

Committee: ECOSOC

Topic: Post Pandemic Control of New Business Areas Created During the Pandemic Period

Country: Kingdom of Saudi Arabia (KSA)

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Covid-19 pandemic period has brought new business areas and technological advancements. It has accelerated the digital transformation globally about 59% of organizations and 66% of them said that they have achieved initiatives that encountered some reluctance beforehand. Today, 3,450 executives in 20 countries across 22 industries are prioritizing crisis management, cost management, innovation, workforce safety and agility capabilities according to survey results from IBM. Also, 75% of executives are planning to prioritize IT resiliency. During pandemic, AI, IoT and mobility have also risen and 65% of executives are planning to make these operational capabilities as a priority. As the highest, 87% of executives are planning to prioritize enterprise agility and cost management. Within these transformational changes among the new business areas, there is a policy need for the growth and stability during this Covid world.

Technology and Innovation Report release in 2021 by UNCTAD was an informative document for giving data about the frontier technologies such as artificial intelligence, robotics, biotechnology, nanotechnology, and the rapid changes in business area & human development. The report emphasizes that the developing countries should adapt and use automation to increase productivity, promote economic diversification and create jobs. Also, they should strengthen national innovation systems. The policymakers ought to think how people can acquire the necessary digital skills and adapt frontier technologies into countries' existing production bases.

As Saudi Arabia got hit by Covid-19 and reduced global oil demand, KSA realized that they should support other sectors rather than oil. During pandemic time, the world is trying to adapt into new business areas, so KSA as well. We have released new policies for growth and stability of new business areas and SMEs in the post covid world for overcoming potential risks and help its people. In March, SAMA (Saudi Arabia Central Bank) introduced programs to support SMEs and private sectors. Fiscal, financial and employment support programs helped to reduce the impact of the pandemic on the private sector and SMEs. Several SME financial support programs have been introduced and bank lending to SMEs has increased to 8% of total loans in 2020. KSA also feels that it is critical to fully committed to Vision 2030 reforms, as the authorities emphasized.

The Kingdom of Saudi Arabia feels that important subtopics that must be addressed are new government policies for new business areas, fiscal incentives for small business growth by the government, globalization of economic management and adaptation to new technological advancements by the nations. To address the globalization of the economic management, there are pros and cons for both the industries and environmental concerns. With the economic growth, increased global cooperation and cross-border investment, the nations can access wider labor pool and at macroeconomic level, it enhances welfare. On the other hand, there will be increased competition, disproportionate growth, and environmental concerns due to globalization of economic management. Saudi Arabia believes reforms need to be done to boost investment, raising labor inputs, overcoming reluctance of private sector, increasing private sector involvement and development of digitalization.