



جامعة الجميع الذكية
EVERYONE'S SMART UNIVERSITY

Everyone's Smart University

Assignment 1 (Spring 2021)

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Section

**Master of Project
Management**

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Course Code

(PMG510)

Project Risk Management

Instructions:

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Saudi Aramco

Company's risks:

1- Risks related to crude oil supply and demand

Why is this a risk?

- Saudi Aramco's results of operations and cash flow are significantly impacted by international crude oil supply and demand and the price at which it sells crude oil

What type of risk is it?

- Hazard risk

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

- High likelihood
- Great impact

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

- Arrange with OPEC countries to control oil production around the world to stabilize oil prices and protect the prices from supply and demand effect

2- Risks related to insufficient insurance

Why is this a risk?

- Saudi Aramco could be subject to losses from risks related to insufficient insurance

What type of risk is it?

- Hazard risk

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

- High likelihood
- Great impact

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

- maintaining business interruption insurance for disruptions to its operations

3- Risks related to political and social instability in the MENA region

Why is this a risk?

- Political and social instability and unrest and actual or potential armed conflicts in the MENA region and other areas may affect Saudi Aramco's results of operations and financial position

What type of risk is it?

- Hazard risk

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

- High likelihood
- Great impact

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

- Enhance security through coordinating with the government to protect oil tankers from terrorist attacks

4- Risks related to operational risks and hazards

Why is this a risk?

- Political and social instability and unrest and actual or potential armed conflicts in the MENA region and other areas may affect Saudi Aramco's results of operations and financial position

What type of risk is it?

- Hazard risk

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

- High likelihood
- Great impact

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

- maintaining business interruption insurance for disruptions to its operations