

# The Communication and Financial Knowledge Center (CFKC) Convened a Webinar to Discuss the Impacts of COVID-19 Pandemic on the Future of Investment in the Kingdom of Saudi Arabia

Friday 22 May, 2020

The Communication and Financial Knowledge Center (CFKC), affiliated to the Ministry of Finance, in cooperation with the National Debt Management Center (NDMC) convened a webinar entitled "Saudi Arabia: A Sustainable Investment Ecosystem", on 19<sup>th</sup> of May, 2020, attended by a number of government sector officials, representatives of the international financial institutions, and over 500 investors to shed light on Government initiatives to mitigate the financial and economic impacts of Coronavirus (COVID-19) for the private sector, investors and the investment climate as a whole.

The President of the National Debt Management Center, Mr. Fahad Al-Saif highlighted the efforts and accomplishment of the NDMC since its establishment, and touched upon recently announced fiscal measures, and reconfirmed "Saudi Arabia is fully committed in consolidating its public finances and is striking an optimum balance between supporting economic activity while being fiscally prudent". Al-Saif added that the 2020 funding plan to upsize its issuance program and increase by maximum of SAR 100bn in addition to the announced SAR 120bn earlier in the year through diversified funding sources.

Mr. Al-Saif has stated that since the beginning, the Kingdom has prioritized one main objective; keeping citizens and residents safe, by implementing all precautionary, health and financial measures to prevent the spread of the virus. He pointed out that measures taken over previous years have led to strong public finances management and control of the budget deficit. The strong and positive economic indicators at the end of 2019, illustrated the strength of the government's financial position; considerable government reserves as one of the world's highest contributed to the Kingdom's financial strength. These factors provide assurances for the Kingdom's financial position to support its credit rating and reduce the cost of financing in the domestic and international markets. Moreover, it helps face unexpected adjustments to income or expenditure.

The positive credit ratings of global rating agencies confirmed the credibility and resiliency of the Saudi economy, and reflected the strength of the Kingdom's financial position and ability to cope with any challenges; "Fitch affirmed the Kingdom's rating (A) with a stable outlook, while Moody's agency updated its credit report ranking Kingdom (A1) with a negative outlook due to the current unprecedented challenges and fluctuation of oil prices caused by COVID-19. These international reports reflect the credibility and trust investment institutions have in the Saudi economy," Al-Saif said.

Moreover, Ibrahim AlSuwail, Deputy Minister, investment services & attraction at the Ministry of Investment stated that the COVID-19 Response Center (MCRC) has provided 24/7 support to over 7,000 organizations in the Kingdom to ensure business continuity during these unprecedented times and help them tackle the current business challenges. AlSuwail indicated that all employees of the Ministry of Investment whilst working remotely, fully served investors, with continuous and direct coordination with all sectors and government authorities to quickly address the challenges facing investors.

The Governor of the National Development Fund (NDF), Prof. Stephen Groff, confirmed that since the Fund announced programs amounting to 22 billion riyals in support of citizens and the private sector. These programs include extending the grace period, restructuring loan payments for the most needy facilities, providing loans to micro, small and medium enterprises, financing working capital, and supporting employment and training programs for job seekers and the private sector, through funds and development banks of the National Development Fund, namely the Social Development Bank, the Saudi Industrial Development Fund, the Saudi Human Resources Development Fund, the Agricultural Development Fund, the Real Estate Development Fund and the Tourism Development Fund. This is in addition to other initiatives in cooperation with the General Authority for Small and Medium Enterprises, Kafalah Program and Saudi Export and Import Bank.

Samir Assaf, Chairman, Corporate and Institutional Banking at HSBC said: "We believe in the fundamental steps taken by the Kingdom of Saudi Arabia and vision the massive demand for the Kingdom's recent 7 Billion Dollar bond issuance, reflected the international investor's complete confidence in the Saudi economy."

During the webinar, Terrance Keeley, Global Head of Official Institutions Group, BlackRock said that:

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"BlackRock supports and encourages the initiatives and the measures taken by the Kingdom's government, which indicate the Kingdom's keenness and commitment to long-term fiscal sustainability, pointing out that the global economic environment seeks to achieve the highest levels of quality and returns., The Kingdom is an attractive investment on both relative and absolute levels, and international investors are interested in obtaining solid sources of returns. The Kingdom retains many attractive investment opportunities including investment in infrastructure."

At the end of the webinar that was moderated by Mr. Talaat Hafez, the Secretary General and the Spokesman of Saudi Banks and Saudi Media and Banking Awareness Committee, a number of questions have been posed by the webinar attendees on the future plans of the Saudi Economy in the light of Coronavirus and the most prominent challenges facing public finances and the investment sector in the Kingdom.

The General Supervisor of the Communication and Financial Knowledge Center, Deputy Minister of Communication and Media, MoF, Mr. Yarob Al-Thenayan, expressed his thanks and appreciation to all participants in the webinar, stressing that holding such meetings helps achieve the Center's objectives to establish effective partnerships between government sector officials and the financial and economic sectors, disseminating knowledge, exchanging views and discussions, and contributing to raising awareness about current issues.

The Center monitors all updates in the financial and economic sectors, and that this webinar is one among many activities conducted by the Center, such as issuing daily media reports on the directly linked to the COVID-19 developments.

[https://www.mof.gov.sa/mediacenter/KnowledgeCommunication\\_Center/Pages/default.aspx](https://www.mof.gov.sa/mediacenter/KnowledgeCommunication_Center/Pages/default.aspx)

The webinar covered various economic variables resulting from the Coronavirus pandemic, and its impacts on the global markets with a focus on the developments in Saudi Arabia, as well the local and international economic developments.

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