

Landscape Discussion of Oil Rents and Primary Government Expenditure Budget

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<https://doi.org/10.58458/ipnj.v12.01.06.0079>

Received: 20 June 2022

Reviewed: 11 August 2022

Accepted: 14 October 2022

Abstract

Purpose: This study compares Malaysia's oil rent dynamics and primary government approved budget (PGEB) with other major oil-exporting countries. This study reviews the annual time series data from 2005 to 2020 of oil rents and PGEB.

Methodology: The outcomes derived from meta-analysis approach are presented in graphical comparisons of oil rents and PGEB of Malaysia with other oil exporters. A horizontal comparison was also carried out. Kuwait, Saudi Arabia, Nigeria, Kazakhstan, Brazil, and the Russian Federation were selected as relevant oil exporters.

Findings: Referring to the historical graphical presentation, the oil market fluctuations were linearly aligned to the budget figure among oil exporters. The study results portray historical connections between oil rents and PGEB in the context of Malaysia and other oil exporters, which may be beneficial to policymakers and practitioners in their decision-making process.

This article is part of a research on The Association of Primary Government Expenditures Out of Approved Budget with Oil Revenues, supported by the Accountant General's Department of Malaysia through *Geran Penyelidikan Perakaunan dan Kewangan Sektor Awam Tahun 2022* (JANM.IPNC PD.100-3/3/2 Jld. 3(31)).

Practical Implications: The findings that display the historical connections of Malaysian oil rents and PGEB with other oil exporters serve as a guideline to policymakers and practitioners.

Originality/Value: In addition to the Malaysian setting, the scenario of other oil exporters amplifies the dynamics of oil rents on PGEB formulation.

Keywords: Oil rents, primary government, approved budget, crude oil, Malaysian economy.