The volume of foreign merchandise trade of the Kingdom of Saudi Arabia during the first seven months of this year amounted to about 645 billion riyals, compared to 919.5 billion riyals in the same period of 2019, recording a decline of 29.9 percent, or the equivalent of about 274.5 billion riyals.

The official data showed that the trade balance recorded a surplus of 87.2 billion riyals despite the repercussions of the pandemic, down 65.1 percent, equivalent to 162.8 billion riyals, compared to the surplus recorded in the same period of 2019 of about 249.95 billion riyals, as a result of the decline in exports at a higher rate than the decline in imports.

Last July, Saudi Arabia’s merchandise trade balance recorded a surplus of 13.5 billion riyals, after exports amounted to 51.1 billion riyals, compared to imports worth 37.7 billion riyals, so that foreign merchandise trade reached 88.8 billion riyals during the same month.

Source (Al-Arabiya.net, Edited)
The Sultan of the Sultanate of Oman issued a decree to start imposing a 5 percent value-added tax within six months, in an effort to boost revenues that have been severely affected by the drop in oil prices and the Coronavirus pandemic. Taxes will be imposed on most goods and services, with some exceptions. According to the Omani government, the application of the value-added tax came to ensure the financial sustainability of the Sultanate, enhance its competitiveness, reaffirm its commitment to international and regional agreements, and improve the business environment. In 2018, all the six Gulf Arab states agreed to introduce a value-added tax of 5 percent, after a sharp drop in oil prices that affected their revenues. The Kingdom of Saudi Arabia, the United Arab Emirates and the Kingdom of Bahrain have already applied the tax, while the Sultanate of Oman, Kuwait and Qatar did not implement the tax so far.

Facing an economic contraction of 2.8 percent this year and a ballooning deficit in the government budget of 16.9 percent of GDP, according to the IMF, the Sultanate has reduced public spending to contain the financial decline resulting from lower oil prices and economic decline due to the general isolation measures related to the Coronavirus. The Sultanate of Oman recorded a deficit of 826.5 million riyals ($2.15 billion) in the first six months of this year, an increase of 25.1 percent in the deficit on an annual basis.

Source (Al-Arabiya.net, Edited)
The Losses of Global Air Transport Sector Amounts to $77 Billion

The International Air Transport Association (IATA) has warned of the global air transport sector losing about $77 billion during the second half of this year, equivalent to $13 billion per month or $300,000 per minute despite the resumption of flights. A report issued by IATA showed that the sector’s liquidity will drain at an average rate of 5 to 6 billion dollars per month next year, despite the slow recovery in air transport. The International Federation called for supporting the sector during the coming winter season by launching additional financial relief measures, including financial aid that does not add more debt to the balance sheet of airlines that are already burdened.

Countries around the world have reached $160 billion in aid, including direct aid and wage subsidies, corporate tax breaks, and industry-specific tax breaks, including taxes on fuels. In this context, the Director General and CEO of the International Air Transport Association (IATA), Alexandre de Juniac said that "the repercussions of the Coronavirus crisis are constantly increasing," stressing that "not replacing or extending support programs will have dire consequences for the faltering sector," praising the efforts made by countries to preserve the sector has worked and supported millions of jobs in the travel and tourism sectors.

Source (Ad-Dustour Newspaper-Jordan, Edited)