

Saudi Arabian Monetary Authority Sama

This 2019 Article IV Consultation with Saudi Arabia discusses that reforms are starting to yield positive results. Oil prices and production have been volatile, and uncertainties in the global oil market continue. Promoting non-oil growth and creating jobs for Saudi nationals remain key challenges. Non-oil growth is expected to strengthen further this year and over the medium term. Risks to the growth outlook are broadly balanced. The fiscal deficit declined in 2018; however, higher government spending has increased medium-term fiscal vulnerabilities to a decline in oil prices. Fiscal consolidation is needed to reduce these vulnerabilities. The fiscal framework should be further strengthened to help reduce the procyclicality of government spending. Reforms to improve the business environment are proceeding but need to be complemented by efforts to increase the cost competitiveness of Saudi labor. Government support to develop sectors of the economy should crowd in the private sector and be timebound and linked to performance.

The Kingdom of Saudi Arabia now has been under the spotlight of Western curiosity for more than 80 years. More than 15% of the world's total oil reserves lie underneath Saudi Arabia and, in the early 1990s, the kingdom became the world's largest crude oil producer. Not surprisingly, a world highly dependent on oil regards the desert kingdom as an area of intense strategic concern, as reflected in the coalition of forces assembled on Saudi soil to oust Iraq from Kuwait in 1991. Also, it played a major role in the invasion of Saddam Husayn's Iraq in 2003 and shares concern with the West over Iran's nuclear intentions throughout the 21st century. This third edition of Historical Dictionary of Saudi Arabia contains a chronology, an introduction, and an extensive bibliography. The dictionary section has over 1,000 cross-referenced entries on important personalities, politics, economy, foreign relations, religion, and culture. This book is an excellent resource for students, researchers, and anyone wanting to know more about Saudi Arabia.

The global financial crisis experience shone a spotlight on the dangers of financial systems that have grown too big too fast. This note reexamines financial deepening, focusing on what emerging markets can learn from the advanced economy experience. It finds that gains for growth and stability from financial deepening remain large for most emerging markets, but there are limits on size and speed. When financial deepening outpaces the strength of the supervisory framework, it leads to excessive risk taking and instability. Encouragingly, the set of regulatory reforms that promote financial depth is essentially the same as those that contribute to greater stability. Better regulation—not necessarily more regulation—thus leads to greater possibilities both for development and stability.

The FSAP took place during the aftermath of a major shock for the Saudi economy, whose repercussions were still being felt despite a decisive policy response. During 2015–16, the decline in oil prices led to a sharp fall in oil revenues. Government spending was cut and payments to some suppliers were delayed, adding to the contractionary effects on the economy. Combined with sharply increased domestic government borrowing, these developments contributed to a tightening in banking system liquidity. SAMA injected liquidity and relaxed the prudential ratio on banks' lending to deposits. These measures were effective and, by end-2016, as government arrears were being repaid, the situation in the banking system had started to normalize.

Details the trends in security shaping the future of Saudi Arabia and their impact on the stability of the Gulf region. We build and estimate open economy two-bloc DSGE models to study the transmission and impact of shocks in Russia, Saudi Arabia and the United Kingdom. After accounting for country-specific fiscal and monetary sectors, we estimate their key policy and structural parameters. Our findings suggest that not only has output responded differently to shocks due to differing levels of diversification and structural and policy settings, but also the responses to fiscal consolidation differ: Russia would benefit from a smaller state foot-print, while in Saudi Arabia, unless this is accompanied by structural reforms that remove rigidities, output would fall. We also find that lower oil prices need not be bad news given more oil-intensive production structures. However, lower oil prices have hurt these oil producers as their public finances depend heavily on oil, among other factors. Productivity gains accompanied by ambitious structural reforms, along with fiscal and monetary reforms could support these economies to achieve better outcomes when oil prices fall, including via diversifying exports.

This paper focuses on Saudi Arabia's Detailed Assessment of Observance of the Basel Core Principles for Effective Banking Supervision. The banking sector is fairly concentrated around a few banks. The seven largest banks have a combined share of assets of 85 percent. The three largest banks have a combined share of about 45 percent, and the next four each have market shares exceeding 5 percent. The dominant shareholders of the three largest banks are government entities, the fourth largest is linked to a family business group, and the next three have ties to major international banks. Saudi Arabia implements International Financial Reporting Standards for banks, and insurance companies, and is served by the major accounting firms.

2011 Updated Reprint. Updated Annually. Saudi Arabia Banking & Financial Market Handbook

This Manual offers guidelines for the presentation of monetary and financial statistics. It provides a set of tools for identifying, classifying, and recording stocks and flows of financial assets and liabilities, describes the standard, analytically oriented frame works in which the statistics may be presented, and identifies a set of analytically useful aggregates within those frameworks. The concepts and principles set out in the Manual are harmonized with those of the System of National Accounts 1993.

The authorities responded quickly and decisively to the COVID-19 crisis and the economy is recovering. COVID-19 cases are well below the 2020 peak and vaccination is progressing. The exit from the remaining COVID-related policy support needs to be carefully managed and the Vision 2030 reform agenda continued.

Analyses the major political and economic changes that confront Saudi Arabia and assesses their impact on regional stability.

Saudi Arabia's Report on Standards and Codes has been examined. The Capital Market Authority (CMA) has made significant progress in establishing its supervision credentials, including issuing implementing regulations. The CMA approach to supervision is both risk-based and compliance-focused, and the cost of compliance needs to be a more central focus when establishing mandatory obligations. The CMA has general and broad powers for inspection and investigation, and it conducts full electronic surveillance of the market. The CMA has the authority to investigate potential violations and to bring enforcement action seeking civil and criminal penalties.

Saudi Arabia has in recent years committed large-scale investments in digitalizing its economy. In this special report, we delve deeper into these developments through the eyes of the business and political leaders who are leading the charge. This special report comes in a new series of online publications, focusing on a certain aspect or industry in one of our 35 global markets. Our reports are consumed by investors, analysts, and decision makers around the world. This 74-page report covers digital governance, financial technology, telecoms and cybersecurity, logistics, industry, and education. The growth of Islamic finance today is significant, making it timely to meet the market demand across the world and particularly for Muslim countries by producing a cryptocurrency model under the Shari'ah ethical principles. This book addresses core components of cryptocurrency within the Maqasid al-Shari'ah in enabling students, academics, users, traders, issuers, promoters, facilitators, managers, regulators, decision makers, blockchain technology providers, financial authorities, and other relevant professionals to understand Shari'ah cryptocurrency and its practical mechanisms. Among the issues covered are corporate understanding, global phenomena and world view, the Shari'ah model, SWOT analysis, innovation, conventional practices and the Halaldichotomy, regulatory standards, blockchain and its technological paradigm, practicality, establishment, and operational mechanisms, Zakat and Waqf through cryptocurrency, risk factors, and takaful solution. This book establishes a Halal alternative model of cryptocurrency management within the Maqasid al-Shari'ah to meet the contemporary global market demand.

This book pinpoints continuities and changes in U.S. foreign economic policy from the fixed exchange rate system of the 1960s through to the period between the two oil crises of the 1970s. Chapters pay close attention to the interconnectedness between the long lasting decline of the U.S. Dollar on foreign exchange markets and the U.S. balance of payments, transformations in international capital markets, and international oil developments. The book charts the prolonged failure of Washington's foreign economic policies to restore U.S. financial and monetary leadership through to the Carter Administration.

This publication focuses on the analysis of the most recent socioeconomic developments in two ways. The first focus aims at demonstrating the analytical observation of routinely monitored economic and social variables of the Arab region in the global context (the monitoring part). The second focus aims at an in-depth analysis on the regional impacts of ongoing fiscal reforms (the thematic part).

An important U.S. ally in the Middle East

Key initiatives include a privatisation programme which would see the divestment of a number of state-owned giants, such as the partial listing of Aramco, the creation of the world's largest sovereign wealth fund and the increased participation of women in the job market. The Kingdom has played a key role too on the international stage in 2017, becoming the first country to host President Trump, a visit which resulted in renewed trade and investment commitments on both sides. Meanwhile the country's importance as a trading hub continues to grow thanks to both the various infrastructural upgrades that are taking place to its ports and airports, as well as its geographical advantage as a connector of three continents and its proximity to the Red Sea – through which 10% of world trade travels.

This paper assesses the stability of Saudi Arabia's financial system as a whole. Banks—the core of the Saudi financial system—remain liquid and resilient. Stress tests show that most banks, including all systemically important banks, would be able to continue operating and meeting regulatory capital requirements in the event of additional severe economic shocks, characterized by oil prices falling substantially below current levels. Despite the recent liquidity challenges, all banks would also be able to cope with additional adverse liquidity shocks. The authorities' ambitious agenda for improving macro- and microprudential financial sector oversight should be fully implemented and, in some cases, enhanced and further refined.

In response to the Global Financial Crisis and the COVID-19 pandemic, central banks have used all available instruments in their monetary policy tool-kit to avoid financial market disruptions and a collapse in real economic activities. These actions have expanded the size of their balance sheets and altered the composition of the asset-side. This edited book highlights how these assets are managed, providing an intellectual and practical contribution to an under-researched field of central bank responsibilities. It first reviews the sources and uses of domestic and international assets and how they complement—or possibly conflict with—the implementation of monetary policy goals. Next, the book examines the asset management mandate in a balance sheet context before turning to the investment decision-making process from strategic and tactical asset allocation to investment strategies, risk management, governance, reporting and control. Finally, it presents new developments in the field of managing assets at central banks. The individual chapters are written by central bankers, academics, and representatives from International Financial Institutions, each representing a particular aspect of the asset management practice. Practical and powerful insights from a hall of fame of investors, central bankers and scholars, are packed into this one volume. If you could have only one book on central bank asset management, this would be it. —Peter R. Fisher, Clinical Professor, Tuck School of Business at Dartmouth
Jacob Bjorheim draws on his long experience in sovereign asset management to pull together a rich collection of insights from a broad range of expertise. Asset management at central banks has evolved and expanded considerably over the past decade. This book is a timely source of information and guidance. —Guy Debelle, Deputy Governor, Reserve Bank of Australia
Central bank balance sheets have grown at a tremendous pace over the last decade and a half. Drawing on contributions from scholars and experienced central bankers from around the world, this timely and insightful book sheds light on how central banks are, and should be, managing their growing balance sheets. —Kjell G. Nyborg, Chaired Professor of Finance, University of Zurich, Author of *Collateral Frameworks: The Open Secret of Central Banks*
Central banks and monetary authorities are charged with, and being held accountable for, managing portfolios of foreign currency assets of unprecedented size. The essays in this admirable book, written by some of the worlds most highly experienced officials, cover the full range of why and how this is currently being done and how new developments are affecting old practices. Interesting conceptually and immensely useful practically. —William White,

Senior Fellow at the C.D. Howe Institute, former Head of the Monetary and Economic Department with the Bank for International Settlements (BIS) and chairman of the Economic and Development Review Committee at the OECD An excellent and timely review of modern international reserve management, which ought to be read by everyone working with, or simply interested in, international asset management and finance as well as monetary and economic policy. The spectrum of authors is broad and their combined insight is very valuable. —Tom A. Fearnley, Investment Director, Norwegian Ministry of Finance With “Asset Management at Central Banks and Monetary Authorities”, Jacob BJORHEIM has achieved an editorial tour de force. The book assembles the insightful views of the leading experts in the field, both from an academic and practitioners’ perspective. It bridges the gap between the macroeconomics of central banks and the financial management of their reserves. A must read to understand how central banks are special in the group of institutional investors. —Eric Bouyé, Head of Asset Allocation and Quantitative Strategies, Treasury Department, The World Bank The balance sheet is a large and important toolbox for any central bank and specifically the foreign exchange reserves constitute one the more powerful of these tools. This book provides excellent insight in the various perspectives of managing reserves at a central bank. —Heidi Elmér, Director of Markets Department, Sveriges Riksbank The world of international reserves has changed since the global financial crisis. In this volume, Jacob BJORHEIM has assembled a stellar cast of experts to explain how and what that means for reserves management. With chapter authors like Andrew Ang, Jennifer Johnson-Calari, Robert McCauley, Ravi Menon, Simon Potter and Philip Turner, it is a book that every reserve manager must read. —Eli Remolona, Professor of Finance and Director of Central Banking, Asia School of Business in collaboration with MIT Sloan Jacob BJORHEIM has succeeded in bringing together a first-class team of experts, and organising their contributions in an articulated journey from the central banks’ policy mandate to their asset management practices. An indispensable post-crisis update of the subject and a required reading for anyone professionally involved with central bank’s asset management, or simply curious about a topic benefitting otherwise from limited research. —Louis de Montpellier, Former Global Head, Official Institutions Group, SSGA, and former Deputy Head, Banking Department, Bank for International Settlements (BIS), Basel At last, a book that shares with a wider audience, deep insight in a unique, challenging and ethical approach of asset management developed and implemented in the secretive world of central banks. If you wonder how to manage funds that stand ready for use at short notice in times of stress then this book is for you. Two features make it such a valuable read and a must-have reference: First, the very comprehensive list of themes covered from a rich diversity of angles. Second, the very impressive list of prominent institutions and authors that have contributed and shared their analysis and practical approaches of the issues presented. What is better than to get the information directly from first-hand practitioners, experts and managers themselves in their own words? —Jean-Pierre Matt, Former Head of Financial Analysis at the Bank for International Settlements (BIS) and founder of Quanteis This book holds the promise to become the go-to guide for anyone wishing to learn more about the management of official foreign exchange reserves. Central bankers in particular, but also those providing services to central banks, will find benefit from the broad scope in subject matter and varied perspectives being presented. I am yet to see a compendium on official reserve management with similar reach in subject matter. —Leon Myburgh, Former Head Financial Markets Department, South African Reserve Bank (SARB), Pretoria This is an immensely timely book at a time when central bank operations, and their balance sheets, remain “larger for longer”. Following the Financial Crisis 10 years ago, and with the Covid-19 Recession about to break, central bank balance sheets are at the forefront of the authorities’ response to economic issues as never before. Yet the management of their now large-scale assets remains a little known and little studied area. The authors of this book combine extensive technical and practical experience, and their observations will fill an important gap in the literature at a critical time. —Freyr Hermannsson, Former Head of Treasury, Central Bank of Iceland, Reykjavik

This paper introduces a theoretical framework for liquidity management under fixed exchange rate arrangement, derived from the price-specie flow mechanism of David Hume. The framework highlights that the risk of short-term money market rates unanchoring from the uncovered interest rate parity due to money and foreign exchange market frictions could jeopardize financial stability and market development. The paper then discusses operational solutions that stabilize money market rates close to the level implied by the Uncovered Interest Rate Parity (UIP). Liquidity management under fixed exchange rate with an open capital account presents specific challenges due to: (1) the larger liquidity shocks induced by foreign reserve swings that challenge the development of money markets; and (2) more complicated liquidity forecasts. The theoretical framework is empirically tested based on the estimate of “offset” coefficients for Denmark and Hong Kong SAR.

A new wave of technological innovations, often called “fintech,” is accelerating change in the financial sector. What impact might fintech have on financial services, and how should regulation respond? This paper sets out an economic framework for thinking through the channels by which fintech might provide solutions that respond to consumer needs for trust, security, privacy, and better services, change the competitive landscape, and affect regulation. It combines a broad discussion of trends across financial services with a focus on cross-border payments and especially the impact of distributed ledger technology. Overall, the paper finds that boundaries among different types of service providers are blurring; barriers to entry are changing; and improvements in cross-border payments are likely. It argues that regulatory authorities need to balance carefully efficiency and stability trade-offs in the face of rapid changes, and ensure that trust is maintained in an evolving financial system. It also highlights the importance of international cooperation.

This 2018 yearbook issue of International Financial Statistics (IFS) is a standard source of statistics on all aspects of international and domestic finance. The IMF publishes calculated effective exchange rates data only for countries that have given their approval. The country, euro area, and world tables provide measures of effective exchange rates, compiled by the IMF’s Research Department, Statistics Department, and area departments. The real effective exchange rate index in line rec is derived from the nominal effective exchange rate index, adjusted for relative changes in consumer prices. Consumer price indices, often available monthly, are used as a measure of domestic costs and prices for these countries.

The capacity of the Saudi Arabian banking sector to respond to macroeconomic shocks has been considerably strengthened over the past decade. The Saudi Arabian Monetary Agency (SAMA) has been actively monitoring some emerging portfolio trends. Comprehensive reforms are under way to deepen financial markets and increase access to financial services. Resolving structural issues remains an obstacle for the market development. SAMA adheres to the Basel Committee’s Core Principles for Effective Banking Supervision, and it makes no differentiation between conventional and Sharia-compliant banking arrangements.

This 2016 yearbook issue of International Financial Statistics is a standard source of statistics on all aspects of international and domestic finance. The monthly printed issue of IFS reports current monthly, quarterly, and annual data, while the yearbook reports 12 observations of annual data. Most annual data on the CD-ROM and Internet begin in 1948; quarterly and monthly data generally begin in 1957; most balance-of-payments data begin in 1970. The notes to the country tables in the monthly issues provide information about exceptions in the choice of

the consumer price index (generally line 64) and the period average exchange rate index. Quotas are reviewed at intervals of not more than five years. The reviews take account of changes in the relative economic positions of members and the growth of the world economy. The General Resources Account resources consist of the currencies of Fund member countries, SDRs, and gold.

The book examines in depth, the centrality of the Saudi fixed currency regime to the US dollar, SAMA's monetary tools, macro prudential policies and its supervision of the Saudi commercial banking sector and new sectors such as insurance, the emerging Fin Tech industry as well as a closer examination of SAMA's investment policies as custodian of the local currency. Saudi Arabia has long been associated with its central role in the global energy market, with its decisions on production volumes affecting the global financial markets. However, the Kingdom has also emerged as a significant global financial player due to its large holdings of international currency, its dominance of the regional Gulf and Arab world capital markets, and the aspirations of its Sovereign Wealth Fund, the Public Investment Fund. The G20 Presidency in 2020 has also placed Saudi Arabia on the global stage for the country to showcase progress in many and opening up its financial market to foreign investors. But the path to financial regulation and liberation to unleash Saudi Arabia's potential has not come overnight, but through incremental steps and learning by doing. The results speak for themselves as this book examines: • The Saudi Capital Market and the evolution of its main Tadawul and parallel NOMU stock markets following the inclusion of Tadawul in the FTSE Russell, MSCI and S&P EM Indexes • The centrality of the Saudi fixed peg exchange regime as well as a closer examination of SAMA's investment policies as custodian of the local currency • SAMA's rebranding in 2020 as a Central Bank, its monetary and macro prudential policies and the re entry of foreign banks to the Saudi market, reversing previous Saudization of foreign bank branches in Saudi Arabia. The Author offers an analysis of the key challenges facing Saudi Arabia in an age of financial globalization, FinTech and digitization. The challenges faced by the Saudi regulators in the COVID 19 era are examined, along with the country's financial sector objectives as part of the Vision 2030 program, SME financing now a central plank in the country's Vision 2030 program, the role of FDI in economic growth, the reasons behind Saudi Arabia languishing behind other countries in attracting FDI given the size of its economy and rising domestic and foreign debt levels. It has been an incredible journey for a young country, and by all indications, the journey for expanded global partnership continues as Saudi Arabia also puts into practice its version of the circular carbon economy, its commitment to climate change, and being at the forefront of a new global digital economy.

For the Saudi Arabia 2020 publication, our sixth annual edition on the Kingdom's economy, we placed heavy emphasis on technology and innovation as a catalyst for change, as well as the developments in the digital economy. Across numerous industries, technology is playing an increasingly greater role—as a global trend but no less true for Saudi Arabia, which has in recent years committed large-scale investment into digital transformation. The Business Year's country-specific publications, sometimes featuring over 150 face-to-face interviews, are among the most comprehensive annual economic publications available internationally. This 280-page publication covers finance, green economy, energy, water, industry, defense, transport, aviation, digital economy, real estate, construction, food, agriculture, health, education, entertainment, culture, and sports.

This paper highlights the Saudi Arabia's Detailed Assessment of Observance of the Committee on Payment and Settlement Systems Core Principles for systemically important payment systems. The Saudi Arabian Monetary Agency (SAMA) is working to establish its payment system oversight function from an operational perspective. The power of SAMA to oversee the payment systems is stated in the central bank and banking laws. The powers of the central bank to operate, regulate, and oversee the payment systems are not detailed in the law and could be also covered by the proposed Payment System Law. Many critical aspects relating to the payment and securities settlement systems are covered in the legal framework.

An update on Saudi Arabia's Financial System Stability Assessment (FSAP) is presented. Saudi Arabia has confronted the global financial crisis from a position of strength, and took decisive steps to manage the impact of the crisis. As a result, the financial system has weathered the crisis relatively well. The authorities have made progress implementing the recommendations of the 2004 FSAP. Many improvements have been made to bank and securities supervision. The banking sector as a whole is well capitalized and appears to be able to withstand severe temporary shocks.

This thematic encyclopedia examines contemporary and historical Saudi Arabia, with entries that fall under themes such as Geography, History, Government and Politics, Religion and Thought, Food, Etiquette, Media, and much more. The Kingdom of Saudi Arabia, known for its petroleum reserves and leadership role in the Middle East, is explored in this latest addition to the Understanding Modern Nations series. Organized into thematic chapters, Modern Saudi Arabia covers both history and contemporary daily life. Chapter topics include: Geography; History; Government and Politics; Economy; Religion and Thought; Social Classes and Ethnicity; Gender, Marriage, and Sexuality; Education; Language; Etiquette; Literature and Drama; Art and Architecture; Music and Dance; Food; Leisure and Sports; and Media and Popular Culture. Each chapter contains an overview of the topic and alphabetized entries on examples of each theme. A detailed historical timelinespans from prehistoric times to the present. Special appendices are also included, offering profiles of a typical day in the life of representative members of Saudi society, a glossary, key facts and figures about Saudi Arabia, and a holiday chart. This volume will be useful for readers looking for specific topical information and for those who want to read entire chapters to gain a deeper perspective on aspects of modern Saudi Arabia. • Includes "Day in the Life" features that portray the specific daily activities of various people in Saudi Arabia, from teenagers to working adults in different fields, thereby providing readers with insight into daily life in the country • Defines key terms related to the reading in a glossary appendix • Provides at-a-glance information about Saudi Arabia's important religious and secular holidays in a chart of National Holidays • Illuminates the text through photos and sidebars helping to illustrate key topics and allowing students to dive more deeply into ideas • Provides fun facts and anecdotal information in sidebars that help to engage readers

This book sheds new light on the critical importance of the Saudi Arabian Monetary Agency (SAMA), a remarkably successful central bank that is a model for developing oil exporters worldwide. As a "swing producer", Saudi Arabia has traditionally stepped in to make up for oil supply shortfalls in other OPEC countries, or to scale back their own SAMA production when overabundance might lead to a price crash. Since 2014, Saudi Arabia has changed its policy in response to the rise of American shale oil, in search of a long-term strategy that will, once again, help balance supply and demand at a steady price. In its informal dual role of central bank and sovereign wealth fund, SAMA must navigate the paradoxes faced by monoline oil producing countries: the need for diversification vs. dependence on oil-based revenue; the loss of foreign exchange reserves that follows oil-financed government spending; the unreliability of revenue from oil; the challenges of using a Western model for supervising Shariah-compliant banks; and the need to have a balancing mix of oil and financial assets. As SAMA (now the Saudi Arabian Monetary Authority) reassesses its role in 2017, this history and guide to current policy issues will prove invaluable for policymakers in oil producing economies looking to apply lessons from the past as they plan for the future.

Global growth remains moderate and uneven, and a number of complex forces are shaping the outlook. These include medium-

and long-term trends, global shocks, and many country- or region-specific factors. The April 2015 WEO examines the causes and implications of recent trends, including lower oil prices, which are providing a boost to growth globally and in many oil-importing countries but are weighing on activity in oil-exporting countries, and substantial changes in exchange rates for major currencies, reflecting variations in country growth rates and in exchange rate policies and the lower price of oil. Additionally, analytical chapters explore the growth rate of potential output across advanced and emerging market economies, assessing its recent track and likely future course; and the performance of private fixed investment in advanced economies, which has featured prominently in the public policy debate in recent years, focusing on the role of overall economic weakness in accounting for this performance. This third edition of *Doing Business with Saudi Arabia* is the definitive English language guide to business practice and commercial opportunity in the Kingdom, the largest economy in the Middle East. This authoritative guide provides an up-to-date appraisal of the current economic and investment climate, a review of market potential in the key sectors, and unique best practice advice on all aspects of commercial engagement with Saudi Arabia. Also included are detailed regional and sectoral profiles.

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