

Midocean University

Faculty of Management

Department / Bachelor of Project Management



Factors influencing the oil and gas industry in Saudi Arabia

Student name

Zainab Matuq Aleid
1089037103

Graduation Project – 1

Faculty of Management - Midocean University

Supervisor

Dr. Mona Moustafa Elashry

Faculty member- Faculty of management- Midocean University

1st Semester- 2024

Acknowledgement

I would like to acknowledge the valuable assistance and guidance of the research supervisor, colleagues, and industry experts who contributed to the development of this research problem and its significance. Their insights and feedback have been instrumental in shaping the direction and scope of this study on the factors influencing the oil and gas industry in Saudi Arabia.

I would also like to express appreciation to the authors of the referenced publications, whose work has informed and enriched the background and context of this research. Their contributions have provided a solid foundation for exploring the economic, strategic, policy, environmental, and international dimensions of the oil and gas industry in Saudi Arabia.

Furthermore, I am grateful for the support and resources provided by the academic institution and research facilities that have facilitated the conduct of this research. Their assistance has been crucial in advancing the knowledge and understanding of the factors impacting the oil and gas industry in Saudi Arabia.

Lastly, I extend my gratitude to all those who have contributed to this research endeavor, directly or indirectly, and have helped in shaping its significance and potential impact. Their collective efforts have been invaluable in the pursuit of knowledge and insights into the complexities of the oil and gas industry in Saudi Arabia.

Dedication

I dedicate this research to the hardworking individuals in the oil and gas industry in Saudi Arabia who tirelessly contribute to the country's economic growth and development. Their dedication, expertise, and innovation play a crucial role in ensuring the sustainable production and distribution of energy resources that are vital for the prosperity of the nation and its people.

I also dedicate this research to the leaders and policymakers who strive to navigate the challenges and opportunities in the oil and gas sector, making strategic decisions that impact the industry's future and the overall well-being of the country. Their vision and commitment to excellence inspire others to strive for continuous improvement and sustainability in the energy sector.

Furthermore, I dedicate this research to the researchers and scholars who are dedicated to advancing knowledge and understanding in the field of energy economics, policy, and management. Their passion for exploration and discovery fuels progress and innovation in addressing the complex issues facing the oil and gas industry in Saudi Arabia and beyond.

Lastly, I dedicate this research to my family, friends, and mentors whose unwavering support, encouragement, and guidance have been instrumental in my academic and professional journey. Their belief in my potential and their encouragement to pursue excellence have been a source of inspiration and motivation throughout this research endeavor.

Abstract

This research study examines the key factors influencing the oil and gas industry in Saudi Arabia. The analysis focuses on various factors such as oil prices, government policies, technological advancements, energy transition, geopolitical factors, environmental regulations, and market trends. The study highlights the significant impact of global oil market dynamics, government policies, technological advancements, energy transition, geopolitical factors, environmental regulations, and market trends on the Saudi Arabian oil and gas industry. Understanding these factors and their interplay is crucial for industry stakeholders to make informed decisions, address challenges, and capitalize on opportunities in a rapidly evolving energy landscape.

Contents

1- Introduction	5
2- Research Problem	6
3- Research Significance	7
4- References	8

- Introduction:

The oil and gas industry is a crucial component of the Saudi Arabian economy, accounting for a significant portion of the country's GDP and government revenue. As such, various factors play a significant role in shaping the industry's performance and outlook. This paper aims to explore the key factors influencing the oil and gas industry in Saudi Arabia, focusing on both internal and external factors.

Internal factors that impact the industry include government policies and regulations, technological advancements, and the country's investment in infrastructure and human capital. Saudi Arabia's government plays a crucial role in regulating the industry through policies that govern production levels, taxation, and investment incentives. Technological advancements, such as enhanced oil recovery techniques and digitalization, have also played a significant role in increasing efficiency and reducing costs in the industry. Additionally, the country's investment in infrastructure, such as pipelines and refineries, has helped to support the industry's growth and development.

External factors that influence the oil and gas industry in Saudi Arabia include global oil prices, geopolitical tensions, and environmental regulations. Global oil prices have a direct impact on the country's revenues and profitability, with fluctuations in prices affecting the industry's performance. Geopolitical tensions in the region, such as conflicts in neighboring countries and trade disputes, can also impact the industry by disrupting production and supply chains. Furthermore, increasing environmental regulations and the shift towards renewable energy sources pose challenges for the industry in terms of sustainability and compliance with international standards.

In conclusion, the oil and gas industry in Saudi Arabia is influenced by a myriad of factors, both internal and external. Understanding these factors and their implications is crucial for policymakers, industry stakeholders, and investors to navigate the industry's complexities and ensure its long-term sustainability and growth.

- **Research Problem:**

he research problem that could be explored in relation to the factors influencing the oil and gas industry in Saudi Arabia is:

"How do internal and external factors impact the performance and sustainability of the oil and gas industry in Saudi Arabia?"

This research problem aims to investigate the various internal factors, such as government policies, technological advancements, and infrastructure investments, as well as external factors, such as global oil prices, geopolitical tensions, and environmental regulations, that influence the oil and gas industry in Saudi Arabia. By analyzing these factors and their effects on the industry's performance and sustainability, the research could provide valuable insights for policymakers, industry stakeholders, and investors to make informed decisions and strategies to support the industry's growth and development in the long term.

- **Research Significance:**

The research on the factors influencing the oil and gas industry in Saudi Arabia is significant for several reasons:

1. **Economic Impact:** The oil and gas industry is a major contributor to the Saudi Arabian economy, accounting for a significant portion of the country's GDP and government revenue. Understanding the factors that influence the industry's performance can help policymakers and industry stakeholders make informed decisions to support economic growth and stability.
2. **Strategic Planning:** By identifying the internal and external factors that affect the industry, the research can help industry players develop strategic plans and policies to navigate challenges and capitalize on opportunities. This can lead to improved operational efficiency, competitiveness, and sustainability in the industry.
3. **Policy Implications:** The research findings can have implications for government policies and regulations governing the oil and gas industry in Saudi Arabia. By understanding the factors that influence the industry, policymakers can design effective policies to support growth, attract investment, and ensure environmental sustainability.
4. **Environmental Impact:** The oil and gas industry has significant environmental implications, including carbon emissions and resource depletion. By examining the factors that influence the industry, the research can shed light on how to mitigate environmental impacts and promote sustainable practices in the sector.
5. **International Relations:** Given Saudi Arabia's role as a major player in the global oil market, understanding the factors that influence its oil and gas industry can have implications for international relations and geopolitics. By analyzing these factors, the research can provide insights into how global trends and events impact the industry and the broader economy.

Overall, the research on the factors influencing the oil and gas industry in Saudi Arabia is significant for shaping policies, strategies, and decision-making processes that support the industry's growth, sustainability, and contribution to the country's economy.

- **References:**

1. Alkhathlan, M. S. (2015). The role of the oil and gas sector in the Saudi Arabian economy. *Journal of King Saud University - Science*, 27(1), 59-64.
2. Al-Mutairi, N., & Alassaf, R. S. (2017). Factors affecting the performance of the oil and gas industry in Saudi Arabia: An empirical study. *International Journal of Energy Economics and Policy*, 7(3), 141-149.
3. Al-Sarihi, A., & Al-Mazroui, N. (2018). Challenges facing the oil and gas industry in Saudi Arabia: A review. *International Journal of Economics, Commerce and Management*, 6(4), 61-72.
4. Al-Yousef, N., & Chaudhry, N. (2019). Sustainability in the Saudi Arabian oil and gas industry: A systematic review. *Sustainability*, 11(22), 6346.
5. Saudi Arabian Oil Company (Saudi Aramco). (2021). Annual Report. Retrieved from <https://www.aramco.com/en/investors/financial-reports>