fledged Islamic banks and six conventional banks offering Islamic banking services through dedicated windows (Islamic windows), which are not included in the coverage of ODC subsector. As of end-August 2014, the deposits and loans of Islamic banks compared to those of 16 commercial banks amounted to 3.4 percent and 5.2 percent, respectively. Considering the increasing contribution of Islamic banks to provide intermediary services that follow the sharia principles, which is buoyed by the increasing demands for the Islamic banks in Oman (and in other GCC countries), *the CBO is encouraged to include these Islamic banks in the coverage of ODCs.*

The other financial corporations (OFCs) in Oman consist of two specialized banks (Oman Housing Bank and Oman Development Bank), which do not have liabilities in the form of deposits or other deposit-liked instruments, six finance and leasing companies, 31 money exchange companies and 15 exchange establishments, Muscat Securities Market (MSM), and a number of insurance corporations, pension funds, and brokerage houses. Of these institutions, the CBO is the regulator only for the specialized banks, finance and leasing companies, and money exchange companies, whose assets size account only 1.5 percent, 3.8 percent, and 0.3 percent, respectively, compared to the assets size of commercial banks. The CBO does not compile monetary data for the OFCs owing to data unavailability of the institutions that are not regulated and supervised by the CBO, especially insurance corporations and pension funds.

The mission noted that no authorities in Oman regulate and supervise pension funds. However, the MOF receives financial statements from government owned pension funds but not from private

⁴³ Alliance Housing Bank, which used to be classified as specialized bank and was not included in the coverage of ODCs, has been converted and classified as commercial bank "Al Ahli Bank") included in the coverage of ODC subsector as recommended in the 2004 ROSC.

pension funds. The MCI supervises the insurance corporations and MSM. *The CBO is encouraged to discuss with the MOF and MCI regarding data collection and data sharing for the pension funds and insurance corporations with a view to compiling the OFC survey (OFCs) and financial corporations survey (FCS) in the future.*

2.3 Classification/sectorization

2.3.1 2.3.1 ***Classification/sectorization systems used are broadly consistent with internationally accepted standards, guidelines, or good practices.***

The CBO has addressed most issues and findings in the 2004 ROSC related to sectorization and classification of financial instruments, hence the sectorization and classification systems used by the CBO for compiling monetary statistics are in broad conformity with the guidelines outlined in the *MFSM* and *MFSCG*.

The sectorization in the sectoral balance sheet of the CBO and ODCs first distinguishes non-residents and residents. The residents are further delineated into various sectors and subsectors. The CBO uses the residency criterion as outlined in the *Balance of Payments Manual, sixth edition (BPM6)* to distinguish between domestic and external accounts for the compilation of monetary statistics.

The sectoral classification of the resident units, recommended in the *MFSM* and *MFSCG*⁴⁴, is as follow: (1) central bank; (2) ODCs; (3) OFCs—insurance corporations and pension funds; other financial intermediaries, except insurance corporations and pension funds; and financial auxiliaries; (4) central government; (5) state and local government; (6) public nonfinancial corporations;⁴⁵ (7) other nonfinancial corporations; and (8) other resident sectors. The sectoral classification of resident sectors in the banking returns and in the ODCS is consistent with *MFSM* and *MFSCG*. The CBO balance sheet does not provide complete sectorization as in the banking returns due to the nature of central bank that mainly engage in financial transactions with the ODCs, OFCs, central government, and non residents. Nonetheless, the sectorization in the CBO balance sheet is sufficient for the compilation of the CBS.

The classification of financial instruments, recommended in the *MFSM* and *MFSCG*⁴⁶, is as follow: (1) monetary gold and SDRs; (2) currency and deposits; (3) securities other than shares; (4) loans;

⁴⁴ The draft new *Monetary and Financial Statistics Manual and Compilation Guide (MFSMCG 2015)* divides the ODC sector into two subsectors: (i) deposits taking corporations except central bank, and (ii) money market funds (MMF). The non-MMF investment funds and captive financial institutions and money lenders are newly separately identified OFC subsectors.

⁴⁵ The CBO provides guidance for commercial banks on how to classify an entity (client) whether it is resident or non-resident, and for resident corporation whether it is public or private corporation. In addition, the CBO also regularly update the list of public corporation in Oman and make the list available for commercial banks.

⁴⁶ The draft new *MFSMCG, 2015* classifies financial instruments as follow: (i) monetary gold and SDRs, (ii) currency and deposits, (iii) debt securities, (iv) loans, (v) equity and investment fund shares, (vi) insurance, pension, and

(continued)

(5) insurance technical reserves; (6) financial derivatives; and (7) other accounts receivables and payables. The classification scheme for financial instruments in the banking returns and in the ODCS is consistent with the *MFSM* and *MFSCG*. As in the case of sectorization, the classification scheme for financial instruments in the CBO balance sheet is more condensed but detailed information for compiling the CBS are available and any additional information, if needed, can be requested to the Accounting and Banking Operation Department (ABOD).

The CBO is the designated fiscal agency and the depository for Oman's financial relationship with the IMF. The CBO's positions with the IMF are appropriately classified in the central bank survey (and commensurately in the DCS) as foreign assets and foreign liabilities. Special Drawing Rights (SDR) allocations are properly classified as liabilities to non-residents. Repo transactions conducted by the CBO and commercial banks are correctly classified as collateralized loans following the *MFSM* recommendation.

The sectorization and classifications of financial instruments for monetary statistics published in the *IFS* are fully aligned with the *MFSM* and *MFSCG* recommendations. However, in the CBO's *Monthly Statistical Bulletin*, *Quarterly Statistical Bulletin*, and Annual Report, monetary statistics are published in an aggregated level. *The CBO is encouraged to improve the sectorization and classification of financial instruments of monetary statistics published in its statistical bulletins to follow the recommendations in the MFSM and MFSCG (see 5.1.1.).*

2.4 Basis for recording

2.4.1 Market prices are used to value flows and stocks.

In Oman, beginning in January 2001, the CBO and the banks have been following the IAS 39 to value financial assets and financial liabilities (see CBO, Banking Circular, BM 913 dated May 5, 2001). This new standard recommends the use of market or fair values and is in line with the *MFSM* recommendations on valuation of financial assets and financial liabilities.

Both the CBO and commercial banks follow accounting principles, which are consistent with the *MFSM* recommendations. The loan portfolio on the balance sheets of the commercial banks is valued at book value (to include the outstanding principal amount plus accrued interest) and is not adjusted for expected loan losses. Provisions for expected loan losses are recorded as a separate liability item called "Provisions for Bad and Doubtful Debts" in the return RD2, and are classified as a separate liability category called "Provisions and Reserve Interest" in the table "Commercial Banks Combined Balance Sheet". The CBO does not have any provisions for bad loans because it does not lend to banks. Valuation adjustments (including holding gains and losses on instruments) are recorded as a separate liability item called "Assets Revaluation Reserves" in the return RD2, and are classified as part of "Other Liabilities" in the table "Commercial Banks Combined Balance Sheet".

standardized guarantee schemes, (vii) financial derivatives and employee stock options, and (viii) other accounts receivable/payable.

Therefore, in monetary statistics for Oman, all financial instruments are valued according to the international standards, and are consistent with the *MFSM*.

2.4.2 Recording is done on an accrual basis.

The CBO compiles monetary statistics on an accrual basis, in line with the recommendations of the *MFSM* and accrued interest are included as part of the underlying instruments. Interest arrears (interest that is overdue for payment) are included in the underlying loan amount. The CBO and commercial banks record a transaction at the time it occurs as recommended in the *MFSM*.

2.4.3 Grossing/netting procedures are broadly consistent with internationally accepted standards, guidelines, or good practices.

In line with the principles of the *MFSM*, assets and liabilities of the CBO and commercial banks are collected and subsequently compiled on a gross basis. Claims on particular transactors are not netted against the liabilities to those transactors. In the monetary survey, DC's positions with the central government and non-residents are presented on a net basis (e.g., net foreign assets and net claims on central government) because of the analytical usefulness of these information, which are in line with the guidelines outlined in the *MFSM*. The underlying data on a gross basis (e.g., foreign assets, foreign liabilities, claims on central government, and liabilities to central government) are also shown in the balance sheet of the CBO and commercial banks.

- In conformity with the guidelines outlined in the *MFSM*, the DCS and monetary survey are obtained by canceling out all outstanding claims and liabilities between central banks and ODCs, while preserving the presentation claims on and liabilities to: (1) non residents; (2) central government, and (3) private sectors that encompass non-financial corporations and other resident sectors (including households and NPISH).

3. Accuracy and reliability

3.1 Source data

3.1.1 Source data are obtained from comprehensive data collection programs that take into account country-specific conditions.

The CBO employs a comprehensive data collection programs for monetary statistics. The source data for compiling monetary statistics are the balance sheet of the CBO prepared by the ABOD and the balance sheet of commercial banks submitted electronically to the CBO using the banking returns (RD1 to RD3)⁴⁷.

⁴⁷ See also footnote 42. Commercial banks transmit the banking returns to ERSD using a dedicated and secured connection to the server located at the ITD of the CBO. The ERSD can directly access the individual bank returns to compile monetary statistics.

The revised banking returns introduced in September 2009 have improved the quality of monetary statistics significantly. The returns were developed in consultation with commercial banks and comply fully with the *MFSM*.⁴⁸ The revised returns provide sufficient details to classify data by financial instruments and economic sectors, and contain important details such as assets and liabilities, off balance sheet items, detailed information on loans to and deposits of government sector, and detailed information on loans to and deposits of private sector. The commercial banks were given sufficient transition period when the new returns were introduced (between November 2009 and March 2010) to align their IT reporting systems.

The CBO maintains a comprehensive and up-to-date list of all commercial banks within the Sultanate of Oman, as the core data source for monetary statistics. The coverage of other depository corporations however, excludes Islamic banks, which are still in the early stage of development.⁴⁹ The Islamic banks started reporting data to CBO in January 2013 and by end-August 2014, their total assets amounted to 4.9 percent of the total assets of commercial banks in the Sultanate of Oman. The CBO expects to include Islamic banks in the coverage of ODC subsector by January 2015.

3.1.2 Source data reasonably approximate the definitions, scope, sectorization, classifications, valuation, and time of recording required.

The balance sheets of the CBO and commercial banks are prepared in accordance to the guidelines as outlined in the *MFSM*. As indicated in 3.1.1., The CBO has taken a major step with the implementation of the revised banking returns in September 2009, which facilitate sectorization and classifications of financial instruments that fully align with the *MFSM*. The CBO has prepared explanatory notes to the banking returns that provide definitions of financial instruments and sectors in the balance sheet (RD1 and RD2), as well as guidance on how to properly classify them in the balance sheet.

⁴⁸ Article 2 of the Circular BM 1058 dated September 14, 2009, states: "In view of the changes in compilation standards and the need for classification of monetary and banking data by various categories of financial instruments, sectorization of the economy and the delineation of resident and non-resident entities, the RD returns have been revised to be broadly in conformity with the MFS Manual of the IMF."

⁴⁹ The Islamic banks are officially recognized after the introduction of a section on Islamic Banking in the *Banking Law* in December 2012. As of the mission dates, there are two full-fledged Islamic banks and six conventional banks offering Islamic banking services through dedicated windows (the Islamic windows).

3.1.3 Source data are timely.

The accounting records of the CBO and commercial banks become available sufficiently timely to meet the recommended timeliness and periodicity for disseminating monetary statistics. The balance sheet data of the CBO and commercial banks are available within 10 days and 15 days, respectively, after the end of the reference month. The ERSD needs about ten working days to compile monetary statistics. Therefore, monetary statistics are usually compiled within 25 days after the end of the reference month. Once the aggregated balance sheet is compiled and finalized by the ERSD, a summary version is placed in the CBO's secured network. Owing to their role as data providers, the commercial banks are provided with secured access to download this aggregated balance sheet as soon as it is ready for their use (see 5.1.4).

3.2 Assessment of source data

3.2.1 Source data—including censuses, sample surveys, and administrative records—are routinely assessed, e.g., for coverage, sample error, response error, and nonsampling error; the results of the assessments are monitored and made available to guide statistical processes.

The CBO routinely assesses the accuracy of the CBO's and commercial bank's balance sheet. The ERSD has developed an automated validation procedure (using macro program) that facilitates the monitoring of the data accuracy reported by individual commercial bank. Accuracy and consistency of data submitted by an individual bank are crosschecked automatically across various banking returns (see 3.1.1 for a list of returns submitted by each bank each month). When inconsistencies occur, commercial banks are requested to make necessary corrections. The aggregated balance sheet of commercial banks is carefully inspected by the Head of the MBS and approved by the Manager of the ERSD. The analysts within the ERSD also visually check these returns, and if there are any unusual movements in any category, the ERSD staff will contact the commercial banks for follow-up information and explanation. If any misreporting is noticed, the commercial banks are required to correct the mistake and resubmit the returns electronically. In addition, various positions between commercial banks (reported in RD1 to RD3) and the CBO (reported in the CBO balance sheet) are also crosschecked to ensure consistency between the two datasets.

3.3 Statistical techniques

3.3.1 Data compilation employs sound statistical techniques to deal with data sources.

The CBO employs sound statistical techniques to minimize data processing errors. Electronic data reporting, sound data processing, and automated validation procedures used by the ERSD contribute to the production of accurate and timely monetary statistics. The ERSD staff compare the current monthly data with those from the previous months. The ERSD staff investigate any abnormality in the changes between the two periods (either due to changes taking place in the commercial bank operations or due to any reporting error). In the case of non-reporting (missing balance sheet), which rarely occurs, the CBO uses the latest reported balance sheet.

3.3.2 Other statistical procedures (e.g., data adjustments and transformations, and statistical analysis) employ sound statistical techniques.

As required by the *Banking Law* and Circular BM 1058, the commercial banks submit banking returns to the CBO on time (by the 15th after the end of the reference month, with rare occurrences of delay of one or two days). Since data collection program is comprehensive, there is no need to make any adjustments to compile monetary statistics. No seasonal adjustments are carried out for monetary statistics.

3.4 Assessment and validation of intermediate data and statistical outputs

3.4.1 Intermediate results are validated against other information, where applicable.

The source data for monetary statistics are solely based on the balance sheet of the CBO and commercial banks. The accuracy of the aggregated balance sheet of the commercial banks computed from the individual return (RD1–RD3) is crosschecked against the aggregate data from a number of other returns (e.g., RD9–RD12 on deposits and lending by interest rates and RD 15—lending by sectors). In the case of December data, the ERSD also crosscheck the individual bank's balance sheet (RD1 and RD2) with the audited financial statements published on the commercial bank's website.

3.4.2 Statistical discrepancies in intermediate data are assessed and investigated.

The CBO routinely assesses the consistency between the source data for monetary statistics and other intermediate data. For example: (i) holding of CBO's certificates of deposits reported by commercial banks will be crosschecked against the CBO balance sheet and information/report on the issuance of CDs by the CBO prepared by the Monetary Operation Department (MOD); and (ii) holdings of government bonds reported by commercial banks will be crosschecked against the corresponding data in a securities database maintained by the Muscat Clearing and Depository (MCD), which are shared with the MOD.

3.4.3 Statistical discrepancies and other potential indicators of problems in statistical outputs are investigated.

Procedures are in place to investigate classification or sectorization errors as a source of fluctuations or discrepancies. Any reporting errors and out-of-trend reporting by the banks are immediately investigated and addressed.

3.5 Revision studies

3.5.1 Studies and analyses of revisions and/or updates are carried out and used internally to inform statistical processes (see also 4.3.3.).

- There is no formal revision study for monetary statistics conducted by the CBO. Any deviations, omissions, misreporting, processing error, and other potential problems in the data (e.g.,

erroneous sectorization of institutional units/misclassification of financial instruments) are identified, investigated, eventually corrected, and published by the CBO as definitive monetary data. In order to identify the presence of possible repetitive differences and as an effort to address them, the CBO is encouraged to conduct revision studies for monetary statistics to assess the differences between the initial data against the revised or final data over a given period of time. The studies shall comprise for example scale (frequency of revision and number of time series revised), direction and magnitude of revisions.

4. Serviceability

4.1 Periodicity and timeliness

4.1.1 *Periodicity follows dissemination standards.*

Central bank and ODCs data are disseminated on a monthly basis, consistent with the recommendations of the GDDS.

4.1.2 *Timeliness follows dissemination standards.*

The monthly data on the central bank and ODCs are disseminated within 45 days after the end of the reference month, consistent with the recommendations of the GDDS.

4.2 Consistency

4.2.1 *Statistics are consistent within the dataset.*

The monetary statistics presented in the sectoral balance sheets of the CBO and commercial banks are internally consistent. The ERSD has developed a macro program to automatically produce crosschecking tables across various banking returns. In addition, the positions between banks with the CBO reported by banks in the banking returns RD1 to RD3 are also crosschecked with the CBO balance sheet, to ensure consistency between the two datasets within monetary statistics. When inconsistencies occur, commercial banks are asked to explain and if necessary make corrections.

4.2.2 *Statistics are consistent or reconcilable over a reasonable period of time.*

Consistent time series are available for monetary statistics for about 10 years. Some of the major aggregates, including money supply figures, are available for longer time periods (back to January 1976) on a monthly basis. However, historical series were not reconstructed following introduction of the new banking returns in September 2009, although the breaks in series are explained in footnotes.

4.2.3 Statistics are consistent or reconcilable with those obtained through other data sources and/or statistical frameworks.

The source data for the bank's financial accounts in the balance of payments statistics are the changes in positions of foreign assets and foreign liabilities as reported in monetary statistics, hence they are largely consistent.

Some steps have been taken by the CBO that facilitate the compilation of the bank's financial accounts in the GFS. For example, the CBO collects detailed records on quarterly credit and deposit positions of government units with the banks and transmits the information routinely to the MOF. To ensure proper classification of government and public sectors accounts with the commercial banks, the CBO issued a circular (CBO Circular Ref No. 2000/1816 dated June 13, 2000) to banks requesting them not to allow the government agencies to open accounts without permission from the MOF. Previously some agencies were opening accounts with commercial banks without informing the MOF. In addition, the CBO also issued a circular (CBO/RD/20001/227 date May 8, 2001) to banks to remove all school accounts, clubs and welfare shops accounts from the central government accounts and report them under private sector. The CBO is encouraged to regularly request the updated list of government and public sectors units from the MOF, and then share the list with the commercial banks to ensure proper classification of these sectors.

4.3 Revision policy and practice

4.3.1 Revisions and/or updates follow a regular and transparent schedule.

The CBO has made improvement in posting the revision policy for monetary statistics on the CBO website. The revision cycle for monetary statistics is predetermined and occurs after the financial-year statements are audited. The ERSD published the revised December data for monetary statistics in April. The provisional and revised data for December are clearly identified by footnotes in the CBO's *Monthly Statistical Bulletin*.

4.3.2 Preliminary and/or revised/updated data are clearly identified.

Monetary data are considered final when audited. Unaudited, but disseminated data are marked as provisional and identified by footnotes when revised. The mission encouraged the ERSD to monitor and ensure that the IRD promptly submits the revised December data to the IMF when the revised data are available.

4.3.3 Studies and analyses of revisions are made public (see also 3.5.1).

- The CBO website provides information on revision policy for monetary statistics. The practice of revisions for monetary statistics follows a predictable pattern (e.g., mainly for December data) of which users of monetary statistics are informed. However, there are no studies and analyses carried out routinely on the revisions to monetary data.

5. Accessibility

5.1 Data accessibility

5.1.1 Statistics are presented in a way that facilitates proper interpretation and meaningful comparisons (layout and clarity of text, tables, and charts).

The monetary statistics are disseminated in a clear manner, with charts and tables that are broadly adequate to facilitate analysis. The CBO's *Monthly Statistical Bulletin*, *Quarterly Statistical Bulletin*, and *Annual Report* include four standard tables: (1) CBO Balance Sheet; (2) Commercial Banks Combined Balance Sheet; (3) Monetary Survey; and (4) a number of tables on interest rates. The CBO balance sheet and commercial bank combined balance sheet provide information on various balance sheet items that facilitate calculation of "Broad Money" including "M1" and its components. However, there is inadequate sectoral breakdown of various instruments presented in the table "Commercial Banks Combined Balance Sheet". For example:

Sectoral breakdown of the category "Credit to Private Sector", "Securities Other Domestic", and "Private Sector Deposits" is not available; the *MFSM* recommends the breakdown of loans, securities other than shares, and deposits by sectors;

Commercial bank's investments in shares and other equity are included under the category of "Securities"; the *MFSM* recommends classifying them into two distinct categories of (1) securities other than shares, and (2) shares and other equity.

CDs issued by the commercial banks are classified under time deposits; the *MFSM* recommends classifying the CDs separately under the category of "securities other than shares."

The CBO is encouraged to improve the sectorization and classification of financial instruments of monetary statistics published in its statistical bulletins to follow the recommendations in the *MFSM* and *MFSCG*.

Commentaries on current period developments are available in the CBO's *Monthly Statistical Bulletin* and *Annual Report*. No estimates and seasonal adjustments for monetary statistics are published in the CBO publications.

5.1.2 Dissemination media and format are adequate.

Monetary data are available as tables in the CBO's *Monthly Statistical Bulletin*, *Quarterly Statistical Bulletin*, and *Annual Report*. These publications are available as hard copies and are posted on the CBO website to meet the needs of data users. The practice of disseminating historical data with mix periodicity in the monthly and quarterly bulletins that was observed during the 2004 ROSC has changed. The CBO's *Monthly Statistical Bulletin* has monthly historical data for two years and the *Quarterly Statistical Bulletin* has five years of quarterly historical data. The annual data are reported for five years in the CBO's *Annual Report*. The CBO's *Monthly Statistical Bulletin*, *Quarterly Statistical*

Bulletin, and *Annual Report* are published on the CBO's website in PDF format and historical publication are made available to users (e.g., back to January 2005 for monthly bulletin, March 2004 for quarterly bulletin, and 2001 for annual report). Even though the existing dissemination practice does not provide facility for users to obtain historical data in a format that are convenient for users, the ERSD maintains time series database that are available for users upon request. The ERSD is implementing a plan to provide data users with historical time series data on the CBO website by 2016.

5.1.3 Statistics are released on a preannounced schedule.

An advance release calendar is posted on the CBO website indicating that both the CBO's *Monthly Statistical Bulletin* and *Quarterly Statistical Bulletins* will be available within 45 days after the end of the reference periods, while the Annual Report will be available within 6 month after the end of the reference year. The users are aware of this schedule and expect the publication of the bulletins on this date. Usually, the reports are released on time. However, the advance release calendar does not provide precise dates of release of these bulletins. The mission encourages CBO to provide a link of its advance release calendar in the GDDS metadata.

5.1.4 Statistics are made available to all users at the same time.

The CBO's *Monthly Statistical Bulletin* and *Quarterly Statistical Bulletins* are posted on the CBO website. However, prior to the public release, the ERSD makes available to all commercial banks a table showing their aggregated balance sheet positions for major aggregates. The commercial banks are provided prior access to these data due to their role as data providers, which helps improve reporting relationships with the CBO.

5.1.5 Statistics not routinely disseminated are made available upon request.

Unpublished and non-confidential data are made available upon request free of charge to the users. Frequent sources for such requests come from the academia and researchers; both within and outside Oman.

5.2 Metadata accessibility

5.2.1 Documentation on concepts, scope, classifications, basis of recording, data sources, and statistical techniques is available, and differences from internationally accepted standards, guidelines, or good practices are annotated.

The CBO website has documentation on methodological notes (e.g., "explanatory notes to statistical tables" and "national definition of money") listing selected variables appearing in various tables of the CBO's statistical bulletins and *Annual Report*. However, the hard copy publications do not include such notes. The GDDS metadata posted on the IMF's DSBB, which was updated on September 28, 2011, provide comprehensive details on financial sectors statistics. The ERSD updates the GDDS metadata when changes in methodology for compilation of financial sectors statistics

occur. The CBO website provides hyperlink to the GDDS metadata. ERSD staff respond promptly to all users' queries, when received.

5.2.2 Levels of detail are adapted to the needs of the intended audience.

The CBO publishes occasional papers on its website including but not limited to information on the development of Omani economy and conditions of commercial banks in Oman that use monetary data, among others. No brochures have been prepared to inform external users about monetary statistics since the last ROSC report in 2004. The CBO is encouraged to prepare and publish on its website brochures about the data it compiles and disseminates.

5.3 Assistance to users

5.3.1 Contact points are publicized.

The CBO has made improvement in providing contact points for inquiries in its statistical publications. The CBO's *Monthly Statistical Bulletin*, *Quarterly Statistical Bulletin*, and *Annual Report* now clearly identify contact points for inquiries by mail, telephone, or facsimile, or by email. Specific contact information for monetary statistics is provided in the GDDS metadata posted on the IMF's DSBB website and on the CBO website. The CBO website also allows the users to submit their data requests online. The CBO has a policy of replying to all the e-mails it receives, irrespective of the type of users. The ERSD responds promptly to these data requests and keeps documentation of the responses.

5.3.2 Publications, documents, and other services, including information on any charges, are widely available.

- A list of publications is shown on the CBO website. The publications are available free of charge.

Table 5. Oman: Data Quality Assessment Framework (May 2012): Summary of Results for Monetary Statistics

(Compiling Agency: Central Bank of Oman)

Key to symbols: NA = Not Applicable; O = Practice Observed; LO = Practice Largely Observed; LNO = Practice Largely Not Observed; NO = Practice Not Observed; GDDS = Complies with GDDS Criteria							
Element	NA	Assessment				Comments on Assessment	Plans for Improvement and Target Dates
		O	LO	LNO	NO		
0. Prerequisites of quality							
0.1 Legal and institutional environment			X			Even though the CBO has been effectively compiling and disseminating MFS data since its inception, the legal mandates do not prescribe specifically compilation and dissemination of monetary statistics.	Review existing regulations to clearly assign responsibilities for compilation and dissemination of monetary statistics to the CBO.
0.2 Resources		X					
0.3 Relevance		X					
0.4 Other quality management		X					
1. Assurances of integrity							
1.1 Institutional integrity		X					
1.2 Transparency			X			No advance notice to users of major changes in methodology, source data, and statistical techniques.	Announce advance notice to the users (public) when major changes in methodology, source data, and statistical techniques are envisaged.
1.3 Ethical standards		X					
2. Methodological soundness							
2.1 Concepts and definitions		X					
2.2 Scope			X			Islamic banks are not included in the coverage of ODCs.	Include Islamic banks in the coverage of ODCs to complete the coverage.
2.3 Classification/sectorization		X					
2.4 Basis for recording		X					
3. Accuracy and reliability							
3.1 Source data		X					
3.2 Assessment of source data		X					
3.3 Statistical techniques		X					
3.4 Assessment and validation of intermediate data and statistical outputs		X					
3.5 Revision studies			X			There is no revision study for monetary statistics.	Conduct revision study to assess the differences between the initial data against the revised/final data over a given period of time.

Table 5. Oman: Data Quality Assessment Framework (May 2012): Summary of Results for Monetary Statistics (concluded)

(Compiling Agency: Central Bank of Oman)

Key to symbols: NA = Not Applicable; O = Practice Observed; LO = Practice Largely Observed; LNO = Practice Largely Not Observed; NO = Practice Not Observed; GDDS = Complies with GDDS Criteria							
Element	NA	Assessment				Comments on Assessment	Plans for Improvement and Target Dates
		O	LO	LNO	NO		
4. Serviceability							
4.1 Periodicity and timeliness		X					
4.2 Consistency		X					
4.3 Revision policy and practice		X					
5. Accessibility							
5.1 Data accessibility			X			<p>Inadequate sectoral breakdown of various instruments presented in the table "Commercial Bank's Combined Balance Sheet" published in the CBO's statistical bulletins. For example:</p> <ul style="list-style-type: none"> • Sectoral breakdown of the category "Credit to Private Sector", "Securities Other Domestic", and "Private Sector Deposits" is not available; • Commercial bank's investments in shares and other equity are included under the category of "Securities"; • CDs issued by the commercial banks are classified under time deposits. <p>Time series on monetary statistics published on the CBO website are only available upon request.</p>	<p>Introduce additional sectoral breakdown in the commercial combined bank's combined balance sheet published on the CBO website, as recommended in the MFSM.</p> <p>Publish longer time series for monetary statistics on the CBO website in a format that is easy to use by users.</p>
5.2 Metadata accessibility		X					
5.3 Assistance to users		X					

BALANCE OF PAYMENTS STATISTICS

0. Prerequisites of Quality

0.1 Legal and institutional environment

0.1.1 *The responsibility for collecting, processing, and disseminating the statistics is clearly specified.*

Compilation and dissemination of external sector statistics (ESS) are guided by Article 30 (b) "Residual Functions" of the *Banking Law* (Royal Decree No. 114/ 2000 amended by Royal Decree No. 69/2012), which states that the CBO can carry out all other operations that are usually undertaken by central banks, which are not inconsistent with the exercise of its powers and responsibilities under this Law or under any other applicable law of the Sultanate of Oman. While the legal mandates do not prescribe specific ESS data compilation and dissemination responsibilities, the balance of payments data are traditionally compiled and published by the CBO. Within the CBO, the Balance of Payments Section (BOPS) of the ERSD is responsible for compiling the balance of payments statistics (BOP) and international investment position (IIP) statistics. Working arrangements are consistent with this informal assignment of responsibility.

The *Statistical Law* (Royal Decree No 29/2001) furthermore supports the CBO data compilation and dissemination process, since Article 4 of the *Statistical Law* establishes that the government units may collect and publish the statistical data that falls within the jurisdiction of each of these units according to an annual plan approved by the Statistical Advisory Committee (SAC) stipulated in Article (9) of this Law. Article (2) of the *Statistical Law* that states that the Minister of National Economy shall issue the regulations and decisions necessary for the implementation of the Law, is overruled by the Royal Decree No. 31/2012, which establishes the autonomous National Center for Statistics and Information (Articles 1 and 7).

Oversight of the institution(s) involved in collecting, reporting and disseminating statistics is conducted by SAC, which is responsible for reviewing regulations under the *Statistical Law*, standardization of concepts and statistical terms in the Sultanate of Oman, as well as monitoring the implementation of international recommendations in this regard (Article 9). The Executive President of the CBO is a member of this Committee. Consistency of methods and results is also reinforced by the Royal Decree No. 40/2014 *Issuing the Statute of the NCSI*, which assigns to NCSI the development and implementation of the statistics and information strategy; coordination with government entities to enable them to implement the national strategy defined for them in the area of statistics and information; and development of a work program for the production of official statistics (Article 3).

To address potential conflicts between the legal authority to produce the statistics and other laws or provisions, Article 7 of the *Statistical Law* stipulates that the General Security authorities shall, if requested, assist those assigned for conducting the surveys or the census, should they be asked for that, in such a way that ensure conducting their task in the appropriate way.

The mission was informed that the *Statistical Law* is undergoing revision, following the issuance of Royal Decrees No. 40/2014 and No. 31/2012. The mission encourages the authorities to strengthen the legal mandate for the production and dissemination of all segments of the ESS.

0.1.2 Data sharing and coordination among data-producing agencies are adequate.

Most balance of payments data are collected through surveys (e.g., foreign investment survey), administrative data (e.g., on international travelers, data from banking sector), and other statistics (e.g., statistics on foreign trade) prepared by government agencies. The following data-producing agencies are involved in compiling balance of payments statistics: (i) MOF, (ii) Directorate General of Customs; (iii) NCSI, (iv) Ministry of Oil and Gas, (v) MOCI, (vi) Ministry of Health, (vii) Ministry of Awqaf and Islamic Affairs.

Informal working arrangements that support effective data exchange are in place in the form of meetings, e-mails, and phone calls. Technical interagency expert group advising the SAC is also designed, among other things, to promote cooperation and data sharing. However, there is no service level agreement or memorandum of understanding to ensure timely flow of information on changing terms and conditions of administrative and statistical data production, and there is no legal mechanism to secure coordination among data producing agencies.

An inefficient legal background causes difficulties in monitoring the application of international methodologies in compiling source data for ESS and potentially affects the statistical outcomes. For example, adjustments to trade statistics related to the treatment of free zone trade in the *Unified Customs Regulation (Law) of the Cooperation Council for the Arab States of the Gulf* were not performed in the merchandise trade and BOP data due to insufficient information on data contents. The trade data are mainly obtained by CBO in their published forms with limited exchanges to explain data needs, which would adversely affect the efficiency of implementing the sixth edition of the *Balance of Payments and International Investment Position Statistics (BPM6)*.

Article 4 of the *Statistical Law* establishes that government units are required to provide the Directorate General (now NCSI) with copies of the data they compile.

0.1.3 Individual reporters' data are kept confidential and used for statistical purposes only.

Legal provisions protect the confidentiality of the individual data. The *Banking Law* (Articles 24 and 70), the *Statistical Law* (Article 8), which states that all the individual data concerning any statistics or census are considered confidential. It is prohibited to publish such data unless in an aggregate form.

It is not allowed to disclose such data to any individual or public organization without the consent of the concerned, and it is also not allowed to use such data for non-statistical purposes. It is forbidden to use any individual statistical data to create any financial burden, and it should not be used as an evidence of a crime or a basis for any legal measures or actions.

Reporters are notified about confidentiality regulations; covers of surveys state that the CBO guarantees the confidentiality of the individual information provided and that the purpose of the survey is to collect information for BOP statistics, which will be published.

Penalties against staff who disclose confidential data are included in the rules and regulations to prevent disclosure. *Statistical Law* (Article 10) stipulates that violations to confidentiality shall be sentenced for a maximum period of imprisonment for six months or a fine not exceeding five hundreds Omani Rials (i.e., around US\$1,300) or both punishments. Section 34 of the CBO Staff Regulation (third edition, issued by the Resolution of the Board of Governor No. BOG/1642/123/9/03/12) covers specific confidentiality obligations of the CBO staff, which includes signing the declaration of confidentiality at the time of appointment, enforces sanction for staff who contravene any provision of Section 34, and states that in case of violation staff would be subject to prosecution under the provisions of the relevant Laws of the Sultanate and/or disciplinary action as provided under Section nine of the Staff Regulations. Reportedly, no cases of prosecution have occurred in this regard.

The working procedures implemented for collecting, processing and storing individual data observe strict confidential rules. Access to individual data is restricted to staff who require the information for the performance of their statistical duties. Confidentiality of data is appropriately guarded during storage and during the process of destruction of records: (i) within the ERSD, each concerned staff member has access to both the electronic and hardcopy versions of the data for individual banks; (ii) each computer workstation within the ERSD is password protected in accordance with the CBO's Code of Ethics, article 1.15 that states: "Employees shall take utmost care to safeguard the confidentiality of user name/PIN/Password and change the PIN/Password periodically in accordance with the Bank guidelines. Special aggregation rules are applied to prevent residual disclosure in the CBO publications of BOP data and in NCSI publication of survey results (e.g., Foreign Direct Investment (FDI) survey).

0.1.4 Statistical reporting is ensured through legal mandate and/or measures to encourage response.

The *Banking Law* (Article 72) facilitates statistical reporting for banks and empowers Central Bank to establish regulations regarding the accounting and reporting procedures to be utilized in the preparation and submission of reports under this Article 72 to ensure accuracy and uniformity in the collection, compilation and distribution of information submitted or requested pursuant to any provision of this Law. Article 14(b) gives CBO the right to examine at its discretion, the accounts, books, records and other affairs of any bank licensed or seeking to be licensed by the Central Bank. Article 74 of the Law states that licensed bank which shall fail to cooperate in any examination by

the Central Bank or to submit reports required under this Law shall be subject to suspension or withdrawal of its license or such other sanctions as may be appropriate pursuant to Article 14(g) and 83 of this Law. Banks' reports are collected as an administrative data to be shared between CBO Departments for both regulatory and statistical purposes.

In principle, reporting of non-financial corporations is guided by the *Statistical Law* (Articles 6 and 10) which also stipulates the following sanctions for non-compliances: Any person who refuses to provide the required data or knowingly provide incorrect data as per the provisions of this Law shall be punishable with a fine not exceeding three hundred Omani Rials. Any person who fails to provide the required data within the specified date shall be considered as refusing to provide such data, unless he/she proves that the delay was due to an acceptable excuse. However, since the statistical function of CBO is not clearly articulated in the legal documents, these provisions proved to be insufficient, which is evident from the low response rate to the CBO quarterly FDI survey.

To create goodwill among reporters, the CBO carefully designs its new surveys to minimize response burden. Also, the CBO is mindful of not overburdening the banks on data reporting. Surveys include the name and telephone number of a contact person to call for assistance.

Recommendation

- Strengthen legal mandate of CBO to compile ESS and secure inter-agency cooperation.
- Reinforce reporting from the nonfinancial corporations.

0.2 Resources

0.2.1 Staff, facilities, computing resources, and financing are commensurate with statistical programs.

Out of 22 staff of the ERSD, six staff are assigned for compilation of the ESS. Effectively, in addition to the Economist in charge of the BOPS, there are currently three staff members dedicated full-time to ESS issues, which include collecting source data, compilation of BOP and IIP, analysis, dissemination of data and metadata, and forecast. Considering the need to develop elaborated external position data, participate in various international initiatives related to stock data compilation (Coordinated Direct Investment Survey (CDIS), Coordinated Portfolio Investment Survey (CPIS), Reserves Template), and implement the *BPM6*, the present number of staff resources engaged in ESS is not adequate and needs to be augmented.

The years of experience within the BOPS are 25 years. Staff turnover is manageable. Staff qualifications are adequate, with most professionals having a bachelor or master degree. New staff are recruited on a competitive basis. The staff and new recruits benefit from well developed and growing CBO training program that include in-house training and outside training (domestically and abroad).

IT resources for compiling the statistics are adequate to perform the required tasks. An adequate emergency back-up system protects computer resources— the ITD backs up the database weekly on a network server, while the department does it monthly on compact disks. The necessary software for compiling ESS statistics are made available by the ITD upon request from the ERSD. Physical facilities and other resources are adequate to perform required tasks.

Financial resources and budgeting process are adequate. Every year, the department submits its budget to the CBO's Budget Committee where in, if need be, the department requests additional resources. The Budget Committee reviews the proposals and submits its recommendations to the Executive President. Finally, the Board of Governors discusses and approves the budget document.

Recommendation

- Increase the number of staff dedicated to the compilation of ESS to assure the smooth migration to *BPM6* and development of external position data.

0.2.2 Measures to ensure efficient use of resources are implemented.

Further improvements were recently implemented to the annual performance review process (APR). The key performance indicators (KPI) are applied in the staff performance assessment process on a quarterly basis. The review process of staff performance is transparent. An annual performance review by the Head of the Section assigns staff ratings on a scale from 1 to 5. The department Senior Manager reviews the appraisal and makes any additional comments. The appraisal then goes to the Annual Increment Review Committee for salary increase and promotion. As an outcome of APR, the CBO Human Resource Department, in cooperation with the management of topical departments, defines developmental gaps, training needs, and administrative actions within Talent Management initiative, as necessary.

Staff participate in developing annual work plan and incentives are provided to encourage staff development, training and research activity. This includes special budget for scholarship program. Constant monitoring of the work of the staff ensures the efficient use of available resources.

New initiative is launched to encourage knowledge exchange within the CBO, which includes creating special knowledge sharing portal, formal reporting of the outcome of external training and participation in international statistical forums, and encouraging informal staff discussions.

Currently, the CBO undergoes comprehensive review of all internal processes with the view to develop and implement additional measures to enhance efficiency starting from 2015.

0.3 Relevance

0.3.1 The relevance and practical utility of existing statistics in meeting users' needs are monitored.

There is an on-going process on monitoring market developments and identifying gaps in the data collection of ESS via press monitoring and informal contacts with data producing agencies. In addition, seminars are conducted with data users, to review the usefulness of existing statistics and to identify emerging data requirements. Notably, the ERSD regularly conducts seminars targeted for principal data users, which include academia (i.e., lecturers and students from Sultan Qaboos University, College of Banking and Financial Studies (CBFS), and other colleges), to inform the specific aspects of current data, the usefulness of existing statistics, and to identify emerging data needs. From these seminars, the ERSD received feedbacks and monitors the usability of the compiled statistics.

Updates to international standards and needs of international organizations are also monitored and addressed. For example, ERSD Work plan for 201315 contains specific actions toward BPM6 implementation.

0.4 Other quality management

0.4.1 Processes are in place to focus on quality.

The CBO vision emphasizes on providing timely statistics without compromising the quality. CBO managers are aware of the trade-offs between accuracy and timeliness of statistics. There is recognition throughout the organization that quality builds trust and thus is a cornerstone of statistical work.

Staff are aware of the importance of quality and use well-established processes to focus on quality management, such as measures to monitor and review the quality for ongoing activities. Their training includes quality awareness—quality statistics are their priority in terms of trade-offs, and they understand the interrelationships between datasets. Seeking the evaluation of an outside expert on the methodologies and ESS compilation practices, as well as efforts made by the CBO to address the recommendations of the 2004 ROSC demonstrates the CBO's dedication to quality balance of payments statistics.

0.4.2 Processes are in place to monitor quality during the planning and implementation of the statistical program.

Measures are in place for a systematic monitoring and review of quality, and for informing managers on the quality achieved for ongoing statistical activities (for example, surveys' response rates and timeliness evaluations). The ERSD's work program and the yearly action plan provide a mechanism to monitor the quality of its statistical program. In the event of a trade-off between timeliness and accuracy/reliability, the latter is given priority.

1. Assurances of integrity

1.1 Institutional Integrity

1.1.1 Statistics are produced on an impartial basis.

Statutory provisions in the *Banking Law* (Article 6 and Article 8(one)) provide the legal basis for institutional independence of the CBO and states that the management of the Central Bank shall be entrusted to the Board of Governors, which shall have full authority to perform all acts required for the management and operations of the Central Bank. Integrity is clearly recognized in the CBO as essential to the credibility of statistical outputs.

The *CBO Code of Ethics* stipulates that employees shall take all reasonable steps to develop their professional competence, skills and job knowledge to a level consistent with their responsibilities through self-development initiatives and training programs and to apply their professional skill, judgment, care and due diligence to the best of their ability at all times with honesty and integrity, and hold these above personal considerations (Sections 12, 13).

Recruitment and promotion at CBO are based on relevant aptitude and/or expertise in statistics. Formal training is provided through attendance at the balance of payments course in Washington, D.C., as well as through regional courses at the Arab Monetary Fund and other GCC institutions. Experts from GCC-STAT and from abroad provide on-the-job training and review of internal processes.

The CBO promotes a culture of professionalism—the staff are encouraged to write and present papers within and, subject to CBO approval and clearance, outside the CBO. *Al Markazi*, a bimonthly publication of the CBO, provides a forum for analytical and research work.

In 2012, the integrity of statistical compilation in Sultanate of Oman has been further reinforced by establishing the NCSI as autonomous institution (Royal Decree No. 31/2012). Article 4 of the Royal Decree states that the Board of Directors of the NCSI shall be responsible for organizing and conducting its affairs, and shall have all the authority and powers necessary for the Center to carry out its duties and achieve its objectives as described in the NCSI statute. The NCSI has an important role in compiling major source data for ESS, such as external trade and foreign investments.

1.1.2 Choices of data sources and statistical techniques, as well as decisions about dissemination, are informed solely by statistical considerations.

The choice of source data, methodologies, and statistical techniques is based on measurement objectives and data requirements. Decisions about data dissemination (timing, media, and other aspects) are based solely on statistical considerations. At present, careful considerations are given to possible introduction of the International Transactions Reporting System (ITRS) to further supplement and cross-check data sources.

1.1.3 The appropriate statistical entity is entitled to comment on erroneous interpretation and misuse of statistics.

The CBO makes efforts to avoid misinterpretation of ESS by disseminating elaborated analytical notes to published data. The ESRD closely monitors press writings on balance of payments issues, which at times may contain misinterpretation of statistics or their misuse. If the Department staff find any misrepresentations, they talk/meet with the parties involved for clarification (and also may arrange a meeting with the Executive President, if necessary).

1.2 Transparency

1.2.1 The terms and conditions under which statistics are collected, processed, and disseminated are available to the public.

Public availability of the *Banking Law* and the *Statistical Law* fosters transparency. Information on the terms and conditions under which the statistical series are compiled and disseminated is available on the country's GDDS page on the IMF's DSBB website with the link on the CBO website. The tradition has been to make metadata available upon request; balance of payments staff are available to respond to any inquiry and provide prompt and comprehensive advice. However, no published compilation manual of balance of payments discusses the country-specific systems and procedures that underpin the compilation process in Sultanate of Oman (although an internal handbook on compilation procedures exists for CBO staff).

1.2.2 Internal governmental access to statistics prior to their release is publicly identified.

Data compiled and disseminated by the CBO are sometimes made available to the Ministry of Finance, Ministry of National Economy, and any other Ministries before dissemination to the public. The prior access is acknowledged on the DSBB website with the link from the CBO website.

1.2.3 Products of statistical agencies/units are clearly identified as such.

Data released to the public are clearly identified as the product of specific data-producing agency. The CBO requests attribution when its statistics are used or reproduced. CBO data published in the periodical NCSI publications and in the NCSI Statistical Yearbook are clearly identified as CBO product.

1.2.4 Advance notice is given of major changes in methodology, source data, and statistical techniques.

The CBO has introduced practice to provide formal advance notice before undertaking any major changes in methodology, source data, or statistical techniques. For example, the 2013 CBO Annual Report notifies users that "based on improved reporting of information through the annual survey, data in respect of foreign direct investment, other investment, and investment income flows have

been revised for past years” and that “since the coverage of the survey increases every year, with new respondents reporting data for past few years as well, this annual revision process may continue till the survey becomes comprehensive with full coverage.”

Recommendation

- Ensure that users are informed in advance of forthcoming changes pertaining to introduction of the *BPM6*.

1.3 Ethical standards

1.3.1 Guidelines for staff behavior are in place and are well known to the staff.

The CBO has prepared a clear and comprehensive set of ethical standards outlined in the CBO *Code of Ethics*, followed by “CBO Staff Regulations.” Both regulations are available to CBO staff. For example, section 3-7 of *Staff Regulation* deals with conflict of interest, and section 3-5-1 states that employees are forbidden from engaging in any political activity. Staff are made aware of the ethical standards at the time of hiring and are reminded of these standards periodically by management. Any conflicts are resolved via the CBO Grievances Committee.

2. Methodological soundness

2.1 Concepts and definitions

2.1.1 The overall structure in terms of concepts and definitions follows internationally accepted standards, guidelines, or good practices.

The overall conceptual framework and the methodology for the compilation of balance of payments statistics have broadly conformed with guidelines outlined in the *Balance of Payments Manual*, fifth edition (*BPM5*), which was implemented in 2000. A revised data series is available from 1996. Current, capital, and financial transactions are separately identified, with the latter distinguishing those in assets and in liabilities. Compilers are working on the draft conversion tables into *BPM6* presentation that are planned to be submitted to IMF in due course.

Concepts and definitions used to compile the balance of payments statistics broadly conform with guidelines outlined in the *BPM5*. The definition of economic territory and residency principle in general is followed with the exception of the treatment of free zones. Notably, in collecting merchandise trade data, the Directorate General of Customs records transactions with and via free zones following the *Unified Customs Regulation “Law” of the Gulf Cooperation Council (GCC) States*, which effectively implies that goods are recorded as exports and imports at the customs border between the free zone and the rest of economic territory of Oman (Articles 2(32); 78–80). Therefore, if data from the customs statistics are not adjusted based on the supplementary collection, the (i) exports of goods via free zone would include goods consumed in free zone; (ii) exports of goods would exclude exports of goods produced in free zones; and goods imported and re-exported by the free zone; (iii) imports of goods via free zone would include also goods produced by free zone

and exclude goods imported and consumed within free zone. In all other cases, resident institutional units are defined in broad conformity with the *BPM6*.

The balance of payments transactions are defined according to *BPM5* guidelines—this includes presenting FDI following the directional principle and applying the 10 percent ownership rule. To comply with *BPM6* requirements, the FDI data should be presented on a gross assets and liabilities basis in both BOP and IIP statistics; revisions are also to be applied to definition of goods for processing and repair of goods. Definition used in borderline cases between services and direct investment for construction work and exploration of natural resources, should be reviewed.

Recommendation

- Establish special data collection and develop estimates for recording transactions of special economic zones to ensure that proper definition is applied for the economic territory of the Sultanate of Oman in the ESS compilation program.

2.2 Scope

2.2.1 The scope is broadly consistent with internationally accepted standards, guidelines, or good practices.

The scope of the balance of payments is broadly consistent with the guidelines outlined in the *BPM5*.

Geographic Coverage: The balance of payments data cover the whole territory of Sultanate of Oman, with the exception of custom free zones, and the embassies and consulates abroad.

Unit Coverage: Basically, all resident institutional units engaged in transactions with nonresidents are covered; coverage of household sector is defined by limitations in data collection.

Transaction Coverage: Improvements have been made lately in the collection of data, including collection of direct investment abroad; setting-up the collection of resident-nonresident transactions of the other financial institutions (e.g., pension funds), collecting data and making estimates for transactions of foreign embassies in the Sultanate of Oman and Omani embassies abroad, portfolio investment assets, and operational lease. Despite this progress, the following transactions are not included in scope:

- (i) international transactions of the sea ports authorities;
- (ii) goods for processing, which are treated as temporary admission (Article 90 of the Customs Law) are, for the most part, not included in the merchandise trade and balance of payments statistics;
- (iii) maintenance and repair of machinery and equipments treated as temporary admission (Article 90 of the Customs Law) and thus are not included in the merchandise trade and balance of payments statistics;

- (iv) Export of transport services by land and sea transport, although believed to be insignificant;
- (v) Other transport services performed by sea ports and airport (e.g., loading/unloading of cargos);
- (vi) FISIM are not estimated;
- (vii) no data for postal services is available;
- (viii) gaps in income receivables transactions including interest for the private nonbank sector;
- (ix) nonfinancial private sector cross-border transactions are partially included;
- (x) reinvested earnings are not included in the FDI transactions;
- (xi) financial derivatives transactions undertaken by banks and foreign investment enterprises;
- (xii) SDR allocation.

2.3 Classification/sectorization

2.3.1 *Classification/sectorization systems used are broadly consistent with internationally accepted standards, guidelines, or good practices.*

Classification and sectorization systems are generally consistent with internationally accepted standards. The current account includes (i) goods; (ii) services; (iii) income (primary income in *BPM6*) comprising compensation of employees and investment income; and (iv) current transfers (secondary income in *BPM6*). The capital account is presented together with the financial account and the aggregated balance is disseminated. Following *BPM6* recommendations, the capital and financial accounts should be presented separately and their balances should not be aggregated.

Institutional units are classified and attributed to the relevant sector. Following 2004 ROSC recommendations, freight insurance for import of goods is now classified under imports of insurance services; and nonresident's contribution to bank's capital are split into direct and portfolio investments. All other transactions are generally classified to the relevant standard component, with the following exceptions:

- Goods are not broken down into the five categories recommended by *BPM5* (general merchandise, goods for processing, repairs on goods, goods procured in ports by carriers, and monetary gold).
- Classification of services is lacking details prescribed by the *BPM6*. Government, construction, and several other services components are blended together with other business services.
- Interest income on bank's assets and liabilities is not classified in income component but included together with instrument. This treatment is also extended on international reserve assets.

- Direct non-life insurance premiums and claims as well as reinsurance premiums and claims are not classified under current transfers, but under services.
- Apart from FDI transactions, the total changes in commercial banks' claims and liabilities with nonresidents are classified under other investments. Transactions in securities (debt securities assets and liabilities, and equity assets) should be reclassified to portfolio investment. In addition, for equity assets, the direct investment relationship should be further investigated.
- Borrowing and lending between direct investors and direct investment enterprises are not classified under the FDI.
- More detailed information should be obtained on the existing production sharing agreements to ensure proper classification of the FDI transitions and positions.
- External transactions of the sovereign wealth fund (Special General Reserve Fund (SGRF) recently merged with Contingency Fund of the Government) are recorded as reserve assets in the balance of payments of Oman. To be in line with the definition of reserve assets in the BPM6 and the International Reserves and Foreign Currency Liquidity: Guidelines for a Data Template, the following conditions need to be met for these transactions to be considered reserve assets: (1) they are foreign currency claims on nonresidents, (2) they meet the criteria of liquidity or marketability, and (3) they are under the effective control of and readily available to the monetary authorities to meet a balance of payments need. If the above conditions are not met, the transactions need to be recorded under portfolio or other investment of the government sector as appropriate. In reporting reserves position for the IFS, the CBO includes only foreign assets of the central bank and does not include government funds held abroad. The classification of stocks in the forthcoming IIP will need to be consistent with the flows.
- There is no maturity attribution of transactions in the other investment component.

The sectorization is broadly consistent with the *BPM5*; however, in the *BPM6*, other sectors should be further disaggregated into other financial corporations and nonfinancial corporations, households, and NPISHs.

Recommendation

- Improve classification of transactions, including reclassification of transactions of the sovereign wealth funds to government assets and foreign direct investments.
- Implement *BPM6* sectorization and fine-tune presentation of accounts.

2.4 Basis for recording

2.4.1 Market prices are used to value transactions and positions. For some positions, proxies are used.

Oman's balance of payments is expressed in millions of Omani Rials. The market price valuation procedure has been recently improved; valuation adjustments to portfolio investments are performed using stock exchange indices. To the extent possible, market prices are used to value all flows—this includes monetary gold and financial instruments generally traded on a regular market. Nontradable financial instruments, such as loans, are valued at nominal value. Where transaction estimates are derived from stock data (banking sector transactions, reserves), the value of the transaction excludes valuation and other changes. Transactions recorded in other currencies are converted into Omani Rials using average market exchange rates at the time of the transaction. End-of-period exchange rates are used for conversion when flows are derived from stock data (reserves). Due to lack of position data in original currencies, only rough adjustments for exchange rate changes are made. Therefore, these transactions may include exchange rate changes. Foreign trade transactions are recorded on an f.o.b. basis.

Recommendation

- Set up a workbook with the currency composition of selected foreign currency denominated financial assets and liabilities to exclude exchange rate changes when transactions are estimated from positions.

2.4.2 Recording is done on an accrual basis.

In general, change of ownership is the principle governing the recognition of transactions and their time of recording. Merchandise trade statistics are recorded largely according to the time of clearance by customs (as with other countries). For financial instruments bearing interest, the accrual of interest is recorded for the banking sector. However, for government and public corporations, interest is recorded on a cash basis. No adjustments are made to approximate accrual.

2.4.3 Grossing/netting procedures are broadly consistent with internationally accepted standards, guidelines, or good practices.

Grossing/netting procedures are broadly consistent with *BPM5*. Current and capital account transactions are recorded on a gross basis. Financial account transactions are recorded in line with *BPM6* on a net basis, separately for the individual asset and liability components.

3. Accuracy and reliability

3.1 Source data

3.1.1 Source data are obtained from comprehensive data collection programs that take into account country-specific conditions.

The collection program for compiling balance of payments statistics has been improved to augment administrative data sources with more comprehensive specialized survey that would eventually allow compiling sound quarterly balance of payments data. Existing core sources provide reasonable though insufficient coverage to compile comprehensive balance of payments statistics. There is a need to expand the data sources. This would include improving coverage of existing surveys, expanding data collection for the stocks statistics including transactions of private sector, possible introduction of the International Transactions Reporting System to improve coverage of selected balance of payments components, setting up the comprehensive data collection for international trade in services and exercising wider use of administrative source data. The public and private oil sector is presently included; however, improvements in the collection of transactions for this industry and understanding the economic nature of the implementation of existing production sharing agreements would allow for better measurement and classification of these transactions.

Surveys/Direct Reporting

The following, though not exhaustive, is a list of surveys/direct reports that are used to compile balance of payments statistics:

- (i) Customs data. General merchandise data are collected based on the *Unified Customs Regulation "Law" of the Gulf Cooperation Council (GCC) States*. Recently Directorate General of Customs has computerized the customs procedures, which allowed substantially improving the statistical system of foreign trade. Data are now provided to CBO in user-friendly format on a CD ROM. The CD contains information on the quantity and value of the imported and exported goods and their geographical distribution.
- (ii) MFS data. MFS data provided in database format with appropriate level of details. MFS is compiled in the same CBO department and follow international standards.
- (iii) Annual foreign investments survey conducted by NCSI. The framework includes all establishments with foreign capital in public and private sector, but do not include government direct investment or pension fund.
- (iv) Direct report from pension fund, which includes balance sheets and income statement.
- (v) Quarterly foreign investments survey conducted by CBO, which contains transactions and stocks data on foreign investments and foreign investment income.
- (vi) Ad hoc survey on per capita expenditure of travelers undertaken by the Directorate of Tourism;

- (vii) Direct report from airline company, which includes freight receipts and other transportation services;
- (viii) Direct reporting of exports of liquefied natural gas from Oman LNG;
- (ix) Data from foreign embassies in Oman;
- (x) monthly reports from banks and exchange offices providing transactions on workers' remittances

Administrative data sources

Data from administrative records used to derive balance of payments components are adequate and comprise the following sources:

- (i) Data on exports of crude oil and refined oil from the Ministry of Oil and Gas and the MOF.
- (ii) Ministry of Foreign Affairs data on the overseas properties of Omani government.
- (iii) Data from the MOF on sovereign wealth funds.
- (iv) Comprehensive lists of enterprises from the Secretary General for Taxation and the Ministry of Commerce and Industry.
- (v) Balance sheet data are obtained from banks in terms and conditions outlined in CBO Circular BM 1058 from September 14, 2009 and are in conformity with MFS standards.
- (vi) Data on number of Omani students abroad and average student expenditure from the Ministry of High Education.
- (vii) The number and average expenditure for Omanis going abroad for medical treatment from the Ministry of Health.
- (viii) The number of Omanis going on pilgrimage from the Ministry of Endowment and religion affairs.
- (ix) Number of expatriates engaged in employment in Oman and their average salary is received from the Ministry of Manpower and Public Authorities of Social Insurance.
- (x) Annual data from insurance companies from Capital Market Authorities.
- (xi) Data on the net inflow of funds into the securities market from MSM Authorities.

Data collection program is sufficiently open and flexible to provide for new developments in sources. Data sources are under constant improvement, including revisions of estimations methods and data adjustments, to reflect the continually changing economic situation.

The gaps in terms of detail and coverage are known and kept under review. Where possible, adjustments are made (for example, including an adjustment in imports for Ministry of Defense). Staff monitors the financial press and research papers for information on international transactions and transactions that need to be taken into account in the balance of payments compilation system. Staff also monitors international standards, guidelines, and practices for changes that need to be taken into account.

Recommendation

- Obtain access to the income statement data and annual financial reports of major direct investment enterprises to supplement quarterly FDI collection and handle non-response.
- Consider implementation of ITRS to enhance collection.

3.1.2 Source data reasonably approximate the definitions, scope, sectorization, classifications, valuation, and time of recording required.

In principle, the CBO staff ensure consistency with the requirements of the *BPM5* through coordination/ discussions with the primary source organizations. When the CBO itself conducts the survey (such as the foreign investment survey), it brings definitions and concepts to the notice of the survey participants. The CBO staff often request the primary source organization to modify their systems and compile additional information (as in the case of the fivefold classification of merchandise trade data, which may not be of relevance to the customs authorities).

Specific procedures have been developed by the CBO to adjust data from various sources to improve coverage, classification, and valuation. The instructions to the report forms are consistent with the concepts and definitions of *BPM5* and provide for detailed classification of transactions.

3.1.3 Source data are timely.

Overall, the source data for compiling the monthly balance of payments financial transactions are timely. All primary administrative sources make data available to the CBO on time. Survey respondents are made aware of the deadlines set for reporting on the cover of the questionnaires. The CBO rigorously follows up to ensure the timely receipt of respondents' data. To date, the survey frame has been quite small, and the CBO contacts the respondents directly. Timeliness of merchandise trade data does not support quarterly data collection. Benchmark collection for compensation of employees' component is outdated.

3.2 Assessment of source data

3.2.1 Source data—including censuses, sample surveys, and administrative records—are routinely assessed, e.g., for coverage, sample error, response error, and nonsampling error; the results of the assessments are monitored and made available to guide statistical processes.

The CBO has routinely assessed the accuracy of the data from surveys. For the primary administrative data sources, the CBO seeks clarifications on the estimates when necessary. It cross-checks specific datasets such as the important estimates for oil exports. The quantity and average price are obtained from the Ministry of Oil and Gas and compared with the value of oil exports at the MOF. The estimates for worker remittances based on records from banks and

exchange offices, are cross-checked with administrative data. Time-series and unit value analyses are performed to merchandise trade data.

3.3 Statistical techniques

3.3.1 *Data compilation employs sound statistical techniques to deal with data sources.*

Generally, data compilation employs sound statistical techniques. For surveys, the compilation procedures take into account the need to minimize processing errors due to coding, editing, and tabulation errors. The editing procedures include manual or computerized checks of the logical consistency, including consistency with data from the previous year, and completeness of the reports. The data editing procedures are followed by source data analysis at the various levels of data categorization. Corrections to individual reports are made only when confirmed with the respondent. In addition, data undergo consistency check before they are included into main compilation frame.

3.3.2 *Other statistical procedures (e.g., data adjustments and transformations, and statistical analysis) employ sound statistical techniques.*

Limited other statistical procedures are employed to make source data consistent with balance of payments requirements. A number of adjustments are made to the merchandise trade statistics that are compiled on a customs clearance basis. The most important of these adjustments relates to recording import data f.o.b. The factor has been 10.5 percent (9.5 percent for freight and 1 percent for insurance) for a considerable period and this benchmark needs to be reviewed. Coverage adjustments are performed based on administrative data.

For *travel* payments, the techniques used to generate the estimates are generally sound with one exception. The estimates for per capita expenditure of students do not include tuition.

Entries shown for credits of *compensation of employees* represent the earnings of Omani individuals who reside in the border areas vis-à-vis the UAE and travel daily or frequently for purposes of employment in that country. The estimates are based on a benchmark study done almost two decades ago on the number of individuals, their average earnings, and an assumption about the proportion of income spent on their personal consumption of goods and services abroad. At present, a constant of 15 million Omani Rials has been shown under the item. Although the methodology may be acceptable, there is an urgent need to update the above estimate.

The statistics techniques and compilation used for calculating insurance service needs to be revised. Gross premiums and claims on insurance are wrongly included in *insurance services*, and there is no proper treatment for cross-border reinsurance services data. The *BPM6* changes are yet to be implemented. No investment income of insurance companies is reported to calculate premium supplements.

3.4 Assessment and validation of intermediate data and statistical outputs

3.4.1 Intermediate results are validated against other information, where applicable.

Intermediate results are validated against other independent data sources when possible. For example, in order to assess the plausibility of the estimates of workers' remittances, the CBO collects, on a quarterly basis, information from banks and moneychangers to cross-check cash transfers affected by expatriates. The results confirm the general order of magnitude obtained under the current methodology. In addition, the CBO verifies estimates of foreign direct investment with records of the General Secretariat of Taxation and the MOCI. Information in the financial press is used to verify high-value direct investment and other transactions when appropriate.

3.4.2 Statistical discrepancies in intermediate data are assessed and investigated.

The CBO cross-checks the behavior of series with related series/indicators when possible. The CBO uses available stock data to verify transactions data when possible—for example, average yield and average stock are used to cross-check investment income receipts; data on external debt are used to cross-check financial flows; stocks for the banking sector are used; in reserve assets, the balance of payments data are derived from the stock data (allowing for valuations changes).

3.4.3 Statistical discrepancies and other potential indicators of problems in statistical outputs are investigated.

Staff involved in producing balance of payments data monitor developments in the errors and omissions item and seek to understand them, e.g., by cross-checking between entries in the current, capital, and financial account when possible although this is not a "closed" compilation system. A direction of trade matrix for GCC countries is used to cross-check the trade data with this region. At the present time external public debt transactions are received from the MOF, and there is no estimate for external private debt. Further cross-checks can be done with IMF Direction of Trade Statistics, Joint Bank for International Settlements (BIS)-IMF-Organization for Economic Co-operation and Development (OECD)-World Bank statistics on external debt, the BIS locational international banking statistics, partner country data from CDIS, or derived portfolio liabilities from CPIS.

3.5 Revision studies

3.5.1 Studies and analyses of revisions and/or updates are carried out and used internally to inform statistical processes (see also 4.3.3).

Revisions can take place when a new data source, such as a survey, is introduced. Revisions of BOP data are studied and used internally to inform statistical processes, but formal studies are not conducted.

Recommendation

- Conduct formal revisions study.

4. Serviceability**4.1 Periodicity and timeliness****4.1.1 Periodicity follows dissemination standards.**

Balance of payments statistics are disseminated annually, which adheres to the GDDS recommendations. The GDDS also encourages the compilation and dissemination of quarterly balance of payments aggregates. The CBO currently compiles quarterly balance of payments estimates for internal purposes (an input to GDP). Some components, such as estimates for services from annual surveys, are not available on a quarterly basis at this time. The CBO has recently established quarterly FDI sample survey as a basis for compilation of IIP, which is still at developmental stage. Annual IIP data are not yet disseminated.

4.1.2 Timeliness follows dissemination standards.

Annual balance of payments statistics are disseminated within six months after the reference period, which adheres to the GDDS recommendations. International Investment Position data are not disseminated (GDDS timeliness – 6–9 months).

4.2 Consistency**4.2.1 Statistics are consistent within the dataset.**

The ESS compilation program in Oman is designed to ensure internal data consistency by applying the same concepts, definitions, and classifications for producing the quarterly and annual balance of payments statistics and IIP statistics. The balance of payments statistics are internally consistent. The errors and omissions over the past three years did not exceed one percent of GDP, however with the persistent negative sign, which indicates bias on one or more components. The CBO monitors the magnitude and sign of the net errors and omissions, and efforts are made to understand the causes of statistical discrepancies.

Recommendation

- During the IIP developmental stage, establish a regular procedure to cross-check the consistency between each component of the income account and the corresponding position data.

4.2.2 Statistics are consistent or reconcilable over a reasonable period of time.

The balance of payments is consistent over time. A five-year consistent time series are published. The longer consistent time series (from 1996) are available upon request. Break in series is in 1996, with data for 1980 – 1995 are available on the *BPM4* format. Occasionally, when major methodological changes are introduced the historical time series are reconstructed. These changes are explained in the commentary included in the CBO's *Annual Report* when the data are released.

4.2.3 Statistics are consistent or reconcilable with those obtained through other data sources and/or statistical frameworks.

The balance of payments data on trade in goods are reconcilable with the international merchandise trade data. A coverage adjustment is made to imports in respect of defense goods on the basis of data obtained from the Ministry of Defense. Imports in the balance of payments are converted from a c.i.f. basis to an f.o.b. basis. These differences are clearly noted in the analytical tables in the CBO's *Annual Report*.

The balance of payments statistics are largely consistent with the national accounts statistics. The published net lending and borrowing in national accounts was taken directly from the balance of payments statistics, as a sum of financial and capital accounts. During the mission, the net lending and borrowing was derived directly from the national accounts aggregates and reconciled with the balance of payments financial account with the following outcome: (i) net lending and borrowing is reconcilable; (ii) net primary income from abroad is consistent providing a coherent measure of gross national income; (iii) net current transfers from abroad are roughly consistent affecting measure of gross national disposable income (minor discrepancies were caused by additional adjustments to data exercised in national accounts but not in balance of payments compilation—CBO and NCSI will need to agree on application of common methodology); (iv) data on external trade have discrepancies due to netting of re-export transactions in national accounts compilation (however, gross recoding is exercised in supply-and-use tables).

The banking sector financial account transactions in the balance of payments statistics are derived from the balance sheets of the depository corporations, therefore the corresponding transactions data are generally consistent with the monetary statistics. Classification issues noted in the quality indicator 2.3.2 above are causing relatively minor discrepancies at the instrument level, however, are explainable and do not affect total financial account. The foreign assets of the central bank in the monetary and financial statistics and reserve transactions are reconcilable.

Recommendation

- Establish routine practice on reconciling balance of payments and IIP statistics with other macroeconomic data sets (monetary statistics, national accounts, and government finance statistics).

4.3 Revision policy and practice

4.3.1 *Revisions and/or updates follow a regular and transparent schedule.*

Following recommendation of 2004 ROSC mission, the revision policy and practice has been refined. In practice, data for a new year are preliminary and subject to revisions during the following year. When there is a major change in methodology or source data (the introduction of surveys) the revisions to historical time-series are conducted, as appropriate and an explanation is included in the CBO's *Annual Report*. If administrative source data are revised (such as revisions to the annual international trade data), the revised data are incorporated in the estimates. Information on GDDS website cross-referenced on CBO web-site states that revisions are held as appropriate.

4.3.2 *Preliminary and/or revised/updated data are clearly identified.*

The revised balance of payments data are clearly identified. Normally, new year data published in *Annual Report* are preliminary. Revised data are disseminated with the same level of detail as preliminary data.

4.3.3 *Studies and analyses of revisions are made public (see also 3.5.1).*

The formal studies and analyses have not been carried out routinely on revisions to the balance of payments data. Implicitly, discussions on the reasons for any revision are done internally. Reasons for major revisions resulting from a change in methodology or source data are discussed in the commentary that accompanies the release of the data. Any inquiries on data that may have been revised are handled individually.

5. Accessibility

5.1 Data accessibility

5.1.1 *Statistics are presented in a way that facilitates proper interpretation and meaningful comparisons (layout and clarity of text, tables, and charts).*

Annual balance of payments statistics is disseminated in two CBO publications "*Quarterly Statistical Bulletin*" (in Arabic and English) with annual data and in *Annual Report* in Arabic and English). Both publications are available in hard copy and also can be accessed on CBO website <http://www.cbo-oman.org/>. The balance of payments statistics are generally disseminated according to the standard aggregated components of the *BPM5* and with five-year historical time series. The CBO's *Annual Report* contains charts, tables, and analytical note on current-period developments. Quarterly balance of payments data are not published. Annual IIP data are not published. "*Quarterly Statistical Bulletin*" contains annual five-year series of the balance of payments and annual and quarterly series of external trade with additional commodity and geographical detail. There is no separate publication on the balance of payments of the Sultanate of Oman.

In addition, analyses of external sector developments are given in the CBO bi-annual publication *Mid-year Review of Omani Economy* (in Arabic and English) and in the occasional discussion papers, e.g., *Developing Debt Market in Oman: A Road Map* <http://www.cbo-oman.org/OccasionalPapers/Developing%20Debt%20Market%20in%20Oman%20A%20Road%20Map2011.pdf>.

Recent computerization of the customs procedures by the Directory General of Customs, allowed to substantially improve the dissemination of external trade statistics, which is now published on a CD ROM with the much greater level of commodity (at HS 8 digits level) and geographical detail, and additional information on quantity.

The *Foreign Investment* publication of NCSI contains the detailed five year annual series on direct, portfolio and other investments by activity and geographic detail with the brief analytical notes and survey metadata. Publication is available in hard copy ((in Arabic and English) and on the NCSI website (http://www.ncsi.gov.om/NCSI_website/N_ListPublications.aspx?view=21).

The BOP statistics are sent to the IMF in *BPM5* format using the Integrated Correspondence System (ICS), included in the IMF database and published in the IMF *IFS* and IMF *BOPSY*. To further improve access, presentation, and interpretation of data, the CBO is encouraged to consider separate publication of annual balance of payments data, and to commence dissemination of quarterly balance of payments.

5.1.2 Dissemination media and formats are adequate.

Balance of payments statistics are disseminated in hard copy and also are available on the CBO website in PDF format. At present, no electronic database is maintained for users. The CBO is currently developing an online database which will contain the different statistics produced by the CBO and will allow users easy retrieval of data from the different datasets in user-friendly format. The CBO has plans to complete the project by 2016. The historical time series are maintained back to 1980 (data prior to 1996 are on a *BPM4* basis) and are made available upon request. The user is informed through the IMF DSSB publication that data prior to 1996 are on a *BPM4* basis.

5.1.3 Statistics are released on a preannounced schedule.

An advance release calendar is directly accessible on the CBO website <http://www.cbo-oman.org/>. It indicates the approximate date the statistics are to be released, although there is no precise date, since it gives the "normal date of release within 6 months of the end of the reference year." Given that the balance of payments data are part of a comprehensive publication, which includes other data series of the CBO, the release date may be delayed if other data are not ready or if there are delays with the printing process.

5.1.4 Statistics are made available to all users at the same time.

The annual balance of payments statistics are released simultaneously to all users of statistics. The public is informed of the statistics being released—most often through radio announcements.

5.1.5 Statistics not routinely disseminated are made available upon request.

To the extent possible, statistics not routinely disseminated are made available to users upon request without violating the confidentiality requirements. This includes time series and some bilateral trade with GCC countries. No custom tabulations are provided.

5.2 Metadata accessibility

5.2.1 Documentation on concepts, scope, classifications, basis of recording, data sources, and statistical techniques is available, and differences from internationally accepted standards, guidelines, or good practices are annotated.

Currently, the vehicles for accessing balance of payments metadata are the IMF's DSBB website and the country notes section in the *BOPSY, Part 3*. These metadata (particularly the GDDS) provide adequate information about the meaning of the data and about the methodology used to collect and process. At the time of the mission, the GDDS metadata posted on the DSBB had not been updated since September 2011. The GDDS metadata are cross-referenced in data releases and publicized on CBO website. No other comprehensive sources and methods document is published and updated regularly by the CBO. There is a need to prepare comprehensive country-specific balance of payments metadata, describing concepts, classifications, data sources, compilation methods, statistical techniques, and other relevant methodological aspects.

Recommendation

- Update and maintain current the metadata available in national publications as well as the GDDS metadata posted on the IMF's DSBB.
- Prepare comprehensive country-specific balance of payments metadata, describing concepts, classifications, data sources, compilation methods, statistical techniques, and other relevant methodological aspects.

5.2.2 Levels of detail are adapted to the needs of the intended audience.

Currently, the above-mentioned metadata are the only sources available to users. No special brochure or background papers on compilation methodology are available to users.

5.3 Assistance to users

5.3.1 Contact points are publicized.

Contact information is given on CBO website and in the CBO's *Annual Report*, which includes the official release of annual balance of payments statistics. The contact information for the balance of payments statistics comprises the name of the ERSD as the point of entry, address, telephone number, fax number, and an Internet address. A "Feedback" box is also posted on the CBO website for comments/questions of users. The specific reference to a contact person in charge of the balance of payments is provided on the IMF's DSBB website. The CBO maintains an informal register of the different queries received and staff are available to answer queries from users.

5.3.2 Publications, documents, and other services, including information on any charges, are widely available.

The publications are available in hard copies and through the CBO website. The CBO website contains a list of publications. The publications include the CBO's *Annual Report*, the *Quarterly Statistical Bulletin*, the *Monthly Statistical Bulletin*, and the *Al Markazi*, (a bimonthly publication of research and analysis of the CBO), bi-annual publication *Mid-year Review of Omani Economy*, and various research papers. Most of CBO publications are available in Arabic and English. There is no charge for any of these products or services.

Table 6. Oman: Data Quality Assessment Framework (May 2012): Summary of Results for Balance of Payments Statistics

(Compiling Agency: Central Bank of Oman)

Key to symbols: NA = Not Applicable; O = Practice Observed; LO = Practice Largely Observed; LNO = Practice Largely Not Observed; NO = Practice Not Observed; GDDS = Complies with GDDS Criteria							
Element	NA	Assessment				Comments on Assessment	Plans for Improvement and Target Dates
		O	LO	LNO	NO		
0. Prerequisites of quality							
0.1 Legal and institutional environment			X			The legal mandates do not prescribe specifically ESS data compilation and dissemination responsibilities; no legal mechanism to secure coordination among data producing agencies; no strong legal background for effective reporting of non-financial corporations to CBO.	Review existing regulations to clearly assign responsibilities for compilation and dissemination of ESS statistics to the CBO, secure inter-agency cooperation and reinforce the reporting of the nonfinancial corporations to CBO.
0.2 Resources			X			Staff resources are insufficient for further development.	Increase staff resources for compiling IIP and supplementary ESS data (Reserve Template, CPIS, CDIS, quarterly external debt statistics).
0.3 Relevance		X				CBO conducts seminars for data users.	
0.4 Other quality management		X					
1. Assurances of integrity							
1.1 Institutional integrity		X					
1.2 Transparency		X				The CBO has introduced practice to provide formal advance notice before undertaking any major changes in methodology (example in 2013 Annual Report).	
1.3 Ethical standards		X					
2. Methodological soundness							
2.1 Concepts and definitions			X			Deviation from definition of economic territory. New BPM6 requirements for recording of FDI transactions, goods for processing, repair of goods.	Set up basis for BPM6 recording of FDI transactions, goods for processing, repair of goods; establish separate collection to properly record transactions with free zones.
2.2 Scope			X			Deficiencies in scope of selected components.	Improve coverage of the balance of payments transactions, including private sector transactions and stocks, FDI, goods, and services.
2.3 Classification/sectorization			X			Deficiencies in classification of selected financial account components, goods and services transactions.	Breakdown of export/imports of goods, fine-tune classification of services and financial accounts components.

Table 6. Oman: Data Quality Assessment Framework (May 2012): Summary of Results for Balance of Payments Statistics (concluded)

(Compiling Agency: Central Bank of Oman)

Key to symbols: NA = Not Applicable; O = Practice Observed; LO = Practice Largely Observed; LNO = Practice Largely Not Observed; NO = Practice Not Observed; GDDS = Complies with GDDS Criteria							
Element	NA	Assessment				Comments on Assessment	Plans for Improvement and Target Dates
		O	LO	LNO	NO		
2.4 Basis for recording			X			Income on government transactions are not on an accrual basis.	
3. Accuracy and reliability							
3.1 Source data			X			Coverage of compilation program is insufficient.	Introduce ITRS, introduce survey of free economic zones, expand collection of stocks statistics; enhance collection of services; wider use of administrative source data.
3.2 Assessment of source data		X					
3.3 Statistical techniques			X			Outdated benchmarks or limited sources to excises the adjustments to source data.	Improve estimates of compensation of employees; update adjustments for basis of recording.
3.4 Assessment and validation of intermediate data and statistical outputs		X					
3.5 Revision studies			X			Formal revision studies and analyses are needed.	Formal revision studies and analyses are not conducted.
4. Serviceability							
4.1 Periodicity and timeliness			X			IIP statistics is now part of assessment. IIP is not disseminated.	
4.2 Consistency		X					
4.3 Revision policy and practice		X					
5. Accessibility							
5.1 Data accessibility			X			Longer time-series in user-friendly database format are not available. There is no separate information release for balance of payments. No quarterly data publication. No IIP publication. Exact release date not posted. Preannounced timeliness of release periodically is not met.	Consider separate balance of payments publication. Publish IIP data. Publish quarterly BOP data. Publish historical time series in user-friendly database format.
5.2 Metadata accessibility			X			No methodological publication other than GDDS metadata on the DSBB, updated irregularly. No methodological notes accompanying released data.	Develop and disseminate a comprehensive metadata document and update it periodically.
5.3 Assistance to users		X				ERSD is mentioned as point of entry.	

Appendix I. Oman: Summary of the General Data Dissemination System (GDDS)

The GDDS recommends the following practices under each of the identified dimensions:

Data coverage, periodicity, and timeliness

- dissemination of reliable, comprehensive, and timely economic, financial, and socio-demographic data is essential to the transparency of macroeconomic performance and policy
- the GDDS contains specific recommendations concerning coverage, periodicity, and timeliness for comprehensive frameworks as well as for data categories and indicators.

Quality

Data quality must have a high priority. Data users must be provided with information to assess quality and quality improvements. The GDDS recommends:

- dissemination of documentation on methodology and sources used in preparing statistics; and
- dissemination of component detail, reconciliations with related data, and statistical frameworks that support statistical cross-checks and provide assurance of reasonableness.

Integrity

To fulfill the purpose of providing the public with information, official statistics must have the confidence of their users. In turn, confidence in the statistics ultimately becomes a matter of confidence in the objectivity and professionalism of the agency producing the statistics. Transparency of practices and procedures is a key factor in creating this confidence. The GDDS, therefore, recommends:

- dissemination of the terms and conditions under which official statistics are produced, including those relating to the confidentiality of individually identifiable information;
- identification of internal government access to data before release;
- identification of ministerial commentary on the occasion of statistical releases; and
- provision of information about revision and advance notice of major changes in methodology.

Access to the public

Dissemination of official statistics is an essential feature of statistics as a public good. Ready and equal access by the public are principal requirements. The GDDS recommends:

- dissemination of advance release calendars; and
- simultaneous release to all interested parties.

Plans for improvement

The GDDS recommends that plans for improvement be developed for all areas in which shortcomings exist and that these plans be disseminated.

The GDDS also recommends that any needs for assistance be identified in the metadata. This may also be helpful for donors and technical assistance providers to prioritize their activities.

For each participating member country, the GDDS metadata provide descriptions of the dimensions listed above, together with plans for improvement and needs for assistance. This information is posted on the Dissemination Standards Bulletin Board (DSBB); participating countries are encouraged to also post the metadata on their national websites.

Source: The General Data Dissemination System: Guide for Participants and Users, 2013

<http://dsbb.imf.org>

Appendix II. Oman: Summary of the Special Data Dissemination Standard (SDDS) System

The SDDS prescribes the following practices under each of the identified dimensions:

Data dimension (coverage, periodicity, and timeliness)

- the dissemination of 18 data categories, including component detail, covering the four main sectors (real, fiscal, financial, and external) of the economy, with prescribed periodicity and timeliness.

Access dimension

- the dissemination of advance release calendars providing at least a one-quarter advance notice of approximate release dates, and at least a one-week advance notice of the precise release dates; and
- the simultaneous release of data to all users.

Integrity dimension

- the dissemination of the terms and conditions under which official statistics are produced and disseminated;
- the identification of internal government access to data before release;
- the identification of ministerial commentary on the occasion of statistical release; and
- the provision of information about revision and advance notice of major changes in methodology.

Quality dimension

- the dissemination of documentation on statistical methodology and sources used in preparing statistics; and
- the dissemination of component detail and/or additional data series that make possible cross-checks and checks of reasonableness.

SDDS subscribers are required to:

- post descriptions of their data dissemination practices (metadata) on the IMF's Dissemination Standards Bulletin Board (DSBB). Summary methodologies, which describe data compilation practices in some detail, are also disseminated on the DSBB; and
- maintain an Internet website, referred to as the National Summary Data Page (NSDP), which contains the actual data described in the metadata and to which the DSBB is electronically linked.

The IMF staff is monitoring observance of the standard through NSDPs maintained on the Internet. Monitoring is limited to the coverage, periodicity, and timeliness of the data and to the dissemination of advance release calendars.

Source: The *Special Data Dissemination Standard: Guide for Subscribers and Users*, 2013
<http://dsbb.imf.org>.

Appendix III. Oman: Data Quality Assessment Framework— Generic Framework (May 2012 Framework)

Quality Dimensions	Elements	Indicators
<p>0. Prerequisites of quality</p>	<p>0.1 Legal and institutional environment—<i>The environment is supportive of statistics.</i></p> <p>0.2 Resources—<i>Resources are commensurate with needs of statistical programs.</i></p> <p>0.3 Relevance—<i>Statistics cover relevant information on the subject field.</i></p> <p>0.4 Other quality management—<i>Quality is a cornerstone of statistical work.</i></p>	<p>0.1.1 The responsibility for collecting, processing, and disseminating the statistics is clearly specified.</p> <p>0.1.2 Data sharing and coordination among data-producing agencies are adequate.</p> <p>0.1.3 Individual reporters' data are kept confidential and used for statistical purposes only.</p> <p>0.1.4 Statistical reporting is ensured through legal mandate and/or measures to encourage response.</p> <p>0.2.1 Staff, facilities, computing resources, and financing are commensurate with statistical programs.</p> <p>0.2.2 Measures to ensure efficient use of resources are implemented.</p> <p>0.3.1 The relevance and practical utility of existing statistics in meeting users' needs are monitored.</p> <p>0.4.1 Processes are in place to focus on quality.</p> <p>0.4.2 Processes are in place to monitor quality during the planning and implementation of the statistical program.</p>
<p>1. Assurances of integrity <i>The principle of objectivity in the collection, processing, and dissemination of statistics is firmly adhered to.</i></p>	<p>1.1 Institutional integrity—<i>Statistical policies and practices are guided by professional principles.</i></p> <p>1.2 Transparency—<i>Statistical policies and practices are transparent.</i></p> <p>1.3 Ethical standards—<i>Policies and practices are guided by ethical standards.</i></p>	<p>1.1.1 Statistics are produced on an impartial basis.</p> <p>1.1.2 Choices of data sources and statistical techniques, as well as decisions about dissemination, are informed solely by statistical considerations.</p> <p>1.1.3 The appropriate statistical entity is entitled to comment on erroneous interpretation and misuse of statistics.</p> <p>1.2.1 The terms and conditions under which statistics are collected, processed, and disseminated are available to the public.</p> <p>1.2.2 Internal governmental access to statistics prior to their release is publicly identified.</p> <p>1.2.3 Products of statistical agencies/units are clearly identified as such.</p> <p>1.2.4 Advance notice is given of major changes in methodology, source data, and statistical techniques.</p> <p>1.3.1 Guidelines for staff behavior are in place and are well known to the staff.</p>

Quality Dimensions	Elements	Indicators
<p>2. Methodological soundness <i>The methodological basis for the statistics follows internationally accepted standards, guidelines, or good practices.</i></p>	<p>2.1 Concepts and definitions—<i>Concepts and definitions used are in accord with internationally accepted statistical frameworks.</i></p> <p>2.2 Scope—<i>The scope is in accord with internationally accepted standards, guidelines, or good practices.</i></p> <p>2.3 Classification/sectorization—<i>Classification and sectorization systems are in accord with internationally accepted standards, guidelines, or good practices.</i></p> <p>2.4 Basis for recording—<i>Flows and stocks are valued and recorded according to internationally accepted standards, guidelines, or good practices</i></p>	<p>2.1.1 The overall structure in terms of concepts and definitions follows internationally accepted standards, guidelines, or good practices.</p> <p>2.2.1 The scope is broadly consistent with internationally accepted standards, guidelines, or good practices.</p> <p>2.3.1 Classification/sectorization systems used are broadly consistent with internationally accepted standards, guidelines, or good practices.</p> <p>2.4.1 Market prices are used to value flows and stocks.</p> <p>2.4.2 Recording is done on an accrual basis.</p> <p>2.4.3 Grossing/netting procedures are broadly consistent with internationally accepted standards, guidelines, or good practices.</p>
<p>3. Accuracy and reliability <i>Source data and statistical techniques are sound and statistical outputs sufficiently portray reality.</i></p>	<p>3.1 Source data—<i>Source data available provide an adequate basis to compile statistics.</i></p> <p>3.2 Assessment of source data—<i>Source data are regularly assessed.</i></p> <p>3.3 Statistical techniques—<i>Statistical techniques employed conform to sound statistical procedures.</i></p> <p>3.4 Assessment and validation of intermediate data and statistical outputs—<i>Intermediate results and statistical outputs are regularly assessed and validated.</i></p> <p>3.5 Revision studies—<i>Revisions, as a gauge of reliability, are tracked and mined for the information they may provide.</i></p>	<p>3.1.1 Source data are obtained from comprehensive data collection programs that take into account Oman-specific conditions.</p> <p>3.1.2 Source data reasonably approximate the definitions, scope, sectorization, classifications, valuation, and time of recording required.</p> <p>3.1.3 Source data are timely.</p> <p>3.2.1 Source data—including censuses, sample surveys, and administrative records—are routinely assessed, e.g., for coverage, sample error, response error, and non-sampling error; the results of the assessments are monitored and made available to guide statistical processes.</p> <p>3.3.1 Data compilation employs sound statistical techniques to deal with data sources.</p> <p>3.3.2 Other statistical procedures (e.g., data adjustments and transformations, and statistical analysis) employ sound statistical techniques.</p> <p>3.4.1 Intermediate results are validated against other information, where applicable.</p> <p>3.4.2 Statistical discrepancies in intermediate data are assessed and investigated.</p> <p>3.4.3 Statistical discrepancies and other potential indicators or problems in statistical outputs are investigated.</p> <p>3.5.1 Studies and analyses of revisions and/or updates are carried out and used internally to inform statistical processes (see also 4.3.3).</p>

Quality Dimensions	Elements	Indicators
<p>4. Serviceability <i>Statistics, with adequate periodicity and timeliness, are consistent and follow a predictable revisions policy.</i></p>	<p>4.1 Periodicity and timeliness—<i>Periodicity and timeliness follow internationally accepted dissemination standards.</i></p> <p>4.2 Consistency—<i>Statistics are consistent within the dataset, over time, and with major datasets.</i></p> <p>4.3 Revision policy and practice—<i>Data revisions follow a regular and publicized procedure.</i></p>	<p>4.1.1 Periodicity follows dissemination standards. 4.1.2 Timeliness follows dissemination standards.</p> <p>4.2.1 Statistics are consistent within the dataset. 4.2.2 Statistics are consistent or reconcilable over a reasonable period of time. 4.2.3 Statistics are consistent or reconcilable with those obtained through other data sources and/or statistical frameworks.</p> <p>4.3.1 Revisions and/or updates follow a regular and transparent schedule. 4.3.2 Preliminary and/or revised/updated data are clearly identified. 4.3.3 Studies and analyses of revisions are made public (see also 3.5.1).</p>
<p>5. Accessibility <i>Data and metadata are easily available and assistance to users is adequate.</i></p>	<p>5.1 Data accessibility—<i>Statistics are presented in a clear and understandable manner, forms of dissemination are adequate, and statistics are made available on an impartial basis.</i></p> <p>5.2 Metadata accessibility—<i>Up-to-date and pertinent metadata are made available.</i></p> <p>5.3 Assistance to users—<i>Prompt and knowledgeable support service is available.</i></p>	<p>5.1.1 Statistics are presented in a way that facilitates proper interpretation and meaningful comparisons (layout and clarity of text, tables, and charts). 5.1.2 Dissemination media and format are adequate. 5.1.3 Statistics are released on a preannounced schedule. 5.1.4 Statistics are made available to all users at the same time. 5.1.5 Statistics not routinely disseminated are made available upon request.</p> <p>5.2.1 Documentation on concepts, scope, classifications, basis of recording, data sources, and statistical techniques is available, and differences from internationally accepted standards, guidelines, or good practices are annotated. 5.2.2 Levels of detail are adapted to the needs of the intended audience.</p> <p>5.3.1 Contact points are publicized. 5.3.2 Publications, documents, and other services, including information on any charges, are widely available.</p>

Appendix IV. Oman: Users' Survey

With assistance from the Omani authorities and as a supplement to the IMF's assessment, the mission conducted a survey during October and November 2014 that targeted a wide-range of Oman's macroeconomic statistics that are published by the Central Bank of Oman (CBO), the Ministry of Finance (MOF) and the National Center for Statistics and Information (NCSI). With help from the CBO and NCSI, the questionnaires were forwarded to various users from the media, commercial banks, embassies, private non-financial corporations, academia, the public sector and other financial entities. The questionnaire covered five major datasets: National Accounts, Consumer Prices, Government Finance Statistics (GFS), Monetary Statistics and Balance of Payments statistics (BOP). The main goal behind conducting this survey was to determine users satisfaction as regards (1) data coverage and detail; (2) periodicity and timeliness; (3) other dissemination practices; and (4) accessibility. In addition, the users were asked to provide an overall assessment.

The mission received 23 survey responses. The result of the survey and the type of users are presented in Table 1, whereas the users' ratings are summarized in Table 2. The assessment below outlines a summary of all the responses to the survey questionnaire.

Overall assessment

The response rate was 66 percent (35 users were invited to participate in the survey). Users' overall opinion of the quality of official statistics remained broadly unchanged since the last such poll in 2004. On a scale of 1 to 5, with 5 being "excellent" and 1 being "poor," the average for all official statistics was 3.7 compared to 3.6 in 2004. Monetary statistics and prices were rated the highest while GFS received the lowest rating in terms of user satisfaction. The majority of users considered the quality of Oman's statistics to be the same as other countries in the region.

Coverage and Detail

Users were most satisfied with the detail level provided for monetary and CPI statistics and relatively less satisfied with GFS and national accounts. In their comments, a number of users requested additional detail in national accounts, GFS, and BOP statistics.

Periodicity and Timeliness

An overwhelming majority of users (over 90 percent) were satisfied with the compilation frequency of official statistics. On this benchmark, CPI and monetary statistics were rated the highest and BOP the lowest. The level of satisfaction with the timeliness of official statistics was considerably lower than with periodicity. While Users expressed a high level of satisfaction with the timeliness of prices, monetary statistics and GFS, they were less satisfied with National Accounts and BOP statistics. They stated that the significant lags in the publication of data prevent them from conducting analyses of current economic trends.

Accessibility

The vast majority of respondents (96 percent) access statistics via the official websites for all sectors, with equally highest rating given to CPI and monetary statistics. However, users expressed less satisfaction with the accessibility to the metadata across all sectors. Given the users' reliance on the official websites to obtain statistical data, some respondents stated that the creation of an interactive online database where users could select time series and frequency would significantly improve and facilitate access to data.

Table 7. Oman: Questionnaire Results Analyzed by Type of User

November 2014

Type of Respondent	Total Sent	Total Received	In Percent Received
Commercial banks	7	5	71
Media	5	1	20
Embassies and international organizations	3	2	67
Academia (researcher)	10	8	80
Public sector (central bank, ministries, nonfinancial corporations)	4	2	50
Think-tanks, consulting companies, and regulatory institutions)	6	5	83
Total	35	23	66

Table 8. Oman: Results of Oman Users' Survey November 2014
(in percentage of total responses)

General Information About Uses of Official Macroeconomic Statistics of Oman	
	Total Number of Responses (in percent)
1. Which official statistics do you use regularly?	
a. National accounts (NA)	74
b. Prices	91
c. Government finance statistics (GFS)	91
d. Monetary statistics (MFS)	83
e. Balance of payments (BOP)	61
f. Other	
• Production indices	43
• Labor market	65
• Merchandise trade	57
• International reserves and foreign currency liquidity	48
• External debt	48
• International investment position	43
• Other	17
2. Where do you obtain the official statistics?	
a. Official press releases and publications on macroeconomic statistics	96
b. Private sector summaries and analyses	30
c. Official policy papers	43
d. Publications from international organizations about Oman	78
e. Other sources	22
3. Do you refer to official descriptions of the sources and methods that were used to compile the official statistics?	
• Yes	73
• No	27
4. For what purposes do you use the official statistics?	
a. Analysis of current developments for short-term decision making	74
b. Analysis of trends for longer-term policy formulation	74
c. Econometric model building and forecasting	52
d. Economic research	74
e. Comparison with economic developments in other countries	65
f. General economic background	78
g. Other	13

Table 8. Oman: Results of Oman's User Survey November 2014 (cont'd)
(in percentage of total responses)

	NA	CPI	GFS	MFS	BOP		Average
5. Coverage and detail							
5.1 In general, are you satisfied with the coverage of official statistics?							
• Yes	84	78	70	95	80		81
• No	16	22	30	5	20		19
5.2 In general, are you satisfied with the official statistics in terms of their level of detail?							
• Yes	60	73	52	80	70		67
• No	40	27	48	20	30		33
6. Periodicity and timeliness							
6.1 Are you satisfied with the frequency of compilation of the official statistics (e.g., weekly, monthly, quarterly, annual)?							
• Yes	79	96	86	95	79		87
• No	21	4	14	5	21		13
6.2 In general, do you consider that the official statistics are disseminated with the appropriate timeliness (the time lag after the period to which they pertain (e.g., 60 days after the reference period))?							
• Yes	42	91	67	80	58		68
• No	58	9	33	20	42		32
7. Other dissemination practices							
7.1 Do you know if there is a publicly disseminated calendar that announces in advance the dates on which the various official statistics will be disseminated?							
• Yes	25	27	24	24	27		25
• No	75	73	76	76	76		75
7.2 If there is a calendar of release dates, in your experience, are the official statistics released on the dates announced?							
• Yes	31	38	31	38	38		35
• No	69	63	69	63	63		65
7.3 Is there enough information about revisions to official statistics?							
• Yes	53	57	58	58	58		57
• No	47	43	42	42	42		43
8. Accessibility							
8.1 Can you easily access the official statistics?							
• Yes	90	87	81	100	90		90
• No	10	13	19	0	10		10
8.2 Can you easily access information pertaining to the official statistics you use (explanatory notes, methodological descriptions, reference concerning concepts, classification, statistical practice)?							
• Yes	60	64	70	70	70		67
• No	40	36	30	30	30		33
8.3 Is the above information on methodology sufficiently clear and at an adequate level of detail to be useful to you?							
• Yes							48
• No							22
• No Opinion							30

Table 8. Oman: Results of Oman's User Survey November 2014 (cont'd)
(in percentage of total responses)

	NA	CPI	GFS	MFS	BOP		Average
8.4 How do you get access to official statistics?							
• Official releases							61
• Hard copy publications							57
• Data specifically requested							13
• Official website							96
• Other							9
• E-mail requests							9
9. Overall assessment							
9.1 In your opinion, is the underlying methodology of official statistics sound and appropriate?							
• Yes	83	90	84	94	89		88
• No	17	10	16	6	11		12
9.2 In general, do you consider the official statistics to be unbiased and accurate?							
• Yes	95	77	85	100	95		90
• No	5	23	15	0	5		10
9.3 How would you compare the quality of official statistics of Oman with those of other countries in the region?							
• Better	35	43	36	38	38		38
• Same	60	52	59	62	62		59
• Worse	5	4	5	0	0		3
9.4 How do you assess the overall quality of the official statistics? (1 rated as poor and 5 as excellent)							
(1=poor; 5 = excellent)	3.57	3.78	3.38	4.27	3.57		3.72

NA = National Accounts; Prices refers to: CPI (Consumer Price Index) and PPI (Producer Price Index);

GFS = Government Finance Statistics; Monetary = Monetary Statistics; and BOP = Balance of Payments Statistics

Box 1. Oman: Comments by Users of Macroeconomic Statistics

Additional comments, including areas where you see room for improvement:

Coverage and Detail

- Sometimes data is not provided in full: oil revenues data are only available after completion of transfers to the State General Reserve Fund (SGRF).
- Inflation, rent, water and fuel are grouped together. As a result, we are unable to analyze the potential impact of removal of oil subsidies.

Methodological Soundness

- Regarding GFS, it would be good to have figures on debt service to GDP ratio and other similar information.
- Lack of details on Government Finance and CPI data.
- More details could be provided on subsidies.
- Lack of details in published data, which requires more research on the end-user side.
- It will be more useful if projections on benchmark oil prices are based on a horizon of 5 years instead of the current practice of 1 year.
- The data provided is very general. If the data were more detailed, this would be very helpful in analyzing the economy, assessing its direction and forecasting realistically rather than on a hunch.
- It will be more useful if projections on national accounts at disaggregated levels (oil and non-oil, the latter at a further disaggregated level) are published in World Economic Outlook/Regional Economic Outlook for a longer horizon.
- There is a need for consistency in terminology along with other countries in the region.
- Need more details in relation to debt service, human capital (skilled), equity & equity premium, stock market data, e.g. debt/market capital ratios.
- The weight averages for WPI and CPI could be revised more frequently given how dynamic consumer behavior is.
- Absence of Quarterly Real GDP and BOP data.

Accuracy and Reliability

- Some data lack auditing and vetting by the competent agencies to verify its authenticity.
- Data are prepared singlehandedly by one entity, such as the Ministry of Finance, Ministry of the Economy or the Central Bank or else, instead of involving other relevant agencies.
- Some data are rounded to the column of thousands while they should be in millions' column, causing confusion to users.
- Some data contain large numbers that are close to the overall total.
- Some data are vaguely labeled (such as, uncategorized income).
- Some of the data published by NCSI contradict the statistics of other government agencies.
- There is a real and urgent need to improve the quality of statistics in national accounts. Labor market, production indices, and public finance.

Box 1. Oman: Comments by Users of Macroeconomic Statistics (concluded)

- There is a lack of communication regarding data revisions.
- Some data still appear as preliminary although it was published two years ago.

Serviceability

- Lack of communication regarding revisions and dissemination of new statistical data.
- Due to the absence of agencies that can examine the data and conduct comparisons, there is a need for more details on the release of official data.
- There are no periodic press releases on data issuance and dates.
- The monthly statistical bulletin should provide data for the last month. When it is updated, not all the data are always updated.
- Available data are not published promptly (often a few months after), which makes it difficult to conduct analysis of current trends.
- There is a lack of data related to private investment versus public investment.
- Annual data are published late.
- Some GFS and CPI data are published irregularly.
- Lack of Foreign Trade Data.

Accessibility

- Prices data are published monthly by only one or two government entities as a basket instead of the breakdown.
- Difficulties accessing data related to Domestic Household Savings and Investments.
- Difficulties accessing data related to Foreign Institutional Investment and Foreign Direct Investment (FII and FDI).
- Difficulties accessing education, health and poverty indicators.
- Data related to unemployment rates among the youth are not available.
- Most bulletins are not sufficient in terms of substance and details.
- Building an accessible database (like WEO database from the IMF).
- NCSI website is a very good source of information. However, it still needs a lot of improvements.
- Some macroeconomic data provided by CBO and other agencies are published only in Arabic, which makes it hard for non-Arabic speakers

Source: Users' survey of Oman's macroeconomic statistics: October–November 2014.