

# Saudi Government's Economic Stimulus Packages

A National Response to Combat A Global Pandemic





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# Introduction

01



## Introduction

We live in unprecedented times, with the speed, spread and severity of the coronavirus pandemic impacting the lives and livelihoods of many.

The priority of the Saudi government, under the wise leadership of the Custodian of the Two Holy Mosques and the guidance of HRH the Crown Prince, has been the protection of the lives of citizens and residents, as well as the livelihoods of businesses that contribute to our economy.

The significant improvements of our economy under Vision 2030 has enabled the government to respond quickly and with certainty to the challenges we face.

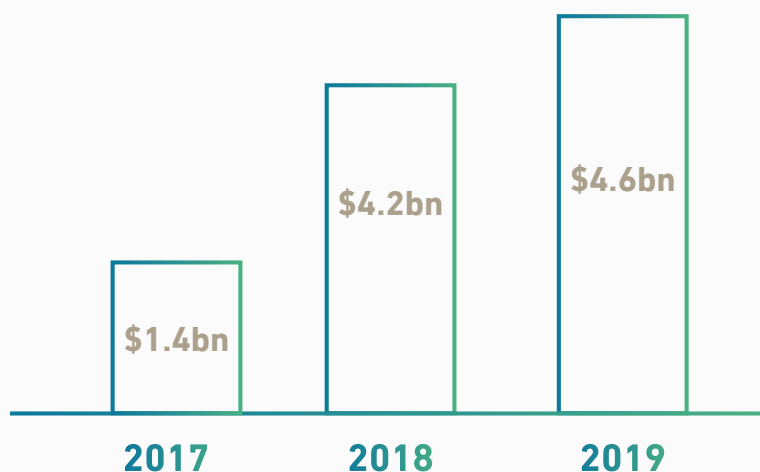
By 2019 non-oil GDP, an important KPI in assessing our progress in transforming our economy, had greatly increased as a result of the work and planning that was undertaken HRH the Crown Prince and various entities. These efforts have resulted in us reaching an exceptionally good position where the government's efficiency and effectiveness is greatly improved, whilst at the same time reducing our deficit. We also hold strong reserves in the world which enable us to confront this pandemic from a "Position of Strength".

The background is a teal gradient. On the left, a portion of a globe is visible. Overlaid on the globe is a white line graph with several peaks and troughs. In the bottom left corner, there are two stylized virus icons. The title text is centered in the middle of the page.

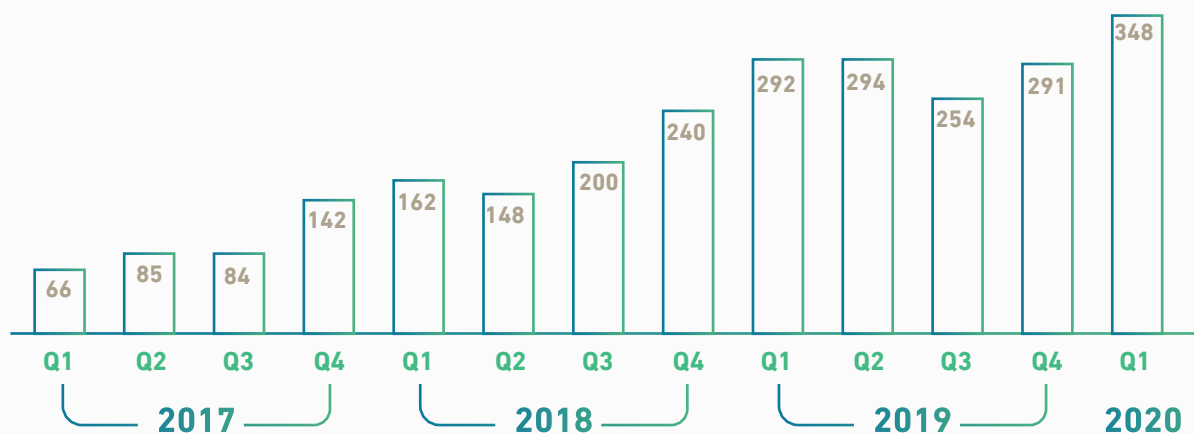
# **Foreign Investor Activity In Saudi Arabia: Facts and Figures**

02

## Foreign Direct Investment

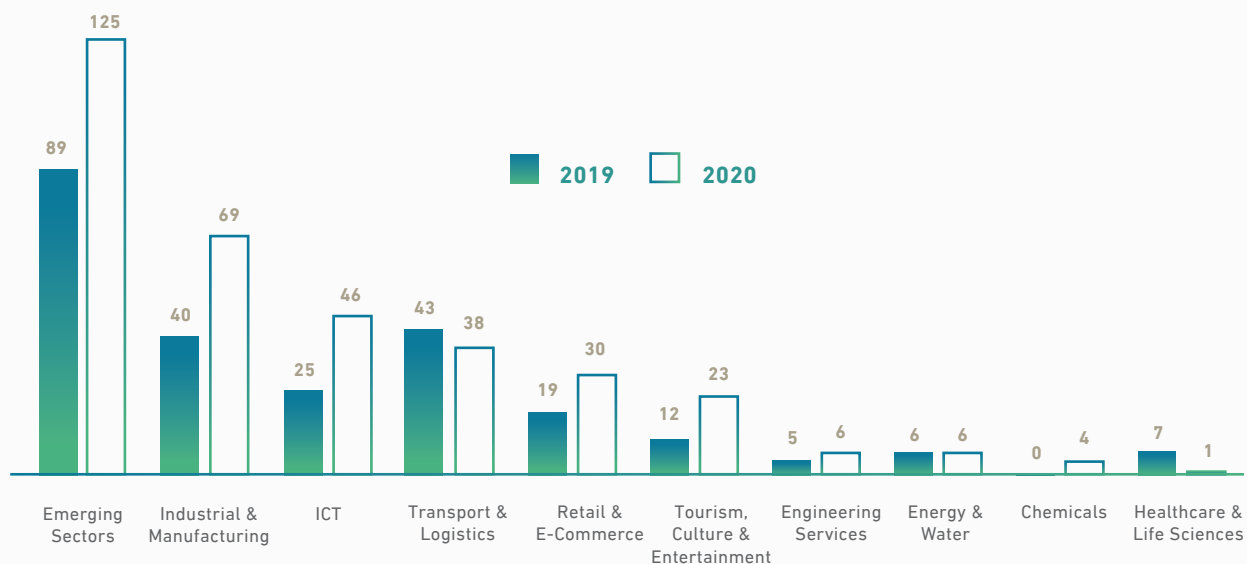


## Number of new foreign investment projects – per quarter

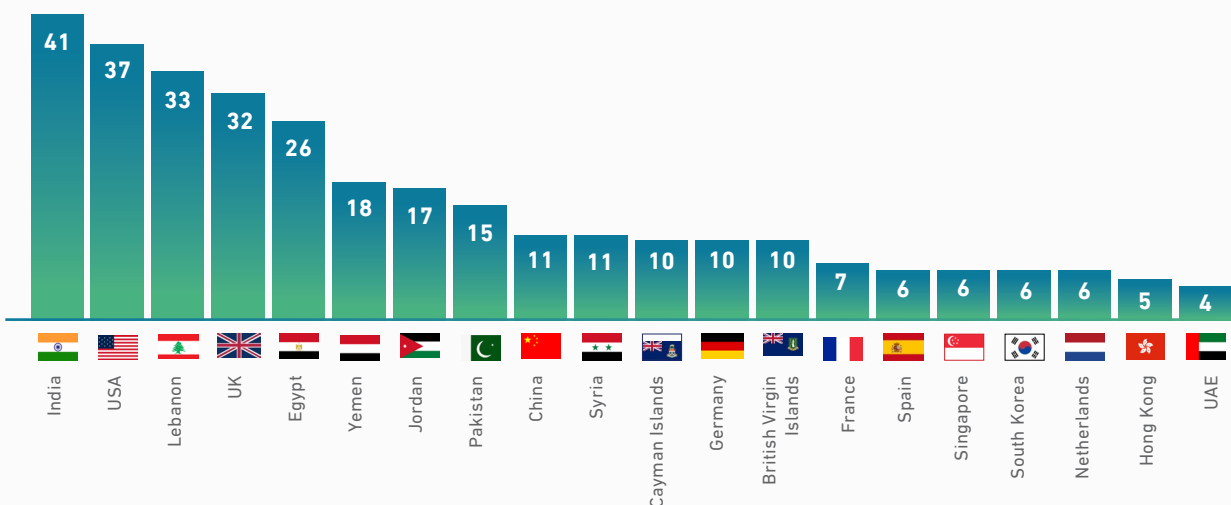




## Number of new foreign investment projects - per sector



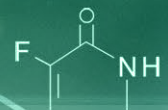
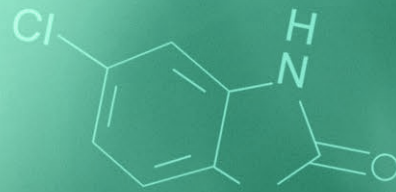
## Number of new foreign investment projects - per country



Source:

Spring 2020 - A Special Report by Invest Saudi

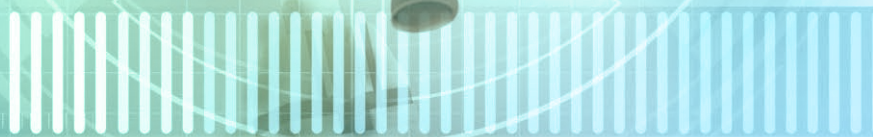
ORONAVIRUS | COVID-19



# Timeline of Measures Taken to Mitigate the Financial & Economic Impact of Covid-19

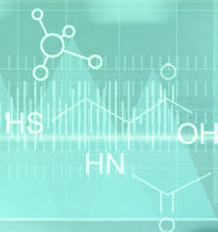
59

STATUS: 15% COMPLETED



FUNC ATAT : STABLE

TEMP : 104.2



03



Saudi Arabian Monetary Authority launches support measures to fund the private sector with SAR 50 billion

14 March

Saudi government supports private sector with more than SAR 120 billion

Ministry of Municipal & Rural Affairs postpones fees due on some government services and municipal fees for the private sector

Ministry of Human Resources and Social Development launches 7 initiatives supporting the private sector

Royal Commission for Jubail & Yanbu launches 7 initiatives to mitigate the economic impact of Covid-19 and support investors

20 March

20 March

21 March

Ministry of Industry and Mineral Resources announces measures to support MO-DON\* partners

Saudi banks postpone 3 months repayment installments for all healthcare workers in both the government and private sectors

22 March

26 March

King Salman chairs the Extraordinary Virtual G20 Leaders' Summit to advance the global coordinated response to the Covid-19 pandemic

12 Saudi banks support the Health Endowment Fund with SAR 160.7 million

27 March

31 March

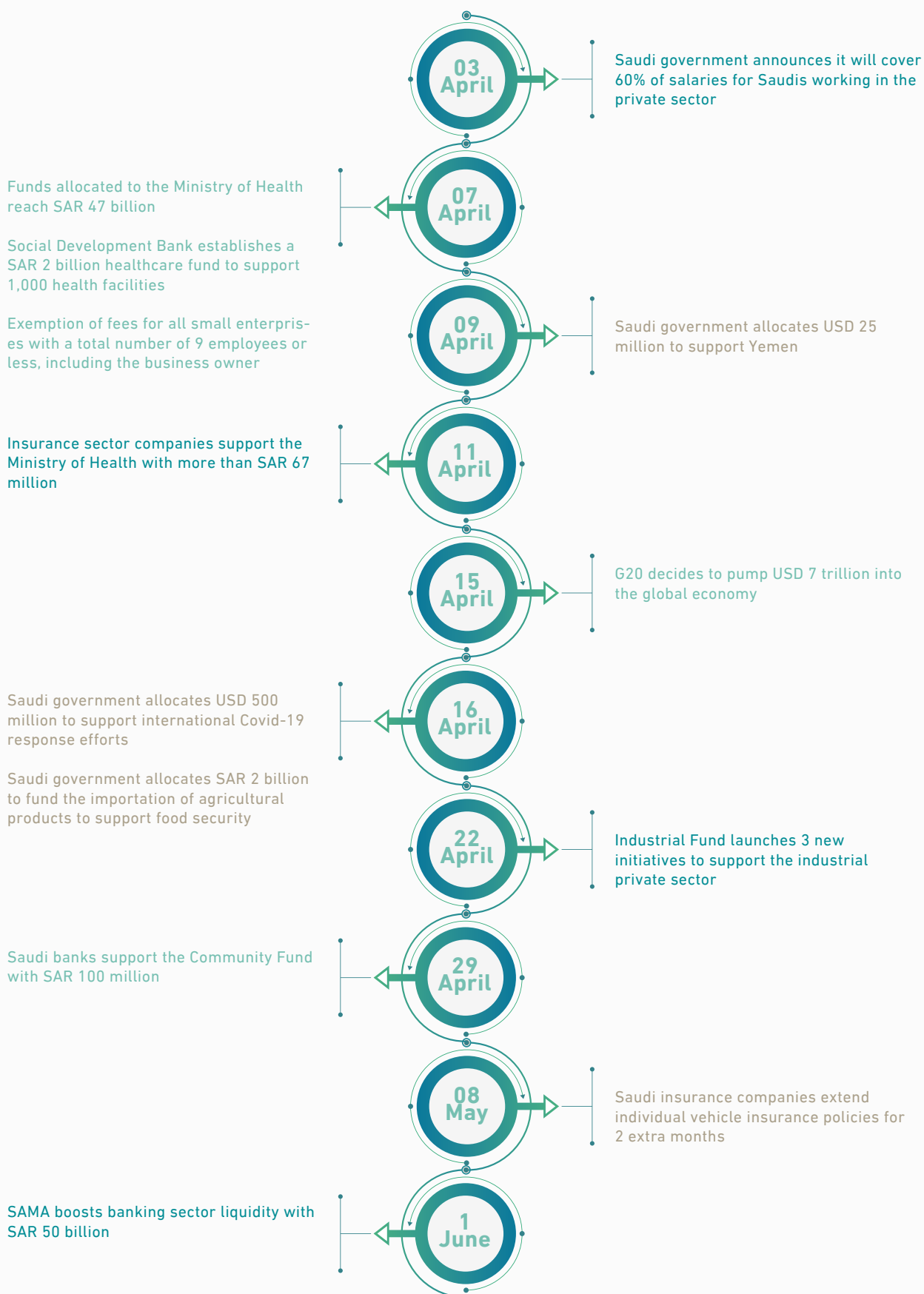
Economic Cities and Special Zones Authority launches several urgent initiatives to mitigate the economic impact of Covid-19 and support investors

General Authority for Military Industries announces incentives for companies investing in military industries

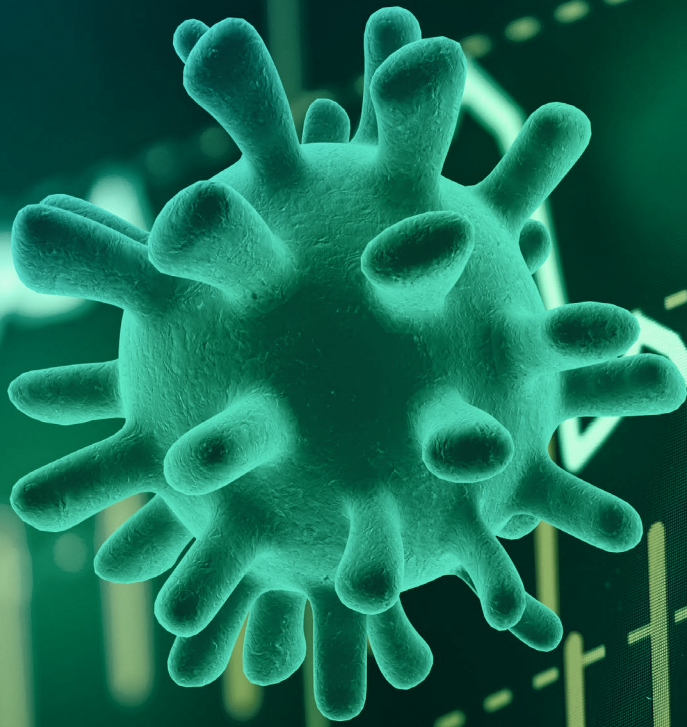
Ministry of Human Resources and Social Development launches the Community Fund with a total capital amount of SAR 500 million

01 April

Energy companies support the Health Endowment Fund with more than SAR 500 million

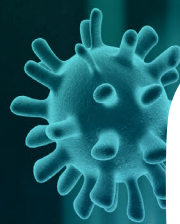






# Measures

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# 04



## Saudi Arabian Monetary Authority

- Loan Guarantee Program
- POS Transaction Fee Support
- Deferred Payments program

For more information, click here



## General Organization for Social Insurance

- Support for Saudi Workers in Private Sector Enterprises Affected by Coronavirus
- For more information, click here



## Ministry of Industry and Mineral Resources

- Extended the Period for Meeting Mining License Issuance and Renewal Requirements
- Extended the Customs Exemption Period

For more information, click here







## Royal Commission for Jubail & Yanbu

- Suspended Termination of Investment Services
- Suspended Financial Compensation and Investor Fees
- Amended Conditional Allocation Notices for Industrial Investors
- Extended Investment Agreements
- Postponed Cancellation Procedures of Investment Agreements
- Postponed Payment of Monthly Bills for Services Consumption

For more information, click here



## Social Development Bank

- Introduced Production Support Track for MSMEs
- Established A Healthcare Fund to Support Production

For more information, click here





## Saudi Authority for Industrial Cities and Technology Zones

- Reduced Fees by 25% for Factories that have an Operating License
- Provide Support for Factories with Operating Licenses and Whose Operational Activities Have Been Affected By Covid-19

For more information, click here



## General Directorate of Passports

- Introduced Exemptions from Expat Levy
- Permitted Employers to Extend Employee Exit and Re-entry Visas

For more information, click here



## Ministry of Energy

- 30% Discount on the Value of Electricity Bills
- Enabling Payment of 50% of the Electricity Bill Value

For more information, click here







## Saudi Ports Authority

### Postponed Ports' Payment Fees

For more information, click here



## Saudi Customs

### • Postponed Duty Collection on Imports

For more information, click here



## Ministry of Municipal & Rural Affairs

### • Postponed Service Charge Collection

For more information, click here



## Ministry of Commerce

### • Postponed Payment of Commercial Registration Renewal Fees

For more information, click here





## General Authority of Zakat & Tax

- Postponed Submission and Payment of VAT Declarations
- Postponed Submission and Payment of Excise Tax Declarations
- Postponed the Payment of VAT Due upon Imports Collected by Saudi Customs through VAT Declarations
- Deferred the Payment of Excise Tax Due upon Imports
- Postponed Submission and Payment of CIT and Zakat Declarations
- Postponed Submission and Payment of Excise Tax Declarations
- Granted Zakat Certificates without Restrictions for the 2019 Financial Year
- Accelerated Payments of Refund Requests

For more information, click here



## Ministry of Foreign Affairs

- Enabled Work Visa Refund for Business Owners

For more information, click here







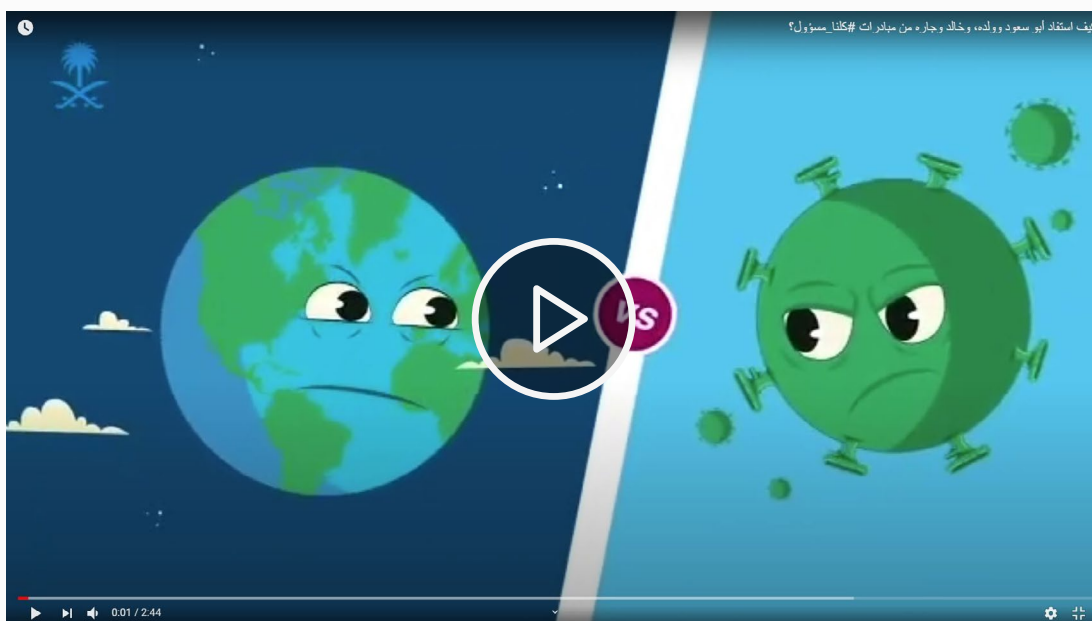
## Ministry of Finance

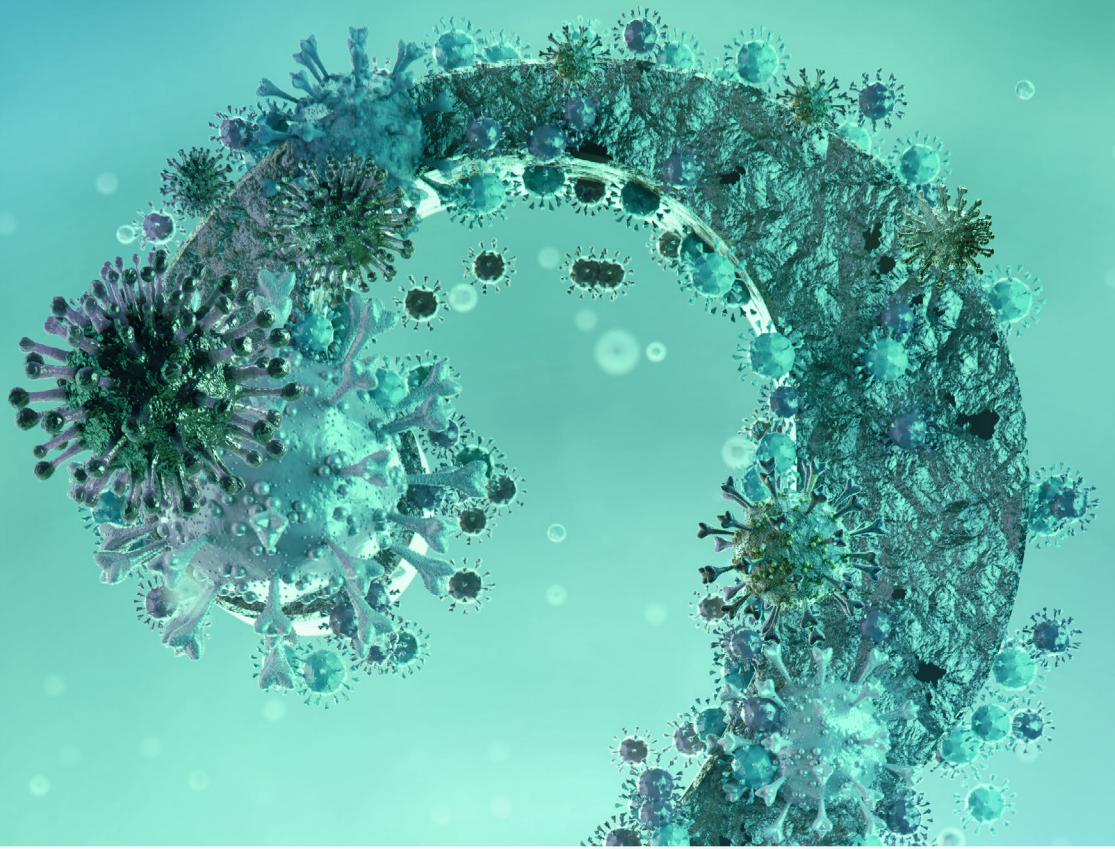
- Postponed Payment of Government Service and Municipal Fees

For more information, click here

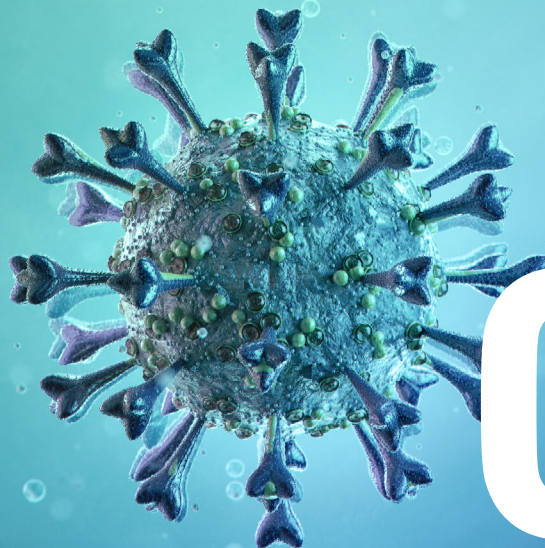


Watch this video to learn more about the available support programs





# Frequently Asked Questions



05



## FAQs:

### General Authority of Zakat and Tax (GAZT)

#### ► Q1: What types of taxes are covered by the Initiative?

Postponement and suspension cover all types of tax returns (VAT, Excise Tax, and Income Tax) as well as zakat returns, effective from the initiative launch date.

### Saudi Customs

#### ► Q2: Are there any terms & conditions to be adhered to by an importer?

Yes, an importer shall submit an application via Saudi Customs Portal, provide a Bank Guarantee to Commercial Register through any SAMA-approved bank, provided that guarantee covers all imports during the postponement period.

### General Organization for Social Insurance

#### ► Q3: How does an employee know if s\he is one of the 70% who can benefit from compensation?

If a support request submitted by an entity has been accepted, an SMS will be sent to the subscriber on the mobile number registered on "Absher" to apply for SANED compensation. Both employer and employee should verify contact numbers .

#### ► Q4: If the employee is a subscriber covered by support, how can s\he apply?

Requests will be submitted through the subscriber's account on the GOSI website.

► **Q5: When will requests for compensation start?**

Enterprises can submit requests for support from Wednesday, April 8.

If the support request submitted by the enterprise has been accepted, an SMS will be sent to the subscriber to apply for SANED compensation. The compensation will be released from the beginning of the month following submission and processing of application.

## Ministry of Commerce

► **Q6: Do such initiatives include all Saudi, foreign and Gulf registrations?**

Yes.

► **Q7: Can a customer renew for a longer period?**

Yes.

► **Q8: Should the customer undertake any action?**

No. All registrations ending within the specified period have been renewed and the customer has been notified of renewal.

## Ministry of Energy

► **Q9 : Which consumption categories are subject to the decision to reduce bills by 30%?**

The decision will be applied to commercial, industrial and agricultural consumption.



► **Q10: Will reduction be made for all months?**

No, reduction applies on April and May 2020 bills only.

► **Q11: Will 50% reduction for bills paid in (April, May and June) be made automatically?**

No, if a customer wants to pay 50% of his bill, he should enter 50% of the bill value through banking channels.

► **Q12: Can both 30% reduction and 50% payment initiatives be used at the same time?**

Yes, they can be used simultaneously, as 30% of consumption value will be reduced automatically for April and May bills, and then the bill will be issued. Further, the subscriber can pay at least 50% of the bill value after such reduction.

## **Saudi Arabian Monetary Authority**

► **Q13: Who are the beneficiaries? Are there any conditions to be met to be eligible for the Deferred Payments Program?**

All MSMEs per SAMA Circular No. 381000064902 dated 16/06/1438H. Such beneficiaries can benefit from the program according to Kafalah Program, and subject to the policies of granting credit to financiers cooperating with Kafalah Program.

► **Q14: How can a beneficiary know if the credit facilities granted are supported by SAMA under the program?**

Upon granting credit facilities, the financier must, in writing, notify the program beneficiaries that the financing cost is supported by the Guaranteed Facility Program.

► **Q15: When can the financier benefit from the amount allocated for the Program?**

Finance companies can benefit from the program after signing the necessary agreements with SAMA and when submitting the drawdown request. On the other hand, banks can submit the drawdown request through the automated system between SAMA and banks according to the procedures followed in the Treasury Department.

► **Q16: What is the minimum amount of drawdown from the Program amount, and how many drawdown requests can be submitted by a financier to benefit from the Program?**

The minimum amount is SAR 10 million, and any number of drawdown requests can be submitted, provided that the conditions in the agreement are met.



A person's hands are shown typing on a laptop keyboard. The laptop screen displays a financial line chart with a dashed trend line. The entire image has a greenish-blue tint. A white horizontal band is positioned across the middle of the image, containing the title text.

# **Government Entities' Online Platforms**

06

## Get in touch with government entities providing support programs through any of the following communication channels:



### Ministry of Finance

Website: <https://www.mof.gov.sa/en/Pages/default.aspx>

Twitter: @MOFKSA



### Saudi Arabian Monetary Authority

Website: [www.sama.gov.sa/en-us/pages/default.aspx](http://www.sama.gov.sa/en-us/pages/default.aspx)

Twitter: @SAMA\_GOV



### Ministry of Investment

Website: <https://www.misa.gov.sa/en/>

Twitter: @SAGIAcare



### Ministry of Human Resource and Social Development

Website: <https://mlsd.gov.sa/en/node>

Twitter: @Mhrsd\_sa



### Ministry of Commerce

Website: <https://mci.gov.sa/en/pages/default.aspx>

Twitter: @MCgovSA





### Saudi Electricity Company

Website: <https://www.se.com.sa/en-us/Pages/home.aspx>

Twitter: @LKAHRABA



### Yesser (e-Government Program)

Website: <https://www.yesser.gov.sa/EN/pages/default.aspx>

Twitter: @YesserProgram



### Riyadh Municipality

Council website: [www.grm.gov.sa](http://www.grm.gov.sa)

E-services Portal: <http://www.riyadh.gov.sa/en/pages/links/links.aspx>

Twitter: @emara\_riyadh



### General Authority of Zakat and Tax

Website: <https://gazt.gov.sa/en/pages/default.aspx>

Twitter: @Gazt\_Care



### Council of Saudi Chambers

Website: <https://csc.org.sa/?lang=en>

Twitter: @CSC\_SA



### Ministry of Industry and Mineral Resources

Website: [www.mim.gov.sa](http://www.mim.gov.sa)

Twitter: @mimgov



### Saudi Standards, Metrology and Quality Organization

Website: <https://www.saso.gov.sa/en/pages/default.aspx>

Twitter: @SASOGOV



### General Directorate of Passports

Website: <https://gdp.gov.sa/Ar/Pages/default.aspx>

Twitter: @AljawazatKSA



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