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أرامكو السعودية
saudi aramco



Leading producer of the energy and chemicals that drive global commerce and enhance the daily lives of people around the globe.

There have been huge oil field discoveries and development of domestic refineries capabilities worldwide that has led to growing hazard of global market share of Saudi Aramco, which will affect in decrease in global market share owing to newer search capabilities of other countries.

The Middle East region has been involved in several wars in recent times which has made the region unstable and led to increased terrorism.

And as mentioned above, the risk of investor in Saudi Aramco can be divided in three level or category, which are political risk, market risk and operational risk.

That political risk is the effect of changes in the political climate, regime and government procedures and the government's policy on investments. Considering that even after privatization, the Kingdom will still hold the majority share, the political influence of the KSA is one of the most complicated factors to expect.

There is a high possibility that state policy will still affect the company's performance and security of investor assets. Some political aspects that may affect investment in Saudi Aramco include:

- ❖ Regional Conflicts
- ❖ Corruption
- ❖ Changes to the tax system
- ❖ Expropriation of the private sector

Market risk is an investment risk caused by global economic factors; Investment in Saudi Aramco will be affected by various global economic factors. Further, economic risks that will affect investment in Saudi Aramco include price volatility and demand risk.

- ❖ Price
- ❖ Supply
- ❖ Demand

The business character of Saudi Aramco makes it vulnerable to various risks associated with the company's operations. The parent company upstream business is exposed to risk ranging from unpredicted geological conditions, resource availability, and technological risks (Environmental, Resource and Technological Risks)

The opportunities risk appeared after the risk is identified above, that the SAUDI Aramco decided to offer part of the company's shares in the Saudi Capital Market, that to increase the company's income and not depend on oil and other energy sources.