

Fahad Bin Abdullah Almubarak: Achievements and developments during the past nine years in Saudi Arabia

Speech by H E Dr Fahad Bin Abdullah Almubarak, Governor of the Saudi Arabian Monetary Agency, on the occasion of the 9th Anniversary of Allegiance to the Custodian of the Two Holy Mosques King Abdullah bin Abdulaziz, Riyadh, 27 April 2014.

* * *

On the 26th of Jumada II, 1435 H, the Saudi people celebrate the occasion of Allegiance anniversary to the Custodian of the Two Holy Mosques, King Abdullah bin Abdulaziz Al Saud – may Allah preserve him- in its ninth year, expressing their deepest affection and sincere loyalty to the leader and the country. These sentiments are based on deep-rooted foundations, at the top of which are his characteristics – may Allah preserve him- of wise leadership of the affairs of the state, the national economy and great attention paid to citizens' different interests. This has resulted in comprehensive developmental achievements that have raced time and exceeded the set goals, since his assumption of the reins of power on 26/6/1426 H, corresponding to 1/8/2005 to the present time. It is difficult to count down the achievements of these past nine blessed years in brief, but I will touch upon some of them with some statistics that are the best evidence of achievement and development.

The Custodian of the Two Holy Mosques -may Allah preserve him- has taken a wide range of important decisions and measures aimed at restructuring and regulating the economy, updating the laws to enhance the level of efficiency and competitiveness in the economy and support optimal operation of the factors of production, apart from providing an advanced regulatory and administrative framework and attractive environment for domestic and foreign investment to achieve diversity in the economic and production environment in order to continue to create appropriate job opportunities for the sons and daughters of this country. The most prominent indicators of the economic development achieved are: the increase in the real GDP of the non-oil sector by 81.4 percent over the period from 2005 to the end of 2013, the balance of payments recorded a surplus of SAR 3.6 trillion, the actual government expenditures amounted to SAR 5.7 trillion, and the public debt to GDP ratio declined from 37.3 percent at the end of 2005 to 2.7 percent at the end of 2013. Many development projects have been approved for strengthening and streamlining the infrastructure, including roads, airports, telecommunications, water and electricity, health and education services, in addition to the Scholarship Program of the Custodian of the Two Holy Mosques for pursuing higher education abroad which is a long-term investment in human resources. The Kingdom has maintained high sovereign ratings of solvency as indicated by international rating agencies. Most recently, Fitch international credit rating raised the rating of the Kingdom from AA- to AA with a stable outlook, which highlights the strength of its economy and financial position, and makes it more attractive for domestic and foreign investments. There is a great and deep-rooted confidence in the continued strong growth and overall development of the Saudi economy under the wise leadership of the Custodian of the Two Holy Mosques.

At the level of the financial and banking sectors, domestic liquidity increased from SAR 553.7 billion in 2005 to SAR 1,545.1 billion at the end of 2013, recording a growth rate of 179.1 percent, or an average annual increase of SAR 123.9 billion. The banking sector also registered strong and sustainable growth during that period, overcoming the repercussions of the global financial crisis, and, thereby, serving the national economy in accordance with the latest secure technology in the field of banking and financial services. The total assets of banks more than doubled from about SAR 759 billion in 2005 to SAR 1,893 billion at the end of 2013. The number of bank branches during the same period increased by 44.4 percent to 1,768. Automated teller machines rose by 202.6 percent, to 13.9 thousand distributed to various towns and villages in the Kingdom, providing modern and secure banking services. As for SAMA, its total assets went up from SAR 619.4 billion at the end of 2005 to SAR 2,738.7 billion at the end of 2013, increasing by 342.2 percent.

The Custodian of the Two Holy Mosques – may Allah protect him- has paid great attention to economic affairs. He has presided the Supreme Economic Council since its inception. Under his instructions and guidance – may Allah protect him- a number of resolutions, aimed at raising the level of economic performance and paving the way for sustainable growth, were taken. A rapid review of the Royal Orders and Resolutions of The Council of Ministers pertaining to economic and financial affairs, issued during the last nine years, will reveal a huge quantum. Some of which are the following: the resolution to inaugurate the largest integrated economic city in the Middle East (King Abdullah Economic City), establishment of other economic cities in different parts of the Kingdom, establishment of a developed financial center in Riyadh city, that includes all financial institutions, setting up a National Anti-Corruption Commission, and establishment of an independent government authority concerned with the development of Saudi non-oil exports, called the Saudi Export Development Authority. The formation of two committees, one in Jeddah governorate and another in Dammam city, to settle disputes and violations set forth in Article XX of the Cooperative Insurance Companies Control Law, was approved.

Other approved decisions are as follows: a decision to allow GCC citizens to exercise the activities of insurance services, transport services, in its different forms, and real estate services, the application of the Same National Treatment on GCC citizens in the field of joint-stock companies' shares ownership and trading and GCC Citizens Real Estate Ownership Regulation in the Member States for residential and investment purposes. Women Right to Obtain a Housing Loan from the Real Estate Development Fund, when she is responsible for her family, has also been approved. The Ministry of Housing has been established and it has received allocations of SAR 250 billion. The Real Estate Development Fund's maximum real estate loan has been increased to SAR 500 thousand from SAR 300 thousand. The draft Arab Agreement on Combating Cyber Crimes and the draft Arab Agreement on Combating Money Laundering and Terrorist Financing have been approved. Financial Leasing Law, which aims to provide a funding formula for joint-stock companies specialized in financial leasing, has been approved. SAMA has been entrusted with the supervision and control function over financial leasing. Real Estate Mortgage Law has been approved to provide the necessary guarantees, when practicing real estate finance activities, and define the mortgage contract parties' rights and obligations and provide more flexibility in utilizing real estate assets.

The Real Estate Finance Law, which aims at creating a market for real estate financing, under which specialized joint-stock companies will be established, in cooperation with real estate developers, has been approved to enable beneficiaries from owning real estate in easy ways that protect the concerned parties' rights under SAMA's supervision and control. The Finance Companies Control Law has been approved. A committee named: (Finance Violations and Disputes Settlement Committee) has been formed. Its powers include, inter alia, settlement of violations, disputes and private and public rights lawsuits, arising from the application of the provisions of the Finance Companies Control Law and the Financial Leasing Law. The amendment of the official working days from Sunday to Thursday, so that the weekend would be on Friday and Saturday, has been approved. Terrorist Crimes and their Financing Law, stipulated under the Anti-Money Laundering Law, has been approved.

The Custodian of the Two Holy Mosques – may Allah protect him – is very well known for his devoted concern with citizens and their needs and his keenness for enhancing the level of their well-being and providing a decent livelihood for them. He issued his kind directives to take necessary measures for addressing and alleviating the poverty level, supporting social security, approving salary and cost of living allowance increases, turning employees on wages item into state employees, addressing housing problems and supporting specialized development funds. We pray to the almighty Allah that the Kingdom's citizens will have many returns of this dear and national occasion and that the Custodian of the Two Holy Mosques, HRH the Crown Prince and the Second Deputy Prime Minister will be in good health. May the Kingdom continue to enjoy security and stability, so that the development march will continue under our wise leadership.