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IN THIS EDITION ...

Saudi Arabia's minister of finance and acting minister of economy and planning, Mohammad bin Abdullah Al-Jadaan, said the government will look to expand private sector opportunities in infrastructure projects, to overcome the negative effects associated with the global COVID-19 pandemic.

The government has also raised the Public Investment Fund's (PIF) investment capacity by SAR 150 billion, which was transferred from Saudi Arabian Monetary Authority's (SAMA) FX reserves in March and April.

While FX flows are on average within historical norms, a noticeable decline in FX reserves is due to the transfer, as PIF investments do not appear on SAMA's published data, the minister said.

The funds are crucial as PIF will take advantage of a number of investment opportunities that have arisen during the current global financial markets volatility. PIF will help diversify and promote economic growth and maximise the return on assets of the kingdom.

Experts in the Saudi government are also eyeing opportunities in the areas of health, security, energy, economics, finance, human resources, commerce, and other sectors.

"These teams assess periodically and comprehensively the health, social and economic dimensions of options for reopening economic activities," the minister said.

Saudi Arabia, as the president of the G20 group this year, is also pushing for more infrastructure development to revive the global economy hurt by the pandemic.

In June, a G20 Infrastructure Working Group (IWG) met virtually to discuss the Infratech Agenda, which provides high-level policy guidance for countries to accelerate the adoption of technology in infrastructure.

The G20 is collaborating with more than 100 investors, which have a combined USD 20 trillion of assets under management across a wide geographical coverage, to develop a robust infrastructure plan.

"The IWG is advancing work to develop a G20 InfraTech Agenda and promote infrastructure that is resilient against risks, such as from pandemics, to enable us to be better prepared to respond to future crisis," the group said.

ECONOMIC TRENDS

Despite the pandemic, the kingdom remained a popular destination for foreign-funded projects in various sectors.

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PETROCHEMICALS

Even at the height of the lockdown, production continued unabated as the industry fires on all cylinders to meet huge demand for essential goods.

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COVID-19

Pandemic has shaken the world's economy's foundation but the World Bank predicts recovery, with Saudi Arabia well positioned to rebound.

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RETAIL

Online shopping bucked the trend and compensated for the drop in mall footfall, prompting FMCG and retail companies to push ahead with investment plans.

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SME

Innovative companies are thriving in the kingdom, where they are backed by administrative and financial support from the government and venture capitalists.

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COMMODITIES

Prices of oil, gold and aluminium are seeing a resurgence, as economic activities restart following months of shelter-in-place policy to curb the coronavirus spread.

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SAUDI'S STRONG FDI LEADS TO POSITIVE Q1 MACRO FUNDAMENTALS

Saudi Arabia saw in the first quarter of 2020 its highest number of new foreign investment projects in at least three years, according to the Ministry of Investment of Saudi Arabia (MISA).

The kingdom attracted 348 foreign investment projects during the quarter, a 19% year-on-year and 20% quarter-on-quarter increase. January saw 126 new projects (compared with 72 in January 2019) and 121 in February (versus 80 in the same month in 2019). Even March, when coronavirus was starting to take hold in the kingdom and elsewhere, welcomed 101 new projects, compared to 96 a year ago.

MISA's 'emerging sectors', which include education, financial services and housing, saw the highest number of new foreign investment projects, recording a 40% quarter-to-quarter increase, followed by the industrial and manufacturing, and ICT sectors."

The sources of new foreign investors were India (41), USA (37), Lebanon (33), United Kingdom (32) and Egypt (26).

The Ministry of Investment noted that Saudi Arabia is well placed to navigate through the global pandemic.

"Saudi Arabia is approaching this unprecedented economic crisis with ample financial room to manoeuvre regarding fiscal and monetary policy interventions, credit rating agencies have recently confirmed their ratings for the kingdom, citing low public debt and high foreign currency reserves as the backbone of the kingdom's financial strength. Saudi Arabia has the second lowest level of public debt to GDP among G20 countries, and the world's fifth largest foreign reserves," the ministry said in its Spring 2020 Special Report.

On 20 March, Saudi Arabia raised its public debt ceiling from 30% to 50%, giving the government the possibility to further tap into debt markets should the need arise, the ministry noted.

BUDGET PERFORMANCE

Saudi Arabia's first quarter budget performance highlights the government's efforts to fight COVID-19 and the decline in oil prices, according to the Ministry of Finance.

As oil prices started retreating around February and March, crude oil revenues fell 24% during the first quarter to SAR 128.7 billion. It was marginally offset by a 30% jump in revenues generated from taxes on income, profit and capital gains.

Taxes on international trade and transactions also rose 15%, but total revenues fell 22% in the quarter to SAR 192 billion, compared to the same period last year.

But as the COVID-19 virus spread, Saudi authorities moved quickly to support the economy. As such, grants rose 160% to SAR 160 million, compared to the same period last year, while spending on goods and services surged 74% to SAR 726.9 billion. Financing (up 7%) and other expenses (up 32%) were also high. Overall, total expenditure edged 4% higher to SAR 226.2 billion during the period.

In terms of sectors, spending was mostly concentrated on military, education, health and social expenditures, the Ministry of Finance data shows.

The budget deficit stood at SAR 34.1 billion, with the government securing most of the financing from external borrowing (SAR 18.5 billion) and domestic borrowing (SAR 11.2 billion).

These declines are being experienced all around the world as the global economy started suffering because of a lockdown in China at the start of the year, and subsequent closures across Europe, Middle East and the Americas in the first quarter.

Saudi authorities have pledged to provide support and have taken a number of measures to boost the economy.

"The government will continue to finance development projects through the state's general budget with a focus of attention towards continuing to raise efficiency in spending and maximising economic and social returns," according to the Ministry of Finance.

The government is also keeping the wheels of the economy turning with strong pipeline of contracts during the first quarter.

A report by the US Saudi Business Council (USSBC) noted that around USD 12 billion worth of contracts were awarded in Saudi Arabia, down 8% compared to the same period last year. However, the value grew by 28% quarter on quarter.

"A majority of the awarded contracts were in military, oil and gas, and petrochemicals, which accounted for approximately 76% of the total value of contracts awarded," USSBC said in a report. "Water, power, and real estate contracts accounted for 18% of the total value, while 6% were awarded in other sectors."

The report notes that the government's decision to slash the budget to fight the pandemic did not "materially impact project awards during the first quarter."

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SAUDI PETROCHEMICALS SECTOR UNPERTURBED BY COVID-19

Saudi Arabia's petrochemicals sector is fiscally stable to withstand the pressures of the pandemic. Indeed, it is also playing a leading role in fighting COVID-19 as it produces a number of products that protects consumers from the virus.

The petrochemicals sector was designated as one of the essential businesses in the kingdom, which will remain open even as the wider economy was in lockdown, underscoring the sector's importance.

The majority of products manufactured by the Saudi Basic Industries Corp. (SABIC) are considered essential during this crisis and the company is not only supplying material, but also supporting customers in the selection process for materials needed for many life-critical applications,

"SABIC is part of the essential industries that are fighting the coronavirus pandemic," said Yousef Abdullah Al-Benyan, vice chairman and chief executive officer of SABIC. "More than ever, we are on the frontline and actively contributing to the response in Saudi Arabia and globally."

The array of manufactured goods include hygienic products, emergency ventilators and personal protection equipment for healthcare professionals, security bodies and supermarkets, but also food and non-food packaging.

SABIC's total sales in the first quarter stood at SAR 30.8 billion, an 18% decline over the same period last year, due to slower global growth and economic downturn in the key market of China and wider Asia.

"Product prices remain challenged with no improvement in the supply/demand balance for key products in the first quarter of 2020 compared to the previous quarter," the company said. "This was further aggravated by COVID-19 becoming a global pandemic and the significant decline in oil price towards the end of the quarter."

The Independent Commodity Intelligence Services' (ICIS) global petrochemical index fell to just 150 points, its lowest level since 2009, as prices of petrochemical products dropped on the back of declining in crude oil prices.

EXPANSION PROJECTS

The kingdom's petrochemicals industry is persevering with its expansion plans.

Saudi Aramco, which has identified petrochemicals as one of its key growth areas, said its downstream business remained robust in the first quarter. The company's gross refining capacity stood at 6.4 million barrels per day (bpd) in the first quarter, compared to 4.9 million bpd in the same period last year. Downstream segment consumed 35.5% (Q1 2019: 36.9%) of Saudi Aramco's crude oil production during the period.

Late last year, Aramco completed a 17% stake in South Korea's Hyundai Oilbank for USD 1.2 billion to expand its global footprint in key markets in profitable integrated refining, chemicals and marketing businesses.

In March, Saudi Arabia's Advanced Global Investment (AGIC) and South Korea's SK Gas Petrochemical (SKGP) said they will build a USD 1.8 billion propane dehydrogenation (PDH) and polypropylene (PP) project in the Saudi industrial city of Jubail.

Construction of the 843,000-tonne-per-year PDH facility and 800,000-tonne-per-year PP units is expected to start in 2021, while commercial operations will begin by the second half of 2024. Propane feedback for the new PDH unit will be supplied by state-owned Saudi Aramco.

"The project will be financed 25% by equity from shareholders and remaining 75% will be financed by JV Co. through borrowing from lenders," the companies said. "AGIC will own 85% equity stake in JV Co. which will be financed by Advanced while the remaining 15% will be owned by SKGP."

AGIC is a subsidiary of Jubail-based Advanced Petrochemical Co., which operates a 455,000-tonne-per-year PDH unit and a 450,000-tonne-per-year PP plant in the industrial city.

In June, Nusaned Investment, a company owned by SABIC and German firm Schmid Group, said they had received regulatory approval to proceed with a joint venture to manufacture Vanadium Redox Flow Batteries (VRFB). During the next two to three months, the Riwaq Industrial Development Company will join the JV as additional investors and shareholders.

"The proposed manufacturing facility and R&D centre is going to be developed in Dammam 3rd Industrial City," SABIC said in a statement. "The facility will be built under a Build-to-Suit lease agreement with MODON. The project site has been identified and construction is expected to start in the first half of 2020. The facility will have an annual production capacity of 3 GWh and will be among the biggest flow batteries production facilities worldwide."

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CORONAVIRUS-HIT GLOBAL ECONOMY POISED TO REBOUND

The global economy will face an enormous shock, leading to steep recessions in many countries due to COVID-19, according to the World Bank.

The multilateral organisation's baseline forecast projects a 5.2% contraction in global GDP in 2020 – the deepest global recession in decades.

Like the rest of the world, the Middle East and North Africa (MENA) region will also see declines, although less pronounced than the global economy.

"Economic activity in the Middle East and North Africa is forecast to contract 4.2% as a result of the pandemic and oil market developments," the World Bank said in its June assessment. "In many oil exporters, growth will be significantly constrained by policy cuts in oil production. In Gulf Cooperation Council (GCC) countries (-4.1%), low oil prices and uncertainty related to outbreaks of the virus will further weigh on non-oil activity. Economic activity among oil importers is expected to contract by 0.8% in 2020, as tourism and exports decline."

However, the bank believes growth in oil exporters such as Saudi Arabia will rebound in 2021, as the shock from the pandemic subsides and investment recovers, including large infrastructure developments in the GCC.

"Longer-term diversification programmes, the recent relaxation of foreign investment restrictions, and improved regulatory environments should also support the rebound, including a recovery from adverse global spillovers and low confidence," the bank noted.

The World Bank expects the Saudi economy to contract 3.8% this year – a more moderate decline compared to its MENA peers, and rebound more robustly at 2.5% expansion in 2021 (versus 2.3% in MENA).

LEARNING FROM MERS

Saudi Arabia is well placed to address the pandemic. Apart from the government's fiscal strength and ability to support the economy, the kingdom has also had experience in managing health crisis.

In 2012, the kingdom was hit by the world's last major coronavirus outbreak prior to COVID-19, the Middle East Respiratory Syndrome (MERS), which caused over 800 deaths across the region.

"The experience gained during the MERS outbreak meant that Saudi Arabia was better prepared to tackle the novel coronavirus," the Ministry of Investment said in a report. "The kingdom's hospitals, for example, were already equipped with specialised triage and ventilation units to protect medics from the infection, drive-thru testing units were already in place, and epidemics guidelines had been drawn up in accordance with WHO's (World Health Organization) best practice."

Learning from that experience, the kingdom launched a smart app for COVID-19 consultations and contract tracing, and the Ministry of Health also initiated campaigns to raise awareness. More than half a million Saudi citizens and residents have used the app.

In addition, the government ensured that supply chain remained robust and consumers had access to food and other essentials in an affordable way. The Saudi Ministry of Commerce conducted 73,000 inspections of warehouses, while a consumer call centre set up by the ministry received 84,000 complaints primarily focused on price increases in fruits, vegetables, masks and sanitisers.

G20 LEADERSHIP

Even while it was focused on domestic needs, Saudi Arabia also led the G20 response to the crisis, as its holds the presidency of the group this year.

Saudi Arabia and leaders of the world's 20 largest economies co-ordinated their response to fight the pandemic, safeguard the global economy, and enhance worldwide co-operation.

In April, Saudi Arabia pledged USD 500 million to key organisations fighting the COVID1-19 pandemic. These included USD 150 million to the Coalition for Epidemic Preparedness and Innovation, another USD 150 million to the Global Alliances for Vaccines and Immunizations (GAVI) and USD 200 million to other international and regional health organisations and programmes.

CHANGING BEHAVIOURS

Lockdowns and remote working has also accelerated a number of changes that were already occurring in global and Saudi economies before the pandemic. Online shopping, focus on ecommerce and digitisation, were boosted during the crisis and it will remain long after the coronavirus has faded from memory.

"A shift in consumer behaviour towards e-commerce, with 95% of Saudi consumers increasing their online shopping, according to a recent Kearney Middle East survey," the Ministry of Investment noted.

There has also been a major move towards cashless payments, while consumers embraced food delivery apps, that has boosted food and beverage, retail, and business-to-consumer logistics sectors."

Internet data consumption, for example, jumped 37% in April compared to March, while average daily data consumption in April jumped to 940MB, compared to 600MB in February.

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PANDEMIC PUTS SAUDI RETAIL'S RESILIENCE TO THE TEST

Saudi Arabia's retail sector is emerging as a major source of job creation.

The burgeoning retail sector now employs more than 2 million people, as it expands on the back of strong fundamentals and investment opportunities.

"The kingdom currently employs more than 2 million males and females in the retail sector, and they constitute more than 25% of the total workforce in the private sector in Saudi Arabia," Saudi minister of labor and social development Ahmad Al-Rajhi said in February during the Retail Leaders Circle (RLC) MENA Summit.

"This number of workers has been increasing due to the country's strong purchasing power and growing consumption rate."

The sector also showcased its strength and importance during the COVID-19 crisis as Saudis relied on the sector's strong supply chain and robust processes to ensure the availability of food, essential supplies, and other goods.

Majority of the grocery stores remained open with strict precautionary health measures in place. While consumer consumption may remain subdued as the economy absorbs the impact of the COVID-19 crisis for some time, the country's economic fundamentals continue to suggest growing opportunities in the retail sector.

Going into the crisis, retail and food companies were registering strong growth. Savola Group said its net profit jumped 6.3% in the first quarter compared to the same period last year.

Al Marai Group, one of the region's largest food companies, said its net income rose 14% during the quarter. The company implemented bio security across its farms and factories, ensured safety of employees and customers and assisted customers with credit terms.

It allowed non-critical staff to work from home and modified its operations to ensure continuity of supply of essential items, the company said in its first quarter earnings presentation.

"We will continue to invest behind our brands, ensuring we are strongly positioned for the expected recovery in consumer demand," the company said in its report. "We have a resilient business with a strong balance sheet and substantial cash generation and liquidity to withstand the current weakness."

Still, the lockdown impacted shopping malls and restaurants and other non-essential stores.

AbdulMohsen Al Hokair Group said the company will see revenues affected by the temporary suspension of Umrah and visit visas, cancellation of international and domestic trips, and closure of commercial and entertainment centres inside and outside malls, health clubs, suspension of events and weddings, and reduction of restaurants activities.

LONG-TERM PLANS

The government has rolled out a number reforms, including the allowance of 100% FDI in the retail sector, lifting the ban on cinemas, and the implementation of the government's Saudisation policies.

Despite the short-term challenges, the retail sector remains a strong candidate for foreign and private sector investment and a source of new jobs, given the long-term opportunities available in the country.

AMC Cinemas, one of the world's biggest cinema operators, plans to open 30 to 40 cinemas in approximately 15 cities in Saudi Arabia over the next five years, and a total of 50 to 100 cinemas in approximately 25 Saudi cities by 2030. All of these developments will have a strong retail component that will expand the sector and promote new competition.

Saudi Arabia's Vision 2030 programme envisages household spending on domestic entertainment will increase from 2.9% of total expenditure in 2015 to 6% by 2030.

With a population of more than 34 million and huge annual tourist flows, Saudi Arabia is the Gulf region's largest retail market.

"More relevant than the overall size of the population is the relatively young age demographic with 53% between the ages of 15 and 44. This age group has a higher propensity to spend on F&B, and is more open and exposed to the changing consumer trends being experienced globally," according to real estate consultant Jones Lang La Salle.

The sector will continue to evolve as customers embrace ecommerce channels and expand their taste and lifestyle preferences.

"In markets such as Saudi Arabia, which has some of the world's most affluent consumers, brands are starting to implement omnichannel strategies, and investing heavily in outlet modernisation," according to Euromonitor.

"In coming years, many more brands are expected to implement omnichannel strategies as it become increasingly important for companies to craft a user experience that cuts across online shopping, social media, mobile apps and conventional bricks-and-mortar stores."

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SAUDI START-UPS OVERCOME CHALLENGES LAID BARE BY PANDEMIC

Saudi start-ups are eying opportunities that COVID-19 has opened up in certain sectors.

As online food delivery services remain in high demand following consumers' reluctance to venture out, online food delivery start-up Jahez raised USD 36 million in Series A funding, led by Hong Kong-based investor Impact46.

The company's food delivery platform provides a full logistics solution for the restaurant industry, creating jobs for Saudis and expanding the restaurant industry's customer base.

The company has processed around 20 million orders for major brands, and says it is targeting more than SAR 1 billion in orders this year, sourced from more 12,000 points of sales across the country.

Meanwhile, Saudi on-demand delivery start-up Shgardi also raised a "seven-figure US dollar" investment from Riyadh-based Mad'a Investment Company, according to a media report. Shgardi says it employs 300,000 drivers.

The focus on innovation and targeting new opportunities amid a crisis is characterising the country's burgeoning start-up culture.

The initiative also shows that the government's focus on nurturing entrepreneurial talent is paying off.

G20 INITIATIVE

In a bid to boost the small and medium enterprises (SME) and start-up culture in G20 nations, the group's Digital Economy Taskforce (DETF) held virtual meetings in June to discuss a comprehensive approach to digital economy policymaking and the future of digitalisation.

G20, under Saudi presidency this year, has focused on developing small business and innovation, even as it counters the immediate challenges of COVID-19.

"Data Flows, Smart Cities, Digital Economy measurement and Digital Security were also on the agenda as well as the Connecting Humanity 2030 initiative," the G20 said in a press release. "Delegates also discussed digitalisation in the context of the current crisis with a long-term vision for the best use of digital tools to build economic resilience and promote job retention."

While Saudi Arabia is spearheading a global drive to push digital services to the fore, it is also making a strong effort domestically to spur innovation.

In June, the MISK Academy of Prince Mohammed bin Salman bin Abdulaziz Foundation, along with NEOM City, a USD 500 billion digital city of the future being built in the northwest of the country, said they have launched a new business skills programme.

"SPARK is a powerful six-week, intense mentoring programme that is designed for the Saudi youths who want to start their business or join the ecosystem of entrepreneurship by developing their ideas and launching their own venture and create local jobs," according to the academy.

The programme will help budding entrepreneurs develop their business ideas, identify revenue opportunities, prepare sales forecast, marketing plan, technology and expenses. It will also hone their business presentation skills and successful entries will get support to launch their start-up.

COVID SUPPORT

Saudi Arabia has also taken measures to nurture and protect small and medium sized companies to withstand the pandemic.

Saudi Arabian Monetary Authority (SAMA) is working with the kingdom's largest banks to offer support to small, medium and large corporations.

SAMA rolled out a SAR 50 billion action plan in the first phase "to provide the private sector with aid, in order to consolidate its role in bolstering the national economic growth, through a programme package of measurements, including supporting small and medium size establishments' funding."

The National Development Fund (NDF) also unveiled programmes worth SAR 22 billion in support of citizens and the private sector.

"These programmes include extending the grace period, restructuring loan payments for the most needy facilities, providing loans to micro, small and medium enterprises, financing working capital, and supporting employment and training programmes for job seekers and the private sector."

The funds were channelled through development banks of the National Development Fund, such as the Social Development Bank, the Saudi Industrial Development Fund, the Saudi Human Resources Development Fund, the Agricultural Development Fund, the Real Estate Development Fund and the Tourism Development Fund, according to a Saudi Press Agency report.

"This is in addition to other initiatives in co-operation with the General Authority for Small and Medium Enterprises, Kafalah Program and Saudi Export and Import Bank."

Other companies are also stepping up efforts to support the nascent SME sector.

Payfort, a fintech company owned by Amazon.com Inc. said it has invited more than 100 of its start-up and small and medium business merchant partners to participate in its new #StartUpStayUp initiative, which will help them increase traffic to their websites and boost revenues.

"Payfort will fund a three-month digital marketing campaign worth AED 1 million across multiple media channels, including organic, paid and influencer social campaigns, video content production, email marketing campaigns, and internal marketing promotions," the company said. "The #StartUpStayUp initiative will also provide all participating merchant partners with increased brand exposure through being featured on Payfort's digital channels."

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LIFTING LOCKDOWNS GIVE COMMODITIES CHANCE TO RECOVER

Oil prices have stabilised in recent weeks as a number of exporters took measures to support the commodity.

In June, the Organization of the Petroleum Exporting Countries (OPEC) and its allies met via videoconference under the chairmanship of Abdul Aziz Bin Salman, Saudi Arabia's minister of energy, and co-chair Alexander Novak, minister of energy of the Russian Federation, to continue their commitment to support the sector.

"The meeting noted additional adjustments from Saudi Arabia (1 million barrels per day); the UAE (100,000 bpd); Kuwait (80,000 bpd) and Oman (10,000 to 15,000 bpd) in June; the announcements of voluntary adjustments from several countries, such as Norway and Canada; as well as various oil company statements revising downward production plans and shutting in supply," the joint statement noted.

Prices are also stabilising as economies reopen and businesses restart operations after being in lockdown due to the pandemic. In early June, both the US Western Texas Intermediate and global Brent benchmarks traded close to USD 40 per barrel for several days before easing back slightly.

In China, strong commodity imports in May appear to be driven by real demand improvement, due to the credit impulse and other easing measures, and stock builds. Real demand improvements could continue in the following months on a seasonal-adjusted basis.

In June, the International Energy Agency revised up its estimated demand by 400,000 bpd in the first quarter and 2.1 million bpd in the second quarter, compared to its forecast from the previous month.

The most noteworthy changes were seen in China (up 180,000 bpd in the first quarter and 790,000 bpd in the second quarter), where oil demand recovered fast in March and April and could overtake last year's level in the third quarter. India's demand also increased sharply in May versus April. The IEA said it also upgraded its oil demand figure for several OECD economies (Canada, France, Germany, Korea and the Netherlands) due to improving mobility data.

"Recent data show a strong improvement in southern Europe (France, Italy and Spain), where lockdowns have been more severe than in northern Europe (Germany, Norway and Sweden). Northern Europe is almost back to normal activity levels," the IEA said in its June report.

Meanwhile, global production is falling, which should support prices. The IEA expects global supply to contract 7.2 million bpd on average this year, and only increase 1.8 million bpd next year.

"The recent improvement in oil prices that saw WTI trading for a few days close to USD 40 per barrel is not enough to allow a significant increase in US output, which in June is estimated to have fallen to 10.5 million bpd, down by 2.4 million bpd from a record high seen in November," the IEA noted.

GOLD BUCKS TREND

The S&P GSCI Commodity Index has slumped nearly 38% year to date, primarily on the back of lower crude oil and natural gas prices, but also declines in base metals due to lower economic growth.

However, S&P GSCI surged 16.4% in May, its best monthly performance in 11 years.

"The broad commodity index's more than 50% exposure to energy was a key contributor to its performance. Energy led the way, with the WTI-based S&P GSCI Crude Oil up 55.0%, bouncing impressively off the lows in April. Despite economic data points, like US consumer spending dropping the most on record, commodities posted an overall strong month," said S&P Global Ratings in its monthly report on the commodities. "Industrial and precious metals exhibited positive gains, while agriculture and livestock were mixed."

As global economic prospects remain uncertain, gold prices continue to rise and are up 14% to around USD 1,734.90 per ounce by mid-June.

Amid this backdrop, the Saudi Arabian Mining Co., or Ma'aden, increased its gold production to 113,000 ounces, up 45% in the first quarter, compared to the same period last year. The company reported its year-on-year gold sales rose 80% to SAR 685 million. The company's realised gold prices rose USD 280 per ounce, driven by market prices.

Aluminium, another key Ma'aden commodity, has also seen a slight increase in prices in recent months. However, the first quarter was impacted by lockdowns in many downstream aluminium industries, while demand dropped sharply.

Ma'aden's aluminium sales reached SAR 1.76 billion in the first quarter of 2020, a slight 1% decline over the same period last year. The company believes aluminium demand and prices "might rebound in 2H2020."

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