

IN THIS EDITION ...

With modern telecoms infrastructure and investor-friendly regulations in place, the kingdom is in a better position to restart its economy after the pandemic.

The reset of the global economy gives us pause, as governments rethink priorities, companies reboot and people reconsider what is really important.

The coronavirus may have stopped the global economy in its tracks, but it also offers a lens to forward-thinking companies and countries to see the crisis as an opportunity to bring in new innovations and technologies to turbo-charge growth for the post-coronavirus economy.

A key trend that has emerged during the crisis is people's reliance on the Internet, communications and technology infrastructure. Countries with strong telecom and technology platforms have been able to fare better than countries that are lagging in networking capacity.

Saudi Arabia has been moving swiftly to boost its ICT capacity even before the crisis, but the pandemic will likely sharpen focus on 4th industrial revolution technologies. Technologies such as 5G, e-commerce, artificial intelligence, blockchain, robotics, telemedicine and remote computing, and networking will likely become more popular long after the lockdown eases.

Another key aspect of the crisis is that there is a discount on strong assets and profitable projects, and governments are willing to be more accommodating to attract investments once the crisis is over. Saudi Arabia, once again, should find itself in a strong position to rebound quickly as it has already initiated a number of reforms and revised legal and regulatory frameworks to attract investors.

Expect authorities to accelerate the Saudi Vision 2030 programme as it already outlines some of the key issues that the virus has taught us: the importance of developing a strong diversified economy, boosting investments in high-valued industries, creating robust logistics networks, developing a world-class ICT infrastructure and creating a skilled workforce for the 21st century.

The 2030 blueprint already shows the path to growth and prosperity post-coronavirus.



ECONOMIC TRENDS

The government has introduced a series of initiatives aimed at helping businesses, especially SMEs, recover from the COVID-19 shock.

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OIL AND GAS

Major oil producers have agreed to a production ceiling in a bid to stop crude's downward trajectory.

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HEALTHCARE

Years of investing in healthcare and social development have paid off as the country proves its ability to respond to a widespread health crisis.

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INVESTMENT

International capitalists with deep pockets are seeing the kingdom as ripe for growth, as the government moves toward a knowledge-based economy.

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SME

Access to much-needed funding has been a lifesaver as businesses struggle to keep their heads above water during these troubled times.

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TRADE

With more than SAR 7 billion in investment, the kingdom has set its sights into modernising a key container terminal in Dammam.

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SAUDI TAKES MEASURES TO ENSURE NON-OIL SECTOR REBOUNDS



As the impact of coronavirus deepens, Saudi Arabia has taken additional measures to provide financial help to the private sector.

A number of countries across the world have rolled out stimulus packages, and recalibrated their monetary and fiscal policies to ensure businesses can survive the downturn brought about by the coronavirus disease.

The [Saudi authorities](#) have also announced new initiatives valued at SAR 70 billion that target the private sector, especially small businesses, to help them ride out the storm and protect jobs.

A key component of the package is the undertaking by the Saudi government to bear 60% of the salaries of the Saudi private sector at a cost of SAR 9 billion, via its existing SANED programme.

Companies that wish to benefit from the SANED social insurance system should submit their applications through the [General Organization for Social Insurance](#) (GOSI) portal www.gosi.gov.sa.

“In a statement, the GOSI said that the entitlement will be from the month following the month in which the subscriber submitted for the payment request, pointing out that the deadline for receiving the payment requests will be according to the date that the enterprise submits the request,” according to the [Saudi Press Agency](#).

FURTHER ASSISTANCE

Other key measures include allocating around SAR 50 billion to expedite

due payments of the private sector, according to the [Ministry of Finance](#). In addition, the Saudi government would discount electricity bills for consumers in commercial, industrial and agricultural sectors for a period of two months (April and May) by around 30%, with the possibility of extension, if needed.

Another option provided to the industrial and commercial sector is to cut electricity bills for the months of April, May and June by 50%, with the remaining dues collected in equal instalments for a period of six months starting from January 2021, with the caveat that they could be postponed further. The two measures will have a budget of SAR 900 million.

The [government](#) will also provide a minimum salary to individuals working with the Public Transport Authority.

In addition, the [Saudi Cabinet](#) has moved swiftly to require companies that are majority state-owned to give preference to local content and small and medium enterprises, which will increase economic momentum and create demand for domestic products and services.

The initiatives are essential to preserve the country's economy and ensure that the recovery is not disrupted by lack of labour availability. The Saudi authorities' move to pay a portion of private sector wages may turn out to be the most consequential as it would allow companies to hit the ground running to take advantage of pent-up demand.

These measures come in addition to the Saudi Arabian Monetary Authority SAR 50 billion stimulus package, aimed at supporting the economy.

RATINGS AGENCIES

In March, [S&P Global](#) affirmed Saudi Arabia's sovereign credit ratings at 'A-/A-2' with a stable outlook, noting that the kingdom's strong net asset-stock position on its fiscal and external balances continues to be a key ratings support.

[Fitch Ratings](#) also affirmed Saudi Arabia's A ratings with stable outlook.

“We expect the government budget deficit to spike to about 12% of GDP in 2020 (roughly USD 80 billion), from 4.5% of GDP in 2019,” Fitch said in a report in April. “We expect that oil revenue will be down 41% assuming an average oil price of USD35/bbl and average production of 11.5 million barrels/day. We expect non-oil revenue to be down 15% as a result of the coronavirus pandemic.”

The government recently raised its debt ceiling to 50% from 30% of GDP, and Fitch forecasts Saudi debt at about 36% of GDP by 2021, from 23% of GDP in 2019. Last month, the [Ministry of Finance](#) said it had raised SAR-denominated sukuk in three tranches with a combined value of SAR 15.57 billion.

Latest forecast from the [International Monetary Fund](#) projects Saudi economy to contract 2.3% this year, on account of the coronavirus lockdown, which has frozen the global economy. Oil GDP will remain flat, with non-oil contracting 4%. However, the kingdom's economy will fare better than regional MENA exporters, which will see a 4.2% contraction this year.

The domestic economy is expected to make a strong recovery next year, rising 2.9%, with both oil GDP (3.3% increase) and non-oil GDP (up 2.7%) contributing to the growth, the IMF projects.

OUTPUT CUT DEAL IS WAY TO STOP SLIDE IN OIL PRICE

The world's biggest oil producers came together to stabilise markets in April.

Saudi's [King Salman bin Abdulaziz Al Saud](#), US president Donald Trump and Russian president Vladimir Putin carried out a joint phone call to review efforts by the Organisation of the Petroleum Exporting Countries (OPEC) and other producers, on the "importance of joint co-operation among the producing countries to maintain stability of the energy markets in order to support the growth of the global economy."

At the meeting of OPEC and other producers, the parties agreed to curtail crude oil production by 10 million barrels per day (bpd), starting 1 May 2020, for a period of two months. From 1 July until the end of the year, members will cut by around 8 million bpd. From 1 January until the end of April 2022, members have committed to cutting production by 6 million bpd.

"The baseline for the calculation of the adjustments is the oil production of October 2018, except for the Kingdom of Saudi Arabia and The Russian Federation, both with the same baseline level of 11 million bpd," the [group](#) said. "The agreement will be valid until 30 April 2022, however, the extension of this agreement will be reviewed during December 2021."

The agreement aims to stem the slide in crude oil prices.

"The supply cut will give demand time to improve as quarantines in parts of Europe are partially lifted, but more importantly, it gives producers more time to prepare supply chains and activity plans, reduce costs and avoid an uncontrolled dismantling of parts of the industry," according to Rystad Energy.

In late April, however, crude oil prices collapsed as traders fled May contracts for U.S. West Texas Intermediate amid rising inventories and muted demand outlook.

On April 20, which would likely go down as a historic day in crude oil markets, U.S. benchmark West Texas Intermediate plunged [306%](#), falling below zero for the first time in its history to settle at a discount of -\$37.63 a barrel. At one point it was trading at -\$40.32 a barrel. However, Brent crude – which is used by the rest of the world including Saudi Arabia as a benchmark – settled at US\$19.33 a barrel, down 24% on the day.

While the dramatic plunge speaks to the dislocation in markets, primarily due to technical reasons, it also highlights concerns about reduced oil demand as the pandemic persists. To get out of the

predicament, oil exporters that struck the curtailment deal in April, will have to adhere to the agreed cuts.

DEMAND AMID LOCKDOWN

While the producers have made major efforts to cut supply, global demand has been reduced amid a lockdown that has been in effect in much of Asia, Europe and North America.

The International Energy Agency (IEA) estimates that global oil demand will fall by a record 9.3 million bpd in 2020.

"The impact of containment measures in 187 countries and territories has been to bring mobility almost to a halt. Demand in April is estimated to be 29 million bpd lower than a year ago, down to a level last seen in 1995. For 2Q20, demand is expected to be 23.1 million bpd below year-ago levels. The recovery in 2H20 will be gradual; in December demand will still be down 2.7 million bpd y-o-y," the IEA said in its latest report.

However, analysts hope that demand will recover robustly in the second half as lockdowns are lifted and industries and economies start roaring again. In China and South Korea, much of the coronavirus restrictions are lifted as authorities cautiously restart their economies.

Of course, low oil prices do not benefit either producers or consumers as it could lead to a disincentive in investment over the longer term.

The IEA forecasts global capital expenditure by exploration and production companies in 2020 is forecast to drop by about 32% versus 2019 to USD 335 billion, the lowest level in 13 years.

"This reduction of financial resources also undermines the ability of the oil industry to develop some of the technologies needed for clean energy transitions around the world," the IEA says.

ARAMCO RESULTS

In March, [Saudi Aramco](#) announced strong 2019 results, reporting net income of USD 88.2 billion.

The company said that its free cash flow stood at around USD 78.3 billion, compared to USD 85.8 billion in the previous year, on the back of lower income, but offset by lower capital expenditures and favourable working capital movements.



"The balance sheet showed a gearing ratio of -0.2% at the end of 2019, demonstrating the company's strong and prudent financial framework," Aramco said.

Aramco's capital expenditure was around USD 32.8 billion last year, but the company expects to spend between USD 25 billion and USD 30 billion in light of current market conditions and recent commodity price volatility.

"The recent COVID-19 outbreak and its rapid spread illustrate the importance of agility and adaptability in an ever-changing global landscape," according to Saudi Aramco president and CEO [Amin Nasser](#). "This is central to Saudi Aramco's strategy and we will ensure that we maintain the strength of our operations and our finances. In fact, we have already taken steps to rationalise our planned 2020 capital spending."

SAUDI HEALTHCARE SECTOR SHINES DESPITE PANDEMIC



The coronavirus crisis has shone a light on the kingdom's healthcare sector.

Over the past few years, Saudi Arabia has been allocating billions of dollars to the healthcare budget. Last year, the government set aside [SAR 172 billion](#) in healthcare and social development, in addition to SAR 159 billion in 2018 and another [SAR 134 billion in 2017](#).

Combined with the [SAR 167 billion](#) allocated to the sector in this year's budget, Saudi authorities would have injected around SAR 632 billion on the healthcare and social services sector over the past four years.

These investments are paying off as Saudi braces for one of the biggest health crisis faced by the world in living memory.

And the sector is getting more support from the government. [Finance minister Mohammed Al-Jadaan](#) said that additional support for the health sector reached SAR 47 billion. The funds are being used to raise the health sector's readiness, secure medicines, operate additional beds, and provide necessary medical supplies, such as artificial respirators and devices and laboratory tests, as well as to secure the necessary medical and technical cadres from inside and abroad.

The [government](#) has also ordered healthcare providers to give urgent treatment to those who show symptoms of the virus, without waiting for approval from their insurance companies.

Meanwhile, Saudi companies and citizens have also been contributing to the Ministry of Health's coronavirus fund to fight the disease.

"The energy sector under the leadership of the Ministry of Energy has contributed with over SAR 500 million, Saudi banks have contributed with almost SAR 160 million and many companies have contributed greatly for this cause," according to the minister of health, [Dr. Tawfig Al-Rabiah](#).

LOCALISATION

Investments in the Saudi healthcare sector would also help raise capacity to ensure steady supply of key medical equipment, such as masks and ventilators.

According to [Invest Saudi](#), 90% of medical devices in the kingdom are imported. But with the global pandemic, many countries across the world have imposed export restrictions on key medical equipment, which has the potential to affect supply.

But the domestic industry has spurred into action. In March, the Saudi Ministry of Health signed a memorandum of understanding with [Sanofi Saudi Arabia](#), to start localising and transferring insulin industry technology locally in the country with the possibility of external export to the GCC countries and the Middle East region.

The memorandum included the exchange of knowledge and its localisation, the rapid availability of innovative drugs in the treatment of diabetes in the kingdom, and providing innovative healthcare solutions to treat and reduce diabetes damage in the country.

CORONAVIRUS CLINICAL TRIAL

The Saudi Food and Drug Authority (SFDA) also recently approved conducting international refereed clinical trial for coronavirus medication in five hospitals in the country.

"The clinical trial aims to obtain reliable data related to the effectiveness and safety of a number of used antivirals that may contribute to the medication of the Coronavirus (COVID-19). These antivirals are: Remdesivir, Chloroquine, Lopinavir with Ritonavir and Interferon," according to the [Saudi Press Agency](#).

Saudi factories have also started producing 3.7 million masks every week to protect citizens from the virus, according to the [Saudi Food & Drug Authority](#). In addition, around 49 manufacturing facilities have been producing 1.5 million litres of sanitisers.

The SFDA is also playing a leadership role globally by chairing a meeting of The Global Harmonization Working Party that aims to establish the requirements for personal protective equipment (PPE) such as medical masks, gloves and sterilisers.

"With continued co-operation chaired by SFDA with regulatory agencies, it was agreed to issue an Emergency Use Authorization (EUA) for Coronavirus (PCR + rapid Test) because these devices require time to research and to discover the technical and clinical information for approving the laboratory reagents. The authority proposed this Emergency Use Authorization, which is now being applied at a global level," said [Eng. Ali Al dalaan](#), vice executive president for Medical Devices Sector at SFDA and chairman of the GHWP.

Meanwhile, the [Saudi Council of Engineers](#) have invited industrial companies to manufacture ventilators to help patients infected by COVID-19.

A mix of Saudi ingenuity, hard work and funding would ensure that the country can fight the health menace, and build the capacity to make medical supplies in the long run.

INVESTORS WITH LONG-TIME HORIZON LOOK TO SAUDI

While it is important to address the short-term challenges facing the Saudi economy due to coronavirus, the government is also keeping an eye on the long-term opportunities available in the country.

In March, [Saudi minister of commerce](#) Dr. Majid Al-Qasabi met 100 American investors in Washington D.C., to explore investment and business opportunities in tourism, economy and culture, apart from the 2030 Vision programme that is transforming the economy.

The minister gave a keynote speech at the American-Saudi Business Leaders Forum in the US capital, which was attended by US secretary of commerce Wilbur Ross, the United States ambassador to Riyadh John Abi Zaid, and other dignitaries.

“We are in the midst of a dynamic and fast growing region that includes more than 424 million consumers, and there are more than two billion consumers near us, we need only three hours of air travel to reach them, besides we have been playing a global leading role in terms of energy for years, in addition to other natural resources in the kingdom, which make us an excellent platform for manufacturing and developing products in many sectors and industries that need large energy resources,” the minister told the business audience.

Dr. Al Qasabi also visited New York and Boston to promote the current investment opportunities in the kingdom, especially in the areas of health, energy, industry, tourism and financial services.

INVESTORS FLOCK TO SAUDI

International investors have been attracted by the new economic reforms that have been rolled out since the Vision 2030 programme was announced in 2016.

[Invest Saudi](#), developed by the General Investment Authority (SAGIA), reports that the kingdom saw sharp growth in the number of new investment licenses being issued to foreign companies. In fact, more than 1,100 such licenses were issued in 2019 – 54% more than in 2018 and three times as many as in 2017.

As many as 193 foreign investor licenses were in the construction sector, with 190 in manufacturing, 178 in the new economy sectors of information and communication and 125 in professional, scientific and technical sector, which highlights the focus on non-oil economy. The wholesale and retail trade sector saw 102 new licenses.

ENGIE, the French multinational electric utility company, which has



invested USD 5 billion in the kingdom believes Saudi Vision 2030 was a turning point not just for ENGIE but for the country as a whole, according to the [company's](#) Saudi CEO Turki Alshehri.

“We’re seeing significant change in the country: it is moving strictly towards public-private partnerships (PPPs) and providing more opportunities for the private sector to participate,” the CEO told Invest Dubai in a new report. “Regulations are changing in favour of the private sector. As a result of this new Vision, we’re working with a clean sheet of paper. There are clear objectives for what the government expects to achieve, creating unity.”

Last year, Saudi Arabia also launched an innovators’ citizen programme to attract the world’s top talent such as innovators and leading scientific professionals.

“Innovators’ citizenship is open to experts in forensic and medical science, technology, agriculture, nuclear and renewable energy, oil and gas, and artificial intelligence, as well as distinguished scientists in areas such as desalination,” according to [Invest Saudi](#). “The new scheme will

play an important role in supporting Vision 2030 objectives, including the kingdom’s transformation into a knowledge-based economy.”

INDUSTRIAL CITIES

Meanwhile, the Saudi Authority for Industrial Cities and Technology Zones, or [MODON](#), said the 35 industrial cities it oversees now boasts half a million jobs.

Developed land in the industrial cities exceed 198.8 million square metres with investment of SAR 367 billion. Over the past year, the country saw a number of high-value add factories set up in industrial cities. These include General Electric’s manufacturing gas turbines, Isuzu Motors’ truck production plant, Ebara Pumps Saudi Arabia LLC, Schlumberger drilling rigs facilities, and a chemical industry by Henkel AG.

In addition, [MODON](#) has teamed up with Saudi Industrial Development Fund and King Abdulaziz City for Science and Technology (KACST) to launch the National Productivity Program, which will enable factories to adopt technologies of the 4th Industrial Revolution.

“The first phase of the programme that includes working with 20 factories has been launched in April 2019 in co-operation with General Electric, while the second phase will be launched in 2020 with 40 factories, enabling them to be leading and encouraging for other factories to shift toward the technologies of the 4th Industrial Revolution,” [MODON](#) stated.

The investment and business opportunities in Saudi Arabia will outlast the coronavirus. As the kingdom aims to gear up again once the virus-related lockdown subsides, investors are expected to seek opportunities in the country again.

SAUDI CENTRAL BANK BOOSTS LOANS TO SMEs



The Saudi government has been paying close attention to the challenges facing small and medium sized business amid the coronavirus crisis.

Indeed, the helping hand has come straight from the top. The Saudi Arabian Monetary Authority (SAMA) is helping banks to facilitate lending to small businesses and private sector amid the downturn.

“This programme consists of three basic elements aiming at reducing the burdens of fluctuating cash flow and to support working capital for this sector in order to enable growth during the coming days and maintain the continuity of employment,” [SAMA](#) said.

The three-pronged strategy includes:

Deferred Payments Programme: Depositing an amount of SAR 30 billion in favour of banks and financing companies, in exchange for delaying the collection of their dues from small and medium enterprises (SMEs) for a period of six months.

Funding for Lending Programme: Depositing an amount of SAR 13.2 billion soft finance for SMEs by granting loans through banks and financing companies.

Loan Guarantee Programme: SAMA is incurring the fees of ‘Kafaalat’ issued by the guarantee programme in the amount of SAR 6 billion for the benefit of banks and financing companies. This exempts SMEs from costs of the loan financing.

The central bank has also directed banks and other financial institutions to restructure current financing contracts without any additional costs or fees, in order to allow companies to keep paying employee salaries during the crisis.

“Commendably, banks and financing companies initiated a delay of three months instalments for all public and private health workers who have credit facilities (real estate, consumer, leasing financing) starting in April, in appreciation of their strenuous efforts to preserve the health of citizens and residents, and without changing the cost of financing,” [SAMA](#) said.

In addition, SAMA noted that insurance companies have initiated provisions for telemedicine service using electronic applications, and extended the dispensing period of medicines for chronic diseases, to ensure citizens’ health and safety.

MONSHAAT

The Small and Medium Enterprises General Authority (Monshaat) is also stepping up efforts to alleviate the financial burden of SMES in their time of need.

The authority is providing a number of services via its Mazaya platform, www.mazaya.monshaat.gov.sa, to SMEs that would allow them to reduce operating costs and increase their efficiency.

SMEs can view and apply for the services provided through the platform. “The application will be examined and made sure that it meets the criteria for obtaining the advantage and will be answered by accepting or rejecting it within 10 working days,” [Monshaat](#) said.

[Monshaat](#) serves around 560,000 small businesses, representing around 99% of companies in the country.

In March, [Monshaat](#) launched the Saudi Center for Economic Business in Riyadh, which aims to help businesses meet international best practices.

The centre aims to integrate government services that include business licenses and other services, currently provided by seven government agencies, including the Ministry of Commerce, the Ministry of Human Resources and Social Development, the General Authority of Zakat and Income, the Ministry of Municipal and Rural Affairs, the Ministry of Investment, and the General Organization for Social Insurance.

Monshaat also launched an Intelligence Center, considered the first specialised centre in the kingdom, to enable enterprises and human capital with data science and artificial intelligence. The centre will facilitate the creation of innovative companies and increase the efficiency of SMEs through a package of programmes.

Meanwhile, Monshaat’s Entrepreneurship Complex will support emerging businesses by providing office space, logistical services, administrative, marketing, legal and financial consulting. It will also create a vibrant platform for entrepreneurs to share experiences and generate new ideas. Major companies, universities and investors are also expected to take part in nurturing the community.

Finally, the authority also launched Enterprise Support Center in March to provide training services, business support services and consultative sessions by specialists with scientific competence and commercial experience.

These centres of excellence, launched just before the virus exploded, should provide support to small businesses and help them push past the short-term challenges.

The coronavirus will take its toll on the economy in the short run, but the kingdom’s efforts to boost SMEs will start to pay off, as small companies look for innovation solutions to grow the economy.

FRESH CAPITAL BOOST FOR SAUDI'S LOGISTICS SECTOR

In April, Saudi Ports Authority ([Mawani](#)) and Saudi Global Ports (SGP) signed a build-operate-and-transfer (BOT) agreement for container terminals at the King Abdulaziz Port in Dammam.

Under the 30-year BOT agreement, said to be the largest in the country, SGP will invest more than SAR 7 billion to develop and operate container terminals at King Abdulaziz Port.

SGP is a public-private joint venture between the Public Investment Fund (PIF) and PSA international, a Singapore-based port operator. The deal supports the kingdom's National Center for Privatization programme.

SGP plans to upgrade and modernise the container hub and raise its annual handling capacity of 7.5 million twenty-foot equivalent units (TEU), and create 4,000 jobs through its investment.

"The continuous developments in Saudi ports come in line with the national efforts to achieve goals and pillars of our country's ambitious vision to promote sustainable economic development and raise competitiveness," said Eng. Saleh Al-Jasser, minister of transport and chairman of the [Saudi Ports Authority](#).

The project will go a long way in boosting the National Industrial Development and Logistics Program (NIDL), a key plank of the Saudi Vision 2030, and upgrade the country's logistics infrastructure. The kingdom hopes to emerge as among the 25 top countries in terms of logistics by 2030.

The agreement also attracts new investments to the national economy, support local content and national industries and increase exports and imports and contribute to creating promising investment opportunities, the companies said.

The King Abdulaziz Port is the country's largest Saudi port on the Gulf coast and a key trade gateway, spanning 19 square kilometres, with links to the Riyadh Dry Port by railway, connecting the country's eastern and central regions.

PRIVATISATION DRIVE

The deal comes as part of a major privatisation drive, which saw Mawani issue a BOT agreement with the UAE's DP World last December to develop container terminals at Jeddah Islamic Port with investments exceeding SAR 9 billion.

"These new agreements will contribute mainly to developing berths, increasing the capacity of container terminals in King Abdulaziz Port by more than 120%, and providing integrated solutions to operate container terminals," [according](#) to Eng. Saad bin Alkhalb, president of Saudi Ports Authority.

"They achieve technological and information integration and automation of operating systems and set environmentally friendly operating practices, which contribute to strengthening their leading role in the global maritime traffic and supporting the import and export operations."

[Mawani](#) also launched a new shipping line connecting the country to the promising markets of East Africa.

CMA CGM, the French container transportation and shipping company, has been tasked with running the first container shipping line to reach King Fahd Industrial Port in Yanbu, to boost exports and imports from the area.

"The new shipping line will contribute to linking the kingdom's ports, Jeddah Islamic Port and King Fahd Industrial Port in Yanbu with East African ports, and will lead to opening direct lines for shipping and exporting national products, increasing the quantities of handling in Saudi ports, in addition to contributing to direct import from East Africa and increasing trade," according to the Saudi Press Agency.

TRADE DATA

Non-oil merchandise exports in the first month of the year fell 15% to SAR 16.34 billion, compared to January 2019, mainly due to declines in chemical and related products, plastics and rubber. Merchandise imports during the month also decreased 12.5%, to SAR 39.7 billion in January 2020 compared to the same period last year. The declines were led by vegetable products and prepared foodstuffs.

In 2019, Saudi oil exports reached SAR 758.9 billion, a 12.6% decline over the previous year. Non-oil exports stood at SAR 221.8 billion, a 6% drop from 2018. In addition, oil imports rose 6.75% to SAR 541.25 billion compared to the previous year, according to [General Authority for Statistics](#).

Saudi Arabia is also taking a leadership role globally, chairing the G20 Trade Ministers in late March, as the president of the organisation.

Dr. Majid Al-Qasabi, the [Saudi trade minister](#), opened the virtual meeting focused on the coronavirus crisis. He stated that G20 members have "the tools to change the course of this crisis" and stressed the need for further "co-ordination and co-operation, at the highest level, coupled with the right measures to mitigate the impact of the pandemic on health, the global economy, and trade and investment."



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