OMAN TO INCREASE AIR TRAFFIC FEES AS IT GRAPPLES WITH BUDGET DEFICIT

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Oman's Public Authority for Civil Aviation (PACA) will raise fees charged for air traffic through the sultanate, the authority's chief executive Mohammed Al Zaabi told the official Oman News Agency.

The decision is part of a series of steps by Oman to strengthen state finances as it grapples with a big budget deficit caused by low oil prices.

In January it cut domestic gasoline price subsidies; earlier this month it raised prices of water for state, commercial and industrial users, and it is about to cut liquefied petroleum gas subsidies for such users.

The new aviation tariff is expected to increase PACA's revenues by more than 25 per cent, improving the sector's contribution to the state budget, Mr Al Zaabi said in a statement.

He told Reuters by telephone late on Saturday that the new tariff would be based not merely on the weight of aircraft, as at present, but also on other factors such as distance.

"This year we were expecting revenues of 50 million Omani rials ($130 million). With the new tariff we expect to add around 30 per cent more. We expect another 15 million rials."

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