

Strategic Partner



# **SAUDI ARABIA RESILIENCE & GROWTH**

SPECIAL REPORT

**thebusiness|year**

# THE BUSINESS YEAR: SAUDI ARABIA RESILIENCE & GROWTH SPECIAL REPORT

Saudi Arabia's response to COVID-19 began early, before there was a single recorded case. In late February access to the two holy cities of Mecca and Medina was barred. This occurred before the WHO had designated COVID-19 as a pandemic. Later, the Kingdom pledged medical care to everyone within its borders, including those in the country illegally, and coordinated a government response across all ministries, with a direct decision-making line to the top of government.

Saudi officials went further in their lockdowns than other nations, banning all international flights and issuing strict curfews that saw the entire country restricted to their homes with few exceptions. Despite the restrictiveness of these measures, they were effective. When combined with significant increases in hospital capacity and testing, they resulted in a mortality rate significantly lower than the global average, according to official figures.

Relative to peers and even some Western countries, Saudi Arabia's response was well organized and comprehensive. Saudi Arabia dealt with the MERS-COV in 2014, a challenge with which it struggled. Nonetheless, the experience seems to have given the state apparatus a dry run for something much more serious: COVID-19.

But Saudi Arabia's resilience didn't only stem from a quick public response; efforts over recent years to diversify the economy and promote new industries, especially in the area of transformative technology and digitalization, helped the country weather the storm of unparalleled economic disruption caused not only by COVID-19, but the accompanying drop in oil prices.

Indeed, not only did lockdowns ravage the

economy at home, but the international response suppressed demand for hydrocarbons to such an extent that prices in spot markets briefly went negative. Despite a negative near-term outlook for oil prices, the government instituted a number of policies intended to relieve citizens and business.

It postponed the filing of tax returns, payment of excise taxes, and late penalties, while also paying 60% of the salaries of laid-off private sector employees for three months. It waived all expat fees, a significant cost center for many businesses in the Kingdom, and spent to help businesses hire and train nationals. It also debuted a SAR50 billion stimulus package, much of which went to banks in order to allow delayed payments and debt relief for SMEs, as well as concessional loans.

All of these changes came with a big caveat though: the government tripled the recently introduced VAT tax to 15%. This represents the delicate position of public finances in Saudi Arabia going forward. The Kingdom's reform plan, Vision 2030, which is meant to prepare it for a future in which oil would no longer be worth what it has been, may have just received an unexpected boost.

This special report, one of a series examining the resilience of GCC economies in the face of COVID-19, casts an eye across key sectors of the economy during this period, including transformative technologies, resources, logistics, education, and investment, drawing on the words of the businesspeople we have spoken with in recent months. It aims to paint a picture of the resilience of Saudi Arabia at this crucial time, as well as one of the country's potential fortunes in the post-COVID-19 environment. ✕

#### CEO

Ayşe Valentin

#### Managing Director UAE

Neslihan Aydagül

#### Country Manager

Alena Hakansson

#### Assistant Regional Director

Aqeel Hafeez

#### Country Editor

Benjamin Macshane

#### Editorial

Terry Whittam, Aidan McMahon

#### Contributors

Gillian Docherty, Jason Shaw, Susan Barrett, Emily Damgali, Heather Conover, Babak Babali, Cain Day

ISBN-13: 978-1-912498-76-5



ISBN 978-1-912498-76-5

www.thebusinessyear.com

# SAUDI ARABIAN RESILIENCE & GROWTH

## SPECIAL REPORT

# thebusiness|year

Strategic Partner:



Published  
2Q21



**2** From the editor's desk

**5** TBY Analytics

## **6** ECONOMIC POLICY & INVESTMENT

**6** Quick to Adapt • Chapter summary

**8** Bandar bin Ibrahim Alkhorayef, Minister of Industry & Mineral Resources, Saudi Arabia • Interview

**10** Build it big • Focus: Evolving execution models for Giga-projects in Saudi Arabia

**13** Ammar A. AlKhudairy, Former Chairman, Samba Financial Group & Chairman, Saudi national bank • Interview

**14** Fabrice Susini, CEO, Saudi Real Estate Refinance Company (SRC) • Interview

**15** Waleed Fatani, Former CEO, Saudi Fransi Capital • Interview



## **16** RESOURCES & SUSTAINABILITY

**16** Barrel Role • Chapter summary

**19** Rami Moussilli, CEO, Alkhorayef Water and Power Technologies • Interview

**20** Javier Diaz Gomez, Country Manager Saudi Arabia, FCC Aqualia • Interview

**21** Wail Bamhair, CEO, Taqnia Energy • Interview

**22** Turki Alshehri, CEO, ENGIE • Interview

**23** Ziad Jeha, President, Schlumberger KSA • Interview

**24** A beacon • Focus: The Line

**27** Sherif Megeed, Managing Director, Jotun Saudia • Interview



## **28** TRANSFORMATIVE TECHNOLOGY & DIGITALIZATION

**29** Binary Stars • Chapter summary

**30** Abdullah bin Sharaf Alghamdi, President, Saudi Data & AI Authority (SDAIA) • Interview

**31** Esam Abdullah Khalaf Alwagait, Director, National Information Center (NIC) • Interview

**32** Ziad Mortaja, CEO, Al Moammar Information Systems (MIS) • Interview

**33** Sultan Bin Abdulaziz Al Deghathier, CEO, Zain KSA • Interview

**34** Nejoud Al Mulaik, Director, FintechSaudi • Interview

**35** Abdullah Al-Othman, Founder & Chairman, Geidea • Interview

**36** The Kingdom's Digital Destiny • Focus: Digital Economy Policy





## 38 LOGISTICS

**38** Open Roads • Chapter summary

**40** Omar Talal Hariri, CEO, Saudi Arabian Logistics (SAL) & Saudia Cargo • Interview

**41** Fahd Cynndy, Former CEO, Saudi Ground Services (SGS) • Interview

**43** Mohammed Al-Bayati, CEO, NAQEL Express • Interview

**44** Yahya Al-Ghoraibi, Former CEO, The Helicopter Company • Interview

**45** Trading to the top • Focus: Saudi Logistics Hub

## 46 HEALTH & EDUCATION

**46** Shifting Sands • Chapter summary

**47** Ahmad bin Fahad, Governor, Technical and Vocational Training Corporation (TVTC) • Interview

**48** Husam Zaman, President, Education & Training Evaluation Commission (ETEC) • Interview

**49** Omar M. Basodan, CEO, National Company for Training and Education Technologies (TETEC) • Interview

**50** Keep the talent close

• Focus: Attraction, retention, and development of top talent

**53** Dr. Lilac A. E. Al-Safadi, President, Saudi Electronic University (SEU) • Interview

**54** Faisal Dial, Chairman, National Committee for Pharmaceutical Industries (NCPI) • Interview

**55** Dr. Maliha Hashmi, Executive Director, Health Wellbeing Biotech NEOM Deputy Chair, NEOM COVID-19 Leadership Taskforce • Interview

Read more at [thebusinessyear.com/saudi-arabia](https://thebusinessyear.com/saudi-arabia)

The Business Year is published by The Business Year International, Trident Chambers, P.O. Box 146, Road Town, Tortola, British Virgin Islands. The Business Year is a registered trademark of The Business Year International. Copyright The Business Year International Inc. 2021. All rights reserved. No part of this publication may be reproduced, stored in a retrievable system, or transmitted in any form or by any means, electronic, mechanical, photocopied, recorded, or otherwise without prior permission of The Business Year International Inc. The Business Year International Inc. has made every effort to ensure that the content of this publication is accurate at the time of printing. The Business Year International Inc. makes no warranty, representation, or undertaking, whether expressed or implied, nor does it assume any legal liability, direct or indirect, or responsibility for the accuracy, completeness, or usefulness of any information contained in this publication. The paper used in the production of this publication comes from well-managed sources.



# TBY ANALYTICS

## SAUDI ARABIA RESILIENCE & GROWTH

How our interviewees rate Saudi Arabia's resilience from 1-5:

### SECTORS TO WATCH



ECONOMIC POLICY  
& INVESTMENT

4.7



RESOURCES &  
SUSTAINABILITY

4.1



TRANSFORMATIVE  
TECHNOLOGY &  
DIGITALIZATION

4.6



LOGISTICS &  
INDUSTRY

4.2



HEALTH &  
EDUCATION

4.1

**4.34**  
AVERAGE  
RATING

These were the features most commonly mentioned by our interviewees when asked what allowed Saudi Arabia to remain resilient during the COVID-19 pandemic:

- **Greater familiarity with Saudi markets among foreign investors**
- Strong regulatory environment
- **Previous investment in digitalization**
- Robust retail sector
- **Non-oil sector spending**
- Efforts by Ministry of Health
- **Strong government support for logistics sector**

## Economic Policy & Investment

# Quick to Adapt

**B**andar bin Ibrahim Al-Khorayef is not the figure you would have expected to be Minister of Industry in Saudi Arabia 10 years ago. His career has been entirely in the private sector. Yet the fact that his appointment no longer seems so radical should give some indication of the change that has taken place in the public service in the past five years. In describing experience of responding to the COVID-19 pandemic, he said, “We will definitely have new rules in the future... This has been a test of our vision’s direction.”

And so it has. The minister was not the only interviewee that pointed to an acceleration of trends and efforts that had already been put in place. These areas, which were often priorities before the crisis, became essential and saw rapid and unprecedented change. The two areas that saw the most focus were digitalization and increased coordination between ministries.

For example, broad committees were formed that saw cooperation between ministries and contact between their leadership in a way that was simply not possible in the past. This effort also included government authorities. For example, Dr. Hisham bin Saad Al-jadhey, the CEO of the Saudi Food and Drug Authority, said “The inter-agency coordination has been unbelievable as it has exploded... Things that you want to organize or coordinate between ministries would usually take months but have happened in a few days during this time due to the team spirit that now exists.”

This increased coordination has been facilitated by digitalization. Government officials now meet regularly by video, but that is to be expected. What is less obvious is the way that previous efforts to digitalize citizen-facing services have seen enormous growth in relevance and sophistication. The government has ramped up citizen-facing services for many ministries in recent years, but going between various ministries in some cases still required physically going to an office with a printout. That has changed now, and the reliance on digital governance during the crisis was such that apps were used to monitor lockdowns and trace COVID-19 patients. Without them the process would have been impossible.

Aside from coordination and digitalization, the Kingdom’s drive toward privatization will likely see a boost. Aside from the demands on the public purse that may compel it, vital sectors with multiple stakeholders are resilient. When speaking about the process of privatizing the country’s ports (significant concession announcements were made even during the lockdowns), Saab Al-Khalb, the President of Mawani (formerly the Saudi Ports Authority), said: “We want greater flexibility and operational efficiency in our ports.” That is a sentiment that the crisis has only made more urgent. ✖





Image: anek.sowannaphoom

## INTERVIEW



## *significant step* FORWARD

Bandar bin Ibrahim Alkhorayef  
MINISTER OF INDUSTRY & MINERAL RESOURCES,  
SAUDI ARABIA

Saudi Arabia's priorities have shifted as a result of COVID-19, and the Minister of Industry and Mineral Resources sees a great opportunity to build up the country's resilience and produce more things locally.

**The COVID-19 crisis has tested leadership structures all over the world. How did Saudi Arabia form a response in the early days of the crisis?**

I was appointed less than one year, and I have come to see this as an opportunity not only to learn but also to act on things we likely would have difficulties convincing society and government to move ahead with. The industrial sector in Saudi Arabia is so important that the government created this new ministry to support it, along with mining. The resilience we have just witnessed is a demonstration of how the country is prepared. Saudi Arabia stood out as one of the best prepared in terms of citizens having access to essentials such as food, medicine, and daily supplies. The disruption to the overall supply chain system worldwide is also reordering how countries go about their old way of doing things. We will definitely have new rules in the future, so the bold decision by the government to let this crisis be led by health and safety shows how the country is serious about the wellbeing of its people.

**Are there trends in digitalization in response to COVID-19 that will likely continue beyond the crisis?**

We have become much more efficient because of digitalization. We had the tools available in the past, but never had the urge or need to push that last mile to use it and be comfortable with it. Today, when we look at our industrial sector and how to build an ecosystem such as our industrial cities, it proves we were on the right track. The Minister of Communication was talking about the infrastructure that it has built in the last three years, and if that had not been done, we would be in a different situation today. This has been a test of our vision's direction.

**Which of your efforts to stimulate the economy during this time have been most important, and how have you coordinated with SAMA and other agencies?**

As a government official, the most important thing is how we were able to coordinate all the efforts. There were many committees created that filtered or consolidated in higher committees. There was one specifically for the economy that I was a part of, and it had all the ministers who oversaw areas on the economic side. The beauty is the ability to bring all these heads together and make them look at one thing. That is how we reduced the negative consequences on the economy and ensured that the essentials were available. The affected sectors received assistance. We realized from the beginning the biggest impact would be on cashflow, so we addressed everything in this manner from the start. At the level of industry and mining, we started by rescheduling and delaying payments for all loans for all SMEs in 2020. This was granted without any discussion, so they did not even need to apply. All medium-sized companies in essential sectors such as food, drugs, and supply chain also received this automatically. The remaining medium and large companies had to apply, as we needed to assess their individual issues. We also monitored if these initiatives were actually being utilized effectively, as we designed different initiatives of different types. We asked all entities with an oversight of the economic sector how they could help. In my area, we had MODON, the Royal Commission, Exxon Bank, and SIDF, who we put together to come up with ideas on how we could help. We reduced some fees, some were waived, projects were given extension times, and licenses were extended. Currently, we are monitoring how these packages actually

### BIO

Bandar bin Ibrahim Alkhorayef was appointed to head the newly established Ministry of Industry and Mineral Resources in 2019. He has over 27 years of experience in leadership positions in the industrial, commercial, and investment fields. He holds a BSc in agricultural economics from King Saud University and has attended numerous training courses, workshop, and seminars globally focusing on leadership, management, and commercial faculties. He has been involved in the family business since 1993, starting his journey with Alkhorayef Printing Solutions. He previously served as CEO of Alkhorayef Sons and in various capacities as board member of companies within and outside the Alkhorayef Group. He has been a board member of ARASCO since 2009 and managing director since 2018.



helped the different sectors, what more we can do, and how we can improve. The numbers for the month of June are extremely positive; we had 118 new industrial licenses issued in June and around 2,000 new employees come into the system, so things are picking up slowly. Overall, many of the systems we have put in place under pressure will endure.

**What allowed you to pass the mining regulation, which has been delayed for many years, so early in your tenure, and what will the short-term outcome be?**

This is definitely an exciting sector. The decision to join mining with industry gives a clear idea of how the government intends to develop the mining sector. Mining is a sector with a large amount of raw material but the intention is to create a value chain through the industrial sector. The law intends to improve the clarity and transparency of how we do things in this country, and FDI will be an important part of growing this industry. We were also able to clarify how we deal with water resources because a great deal of mining projects will require water resources. Finally, as this sector is capital intensive in the long term, we need to ensure there are the tools to ensure different players are able to access financing. Saudi Arabia has many different resources in this sector that are untapped, so there is a great opportunity and more to come up with aggressive plans to push this through and communicate with international players.

**How will you balance the opportunities for Ma'aden and international players?**

Ma'aden is a player in this sector like anyone else. One thing that is clear in all investment is that international FDI is 100% treated like local. We will not give any nationality or country an advantage, as we

are looking for investors with the ability to explore the opportunity. If anything, we will favor international players because of the element of expertise and knowledge they bring. We are serious about attracting investors at the national level.

**What are your priorities for 2021 and 2022, and what have you learned from managing the ministry and country through this crisis?**

Winston Churchill said to never waste a crisis, and I definitely intend not to waste this crisis. My priorities have shifted with this crisis in a positive way. International trade will change, and we need to understand how this will affect us. This has forced us to build up our own resilience and ability to produce essentials here. In addition, in the past we looked at the industrial sector as a rigid sector that is capital intensive with no room for small players. This is changing now, on not only the service and supply sides but also the technology side. This is a great opportunity, and we will help entrepreneurs take advantage of the sector. As part of our program, we have created an opportunity for mask manufacturing players to triple their capacities, and we will provide them with a loan and an offtake agreement to guarantee their investment. We are set to produce 10 million masks a day up from 600,000, which signals how strong we are as a country and how good a foundation we have. The government is excited about utilizing this difficult time to push the pipeline of projects and ensure there is no obstacle from its end. We want our newly established Exim Bank to help people facing difficulties due to the business slowdown to have access to international markets, for example. The number of changes happening will definitely keep us on our toes for at least the next 12 months. ✖

**“The bold decision by the government to let this crisis be led by health and safety shows how the country is serious about the well-being of its people.”**

## FOCUS

Evolving execution models for Giga-projects in Saudi Arabia

Powered by



# BUILD IT BIG

SAUDI ARABIA'S AMBITIOUS GIGA-PROJECTS ARE EXPECTED TO KICKSTART A VIRTUOUS CIRCLE: A BETTER LIFESTYLE LEADS TO IMAGE IMPROVEMENT, WHICH BRINGS MORE TOURISTS TO THE COUNTRY, WHICH IN TURN CREATES MORE JOBS AND RAISES THE GDP, EVEN FURTHER IMPROVING LIFESTYLE.

**AS PART OF THE** Kingdom's Vision 2030, Saudi Arabia's Crown Prince, HH Mohammed bin Salman has launched a number of impressive projects since 2017. At least five of these projects are so large-scale that they have been dubbed "giga-projects" by the media. The sheer scale of these giga-projects calls for a new style of management, which is not only quantitatively but also qualitatively distinct from whatever has been practiced in the Middle East—or indeed globally—before. Good management, however, is of little use without appropriate financing. The Kingdom's sovereign wealth fund, better known as the public investment fund (PIF), has been fueling the development of the giga-projects, redirecting the country's accumulated wealth toward the construction of state-of-the-art infrastructure, which in turn will liberate Saudi Arabia's economy from years of dependence on oil. What is more, giga-projects such as the futuristic metropolis of NEOM and Qiddiya Entertainment City, for which Parsons provides Program Management Office and engineering support, sit well with the social and cultural developments which have been in progress in the Kingdom in recent years. Below we have listed three of Saudi Arabia's ongoing giga-projects with a brief overview of the innovations that are employed in their implementation.

## NEOM

A futuristic plan to build a city from scratch certainly deserves the title "giga-project," especially as upon its completion the city in question will be considerably larger than New York and home to over a million permanent residents. Located in the westernmost point is Saudi Arabia, NEOM has so far received a whopping sum of USD500 billion in investments.

The city will even stretch into Egyptian and Jordanian territories, which makes it a cross-border city. If you are a fan of the science-fiction genre, rejoice for NEOM will allegedly come complete with features such as sand hills which glow in the dark, holographic commuting capabilities, and robotic dinosaurs, among other things. In terms of its energy infrastructure, NEOM is notable for its complete reliance on green energy. In terms of its governance model, meanwhile, the futuristic city stands out in several ways: it will be run more-or-less autonomously, with some degree of independence from the Saudi Arabian government framework; NEOM will have its own commercial laws; and its judicial system will be independent from the rest of the Kingdom.

## THE RED SEA PROJECT

Covering an archipelago of some 100 islands and a stretch of costal line in the western parts of Saudi Arabia, the Red Sea project is intended

to become a major tourist hub, boasting a whole host of man-made and natural wonders. A number of high-end hotels and residential complexes are under construction in the development site, and the first phase is expected to go operational sometime in 2022. The project is so large-scale that its contribution is forecasted to cause a tangible spike in the country's GDP as soon as its first phase is inaugurated. Much like NEOM, the Red Sea project is implemented in a fully eco-friendly manner, without any dumping of waste in landfills, any discharge of pollutants into the sea, or any use of non-recyclable materials. The project is set to achieve complete carbon neutrality.

## QIDDIYA ENTERTAINMENT CITY

With the progress of social reforms in Saudi Arabia, the country's entertainment sector is flourishing. And, Qiddiya will soon be the epicenter of the Saudi entertainment industry. If all goes according to plan, as the ambitious developers of the project hope, Qiddiya may even end up being the largest entertainment city in the world. Located only 40km away from Riyadh, Qiddiya is well-placed to attract leisure tourists.

The proposed entertainment city, the first phase of which will be inaugurated in 2023, includes amusement parks, resorts, sport venues, and a city center where urban attractions are clustered together. Qiddiya is designed to function in harmony with the region's climate and terrain to offer recreational opportunities that will tempt any leisure-seeking traveler. Just like the Red Sea project, Qiddiya will have a notable contribution the kingdom's GDP, while creating a large number of job opportunities for Saudi citizens. Indeed, the authorities have already set up a number of courses to train some of the 17,000 staff who will soon run Qiddiya. Even 60 young applicants have received scholarships to study hospitality, tourism management, and similar programs in the University of Central Florida in the US. The common thread among the three giga-projects discussed here is their emphasis on leisure activities, which will surely improve the public image of Saudi Arabia and the kind of lifestyles that it offers. At the same time, the ongoing giga-projects are highly eco-friendly—an indication that the kingdom's decision-makers are well aware that the age of hydrocarbon fuels is coming to a close. Indeed, it is a very welcome development that the world's leading oil exporter is one of the first nations to fully embrace a post-petroleum lifestyle. And finally, the giga-projects discussed here can contribute to job-creation and GDP growth to fill the void which will be created with the decline of oil revenues in the coming years. Saudi Arabia's giga-projects, in short, are part of a well-laid plan to upgrade Saudi Arabia's economy to a post-petroleum economy. ✕



# MALAYSIA

## The Best Location for your Global Operation Hub

- Strategic location – regional & global reach
- Home for more than 5,000 MNC's from more than 50 countries
- Champion in Global Islamic Economy
- Halal certifications recognised worldwide
- Well-developed Infrastructure
- Competitive cost of doing business

It's easy! Just scan and follow us to be part of our social media community today.



Twitter : @officialMIDA | Facebook : @officialMIDA | Instagram : @officialMIDA  
 LinkedIn : Malaysian Investment Development Authority | Youtube : MIDA TV

Contact us:

**MIDA**  
Malaysian Investment Development Authority

2205, Level 22, Tower A, Business Central Tower  
 Dubai Media City, Dubai, United Arab Emirates  
 Tel: +971-4-4343 696/97  
 Email: [dubai@mida.gov.my](mailto:dubai@mida.gov.my)  
 Website: [www.mida.gov.my](http://www.mida.gov.my)





Image: Mohammed younos



# service FIRST

Thanks to its contingency plan, Samba Financial Group's core businesses of investment banking, commercial banking, corporate banking, and treasury remained completely up and running during the pandemic.

Ammar A. AlKhudairy  
FORMER CHAIRMAN,  
SAMBA FINANCIAL GROUP  
& CHAIRMAN, SAUDI NATIONAL BANK



**How did you navigate the initial days of this crisis and adjust your internal systems?**

Because we are a bank, we were fortunate in the sense that, as required of all banks, we had contingency plans in place. Banks have what we call disaster recovery, offsite work, because they are expected to stay open no matter what. That gave us a bit of a running start. We knew we needed to be “business as usual” as much as possible. We assembled a taskforce, headed by the CEO of the bank, that met daily, at the beginning twice a day. We were able to go from 100% onsite to less than 30% within four days. I commend the executive leadership for pulling it off. The business remained intact, and people were engaged and productive. While we were disrupted temporarily, the core businesses of investment banking, commercial banking, corporate banking, and treasury were all completely up and running.

**Have you readjusted liabilities or investment positions in response to the crisis?**

We have not adjusted liabilities at all because we have not had liquidity issues thanks to the central bank's proactive programs mitigating the impact on businesses and banks' liquidity. On the asset side, the situation is different. In March, in particular, markets became disconnected. At the point in time, the London Interbank Offered Rate (LIBOR) became significantly higher than Saudi Interbank Offered Rate (SIBOR), which is a historical anomaly. Our treasury spent a large amount of time managing these anomalies and disconnects in the market. There was negligible adjustment on the liability side and significant adjustment on the asset side.

**What do you anticipate persisting beyond the crisis in terms of digitalization?**

A crisis does not just force companies to adopt certain changes to their new business model—it also accelerates it. Without a doubt, it is imperative to make a client feel like they can do anything they want without coming in, without a decline in the quality of service or delivery, and that the user experience is comfortable for them. These three imperatives have been elevated in importance tremendously. We, as a bank, are spending much more time trying to figure out how to accelerate and enhance the delivery of virtual channels to achieve these three objectives.

**What do you expect going forward in terms of profitability and performance?**

We have three headwinds that we have to deal with. The most measurable one is falling interest rates. Everyone knows Saudi banks enjoy a high proportion of non-interest-bearing deposits in the banking system. That is the first significant headwind. Headwind number two is the expected decline in economic activity because of the economic climate and, therefore, the decline in demand for consumer, credit card, and even corporate loans. We obviously made projections and have adjusted our budgets and plans accordingly. The third one is NPLS, which you never know until it happens. For 1Q2020 and 2Q2020, Samba has started taking additional provisions. We have coordinated with our risk management and given it more leeway in taking general provisions in anticipation of potential negative credit.

**How are you planning for the various recovery scenarios from COVID-19?**

The whole world, Saudi Arabia included, worked hard to flatten the curve and better prepare the health systems and infrastructure in anticipation of COVID-19. We have done a tremendous job in Saudi Arabia to get the healthcare system prepared for a number of cases that is significantly higher than what we could have dealt in three months ago. The whole ecosystem has now been prepared for this. The likelihood of another shutdown is remote. On the economic side, regardless of whether there is a second COVID-19 wave, the economic and business challenges that we have to live with are indeed real. At the bank, we have planned accordingly, as the full economic consequences might not fully materialize or be apparent for a while longer. ✖

## BIO

Ammar A. AlKhudairy has served as Chairman of Samba Financial Group since 2019. Prior to Samba, he played key leadership roles in various Saudi financial institutions such as Riyadh Bank, United Saudi Bank, and Banque Saudi Fransi. AlKhudairy has also served in various public and private boards and was chairman of the board of Goldman Sachs Saudi Arabia, Morgan Stanley Saudi Arabia, SAVOLA, Kingdom Holdings, Herfy, and Al Tayyar, among others. He founded and chairs Amwal AlKhaleej and Amwal Capital Partners. AlKhudairy earned a MSc in engineering administration and BSc in civil engineering from George Washington University.

**“It is imperative to make a client feel like they can do anything they want without coming in, without a decline in the quality of service or delivery, and that the user experience is comfortable for them.”**

## INTERVIEW



Fabrice Susini  
CEO,  
SAUDI REAL ESTATE REFINANCE COMPANY (SRC)

## THE TREND *is your friend*

SRC has excelled in times of crises by thinking outside the box and keeping the channels of communication open with its team and stakeholders.

### BIO

Fabrice Susini was appointed CEO of SRC in 2017, following the establishment of the organization. Before that, he was global head of securitization at BNP Paribas. Based in London since 2000, he managed teams in New York, London, Paris, Milan, Hong Kong, Tokyo, and Brussels and was involved in structuring, evaluating, trading, and managing ABS and structured securities. Before joining SRC, he initiated a SME alternative lending project with BNP Paribas Asset Management. Susini holds an MBA from the London Business School, a master's degree in finance from the University of Dauphine Paris IX, and a degree in law from the University Nanterre Paris X.

**What do you take away from this crisis at this point as a leader?**

The crisis has emphasized that with challenges come opportunities. The lessons involve looking at the crisis and assessing the different dimensions and aspects it can have, and making sure negative or downsides can be controlled. The second thing is to be responsive; you have to think outside the box and be alert and nimble. You have to change and adapt. Finally, it is also about being inclusive and taking into consideration suggestions and ideas, making sure people understand what is going on, and keeping the channels of communication open with your team and your stakeholders. One key element I found to be extremely important during the crisis is the quality of your relationship with customers.

**As a financial services company, how did you deal with the COVID-19 restrictions on an internal level?**

In terms of management and the way we do things internally, the crisis has had limited impact. We are small and compact. We have slightly more than 35 employees, so in terms of messaging, organization, and keeping the connection and communication going, it is perhaps less challenging than for a large company stretched over many different places. Then, even though we are a small team, it is important to maintain a regular channel of communication. Third, we maintained the channels of communications with our stakeholders and customers. If I were to sum it up, the current crisis opened the doors to new challenges and hoops.

**How has the crisis accelerated the efforts to move more of your business to a digital platform?**

There are many initiatives and developments already in place in terms of digital processes, leading to home acquisitions and mortgages. However, there is still a point where the process goes back to traditional, paper-led processes and that is due to the nature of the mortgage process. We are looking at ways we can push for greater and more integrated digital offerings. Fundamentally, in terms of market evolution, digitalization makes sense.

**“One key element I found to be extremely important during the crisis is the quality of your relationship with customers”**

**How has COVID-19 impacted the housing market in Saudi Arabia?**

The market is in fact supported by some key trends. Saudi Arabia has a significant population between the ages of 25 and 40. This is supporting growth in the market. In parallel, the mortgage market is truly nascent. There were 170,000-180,000 mortgages by the end of 2019 for a country of some 31 million inhabitants. So, if the activity has slowed down especially in April and May due to the current pandemic, the fundamentals are there to quickly get things back to normal. You will see the market catching up again.

**What has been the knock-on effect with regards to the stimulus package, and what do you predict in the future?**

The government has been keen to provide support to the financial sector in order to back up SMEs and private companies. It has played a great role in smoothening the impact of the current crisis. It is slightly early to judge the actual consequences of the pandemic. We saw a slowdown in the origination of loan mortgages in the numbers published in April. We have not seen the numbers for May and will see what it will be like in June. However, people are confined to their homes. There will naturally be a slowdown in the origination process similar to other segments of the market. We see at our level a blip in the numbers, though due to the support provided by SAMA and the government through the stimulus package, it remains limited. Third, and where we do not see much troubles at the moment thanks to the stimulus packages, is liquidity. Overall, we do not see a constant and negative trend in the market. Therefore, once the difficulties linked to the current crisis start to subside, the trend will resume. We are fairly optimistic for 2021. ✖





# You've reached the end of the free preview.

---

To continue reading, purchase the  
full version via this app or go to  
**[thebusinessyear.com/shop](https://thebusinessyear.com/shop)**

Or contact us at:  
**[info@thebusinessyear.com](mailto:info@thebusinessyear.com)**

**thebusiness** | year