



جامعة الجميع الذكية
EVERYONE'S SMART UNIVERSITY

Everyone's Smart University

Assignment 1 (Spring 2021)

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Section

**Master of Project
Management**

Date

18 / 02 / 2021

Course Code

(PMG510)

Project Risk Management

Instructions:

Instructor's Name: Eng. Mosaab M. Hamed

حتى الآن من المفترض أن تكون أصبحت قادراً على التعرف والتمييز بين أنواع المخاطر المختلفة وكيفية التعامل معها. كما يمكنك الآن رؤية كيف يتم هذا الأمر في الشركات الكبيرة والمرموقة.

في هذا الواجب: قم باختيار واحدة من الشركات التالية:

أرامكو السعودية

البنك الأهلي التجاري

شركة الاتصالات السعودية

قم باختيار واحدة من الشركات الثلاث المذكورة أعلاه ثم ابحث عن أي 4 مخاطر تواجهها هذه الشركة .

لكل خطر من هذه المخاطر قم بالاجابة عن الأسئلة التالية:

1. لماذا اعتبرته خطراً؟
2. ماهو نوع هذا الخطر؟
3. ماهي احتمالية هذا الخطر؟ وفي حالة وقوعه مامدى قوة وتأثير هذا الخطر؟
4. ماهي السياسة أو الاستراتيجية التي تتبعها هذه الشركة للتعامل مع هذا الخطر وادارته؟

** يمكنك الاجابة باللغة العربية أو الانجليزية على ألا تتجاوز اجابتك صفحتين من النوع A4

** يتم تسليم جميع الاجابات في ملف بصيغة pdf.

** حجم الخط 12.

** نوع الخط Arial.

** المسافة بين الأسطر (line spacing) 1.5

أمنياتي بالتوفيق.

Throughout this course you have learned about the different types of risk and how businesses manage them. Now you will be able to see how it is done in a well-known company.

Your assignment is to choose one of the following companies:

Saudi Aramco

The National Commercial Bank

Saudi Telecom Company

Do some research on any of the aforementioned companies and identify four risks they are facing.

For each risk please answer the following:

1. Why is this a risk?
2. What type of risk is it?
3. What is the likelihood of the risk? How great is the impact?
4. What strategy or policy does the company use to manage the risk?

** Your answers could either be in Arabic or English.

** You should submit your assignment in a pdf formatted file.

** Font size should be 12.

** Font type is Arial.

** Line spacing is 1.5.

All the best.

ARAMCO RISK MANAGEMENT

This article talk about risk management in ARAMCO

Whenever an investor approaches a new industry, it is good to know what the risks that a company in that sector must face to be successful. General risks apply to every stock, such as management risk, but there are also more concentrated risks that affect that specific industry. In this article, we'll look at the four biggest risks faced ARAMCO :

1- Political Risk Management

Political risk mitigated by the government to stable the relations among the countries because whenever a conflict happen the economic of the country that depends on oil and gas production will affect in huge part.

The likelihood of hazard risk to occur is high with high magnitude exposure, if its happen the reason will be unplanned disruption for the organization. For example, Oil and gas companies tend to prefer countries with stable political systems and a history of granting and enforcing long-term leases because investing in unstable political system is obvious risk!

To resolve the attitude, a long term risk can be identified with strategic decisions and reduction of the likelihood and magnitude. such as developing in countries with an unstable dictatorship and a history of sudden nationalization, as found in nations that adjust foreign ownership rules to guarantee that domestic corporations gain an interest. An important approach that a company takes in mitigating this risk includes careful analysis planning and building sustainable relationships with international oil and gas partners if it hopes to remain in business for the long run.

2- Geological Risk Management

Geological risk can be managed and controlled under uncertainty risks strategy. For example, oil exploration has moved on to areas that involve drilling in less friendly environments, such as on a platform in the middle of an undulating ocean. In this situation drilling in such these areas has to be managed carefully and the risk impact will be in short term willingness which classified under low risk appetite. Oil and gas geologists work hard to minimize geological risk by testing frequently and this risk can be classified under Low likelihood low magnitude.

3- Price Risk Management

Price risk embraced under opportunity risk behavior which the organization seeking to enhance the achievement and investing to get high profit or return. Also, this type of risk have a large appetite opportunity for investment. Furthermore, the price of oil and gas is the primary factor in deciding whether a reserve is economically feasible. Basically, the higher the geological barriers to easy extraction, the more price risk a given project faces. This is because unconventional extraction usually costs more than a vertical drill down to a deposit. All these conditions can affects on the price. In addition, there is risks related to the SAR to U.S. Dollar not peg. If the Kingdom's policy of pegging the SAR to the U.S. Dollar were to change in the future and the SAR were to become stronger relative to the U.S. Dollar, Saudi Aramco may experience a significant increase in the SAR denominated costs of its operations which indicate low risk high returns and long term impact when taking a decision of price unpegg. Such as an increase of dollar have a material adverse effect on Saudi Aramco's business, financial position and results of operations which means lots of rewards.

4- Insurance Risk Management

Insurance risk minimized under compliance risk type which the organization try to fulfil all the requirement legally. Also, this type of risk have a small appetite in short term. For example, Saudi Aramco does not insure against all risks and its insurance may not protect it against liability from all potential events, particularly catastrophic events such as major crude oil spills, environmental disasters, terrorist attacks or acts of war. In addition, Saudi Aramco does not maintain business interruption insurance for disruptions to its operations and certain of its operations are insured separately from the rest of Saudi Aramco's business. So, the need for comply all the obligations not necessary unless if the Aramco fulfilled with a range of regulatory requirement. This attitude of risk is low likelihood high magnitude with short term impact. When the impact occur the insurance will recover the damages that's why its classified under high magnitude.

