



جامعة الجميع الذكية
EVERYONE'S SMART UNIVERSITY

Everyone's Smart University

Assignment 1 (Spring 2021)

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الرقم الجامعي / ٢٠٢١٢٠١٥٠٥

Section

**Master of Project
Management**

Date

18 / 02 / 2021

Course Code

(PMG510)

Project Risk Management

Risk Management

Company Name: Saudi Aramco

Risk 1: Climate change's impact on the oil market

1. Why is this a risk? Ans: Climate change is a global issue requiring action from individuals, governments, organization and industries around the world.
2. What type of risk is it? Ans: Environmental risk.
3. What is the likelihood of the risk? How great is the impact?

Ans: Climate change concerns and impacts could reduce global demand for hydrocarbons and hydrocarbon.

4. What strategy or policy does the company use to manage the risk?

Ans: They have adopted many strategies to overcome this risk which are as follows:

- Low carbon intensity
- Minimizing flaring
- Methane emissions

Risk 2: The increase in electric vehicles and ride-sharing

1. Why is this a risk? Ans: Increase in the usage of electric cars or the trend of ride-sharing will minimize the usage of fuel products.

2. What type of risk is it? Ans: Economical risk.

3. What is the likelihood of the risk? How great is the impact? Ans: International crude oil supply and demand and the sales price for crude oil are affected by many factors that are beyond the Company's control, including the electrification of transportation.

4. What strategy or policy does the company use to manage the risk?

Ans: Saudi Aramco is working on technological innovations to compete the modern technology of electric cars.

Which includes: advanced integrated engine-fuel systems of the future, which aim to deliver greater efficiency and, at the same time, lower emissions.

Risk 3: Fires or explosions

1. Why is this a risk? Ans: Fire or explosion is a major risk for Saudi Aramco as it is a fuel company and a single flame of fire can destroy it completely.

2. What type of risk is it? Ans: Operational risk.

3. What is the likelihood of the risk? How great is the impact?

Ans: Explosions and fires pose a great impact on the company.

4. What strategy or policy does the company use to manage the risk?

Ans: Aramco adopts one of the world's best safety management systems to overcome this risk.

Risk 4: Regulatory and legal scrutiny of Aramco partners

1. Why is this a risk? Ans: the risks related to sanctions.

2. What type of risk is it? Ans: Legal risk.

3. What is the likelihood of the risk? How great is the impact?

Ans: The Company is currently pursuing investment and joint venture opportunities in oil and gas and LNG projects located in Russia and with Russian counterparties .

4. What strategy or policy does the company use to manage the risk?

Ans: They hire the best lawyers and develop such agreements.