

## Kingdom of Saudi Arabia, Monday, 15 June 2020

| Country      | Gov measures for Swiss subsidiaries in SBH/TP country | Economic Outlook 2020 | Movement of goods | Movement of people |
|--------------|---|-----------------------|-------------------|--------------------|
| Saudi Arabia | ✓   |                       |                   |                    |

Red = critical situation / expected GDP decline bigger than 5% compared to previous year

Orange = difficult situation / expected GDP decline up to 5% compared to previous year

Green = normal or almost normal situation / remaining GDP growth compared to previous year

# 1. General Situation

## DESCRIPTION OF THE CURRENT SITUATION

- Saudi Ministry of Health: <https://www.moh.gov.sa/en/Pages/default.aspx>
- Saudi Ministry of Health: <https://covid19.moh.gov.sa/en/>
- Saudi Center for Disease Prevention and Control: <https://covid19.cdc.gov.sa/>
- Saudi Ministry of Foreign Affairs: <https://twitter.com/KSAMofaEN>

## GOVERNMENT MEASURES

- Saudi Arabia announced a 13 billion dollars package to support businesses and small and medium enterprises

## ECONOMIC OUTLOOK (ECONOMIC DEVELOPMENT, EFFECTS ON INDUSTRIES)

- **Economic Development and Outlook:**
  - ✓ The collection of customs duties on imports (all products) is postponed for a period of 30 days, or against the submission of a bank guarantee, for three months
  - ✓ The Saudi government has taken many measures on the monetary and fiscal fronts to lead the movement of economic stability during the pandemic and at the anticipated revival stage after the skies clear. Stimulus measures amount to 32 billion dollars to support an economy hit by the double blow of the coronavirus crisis and dramatically lower oil prices:
    - 18.62 billion dollars to aid businesses, including exemptions of various government levies and fees.
    - 13.3 billion dollars package announced by the Saudi Arabian Monetary Agency (Central Bank) to support Small and Medium-sized Enterprises (SMEs)
  - ✓ .King Salman ordered the disbursement of up to 2.39 billion dollars in financial support to more than 1.2 million citizens who work in private sector companies affected by the economic
  - ✓ The Ministry of Finance put in place in unemployment insurance that pays 60% of the salaries of Saudi private sector labourers. Payment of a maximum of 2'392.66 dollars monthly, started from the beginning of May for three months.

- ✓ The central bank of Saudi Arabia put forward emergency stimulus packages and asked lenders to offer concessional loans to companies struggling with COVID-19's impact so they will not have to reduce their workforces, Bloomberg reported. SAMA seeks to have banks implement a lending programme right away for a minimum of half a year to "assist in maintaining employment levels". To support banks to do so, SAMA delayed the fulfilment of outstanding Basel III standards.
- ✓ The Ministry of Investment has formed a new taskforce, for this specific global pandemic. The MISA COVID-19 Response Center (MCRC) is a 24/7 service for answering inquiries, solving issues and assisting SMEs. The Ministry also prepared a "[Guide to Business Continuity in Case of Emergency Coronavirus Covid-19](#)".
- **Effects on industries:**
  - ✓ For Saudi Arabia, the pandemic is a double whammy. It has cut their major source of income while social safety net costs are rising exponentially.
  - ✓ Global oil prices fell to 21-year lows last month. Saudi Arabian state oil giant Aramco reported a 25 percent fall in first-quarter net profit (16.64 billion dollars compared to 22.18 billion dollars in Q1 2019).
  - ✓ Saudi Government will triple the VAT and decided to increase the customs duty rates for an extensive range of goods (a total of 57 Chapters and more than 2,000 are expected to be affected). As the customs duty rates have been increased to levels reaching 10%, 15% and 20%, Swiss products benefiting from the FTA will become more competitive.
  - ✓ The Saudi Public Investment Fund (PIF) looked at investment opportunities amid the dramatic decline of equity markets and economies due to the coronavirus crisis. Until March 31, the PIF has accumulated stakes in international companies in sectors ranging from energy and entertainment to aerospace. The announced investments worth about 8 billion dollars.

## 2. Movement of goods

- Saudi Arabia has so far not restricted the movement of goods.
- Due to the outbreak of COVID-19, The Saudi Food and Drug Authority (SFDA) has taken steps to ease importing restrictions, accelerate registration processes and provide all support for local factories and distributing companies to ensure regulations do not block the development or supply of devices that could save lives
- Saudi Arabia stops all exports of coronavirus detection and prevention products (Medical supply products, masks), medicines, pharmaceutical and medical devices

## 3. Movement of people

### RESTRICTIONS ON ENTRY FROM SWITZERLAND

- On March 12, 2020, Saudi Arabia announced the suspension of travel and flight to some countries including Switzerland. Saudi Arabia suspended entry of passengers coming from these countries. Saudi Arabia also suspended passenger traffic through all land crossings
- Cargo traffic is still allowed, and the passage of exceptional humanitarian cases.

### RESTRICTIONS ON MOBILITY WITHIN THE COUNTRY

- As per Thursday, 28 May, Saudi Arabia starts easing restrictions on movement and travel. **Restrictions will be lifted in three phases**, culminating in the curfew completely ending - with

the exception of the holy city of Mecca -- from June 21. The Hajj and Umrah pilgrimages, which attract millions of travellers from around the world, will remain suspended until further notice.

- ✓ **The first phase**, starting on Thursday, 28 May
  - The 24-hour curfew has been reduced to between 3 p.m.-6 a.m.
  - Countrywide, free movement between regions, some retail, and wholesale activities, including malls, have been allowed to resume.
  
- ✓ **The second phase**, starting on Sunday, 31 May
  - Free movement will be allowed between 6 a.m. and 8 p.m.
  - Domestic flights has resumed. But a ban on international flights will stay.
  - Public and private sector employees will be allowed to return to their offices.
  - Social gatherings of more than 50 people will still be banned, including weddings and funerals.
  - Saudi Arabia launches 31 'fever clinics' to treat symptomatic patients. The new facilities "fever clinics" will operate 24 hours a day, 7 days a week.
  - Saudi King Salman approved a number of decisions taken by the Saudi Health Council (SHC), including adoption of the national plan to develop quality and patient safety in health sectors.
  - All international flights continue to be suspended. Flights will resume gradually and the schedule will be announced through official channels. International flights allowed now are only incoming flights carrying stranded Saudi citizens abroad.
  - Domestic flights start operating.
  
- ✓ **The third phase**, starting on Sunday June 21
  - Saudi Arabia to end the curfew in the whole country
  - Saudi Arabia to resume sports activities from June 21. It is now up to sports federations to specify dates for the resumption of competitions from Aug. 4 onward with a continued ban on public attendance.