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Introduction

The Diplomatic Dialogue is a public/private partnership between business and diplomatic communities joining together in a common mission of recognizing and valuing our relationship with our Saudi hosts, and seeking to enhance the local business climate to the common benefit.

Last Sunday I moderated the latest in our AmCham Saudi Arabia's Diplomatic Dialogue series, on the topic of Building Business Hubs, hosted by UK Ambassador Neil Crompton at the British Embassy Residence, joined on the panel by U.S. Chargée d'Affaires Martina Strong and Singapore Ambassador Chowming Wong. A summary of our themes follows.

Introductory Remarks: Moderator

Our theme, Building Business Hubs, draws on the initiative to attract regional headquarters to King Abdullah Financial District.

Vision 2030's success depends on serious foreign investment and technical support; who better to help promote its success than business interests represented here; and who better to showcase what works and what doesn't, than diplomatic representatives from the great economic and commercial success stories represented here tonight?

Our international diplomatic and business communities share a common mission: appreciate our strong and enduring commercial, strategic, cultural and social relationship, and make it better.

The diplomatic toolkit includes the sharp, the sweet and the sticky, sharp being military, necessary but crude, as Russia's misbegotten Ukraine venture has so painfully

illustrated; sweet being cultural, a mile wide and an inch deep; and sticky being commercial.

Sticky means long-term relationships of friendship, common interest and mutual respect, colleague-to-colleague and neighbor-to-neighbor. As expatriates we engage deeply with our Saudi colleagues and friends, learn each other's cultures and values, and respect each other's ideas and traditions, over years and decades.

In this spirit of partnership and concern to promote each other's success, our panelists showcased topical initiatives and achievements, for their possible relevance to the Kingdom's plans.

Introductory Remarks: Ambassador Crompton

Ambassador Crompton noted the security advantages over the centuries of the UK's island profile, near enough to be a good neighbor and far enough to remain secure; described the UK's green energy and environmental sustainability initiatives; the successes in generating innovative and commercially productive startups through public/private cooperation; and the strong global leadership in financial markets, including fintech, dispute resolution and business services, and the cultural and social diversity assured by a multiethnic workforce.

Introductory Remarks: Chargée d'Affaires Strong

Chargée d'Affaires Strong noted the advantages of a continental nation bordered by oceans and friendly neighbors; helped explain the success behind Silicon Valley and Massachusetts as world-leading innovative academic and business hubs; the reasons for U.S. leadership in education and ways in which this has enriched and inspired the Saudi educational achievements; and the importance and origins of a highly productive workforce.

Introductory Remarks: Ambassador Wong

Ambassador Wong showcased the ways in which Singapore has outperformed competing offshore business hubs throughout Asia; the value of its strategically critical location on the Malacca Straits; a judicious balance between encouraging local labor mobilization while attracting key foreign talent; a strong public private partnership, including initiatives to attract sectoral clusters in commodities trading and other activities;

and positive commercial relationships with others in the region.

Concluding Reflections

We are delighted to resume this series following earlier events hosted by the New Zealand and Dutch Embassies; the general reaction has been that while the diplomatic world in Riyadh has been rich in social events, more substantive opportunities such as this series has provided have been evident in the breach.

The British Embassy event appears to have been similarly well-received by some 120 attendees, and we are already planning sequels at the U.S., Dutch and other Embassies.

As we increasingly escape from covid restrictions, we look forward to more of this type of intellectually substantive in-person event.

Upcoming Saudi Holidays, Events, Webinars, and Conferences

- **USSBC Program:** For a schedule of upcoming U.S.-Saudi Business Council (USSBC) events and webinars see [here](#).
- **Ramadan:** April 1-May 1
- **Eid al-Fitr:** April 25-May 5 (starting April 21 for students)

COVID-19 Status, Restrictions, and Information

- **Vaccines:** Saudi Arabia has approved the Pfizer, Oxford-AstraZeneca, Johnson and Johnson, Covishield, Comirnaty, Spikevax, SK Bioscience, Vaxzevria, Sputnik, and Moderna vaccines for [import and use](#). Covaxin has been approved [for travel](#). The Ministry of Health has affirmed the safety of the mixing of vaccines [approved in the kingdom](#).
 - **Registration:** Vaccines are available for [citizens and residents](#). To register, use the “Tawakkalna” app.
- **Removal of Precautionary Measures:** Saudi Arabia has lifted significant precautionary and preventative COVID measures, including social distancing [and outdoor mask-wearing](#).

Public Sector and Significant Updates

- **Private Sector Eid Holidays:** The Ministry of Human Resources and Social Development announced there will be a four-day Eid Al-Fitr holiday for the private sector [beginning at the end of April 30](#).

Corporate / Employment

- *No significant recent developments.*

Legal

- **Al Tamimi Legal Magazine:** For Al Tamimi Law's latest magazine issue (focus is on the future of retail), see [here](#).
- **Property Law Amendments:** Saudi Arabia is amending laws to attract more foreign investments [to its property sector](#).
- **Traffic Law Amendments:** Authorities have issued a decree to approve amendments in the Traffic Law that allow the split payment of traffic fines and a discount of 25% of fine values [in certain cases](#).

Visas and Travel

- **Travel Guidelines:** For up-to-date travel information, visit the US Embassy in Saudi Arabia's [COVID-19 page](#). For Saudia's travel guidelines, see [here](#).
 - **COVID Protocols Lifted:** Saudi Arabia has lifted all COVID travel restrictions. Unvaccinated travelers [can enter the Kingdom](#).

Business / Economy

- **General:**
 - **IMF Outlook:** The IMF raised its estimate for Saudi Arabia's economic growth by nearly three percentage points due to higher oil prices, with the Kingdom's GDP now seen expanding 7.6% this year before [slowing to 3.6% in 2023](#). According to S&P, banking sector risks will remain ["contained."](#)

- **Fitch Outlook:** Fitch has raised Saudi Arabia's outlook from "stable" to "positive" and affirmed an "A" rating [due to higher oil prices](#).
- **Public Investment Fund (PIF):**
 - **Thyssenkrupp Hydrogen Stake:** The PIF is considering buying a stake in [Thyssenkrupp's hydrogen unit](#).
- **Finance, Insurance, and Investment:**
 - **ITFC Agreement:** Saudi Arabia's government and export-import bank signed an agreement with the Islamic Trade Finance Corporation (ITFC) in an effort to grow non-oil exports and increase SME access to [trade finance facilities](#).
 - **Saudi Exchange Shariah Committee:** The Saudi Exchange has set up a [Shariah Advisory Committee](#).
 - **Microfinance Licenses:** SAMA has launched licenses for consumer microfinance [operations in the Kingdom](#).
 - **Wa'ed-Maydan Startup MoU:** Wa'ed Ventures, Aramco's VC arm, has signed a MoU to provide ethically focused fintech startups [with the UK's Maydan Capital](#).
- **Real Estate, Construction, Infrastructure, and Megaprojects:**
 - **TRSDC Biofuels:** The Red Sea Development Company announced plans to use biofuels to run [all tourist facilities](#).
 - **Riyadh Housing:** The Minister of Municipal and Rural Affairs and Housing signed agreements for 5,000 low-income housing units [in the Riyadh region](#).
- **Industry, Utilities, Logistics, and Non-Oil Energy:**
 - **Morocco Joint Maritime Line:** The chairman of the Moroccan-Saudi Business Council stated that Morocco and Saudi Arabia will launch a maritime line ["in the next few weeks."](#)
- **Tourism, Hospitality, Culture, Sports, and Entertainment:**
 - **Cruise Statistics:** Saudi Arabia received over 30,000 cruise passengers during its 2021/22 winter cruise season, with a third of passengers being international and [hailing from 80 countries](#).

- **Scent of Speech Competition:** Saudi Arabia hosted a competition for recitations of the Holy Quran that included [40,000 contestants from 80 countries](#).
- **Retail, Luxury, and E-Commerce:**
 - *No significant recent developments.*
- **Religion:**
 - **Umrah Travel Rules:** Visitors with Umrah visas are allowed to move across the Kingdom [during their stay](#).
 - **Umrah Visa Requirements for Women Lifted:** Overseas femal Umrah pilgrims can obtain visas without the need for a male guardian or being [members of a female group](#).
- **Education:**
 - **Eid Holidays for Students:** Eid Al Fitr holiday dates will begin on April 21 instead of the 25th [as previously planned](#).
- **Healthcare:**
 - *No significant recent developments.*
- **Technology and Telecom:**
 - **Kaspersky Riyadh Office:** Cyber security provider Kaspersky has opened an [office in Riyadh](#).
- **Defense:**
 - *No significant recent developments.*
- **Food and Agriculture:**
 - *No significant recent developments.*
- **Natural Resources, Mining, and Environment:**
 - **Mining License Auction:** The Ministry of Industry and Mineral Resources has announced an auction for 13 mining licences in the limestone blocks complex [in Hufairat Nisah, Riyadh region](#).
- **Oil:** Oil prices most recently [stood](#) on April 21 at \$113.76 pbb for Saudi oil (Arab Light) and \$104.45 pbb for West Texas Intermediate (WTI).

- **Aramco 2021 Financial Report:** For Aramco's financial report for 2021, see [here](#).
- **Export Growth:** Saudi oil exports jumped to nine million barrels per day in February 2022, [the highest level in 22 months](#).
- **Reduced Chinese Imports:** Saudi Arabia exported nearly 13% less oil to China in March than a year earlier but [retained its top supplier spot](#).

Geopolitical

- **Putin Call:** Crown Prince Mohammed bin Salman spoke with Russian president Vladimir Putin to discuss maintaining [oil market stability](#).
- **VAT Delays:** Tax directors and advisors do not expect VAT regimes in Kuwait and Qatar to be introduced before 2024 as concerns over rising inflation and high oil prices [bolster tax revenues](#).
- **U.S.:**
 - **Tensions:** Saudi Arabia and the UAE have so far declined Washington's requests for increasing oil output. The two Gulf countries are reportedly upset over what they see as insufficient support in the Yemen conflict [and protection from Houthi attacks](#). Saudi Arabia denied that [relations are strained](#). For another analysis on recent tensions between the U.S. and Saudi Arabia, see [here](#).
 - **Economic Talks:** The Saudi Finance Minister met with the U.S. Treasury Secretary on the sidelines of the recent IMF and World Bank Spring Meetings to discuss bilateral relations [and geopolitical tensions](#).
 - **Twitter Investments:** Saudi investor Prince Alwaleed bin Talal stated that as a major shareholder of Twitter he rejected the [takeover bid by Elon Musk](#).
- **Yemen:**
 - **International Task Force:** The U.S. is forming a new multinational naval task force to respond to Houthi arms smuggling and attacks [on regional countries](#).

Gulf

- **AMF Outlook:** The Arab Monetary Fund (AMF) expects Arab economies to grow by 5% in 2022 due to higher oil prices and [continued stimulus packages](#).
- **Saudi-Qatar Business Council:** Saudi Arabia and Qatar have formed a joint business council to [boost bilateral trade](#).
- **UAE:**
 - **COVID Information:** For current COVID information from the U.S. Embassy in the UAE, see [here](#). For statistics and information from the UAE government, see [here](#).
 - **Visa Overhaul:** The UAE cabinet has approved a new expat entry and residence scheme aimed at attracting and retaining global talent. This includes a slew of new visas, longer stays, [and simplified requirements](#).
 - **Governance Methodology Overhaul:** The UAE Government has launched a new methodology for federal government work, which focuses on short-term transformational projects and gives [greater authority to federal ministries](#).
 - **Dirham Debt Sales:** The UAE announced it will sell dirham-denominated Treasury bonds in May to build its [local financial and banking sectors](#).
 - **Tax Whistleblower Program:** The Emirati Federal Tax Authority has announced the implementation of the “Raqeeb” whistleblower program [for tax evasion and violations](#).
 - **Rafael Contract:** Dassault Aviation has received the first payment from the UAE for the Gulf state’s purchase of [80 Rafale fighters](#).
 - **Israel Trade:** Trade between Israel and the UAE topped \$1.1 billion during their [first year of diplomatic relations](#).
- **Qatar:**
 - **COVID Information:** For current COVID information from the U.S. Embassy in Qatar, see [here](#). For statistics and information from the Ministry of Public Health, see [here](#).
 - **World Bank Outlook:** The World Bank expects Qatar’s GDP to grow by 4.9% in 2022, [up from 3% in 2021](#).

- **Fitch Outlook:** Fitch has affirmed Qatar's Long-Term Foreign-Currency Issuer Default Rating (IDR) at “AA-” [with a “stable” outlook](#).
- **Legal Revisions:** Qatar has made revisions to several legal codes, including the Social Insurance and Military Pension Laws, the Social Insurance Draft Law, and the [Military Retirement Draft Law](#).
- **Kuwait:**
 - **COVID Information:** For current COVID information from the U.S. Embassy in Kuwait, see [here](#). For statistics and information from the Ministry of Health, see [here](#).
 - **Eid Holiday Dates:** Kuwait will grant a week-long Eid al-Fitr holiday for government employees [from May 1-8](#).
- **Bahrain:**
 - **COVID Information:** For current COVID information from the U.S. Embassy in Bahrain, see [here](#). For statistics and information from the Ministry of Health, see [here](#).
 - **Fitch Outlook:** Fitch predicts Bahrain’s fiscal deficit will fall only marginally to 12.3% of GDP this year with GDP growth at 2.4% as oil prices settle well below the [country’s breakeven figure](#).
 - **FDI Growth:** FDI into Bahrain grew 5.6% in 2021 over the previous year, [reaching \\$33.1 billion](#).
 - **Reserve Fund Injections:** Bahrain will resume making payments into its rainy day fund, which was used to cover the economic fallout of COVID. doubling the amount it contributes [at oil prices over \\$80 a barrel](#).
 - **Europe Electricity Exports:** Bahrain is considering an ambitious plan to export electricity to Europe [during winter](#).
 - **AC Milan Bid:** Bahrain is in talks to buy the Italian soccer team AC Milan [for \\$1.1 billion](#).
- **Oman:**
 - **COVID Information:** For current COVID information from the U.S. Embassy in Oman, see [here](#). For statistics and information from the Ministry of Health, see [here](#).

- **World Bank Outlook:** The World Bank predicts a significant improvement in Oman's fiscal and external positions with GDP growth expected to exceed 5% in 2022, due to rising hydrocarbon production [and non-oil revenues](#).
- **Tourism Growth:** 122,000 travelers visited Oman in February this year, an increase of 432% [compared to February 2021](#).

Other

- **Miscellaneous:** For earlier developments, see [here](#).
- **GCC Support of Egypt:** For an analysis of the GCC's economic support of Egypt, see [here](#).

Resources

- [Previous Newsletters](#)
- [Ministry of Health Dashboard](#)
- [Ministry of Health Coronavirus Guidance](#)
- [New Companies Law \(English\)](#)
- [Chamber of Commerce Global Policy Dashboard](#)
- [Ministry of Investment Guide to Business Continuity](#)
- [US-Saudi Business Council](#)
- [Saudi-US Trade Group](#)
- [American Community of Saudi Arabia Newsletters](#)
- [US Embassy in Saudi Arabia](#)
- [US State Department Travel Information](#)

We will be happy to provide more specific advice in the context of particular circumstances, concerns, and priorities; please let us know.

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Disclaimer: While the above information was gathered from sources believed to be accurate at the time, we cannot be responsible for errors due to human or technical error.

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