

Analysis and Impact of Monetary Policy during Covid-19 and Pre Covid-19 on Economic Growth— A Case of Sultanate of Oman

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Abstract— The purpose of monetary policy as a strategy of economic management is to achieve long-term economic growth and development. As noted by Onyewu (2012), this was the chase of states and the formal illustration of how money effects economic numbers. This viewpoint extends back to Adam Smith's time and was later supported by monetary economists. Since describing the function of monetary policy in impacting macroeconomic goals such as economic growth and development, including job creation, price stability, GDP growth, balance of payments balance, and a variety of other monetary authorities. It is primarily responsible for utilizing monetary policy to design and implement strategies aimed at bringing the economy back into balance. Furthermore, monetary policy is not the only factor affecting GDP, employment, and prices. Many additional factors influence aggregate demand and supply, and hence the economic position of sectors of the economy. Some of these factors, such as shifts in economic growth, creditor positions, environmental catastrophes, disruptions in the oil market that reduce supply, agricultural losses, and slowdowns in productivity growth, can be expected and integrated into spending and other economic decisions. They are absolutely unexpected and have an unforeseen impact on the economy.

Index Terms: Money, Crisis, Monetary policy, Constraints.

INTRODUCTION

As Dilshad Ahmad, the significance of monetary policy in terms of economic growth. Monetary policy aids in the stabilization of an economy and the expansion of a country's GDP. Through the implementation of appropriate monetary policy

measures to manage inflation and boost economic growth, a stable exchange rate policy has assured that the country's growth has been enhanced. Inflation has little impact on the poor and their lives, so adopting monetary policies to reduce inflation and promote economic phenomena is a good idea. Interest rates are a more significant variable in the monetary sector, and it is necessary to offer a good interest rate in order to entice foreign and local investors to invest in the country, which will considerably boost economic growth

Hameed et al. give an overview of how monetary authorities' policies impact macro variables such as GDP, money supply, interest rates, exchange rates, and inflation using the least squares approach. OLS showed that restrictive monetary policy (in the form of higher interest rates) has a considerable negative impact on output, implying that an increase in money supply has a big positive influence on inflation but has a negative impact on output.

As Moursi and El Mossallamy, 2010. Studied that the economy of Egypt is fluctuated by inflation rate, they determine that the impact of a monetary policy negative shocks that are more significant on the output instead of on the inflation, implying that an expansionary monetary policy can boost economic growth without putting too much downward pressure on prices and analyzed it that monetary policy in the Egypt.

As said by Georgyldrisov, Maria Kazakova and Andrey Polbin, 2015. The impact of world oil prices on Russia's economic growth and output growth rate is examined. The authors believe that since the early

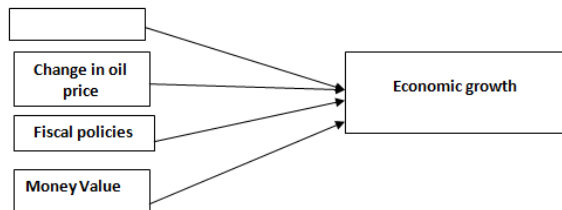
2000s, when the economy was recovering, the impact of oil prices on output has dropped dramatically under present economic conditions. They also study that steady rise in oil prices has little effect on the rate of long-term economic growth and only predicts short-term transitional trends from one long-term equilibrium to another. The rise in oil prices would correspond to an increase in aggregate income for domestic economic agents as well as an increase in demand for both imported and domestic goods.

The COVID-19 pandemic devastated Latin America and the Caribbean at a period when both economies and macroeconomic stability were in trouble. The rate of regional GDP growth fell from 6% to 0.2 percent in the decade following the global financial crisis (2010–2019); additionally, growth in the 2014–2019 period was the lowest since the 1950s (0.4 percent) (see figure 1).

The buildup of fiscal deficits in Latin America (2.7 percent on average over the last decade) boosted central governments' gross public debt, which in 2019 averaged 44.8 percent of GDP, up 15 percentage points from the 2011 low. Debt levels varied widely from country to country, ranging from less than 25% of GDP in Paraguay and Peru by the end of 2019 to significantly higher percentages in Argentina, Brazil, and Costa Rica: 89.4%, 75.8%, and 61.3 percent, respectively.

Conceptual framework

The success and the effectiveness of operations of Central Bank of Oman towards the economic development of Oman is highly dependent on the economic policies and components. This research consists of different variables that determine the success of the study sum being independent and other being dependent variables. Some independent variables include Interest Rate, fiscal policies, Money Supply and oil price. Dependent variables include economic growth.



Framework: Figure1: conceptual framework of CBO operation to the economic growth.

RESEARCH GAP

The existing researchers have mainly focused on how the banking system have contributed to the economic growth and development in general. These researchers also focus on how the Central banks impacts the growing countries at large. This proposed study will focus on how the central bank respond to manage the economic crisis. The research is focused on obtaining the contribution and the role that the Central Bank of Oman played towards the recovery of Oman’s economy from the Covid-19 pandemic that paralyzed the entire global economy.

RESEARCH METHODOLOGY

Research Design and Procedure

As a result, we'll concentrate on descriptive, correlation and regression, and by running it, we'll arrive at a conclusion; additionally, we'll use Excel to provide a good and accurate results for the secondary data. It serves as a blueprint for data collection, measurement, and analysis. Design is the process of rationally and cogently combining the many components of the study, ensuring that you will properly handle the research issue.

Statement of the Problem

Whether monetary policy measures have any effect on Oman's economy. The purpose of this research is to examine the influence of monetary policies implemented over the years on economic development.

Aims and Objectives of the study.

- 1 To understand and analyze the changes made in monetary policy during covid-19.
- 2 To analyze and understand the significance of Fiscal deficit or surplus, Interest rate, Money supply and oil price will affect the economic growth.

Research questions:

- 1 Will the interest rate effect the economic growth?
- 2 Would the money supply effect the economic growth?
- 3 If there is change in oil price effect the economic growth?

Scope and limitation:

This study is to focus on the effects of monetary policy adapted during the tough times like covid-19 which can be used further during the emergency situations by any country. On a macro level, Central banks manage borrowing and lending costs through influencing interest rates and participating in open market operations managing economic growth, stability, and Inflation.

The research faces time constraints and burden of studying other courses while conducting research. To access the financial information for the period of pre Covid and during Covid is subjected to lot of restrictions. The applicability of this study may

depend on the countries development stage, investment policy of the country and the natural resources available in the country.

Significance of the study

How this pandemic has changed the economic situation of the country? This study will benefit the researchers and users in understanding the factors that affects the economy during and before COVID-19. However, it allows them to compare between the results of different nations around the world. So, they can identify which factor directly influences the economic and which is not.

Data

Year	Month	Y	X1	M2	IBIR	Price OMR	%Fiscal Surplus (dificit)
		Expenditure	Fiscal surplus/dificts		X2		Y
2021	Dec			20220.800	0.369	28.02	0
2021	Nov	923.7	271.8	20104.300	0.413	30.73	0.2943
2021	Oct	941.7	23.5	19979.400	0.447	31.55	0.0250
2021	Sep	1015	20	19976.300	0.438	27.99	0.0197
2021	Aug	962.4	154.1	19886.400	0.482	26.48	0.1601
2021	July	950.2	-97.3	19955.400	0.420	28.18	-0.1024
2021	June	1028.2	-217.9	20110.900	0.336	27.61	-0.2119
2021	May	845	-63.2	20279.000	0.405	25.53	-0.0748
2021	Apr	1026.7	-76	20041.500	0.394	24.2	-0.0740
2021	Mar	1021.3	-294.8	19843.800	0.547	24.54	-0.2887
2021	Feb	832	-173.6	19874.000	0.547	23.25	-0.2087
2021	Jan	716.6	-282.9	19533.700	0.610	20.61	-0.3948
2020	Dec	3123.6	-1852.1	19337.200	0.700	18.74	-0.5929
2020	Nov	763	-339.7	19099.100	0.948	16.26	-0.4452
2020	Oct	786.4	-295.3	19090.600	0.859	15.34	-0.3755
2020	Sep	968.5	-511	19306.800	0.780	15.61	-0.5276
2020	Aug	772.7	-407.2	19158.600	1.100	16.7	-0.5270
2020	July	1082.1	-723.8	19062.000	0.977	16.18	-0.6689
2020	June	1112.1	-658.1	18838.200	1.570	15.17	-0.5918
2020	May	896.7	-394.3	19039.000	1.552	11.68	-0.4397
2020	Apr	1053.5	189.3	18935.700	1.836	8.09	0.1797
2020	Mar	942.8	279.7	18853.500	2.088	12.38	0.2967
2020	Feb	789.5	28.3	18008.600	1.868	20.51	0.0358
2020	Jan	919.7	-344.4	17921.600	1.865	23.7	-0.3745
							-0.4442
2019	Dec	1703.4	-756.6	17751.600	2.139	24.36	0.0395
2019	Nov	828.5	32.7	17410.800	2.163	23.22	-0.3709
2019	Oct	1037.4	-384.8	17524.900	2.397	22.02	-0.1698
2019	Sep	976.7	-165.8	17391.200	2.675	23.09	-0.3464
2019	Aug	1091	-377.9	17253.800	2.736	22.17	-0.2717
2019	July	1251.9	-340.2	17330.700	2.770	23.64	-0.2748
2019	June	1099.9	-302.2	17275.700	2.744	22.98	-0.2115
2019	May	1065.2	-225.3	17250.000	2.668	25.7	0.1777
2019	Apr	989.9	175.9	17075.400	2.638	26.37	-0.3584
2019	Mar	1217.6	-436.4	17110.100	2.581	24.53	0.2132
2019	Feb	749.2	159.7	16792.900	2.463	23.5	-0.0307
2019	Jan	1052.8	-32.3	16677.700	2.415	21.76	-0.3792
2018	Dec	2033.6	-771.2	17400.300	2.141	20.75	0.1994
2018	Nov	827.8	165.1	16892.300	2.301	23.96	-0.1189
2018	Oct	1067.3	-126.9	16659.200	2.317	29.5	-0.0728
2018	Sep	1161.4	-84.5	16530.900	2.230	28.98	-0.1915
2018	Aug	972.1	-186.2	16517.000	2.209	27.33	-0.2036

2018	July	1182.9	-240.8	16463.200	2.417	27.94	-0.2658
2018	June	1166.5	-310	16618.600	1.896	27.68	-0.2380
2018	May	1207.9	-287.5	16482.500	1.831	28.23	-0.0485
2018	Apr	1173.1	-56.9	16236.100	1.714	26.45	-0.1316
2018	Mar	1069.2	-140.7	16444.600	1.330	24.67	-0.3026
2018	Feb	877.5	-265.5	16371.300	1.356	24.4	-0.4013
2018	Jan	860	-345.1	16289.900	1.195	25.47	0.0503
2017	Dec	719	36.2	16068.700	1.263	23.53	-0.1315
2017	Nov	741.5	-97.5	16146.900	1.214	23.04	-0.2475
2017	Oct	803.3	-198.8	16055.400	1.146	21.12	-0.2702
2017	Sep	828.7	-223.9	16109.000	1.281	20.36	-0.2232
2017	Aug	855.8	-191	16129.400	1.237	19.2	-0.1799
2017	July	846.2	-152.2	15969.600	1.225	18.33	-0.3673
2017	June	1083.1	-397.8	16130.700	0.978	17.75	-0.2815
2017	May	1073.9	-302.3	16122.000	0.616	19.18	-0.1676
2017	Apr	1064.9	-178.5	16068.100	0.438	20.06	-0.4422
2017	Mar	1258.9	-556.7	16002.100	0.443	19.57	-0.3316
2017	Feb	983.3	-326.1	15813.300	0.430	20.9	-0.6879
2017	Jan	976.5	-671.7	15587.200	0.370	20.61	0.0462
2016	Dec	1128.9	52.2	15423.700	0.470	20.23	-0.1591
2016	Nov	827.4	-131.6	15603.600	0.475	17.4	-0.4136
2016	Oct	915.9	-378.8	15484.200	0.463	18.95	-0.2357
2016	Sep	765.7	-180.5	15539.700	0.403	17.32	-0.3978
2016	Aug	875.1	-348.1	16002.900	0.346	17.26	-0.4523
2016	July	1150.9	-520.6	15808.000	0.300	16.97	-0.7480
2016	June	1285.9	-961.9	15545.400	0.412	18.34	-0.3472
2016	May	988.1	-343.1	15483.400	0.385	17.66	-0.4476
2016	Apr	1243.4	-556.6	15700.700	0.401	15.67	-0.4469
2016	Mar	964	-430.8	15526.900	0.578	14.36	-0.5673
2016	Feb	1224.4	-694.6	15216.800	0.356	11.93	-0.5688
2016	Jan	907.3	-516.1	15192.100	0.271	11.45	

Year	Month	Lag Fiscal ratio	Change in IBIR	Change in MS	Change in Oil Price		Covid
		X1	X2	X3	X4	X5	X5
2021	Dec	0.2943	-0.1065	0.006	-0.0882	0.006	1
2021	Nov	0.0250	-0.0761	0.006	-0.0260	0.006	1
2021	Oct	0.0197	0.0205	0.000	0.1272	0.000	1
2021	Sep	0.1601	-0.0913	0.005	0.0570	0.005	1
2021	Aug	-0.1024	0.1476	-0.003	-0.0603	-0.003	1
2021	July	-0.2119	0.2500	-0.008	0.0206	-0.008	1
2021	June	-0.0748	-0.1704	-0.008	0.0815	-0.008	1
2021	May	-0.0740	0.0279	0.012	0.0550	0.012	1
2021	Apr	-0.2887	-0.2797	0.010	-0.0139	0.010	1
2021	Mar	-0.2087	0.0000	-0.002	0.0555	-0.002	1
2021	Feb	-0.3948	-0.1033	0.017	0.1281	0.017	1
2021	Jan	-0.5929	-0.1286	0.010	0.0998	0.010	1
2020	Dec	-0.4452	-0.2616	0.012	0.1525	0.012	1
2020	Nov	-0.3755	0.1036	0.000	0.0600	0.000	1
2020	Oct	-0.5276	0.1013	-0.011	-0.0173	-0.011	1
2020	Sep	-0.5270	-0.2909	0.008	-0.0653	0.008	1
2020	Aug	-0.6689	0.1259	0.005	0.0321	0.005	1
2020	July	-0.5918	-0.3777	0.012	0.0666	0.012	1
2020	June	-0.4397	0.0116	-0.011	0.2988	-0.011	1
2020	May	0.1797	-0.1547	0.005	0.4438	0.005	1
2020	Apr	0.2967	-0.1207	0.004	-0.3465	0.004	1
2020	Mar	0.0358	0.1178	0.047	-0.3964	0.047	1
2020	Feb	-0.3745	0.0016	0.005	-0.1346	0.005	1
2020	Jan	-0.4442	-0.1281	0.010	-0.0271	0.010	1
		0.0395	-0.0111	0.020	0.0491	0.000	0
2019	Dec	-0.3709	-0.0976	-0.007	0.0545	0.000	0
2019	Nov	-0.1698	-0.1039	0.008	-0.0463	0.000	0
2019	Oct	-0.3464	-0.0223	0.008	0.0415	0.000	0
2019	Sep	-0.2717	-0.0123	-0.004	-0.0622	0.000	0
2019	Aug	-0.2748	0.0095	0.003	0.0287	0.000	0
2019	July	-0.2115	0.0285	0.001	-0.1058	0.000	0

2019	June	0.1777	0.0114	0.010	-0.0254	0.000	0
2019	May	-0.3584	0.0221	-0.002	0.0750	0.000	0
2019	Apr	0.2132	0.0479	0.019	0.0438	0.000	0
2019	Mar	-0.0307	0.0199	0.007	0.0800	0.000	0
2019	Feb	-0.3792	0.1280	-0.042	0.0487	0.000	0
2019	Jan	0.1994	-0.0695	0.030	-0.1340	0.000	0
2018	Dec	-0.1189	-0.0069	0.014	-0.1878	0.000	0
2018	Nov	-0.0728	0.0390	0.008	0.0179	0.000	0
2018	Oct	-0.1915	0.0095	0.001	0.0604	0.000	0
2018	Sep	-0.2036	-0.0861	0.003	-0.0218	0.000	0
2018	Aug	-0.2658	0.2748	-0.009	0.0094	0.000	0
2018	July	-0.2380	0.0355	0.008	-0.0195	0.000	0
2018	June	-0.0485	0.0683	0.015	0.0673	0.000	0
2018	May	-0.1316	0.2887	-0.013	0.0722	0.000	0
2018	Apr	-0.3026	-0.0192	0.004	0.0111	0.000	0
2018	Mar	-0.4013	0.1347	0.005	-0.0420	0.000	0
2018	Feb	0.0503	-0.0538	0.014	0.0824	0.000	0
2018	Jan	-0.1315	0.0404	-0.005	0.0213	0.000	0
2017	Dec	-0.2475	0.0593	0.006	0.0909	0.000	0
2017	Nov	-0.2702	-0.1054	-0.003	0.0373	0.000	0
2017	Oct	-0.2232	0.0356	-0.001	0.0604	0.000	0
2017	Sep	-0.1799	0.0098	0.010	0.0475	0.000	0
2017	Aug	-0.3673	0.2526	-0.010	0.0327	0.000	0
2017	July	-0.2815	0.5877	0.001	-0.0746	0.000	0
2017	June	-0.1676	0.4064	0.003	-0.0439	0.000	0
2017	May	-0.4422	-0.0113	0.004	0.0250	0.000	0
2017	Apr	-0.3316	0.0302	0.012	-0.0636	0.000	0
2017	Mar	-0.6879	0.1622	0.015	0.0141	0.000	0
2017	Feb	0.0462	-0.2128	0.011	0.0188	0.000	0
2017	Jan	-0.1591	-0.0105	-0.012	0.1626	0.000	0
2016	Dec	-0.4136	0.0259	0.008	-0.0818	0.000	0
2016	Nov	-0.2357	0.1489	-0.004	0.0941	0.000	0
2016	Oct	-0.3978	0.1647	-0.029	0.0035	0.000	0
2016	Sep	-0.4523	0.1533	0.012	0.0171	0.000	0
2016	Aug	-0.7480	-0.2718	0.017	-0.0747	0.000	0
2016	July	-0.3472	0.0701	0.004	0.0385	0.000	0
2016	June	-0.4476	-0.0399	-0.014	0.1270	0.000	0
2016	May	-0.4469	-0.3062	0.011	0.0912	0.000	0
2016	Apr	-0.5673	0.6236	0.020	0.2037	0.000	0
2016	Mar	-0.5688	0.3137	0.002	0.0419	0.000	0
2016	Feb					0.000	0
2016	Jan						

DATA ANALYSIS

Descriptive analysis

Descriptive analysis is a kind of data analysis that helps to explain, show, or summarize data points in a constructive way so that trends can develop that match all of the data's conditions. It is one of the most significant phases in statistical data analysis.

Descriptive Analysis	Y	X1	X2	X3	X4
Mean	-0.2329	-0.2410	0.0194	0.0041	0.0196
Minimum	-0.7480	-0.7480	-0.3777	-0.0415	-0.3964
Maximum	0.2967	0.2967	0.6236	0.0469	0.4438
Count	71	71	71	71	71

Table 1: The table above shows in detail the descriptive analysis.

As the table 1 shows, We take 71 month to get the data for y and x1, x2, x3 and x4 We saw that the highest value of the mean is X4. on the other hand, the lowest value of the mean X1.

By collecting the data we got the minimum number in Y and X1 is -0.7480, for X2 is -0.3777, for X3 is -0.0415 and for X4 is -0.3964.

The maximum number obtained during data collection in y and X1 is 0.2967, for X2 is 0.6236, for x3 is 0.0469 and X4 is 0.4438.

Correlative analysis

Correlation analysis is a statistical tool for determining the strength of a link between two variables.

This form of analysis is helpful when a researcher wants to see whether there are any probable relationships between variables.

Correlation analysis	Y	X1	X2	X3	X4
Y	1.0000				
X1	0.4205	1.0000			
X2	0.0718	-0.0866	1.0000		
X3	-0.0945	0.1797	-0.1965	1.0000	
X4	-0.3555	-0.1658	-0.0218	-0.2910	1.0000

Table 2: The table above shows in detail the correlation analysis.

As we see in the table 2, that Y has positive medium relationship with X1 and it's the highest between all correlation. However the lowest correlation is X4 and it has negative weak relationship with Y.

As the table shown above that X1 has positive weak relationship with X3. However, the lowest relationship with X4 and its weak negative relation with X1.

Regression analysis

Regression analysis is a reliable way for determining which factors have an effect on a particular topic of interest. The method of doing a regression allows you to reliably establish which elements are most important, which can be ignored, and how these factors interact with one another.

We do the regression analysis for three times first one is during and before covid-19 and second one before covid-19 the last one is for during covid-19 to check what will be significant with y .

If the p-value less than 0.05 (p-value ≤ 0.05) is statistically significant . on the other hand , A p-value higher than 0.05 (p-value > 0.05) is not statistically significant .

	Coefficients	P-value
α	-0.0997	0.0080
X1	0.4092	0.0002
X2	0.0627	0.6474
X3	-5.1565	0.0173
X4	-0.7493	0.0011

Table 3: The table above shows in detail the regression analysis in before & during covid-19.

As the table3 above shows , in before and during covid-19 the X3 It has a stronger significant than the other and it has a negative relationship with y on the other hand , X2 it will not be significant.

	Coefficients	P-value
α	-0.1677	0.0014
X1	0.2056	0.1630
X2	-0.0730	0.6646
X3	-6.6458	0.0100
X4	-0.0967	0.8138

Table 4: The table above shows in detail the regression analysis in before covid-19.

As showing in the table 4, in before covid-19 the X3 It has a stronger significant than the other and it has a positive relationship with y . on the other hand , X1,X4 and X2 it will not be significant .

	Coefficients	P-value
α	-0.0406	0.37108
X1	0.5990	0.00004
X2	0.4149	0.07300
X3	1.5759	0.62624
X4	-0.7059	0.00441

Table 5: The table above shows in detail the regression analysis in during covid-19.

As we can see in the table 4 , that in during covid-19 the X3 It has a stronger significant than the other and it has a negative relationship with y . on the other hand , α ,X2 and X3 it will not be significant

FINDINGS

This research is an analysis and the impact of monetary policy before and during Covid-19 on economic growth, and this study shows that there is an impact of monetary policy on economic growth. In this research, we collected data from the monthly statistical bulletin and other sources and collected data from January 2016 to November 2021. And we got the following results:

The equation we used:

$$Y = \alpha + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + \beta_4 X_4$$

Y: %Fiscal Surplus (deficit) X1: Lag Fiscal ratio

X2: Change in IBIR X3: Change in MS

X4: Change in Oil Price

The result for impact of monetary policy during and pre covid-19 on economic growth :

$$Y = -0.099 + 0.409X_1 + 0.062X_2 - 5.16X_3 - 0.749X_4$$

α → it has significant relationship (P-value of 0.008) with Y . when we increase α the y will decrease

X1 → it has significant relationship with Y (P-value of 0.0002) .when we increase α the y will increase

X2 → it not has any significant relationship with Y (P-value of 0.647)

X3 → it has significant relationship with Y and when we increase X3 the y will decrease

X4 → it have significant relationship with Y and when we increase X4 the y will decrease

As the results above shows that all monetary policy's effect the Y expect X2. as Hameed et al. showed that restrictive monetary policy (in the form of higher interest rates) has a considerable negative impact on output, implying that an increase in money supply has a big positive influence on inflation but has a negative impact on output.

The result for impact of monetary policy pre covid-19 on economic growth

$$Y = -0.1677 + 0.2056X1 + 0.0730X2 - 6.64X3 - 0.096X4$$

α → it has significant relationship with Y (P-value of 0.001). when we increase α the y will decrease

X1 → it not has any significant relationship with Y (P-value of 0.163)

X2 → it not has any significant relationship with Y (P-value of 0.664)

X3 → it has significant relationship with Y (P-value of 0.001). and when we increase X3 the y will decrease

X4 → it not has any significant relationship with Y (P-value of 0.813)

As the results above that shows α and X3 only has significant relationship with y. As Georgeldrisov, Maria Kazakova and Andrey Polbin said, 2015 that a steady rise in oil prices has little effect on the long-term economic growth rate and only predicts short-term transitional trends from one long-term equilibrium to another and that it is why the change in oil and price don't have significant relationship with Y.

The result for impact of monetary policy during covid-19 on economic growth:

$$Y = -0.040 + 0.599X1 + 0.414X2 + 1.57X3 - 0.705X4$$

α → it not has any significant relationship with Y (P-value of 0.371)

X1 → it has significant relationship with Y (P-value of 0.0004).when we increase X1 the y will increase

X2 → it has significant relationship with Y (P-value of 0.007). when we increase x2 the y will increase

X3 → it not has any significant relationship with Y (P-value of 0.626).

X4 → it has significant relationship with Y (P-value of 0.004) when we increase X4 the y will decrease

As result that shows X1, X2 and X3 that have significant relationship with Y. As Dilshad Ahmad, Interest rates are a more significant variable in the monetary sector, and it is necessary to offer a good interest rate in order to entice foreign and local investors to invest in the country, which will considerably boost economic growth .

DISCUSSIONS

In short, The monetary effect and impact on policy on economic growth in Oman during pre covid-19 and during covid-19 was major as we explained it in details in each chapter. In chapter 1, we mentioned how the last two years affected not just Oman economy but the whole world as well and how central bank manage to stabilized the country economy in terms working with supreme committee for maintaining health in the country during the covid-19 pandemic. In addition, increasing the oil price to 100 dollars per barrel. In chapter 2, we explained other researchers on the process and also responsibilities in controlling the economic in the world which shows the strength and advantages of our research and how it is important. Moving to chapter 3, We cleared about the novel coronavirus (covid-19) outbreak has affected the economy in big losses, customer demands and suppliers relationships and more. Some organization business operation expected to close for good due to suffer heavy losses so both public and private companies taken help measures from central bank. Moreover, we collected the data and then interpret it using different methods to allow users to understand easily. Comes to chapter 4, where we showed a presentation of analysis and discussion of results of the study. We collected different types of data and we analyzed in different way. Chapter 5, is the findings and discussion on analysis and impact of monetary policy before and during covid-19 on economic growth and we conducted that by collecting data monthly

statistically bulletin and other sources from 2016 to 2021. Last chapter, we explained of how analysis we used in research been the factors in monetary policy tools such as: legal fiscal ratio (X1), Interest rate (X2), Money supply (X3) and change in oil price (X4) and also economic growth surplus/ deficits in change prices.

RECOMMENDATIONS

The pandemic came all of a sudden countries around the globe were not aware of this kind of disaster previously, some countries digested fast the effect of the pandemic but some countries could not take immediate action and their economy smashed. The Sultanate was also affected by the pandemic, especially in Oil price and Tourism, which are the two major, income for the country. Our recommendation for the country to survive and come out from the economic loss from the below following:

The country started the VAT

The application of VAT in the country helped Oman to breathe out some pandemic damages. The country got a huge source of income it was not in favor of the public, but the country benefited from this VAT application.

Reduction of interest rate

The Central bank of Oman gives an order to the private banks to reduce the interest rate for the small and medium and the public to get out from the pandemic business closure effect, which damaged their business for Twelve-month in raw.

Diversification in the country portfolio

Suggesting the country to figure out other sources of income rather than Oil and tourism, which will not get affected by any other future pandemic business and border closure, which happened last year. And they should give a huge priority to the Duqm port because it is the heart of the business for the country because of its geographic location.

Give importance to youth empowerment

The country should give importance to the youth because they are more technically advanced than the older generation's rigid mindset which their not ready for the change. The country should give importance

to technology and manufacturing. One of the major objectives of His Majesty Sultan Haitham for his plan of 2040 is to give importance to the small and medium enterprises and give importance to the youth, that is why the Sultanate established a Ministry for the Youth.

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