<u>The G20 2020 Riyadh Summit</u>

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The Group of Twenty (G20) is an informal forum of the world's major economies that discuss global financial and development issues. The G20 is made up of 19 countries and the European Union. The 19 countries are Argentina, Australia, Brazil, Canada, China, Germany, France, India, Indonesia, Italy, Japan, Mexico, Russia, Saudi Arabia, South Africa, South Korea, Turkey, the United Kingdom, and the United States. Saudi Arabia holds the presidency of the G20 this year and the group's annual summit is due to be held in Riyadh in November. The official website of the Riyadh summit is providing a very comprehensive account of all activities of the summit at https://g20.org/en/Pages/home.aspx. Also, the University of Toronto, Canada has set up a G20 Information center at http://www.g20.utoronto.ca/analysis/index.html#which provides a commentary, other detailed information, and analysis of the events. Another group, The Bretton Woods project, is providing analysis of meetings at G20 communiqué analysis – Annual Meetings 2020

https://www.brettonwoodsproject.org/2020/10/g20-communique-analysis-annual-meetings-2020/

The G20 summit itself will be held virtually on November 20-21, 2020. The list of invited participants is as follows:

<u>Countries</u>:

Jordan

Singapore

Spain

Switzerland

International Organizations:

Food and Agriculture Organization (FAO)

Financial Stability Board (FSB)

International Labor Organization (ILO)

International Monetary Fund (IMF)

Organization for Economic Co-operation and Development (OECD)

United Nations

World Bank Group

World Health Organization (WHO)

World Trade Organization (WTO)

Regional Organizations:

Arab Monetary Fund (AMF)

Islamic Development Bank (IsDB)

Vietnam, Chair of the Association of Southeast Asian Nations (ASEAN)

South Africa, Chair of the African Union (AU)

United Arab Emirates, Chair of the Gulf Cooperation Council (GCC)

Senegal, Chair of the New Partnership for Africa's Development (NEPAD)

Already, several activities have taken place in the G20 Summit process.

Opening Remarks by King of Saudi Arabia on the Summit by videoconference from Riyadh, Saudi Arabia, March 26, 2020

> We are holding this meeting to carry out our responsibilities as the leaders of the world's largest economies, to combat the COVID-19 pandemic, which requires that we take firm measures on various fronts. This pandemic has greatly taken a toll on human lives and caused tremendous suffering to many people around the world. …This human crisis requires a global response. The world counts on us to come together and cooperate to face this challenge… We reaffirm our full support for the World Health Organization in coordinating efforts to counter this pandemic. To complement these efforts, the G20 must assume the responsibility of reinforcing cooperation in financing research and development for therapeutics and a vaccine for COVID-19 and ensure the availability of the vital medical supplies and equipment. We must also strengthen the global preparedness to counter infectious diseases that may spread in the future. On the economic front, amid the slowdown in global growth and the turmoil in financial markets, the G20 has a pivotal role in countering the economic and social impact of this pandemic. Therefore, we must have an effective and coordinated response to this pandemic and restore confidence in the global economy... On the trade front, the G20 must send a strong signal to restore confidence in the global economy by resuming, as soon as possible, the normal flow of goods and services, especially vital medical supplies. In addition, it is our responsibility to extend a helping hand to developing countries and least developed countries to enable them to build their capacities and improve their infrastructure to overcome this crisis and its repercussions. The G20 has previously proven its effectiveness in mitigating the severity of the global financial crisis and its ability to overcome it. Today, through our cooperation, we are confident that we, together, will overcome this crisis, and move forward towards a future where all people thrive, prosper, and are healthy.[1]

It remains to be seen whether the G20 Summit will meet the extremely high expectations of the world’s populace, however. In all truth, the Summit will fall short of these expectations, which will not be unexpected. Given the past, the November summit will also fail to deliver chiefly because of failed leadership, to say the least.

Outcomes

On October 14 2020, G20 finance ministers and central bank governors held a virtual meeting to discuss SDRs and how to create a mechanism that would allow wealthier countries to transfer their shares to low-income countries. However, it could not reach a consensus, largely due to objections from the US. While there no agreement on SDRs, leaders seemed to have left an opening to discuss it in the future. Several development experts argued that as events get worse, it may force the hand of world governments to do more to support the global economy. The IMF is exploring whether existing SDRs can be used in this crisis, which would likely mean wealthier countries transferring those funds to poorer countries.[2]

On October 14 2020, Saudi Arabia hosted G20 talks on virus recovery, debt relief. The virtual talks, hosted by current G20 president Saudi Arabia, come a day after the International Monetary Fund warned that global GDP would contract 4.4 percent in 2020 and the damage incited by the pandemic would be felt for years. The G20 finance ministers and central bankers are set to hold talks aimed at spurring global recovery from a coronavirus-triggered recession while considering a proposal to extend debt relief for crisis-hit poor countries. The virtual talks, hosted by current G20 president Saudi Arabia, come a day after the International Monetary Fund warned that global GDP would contract 4.4 percent in 2020 and the damage incited by the pandemic would be felt for years. Earlier, the G20 had pledged in April to suspend debt service from the world's poorest countries through the end of the year as they faced a sharp economic contraction caused by the pandemic. The World Bank and campaigners have called for the debt suspension initiative to be extended through the end of 2021, while charities such as Oxfam say it needs to be stretched through 2022. But World Bank may only approve a six-month debt relief extension. The DSSI has received 46 applications from eligible countries across the world, most of them from Africa. However, global campaigners have criticized the group for doing little to help poor countries in the pandemic recovery. The talks come as the surging health crisis continues to batter the global economy and triggers unemployment on a massive scale. [3]

Huge injections of government aid have kept economies from plunging further in 2020, but the continued presence of Covid-19 means the outlook is highly uncertain, the IMF said in its latest World Economic Outlook. [4]

The recession has been less severe than expected but still deep and this calamity is likely to be long, uneven, and highly uncertain. Campaigners warn of a looming debt crisis across poverty-wracked developing nations. The World Bank said the debt of the world's 73 poorest countries grew 9.5 percent last year to a record $744 billion, which shows "an urgent need for creditors and borrowers alike to collaborate to stave o the growing risk of sovereign-debt crises". The countries' debt burden owed to government creditors, most of whom are G20 states, reached $178 billion last year, it added. In September 2020, G7 finance ministers had said that they "remain committed" to the DSSI while again calling for private creditors to implement the plan. [5]

G20 Finance Ministers and Central Bank Governors in July 2020

The G20 finance ministers and central bank governors met virtually on July 18, 2020. They issued a communiqué for the fourth time this year which contains 33 precise, future-oriented politically obligatory commitments. The commitments cover 11 subjects led by those on financial regulation with seven, followed by health and terrorism with six each and development (including debt) with four. Far behind come tax, reform of international financial institutions and infrastructure with two each, and macroeconomic policy, international cooperation trade and social policy with one each. Many of the heath commitments immediately include other economic goals in an integrated, and perhaps synergistic set. But, given the impact of the Covid-19 pandemic health has come first. Several silences stand out, however. Unlike at some past meetings, no commitments focus on climate change, energy, or digitalization. There were four references in the communiqué to the natural environment.[6]

Countering Collapsing Oil Prices and Covid-19 at the G20 Energy Ministers Emergency Meeting

On April 10, 2020, G20 energy ministers held their first ever emergency meeting and their first in a virtual format. It was also the first meeting that immediately followed a gathering of members of the Organization of Petroleum Exporting Countries and other oil producers (OPEC+), to have G20 ministers extend the production cuts agreed at OPEC+ to the several other oil-producing members of the G20, notably the United States, Canada, Mexico, and Brazil. Both the OPEC+ and G20 energy ministers' meetings were a response to an initiative by U.S. President Donald Trump to end the damage caused by an oil price war launched by the 2020 G20 host Saudi Arabia and the 2020 BRICS host Russia a month before. Russia and Saudi Arabia had done so to maintain their position as dominant global oil suppliers against the new surging energy superpower, the US, whose "fracking revolution" had now made it the first ranked oil producer in the world. However, the Saudi-Russian oil price war started just as the Covid-19 pandemic surged and spread globally, reducing the demand and thus the price for oil to an unprecedented degree. As the pandemic still proliferated and oil demand plunged after the G20 energy ministers meeting ended, it quickly became clear that the OPEC+ supply cuts with their small and opaque G20 support were not nearly enough.[7]

Donald Trump's unusual display of OPEC+ and G20 leadership temporarily succeeded in brokering the OPEC+ deal, by having the US take most of the cuts that its neighbor Mexico refused to accept, and thus raising gas prices at the pump for US voters as his presidential re-election approached on November 3. However, within days, his sudden, unusual intervention in OPEC+ and G20 energy governance had largely failed. This was in part because the G20 energy ministers themselves never agreed in their communiqué to take the new, government-imposed oil supply cuts needed to end the oil price war or even publicly address the issue of oil's supply-demand balance and price. Their focus was on their more traditional concern with energy market stability and energy security. Yet even from this perspective, their meeting was at best a minimal success, judging by the number and breadth of the commitments it made, and what came in its immediate aftermath.[8]

Several weeks later, G20 host Saudi Arabia thus made a unilateral oil supply cut to keep the deal alive. It did so as the widespread reopening of parts of G20 economies and societies led some to think that the desired higher oil demand and price would soon return. But with Covid-19's first wave still rolling into more countries, with the second wave erupting, with the World Health Organization estimating that Covid-19 could last for five years, and with the renewable energy revolution gaining force, there is much more work for G20 energy ministers and their leaders to do.[9]

The G20 Energy Ministers' Emergency Meeting, April 2020

The meeting of G20 energy ministers was the seventh since they met first in 2015. During this time, the agenda had been constantly broadened and was infused with substantial concern for protecting the natural environment and controlling climate change. The G20 energy ministers in their videoconference produced 10 commitments. They covered five subjects: international cooperation with four, energy market stability and energy security with two each, and health and the macroeconomy with one each. [10]The 10 commitments were almost as many as the 12 they produced in 2019 in their joint meeting with environment ministers, but one-third of the 39 they made on their own when they met earlier that year. And it was only half of the 20 they made at their first meeting in 2015, and considerably fewer than the 25 in 2016, and 18 in 2018. Those earlier meeting commitments covered many more subjects; notably eight in 2015 and 2016 and eight in their first stand-alone meeting in 2019. In contrast, in April 2020 they produced no commitments on clean energy, energy efficiency, innovation, sustainable development, climate change, nature-based solutions, energy access, financing, or digitalization. This was despite these subjects having been identified as priorities set by the Saudi host when it had started its year on December 1. Thus, four months later, the environment was absent, crowded out completely by the health and ensuing economic crises that Covid-19 had brought.[11]

The ministers' communiqué did not commit, or even reference to, any G20 members constraining their oil production to assist the OPEC+ deal have the desired effect, even as the Covid-19 shutdowns reduced global demand by an estimated 30 million barrels per day (mb/d). OPEC+ had promised only a short-term cutback of 9.7 mb/d, assuming all members would comply with the commitments they made. Some Russian producers immediately said they could not take their fair share of the cuts. After the G20 meeting, Mexico refused to take its requested 400 mb/d cuts, leading President Trump to declare that the US would bear three-quarters of this burden for its new partner in the United States–Mexico–Canada Agreement (USMCA) and its neighbor on the other side of the US southern border wall. But Trump's USMCA neighbor to the north, Canada, took no government-directed cuts at all. Nor did the United Kingdom, Brazil, or any other member of the G20.[12]

The market instantly noted this great gap between the promised supply cutbacks and the more certain demand drops. The price of the global benchmark Brent crude dropped from $31.48 a barrel the day before the G20 energy ministers meeting to $27.82 a week later. The North American benchmark, West Texas Intermediate (WTI), dropped from $22.76 to $19.87 a barrel during the same time. The ministers' two commitments to produce energy market stability were thus not complied with in the noticeably short term. Nor did any corrective action come from G20 finance ministers and central bank governors when they met on April 15: their commitment-filled communiqué said essentially nothing about oil, energy, or the natural environment.[13]

Causes of the G20 Energy Ministers' Change

Why did the G20 energy ministers' meeting fail, even with President Trump surprisingly offering American leadership on the issue? The environmental priorities of Trudeau, Johnson, and the Saudi Arabian host of the G20 at their start in December 2019 provided some hope that when the next G20 energy ministers' meeting takes place on September 27-28, it will return to its traditional path of making more commitments, on a broader agenda, with its environmental emphasis restored. But much will depend on the time between April and September on OPEC+ members' compliance with and corrections of their cutback commitments and President Trump's instincts and re-election campaign calculations. It will depend, above all, on how much more death and economic devastation will come from a Covid-19 epidemic still surging in oil-producing Russia, Brazil, the United Kingdom, Canada, and the US and oil-importing India and Japan. At their April meeting, G20 governors at all levels had only started to consider the now critical connections among energy, the economy, the environment and health, and what actions would bring the best co-benefits for all.[14]

As Saudi Arabia chairs the 2020 G20, its Presidency Agenda includes notable sustainable development objectives — some of which are aligned with Saudi Arabia's own domestic sustainable development desires, particularly in tourism-led economic progress and the pursuit of clean energy. However, COVID-19 has negatively affected these two areas, by damaging the global economy and world tourism and throwing the global energy sector — especially that of oil — into additional disarray. Saudi Arabia's G20 leadership in response to COVID-19's effects on G20 sustainable development objectives in tourism and energy should thus be examined.[15]

Saudi Arabia, OPEC, Russia, the US, and the Politics of Oil

The heightened politics of oil involving Saudi Arabia, Russia, OPEC, and the US is playing out beyond the immediate confines of the G20 framework. The global recession is affecting the politics of oil in an incredibly significant manner, unlike anything seen before in recent history. Consider the facts. In early October 2020, the IMF revised its forecast for global growth to negative 4.4 percent for 2020. This forecast was somewhat less severe recession than it predicted in June, but still on track for the worst performance since the Great Depression.[16]The IMF warns that the global recovery is not assured while the pandemic continues to spread. The report says that most economies will suffer lasting damage. There is likely to be what it calls "a major setback to living standards relative to what was expected before the pandemic". The IMF warns that extreme poverty is likely to rise for the first time in more than twenty years.

Inequality is also likely to increase, the report says. The crisis has particularly affected women, people with precarious employment, and those with relatively lower educational attainment.[17]

The economic fallout of the coronavirus pandemic is expected to bring about the largest contraction in the past 20 years for most countries in the Middle East and North Africa (MENA), the International Monetary Fund said on October 19, 2020, with some fragile states in the region at higher risk of mounting social unrest due to COVID-19 disruptions. The economies of the six countries compromising the Gulf Cooperation Council (GCC) are expected to collectively shrink 6 percent this year – a marked improvement over the IMF's July forecast for a 7.3 percent contraction.[18]

In addition to the economic fallout of lockdowns, energy-producing countries have also had to whether a sharp fall in oil prices thanks to slumping global demand. The largest Gulf economy, Saudi Arabia, is expected to shrink 5.4 percent this year before rebounding to 3.1 percent growth next year.[19]

The coronavirus pandemic has pushed nearly all Mideast nations into the throes of an economic recession this year. Well before the coronavirus swept across the globe, several Mideast countries had been struggling with issues ranging from lower oil prices and sluggish economic growth to corruption and high unemployment.

Meanwhile, wealthy Mideast oil exporters are expected to see their economies contract by 6.6% in 2020, the IMF said. Gulf Arab states, however, are expected to see average economic growth of 2.3% next year. The IMF says its projections are based on assumptions that the price of oil averages $41.69 a barrel in 2020 and will rise to $46.70 a barrel in 2021.[20]

The IMF revised its gloomy estimate of Saudi Arabia's economic contraction down from 6.8% to 5.4%. As one of the world's largest oil producers and top 20 largest economies, the kingdom took the bold step this year of trying to shore up more revenue by tripling value-added tax to 15% and increasing customs duties.[21]

In the second quarter of 2020, the Saudi economy contracted at the steepest pace since current records began in 2011, marking the fourth consecutive quarterly decline in GDP. The sharp drop in oil production in May–June, coupled with lockdown measures to contain the spread of Covid-19, was behind the unprecedented blow to economic activity. Domestic demand collapsed in the quarter as living allowances were suspended and non-essential businesses were closed. Economic output is projected to contract notably this year, chiefly due to curtailed oil production.[22] Non-oil private sector activity will likely also decline as the VAT hike and a weaker labor market depress private consumption, and a more restrictive budget hinders the economy. Next year, the economy should rebound as the impact of the pandemic fades. FocusEconomics panelists see GDP contracting 5.2% in 2020. In 2021, the panel sees economic growth at 3.7%, which is down 0.1 percentage points from last month's projection.[23]Saudi Arabia has an oil-based economy with strong government controls over major economic activities. It possesses about 16% of the world's proven petroleum reserves, ranks as the largest exporter of petroleum, and plays a leading role in OPEC. The petroleum sector accounts for roughly 87% of budget revenues, 42% of GDP, and 90% of export earnings. Saudi Arabia is encouraging the growth of the private sector to diversify its economy and to employ more Saudi nationals. Approximately 6 million foreign workers play an important role in the Saudi economy, particularly in the oil and service sectors; at the same time, however, Riyadh is struggling to reduce unemployment among its nationals. Saudi officials are particularly focused on employing its large youth population.[24] Earlier, in 2017, Saudi Arabia incurred a budget deficit estimated at 8.3% of GDP, which was financed by bond sales and drawing down reserves. Although Saudi Arabia can finance high deficits for several years by drawing down its considerable foreign assets or by borrowing, it has cut capital spending and reduced subsidies on electricity, water, and petroleum products and recently introduced a value-added tax of 5%. [25]

Much earlier, in January 2016, MBS had announced that Saudi Arabia intends to list shares of its state-owned petroleum company, ARAMCO - another move to increase revenue and outside investment. The government has also looked at privatization and diversification of the economy more closely in the wake of a diminished oil market. Historically, Saudi Arabia has focused diversification efforts on power generation, telecommunications, natural gas exploration, and petrochemical sectors. More recently, the government has approached investors about expanding the role of the private sector in the health care, education, and tourism industries. While Saudi Arabia has emphasized its goals of diversification for some time, current low oil prices may force the government to make more drastic changes ahead of its long-run timeline.[26]

Meanwhile, OPEC+ is now reducing production by 7.7 million barrels per day (bpd), down from cuts totaling 9.7 million bpd enforced from May 1 to August 1, 2020. OPEC and allied producers on October 19 2020, pledged action to support the oil market as concerns mounted that a second wave of COVID-19 infections could hobble demand and an earlier plan to raise output from next year would further depress prices.[27]

Saudi Arabia, the biggest member of the Organization of the Petroleum Exporting Countries (OPEC), said no one should doubt the group's commitment to providing support, while three sources from oil-producing countries said a planned output increase from January could be reversed if necessary. Already, Russian President Vladimir Putin and Saudi Arabia's Crown Prince Mohammed bin Salman held two phone calls in early October. 2020. Kremlin spokesman Dmitry Peskov said regular contact was necessary as the markets were volatile. OPEC and its allies, including Russia, collectively known as OPEC+, have curbed output since January 2017 to try to support prices and reduce inventories.[28]

Prince Abdulaziz told the opening of an OPEC+ Joint Ministerial Monitoring Committee (JMMC) that:[29]

> This group has shown, especially in this year, that it has the flexibility to adapt to changing circumstances when required. We will not dodge our responsibilities in this regard…Nobody in the market should be in any doubt as to our commitment and our intent.

For now, OPEC+ is reducing production by 7.7 million barrels per day (bpd), down from cuts totaling 9.7 million bpd enforced from May 1 to August 1. OPEC+ is due to reduce the cuts by a further 2 million bpd in January.[30]

OPEC watchers, including analysts from US bank JPMorgan, have said a weak demand outlook could prompt OPEC+ to delay the reduction in curbs. “Demand recovery is uneven … Today this process has slowed down because of a second coronavirus wave, but has not yet fully reversed,” Russian Energy Minister Alexander Novak told the JMMC. Novak previously insisted on easing the cuts.[31]

The next full OPEC meeting from November 30 to December 1. Brent crude oil prices traded flat at $43 per barrel.[32]

Global crude oil prices fell sharply on September 6, 2020, building on several days of losses, in the face of a stalled U.S. recovery in gasoline demand, Saudi Arabia's move to cut prices of its oil sales contracts even as Opec+ increases output, and a looming slowdown in Chinese imports of crude oil.[33]

Oil prices had seemed frozen for several weeks, trading inside a tight $2-3 per barrel range, but a gentle decline that began at the end of last week has now accelerated. U.S. crude oil benchmark West Texas Intermediate (WTI) fell 7% to around $37 per barrel by shortly before mid-afternoon in the U.S., while European benchmark Brent had fallen 5% to just above $40 per barrel.

After it was decimated in March amid widespread travel and stay-at-home restrictions, U.S. gasoline consumption had recovered by the end of June to around 90% of last year's levels. Since then, however, it has largely stayed put. Even the lowest Labor Day gasoline prices in 16 years—$2.22 per gallon, according to the Energy Information Administration (EIA)—were not enough to get Americans back out on the roads in sufficient numbers to clear the over-supply. As the summer driving season in the U.S. comes to an end, the stalled gasoline demand recovery has raised concerns that the new normal of post-pandemic life could translate into less fuel consumption than before.

For oil bulls, more bad news came over the weekend (September 5-6), when oil trade publications, including S&P Global Platts, began reporting that Saudi Arabia's state-owned oil company, Saudi Aramco, had lowered its "official selling prices" (OSPs) for October sales of its crude oil—a sign that it is seeking to bolster demand for its products. Aramco lowered the price of its cargoes sailing to Asia by large margins.

Aramco is one of several state oil companies that sets the price of its crude oil in relation to international benchmark prices, in its case to the Dubai/Oman benchmark, which is calculated by oil pricing agencies, such as S&P Platts, based on recent trades in the market. In the latest pricing update, Aramco set the price of its one of its most popular types of crude oil, called Arab Light, at a price of 50¢ per barrel below the Oman/Dubai benchmark price for buyers located in Asia. This means that, if the Oman/Dubai benchmark price were $40 per barrel, an Asian buyer could buy a barrel of Arab Light crude at $39.50. Such price "differentials" against the benchmark may seem small, but since a standard oil shipment consists of 1-2 million barrels aboard massive oil tankers, even a 50¢ per barrel price decrease results in a discount of $500,000 to $1 million: a big buying incentive.[34]

Saudi Arabia's move to increase demand for its crude comes even as OPEC, plus ally Russia, is gradually easing up on output cuts first instituted after the Covid-19 pandemic resulted in a huge market over-supply. After collectively cutting output by 9.7 million barrels per day (b/d) or around 10% of total global oil production beginning in May, OPEC and Russia agreed on July 15 that they would start easing back those cuts to 7.7 million b/d in August.[35]

Meanwhile, reports began circulating early this week that China's imports of crude oil, while still robust, had retreated somewhat in August from the record number of barrels imported in June. Markets likely flinched at the news not because China's 11 million-some barrels per day of crude imports in August were meager, but because China's economic engine has been one of the world's few resilient drivers of oil demand. Any signs that its prodigious appetite for oil is weakening would have big implications for oil demand in the coming months.

Reduced imports could also signal that Chinese crude imports from previous months were driven in large part by stockpiling, as its state oil companies took advantage of oil prices that were at once limping along at around $20 per barrel.[36]

On October 23, 2020, President Putin declared that Russia does not rule out the possibility that OPEC+ could extend its current 7.7 million barrels per day of production cuts into next year. However, Russia has in the past been reluctant to keep up its end of the oil production cuts, so any mention that it is even thinking about a slower tapering of the cuts is noteworthy. Earlier, Russia had failed to bring its oil production down to the level it agreed to for most of the period of cuts in 2019 and early 2020.[37]

Earlier, Russia also was the spark that ignited the oil price war between it and Saudi Arabia-and by default the United States, when it refused to agree to additional cuts using the argument that as OPEC decreases its production, it opens the door for U.S. producers to increase theirs.

President Putin has had several discussions with Saudi Arabia and the United States on the state of the oil markets. He declared that:[38]

> We believe there is no need to change anything in our agreements…We will watch how the market is recoverying. The consumption is on the rise… If need be, maybe, we can take other decisions on further reductions. But we do not see such a necessity now.

Russia's willingness to even consider additional cuts or waiting longer to ease the cuts than planned will be viewed positively by the markets, which has been struggling to break out of a rut where oil prices have traded in a relatively tight band for months.[39]

The World Bank its semi-annual Commodity Markets Outlook report on October 22, 2020, maintained that energy prices had suffered the most among commodities in the pandemic, especially oil prices, and they won't be rising much next year either, averaging just $44 a barrel.[40] While agricultural and metal commodities have already recouped losses from COVID-19, oil prices will not recover to pre-pandemic levels at least until 2022, according to the World Bank.

"Notwithstanding steep production cuts, the recovery in oil prices has stalled recently amid concerns about renewed COVID-19 infections and their impact on oil consumption," the bank said in its report.[41]

Next year, oil demand in almost all countries will still be lower than in 2019, except in China, and as a result, oil prices will not move much higher than today's levels in the low $40s.

The World Bank expects oil to average $44 per barrel next year, slightly up from an expected average of $41 a barrel this year. The projected 2021 average will still be significantly lower than the 2019 average oil price level of $61 a barrel.[42]

“High levels of inventories are expected to continue to unwind over the forecast, and will keep oil prices below $50 until 2022,” the World Bank said.

In addition, OPEC+ countries have significant levels of spare production capacity, which further reduces the likelihood of sharply higher prices in the near term.

Natural gas prices, however, are seen rising in 2021 as consumption recovers in line with the global economy, according to the bank.

Like many other forecasters, the World Bank sees the risks for oil skewed to the downside. For demand, the pandemic is the biggest risk, while the return of Libyan production is a risk to oil prices on the supply side.

A potential upside could be OPEC+ not easing the cuts from January as planned, but extended cuts at current levels could be politically difficult to achieve, as many oil producers in the pact had their finances hit hard by the oil price crash and the pandemic, the World Bank said. [43]

Undoubtedly, the Summit in November will see more politics on oil. Saudi Arabia will cooperate with both the US and Russia to protect its national interests. Given the recession in the country, Saudi Arabia wants the price of oil to recover so that revenue is generated that is now desperately needed. The same can be said for also both Russia and the US. However, implementation of any agreements can be tricky, as usual.

The 2020 G20 Presidency Agenda on Tourism-Led Economic Progress

The said agenda identifies "Tourism as a Force for Human Centered Economic Growth." The travel and tourism sector accounts for 10.3% of global gross domestic product (GDP), and transport-related emissions from tourism contributed to 5% of all human-made emissions in 2016. The Saudi G20 presidency's focus on the social, economic and environmental impacts of this industry builds on the 2019 G20 Osaka Summit's commitment to maximize the sector's contribution to achieving inclusive and sustainable development.

The 2020 presidential agenda's focus on tourism runs parallel to Saudi Arabia's prioritization of tourism as part of its economic diversification scheme. Indeed, pegging the success of the Saudi economy on oil revenue is unsustainable given the volatility of global oil prices and the finite nature of oil. The Kingdom launched its Vision 2030 action plan in 2016 after Saudi oil rents as a percentage of annual GDP fell from 40.01% in 2014 to 19.43% in 2016. This resulted from the average monthly price of the OPEC Basket declining by 75.44% from June 2014 ($107.89 per barrel [bbl]) to January 2016 ($26.50/bbl).[44]

To grow other economic sectors, Riyadh aims to expand its tourism industry from its traditional focus on religious pilgrimages. A new visa regime, launched on September 27, 2019, is more favorable to leisure tourism. The Kingdom welcomed over 24,000 visitors within 10 days of implementing this new visa regime. Aligning with the G20's human-centered approach, Saudi officials anticipated this sector would create 1 million new jobs and increase its GDP contribution from 3% in 2019 to 10% by 2030.

However, state lockdowns to prevent the spread of COVID-19 have caused economies to decline. The International Monetary Fund's April 2020 World Economic Outlook indicated that the G20 will average a 4.735% decline in real GDP in 2020. Likewise, given the reduced number of people traveling as a result of the virus, the Organization for Economic Co-operation and Development (OECD) anticipates a 45% decline in international tourism in 2020. This could rise to 70% should recovery be delayed until September 2020. Moreover, the World Travel & Tourism Council (WTTC) has estimated that up to 75 million tourism jobs are at risk, with a travel and tourism GDP loss of up to $2.1 trillion in 2020. .[45]

The G20 is now tasked with supporting the international economy and strengthening the global tourism industry in anticipation of Covid-19's eventual decline. Saudi Arabia chaired the first-ever Extraordinary G20 Virtual Leaders' Summit on March 26, 2020, where commitments were made to safeguard the global economy through minimizing economic damage and maintaining market stability. The G20 did not forget its sustainable economic outlook, agreeing to lay down foundations for strong and sustainable economic growth.

Following this, G20 tourism ministers convened virtually on April 24, 2020, and agreed to work together to support an inclusive and sustainable recovery in the global tourism sector. They abided by the G20 presidency agenda's focus on sustainable tourism. [46]

The Saudi G20 presidency's commitment to tourism as a form of economic growth must be applauded. Ahmed Al-Khatib, the Saudi tourism minister, articulated on March 20, 2020, the necessity of joint international action to support the global tourism industry due to COVID-19-reduced global travel. Al-Khatib explained that Saudi officials were consulting with their major global partners, namely the WTTC and the United Nations World Tourism Organization, so that appropriate measures can be made to support Saudi tourism. Thus, with Saudi Arabia's domestic tourism ambitions mirroring the country's international outlook, this was an important case of Saudi leadership, especially since G20 tourism ministers made key commitments on sustainable tourism on April 24.

Yet the omission of tourism from the G20 leaders' statement on March 26 was surprising, given that the slowdown of global travel and tourism has been the fastest and one of the primary repercussions of COVID-19. Although Saudi Arabia has shown strong leadership, the presidency can still improve the G20's focus on tourism commitments at any possible future extraordinary G20 leaders' summit — should one be deemed necessary — prior to the Riyadh Summit on November 21-22, 2020.[47]

Pursuit of Clean Energy

The 2020 G20 Presidency Agenda also prioritizes "Cleaner Energy Systems for a New Era," aiming to create cleaner, more sustainable, and affordable energy systems. This is a critical objective, as carbon-emitting fossil fuels of oil, coal, and natural gas accounted for 84.7% of global primary energy consumption and 64% of global electricity generation in 2018. Accordingly, the 2020 clean energy outlook continues traditional G20 energy ambitions of committing to phase out fossil fuels since the G20's

2009 Pittsburgh Summit and acknowledging the need for cleaner energy for many years.

The G20's clean energy priority reflects Saudi Arabia's domestic objective of expanding energy sources. According to British Petroleum plc, in 2018 Saudi Arabia used renewable energy as a the percentage of energy mix for electricity generation the least of any G20 country, with renewable energy accounting for only 0.2 TWh (0.05%) of domestic electricity generation. Moreover, oil accounted for 150.6 TWh (39.24%) of Saudi domestic electricity generation in 2018, which was the highest amount that oil was used as a percentage of the energy mix for electricity generation by any G20 country.

Nevertheless, Saudi Arabia has improved its energy diversification ambitions as part of Vision 2030 through the long-term National Renewable Energy Program (NREP). The Renewable Energy Projects Development Office is now overseeing the third round of renewable projects that have been launched by the NREP since 2017. Riyadh intends to invest $50 billion in renewable energy projects by 2023, aiming to grow Saudi renewable energy capacity to 58.7 GW by 2030.

However, oil has been the major energy concern in 2020, with global oil benchmarks of West Texas Intermediate (WTI), Brent crude, and the OPEC Basket averaging a 51.058% decline in their average monthly oil price from January ($62.09/bbl) to March ($31.71/bbl). This resulted from both COVID-19's impact on reduced oil demand because of state lockdowns and travel restrictions and the Riyadh-Moscow oil price war.

Accordingly, on April 10, 2020, the G20 energy ministers discussed global energy concerns, aiming to secure an agreement to reduce oil production. However, consensus was not achieved on this matter, with the Organization of Petroleum Exporting Countries and producing allies agreeing two days later to a 9.7 million bbl/day cut from May 1 to June 30, 2020. Although G20 energy ministers were still able to make important commitments toward stabilizing the global energy sector and ensuring its contribution to the global economic recovery and the fight against Covid-19, there were none on clean energy.

The absence of any clean energy commitment from this G20 energy ministers' meeting is disappointing for both the G20's clean energy ambitions and for Saudi G20 sustainable development leadership. This latter point is especially apparent considering that the G20 energy ministers' meeting did not match the strong displays of Saudi clean energy ambitions prior to the meeting.

Indeed, on March 31, 2020, the Saudi Council of Ministers agreed to the creation of a Supreme Committee for Energy to administer electricity production and strengthen the Saudi renewable energy sector. Then on April 3, the Saudi government shortlisted five bidders for photovoltaic Saudi solar projects as part of the second round of the NREP. Overall, Saudi Arabia must prioritize clean energy as part of G20 energy discussions, thereby fulfilling the G20 presidency's desire for clean energy and simultaneously enhancing Saudi G20 sustainable development leadership.

In sum, Saudi Arabia's G20 presidency has displayed some leadership in pursuing key sustainable development ambitions in tourism and energy. However, there is room for improvement. First, although the G20 tourism ministers' meeting was successful thanks in part to strong Saudi initiative, the slowdown of the tourism industry caused by Covid-19 means that tourism must be better addressed at any future G20 summits for the remainder of the Saudi G20 Presidency. Moreover, the G20 is neglecting the clean energy ambitions outlined in its 2020 Presidency Agenda, leaving room for the presidency to prioritize clean energy reform at upcoming G20 meetings of both energy ministers and leaders alike.

If Saudi Arabia can support G20 sustainable development in tourism and energy, this would be an important win for Saudi Arabia's G20 presidency, and a major success for the G20 overall in responding to Covid-19.

G20 Finance Ministers and Central Bank Governors Meeting on Counter Covid-19

On March 6, 2020, G20 finance ministers and central bank governors held an emergency conference call to focus on the pandemic, which is rapidly escalating and spreading throughout G20 member countries and beyond. They did so three days after the G7 finance ministers and central bank governors had held a similar call, which was immediately followed by substantial cuts to policy interest rates and other measures to implement the commitments they collectively made on that call. Their G20 counterparts on March 6 made six precise, future-oriented, politically obligatory commitments. All of them focused on health and, specifically, the pandemic taking the central global stage. This was far fewer than the earlier recent standalone meetings of G20 finance ministers and central bank governors, which had all been regularly scheduled ones. The previous G20 finance meetings made one health commitment at Chengdu in July 2016, none at Baden Baden in 2017 or Buenos Aires in 2018, and one at Fukuoka in June 2019. At all four of those earlier meetings, the focus was on financial regulation, economic growth, taxation, and reform of the international financial institutions.[48]

In their March 6 call, G20 finance ministers and central bank governors pledged "further actions, including fiscal and monetary measures" to respond to the virus, support the economy and maintain financial system resilience. They also promised to continue working closely with the IMF, the World Bank, the OECD, and the Financial Stability Board, and to support strong coordination with the WHO. But they notably did not pledge any new money for the WHO, or even acknowledge the need for such support. They ended by committing only to review their individual and coordinated action in response to Covid-19.

It remains to be seen whether the G20 members will implement their commitments as swiftly, strongly, and in such a broadly shared way as their G7 members did after they met alone on March 3.[49]

<u>The G20 communiqué analysis – Annual Meetings October 21, 2020</u>

The G20 finance ministers and central bank governors met virtually at the 2020 World Bank and IMF Annual Meetings on 14 October under Saudi Arabia's presidency. In the face of mounting pressure, including from the World Bank and IMF, to take further action on debt relief and to urgently scale up fiscal support for the poorest countries, the G20 failed to deliver and issued yet another insufficient communiqué.

At the G20 press briefing on 14 October, Saudi Arabia's Minister of Finance, Mohammed Al-Jadaan, announced an extension of the Debt Service Suspension

Initiative (DSSI), by six months, with a commitment to review and consider a further six-month extension at the IMF and World Bank Spring Meetings in April 2021. The announcement falls short of even the most modest calls from leaders of low-income countries for a one-year extension, reiterated by the IMF and World Bank. Since it was launched in April as part of the G20's Action Plan, the DSSI has seen an uptake of only 46 out of 73 eligible countries, largely due to countries' concerns over how downgrading of their credit ratings would affect access to markets, as well as unease over the requirement to sign up for IMF financial support and the stringent conditions attached. [50]

A report by Belgium-based civil society network Eurodad found that debt service suspension through the DSSI represented only 1.6 percent of the total debt payments due by developing countries in 2020. The report showed that the DSSI excludes 12 lower middle-income countries, 18 small island developing states, and 48 upper middle-income countries regardless of their vulnerability to debt distress.

At the same time, multilateral development banks and private creditors are under no obligation to offer debt suspensions, as demonstrated by the World Bank's refusal to do so to date. Despite warm words of encouragement from the G20 urging private creditors to join, they refuse to play ball, as indicated by a September letter from the Institute of International Finance to the G20.[51]

Ahead of the meeting, World Bank president David Malpass made his frustration clear stating, "[the] DSSI defers debt payments and adds interest, it doesn't reduce debt. It's important that people in the poorest countries see an actual reduction in the amount of debt." [52] Beyond the DSSI, the G20 was expected to discuss a common framework for debt reduction but did not reach an agreement. Instead, the communiqué stated that it "agreed in principle" and would work towards negotiating a 'Common Framework for Debt Treatments' to be published at the Riyadh G20 Leaders' Summit in November 2020. In an unusually frank statement at the G20 meeting, Malpass pressed on the urgency of making rapid progress on a framework because of the disorderly default rising risk. The framework would set out a process for dealing with debt reduction, including restructuring and relief, but the communiqué confirmed that this will likely be conducted on a "case-by-case" basis. [53]

Malpass and the leaders of G7 countries had aimed at China, which has come under fire for not participating fully in the DSSI and over its lending transparency. So far, China had not included relief on loans by several state-owned entities, including the China Development Bank. But it maintains that it had provided almost half of the relief negotiated this year. [54]

Stephanie Blankenburg, head of debt and development finance at the UN Conference on Trade and Development, stated that: “There is an agreement among the advanced and developing countries in the G20 to only represent creditor interests. There is no talk at all about how debtor countries might receive their proposals.” The president of the World Bank, Malpass echoed these comments during an event at the Annual Meetings, stating that the G20 is “mostly creditor countries,” who he could imagine have an “interest to get a lot of the debt paid” and to “keep the inertia.” He added that legal structures “favor creditors” and called on the US and the UK in particular to address their legislation, which facilitates private creditors enforcing debt servicing through the courts.[55] Indeed, the distinction between the G20 creditor interests and private creditor interests is not so clear, as argued by Professor Daniela Gabor in a recent article written for US magazine *Jacobin*. Sovereign debt owed to private creditors increased nearly three-fold during the past decade, from $186 billion in 2008 to $535 billion in 2018, which equates to roughly 41 percent of the total sovereign debt stock.[56]

When questioned about debtor countries’ lack of opportunity to input in the debt decision-making process at the G20 press briefing, Al-Jadaan responded by saying that these countries should use their “very large representation” in the IMF and the World Bank to influence debt discussions, a comment that might raise eyebrows the day after the Group of Twenty-Four (G24, a group of developing countries), issued its communiqué calling for quota reform of the IMF for greater representation. Changes to the Bank’s shareholding in recent years have largely resulted in a greater share for China, while many developing countries remain largely underrepresented in both the IMF and the World.[57]

It is no surprise that the Group of 77 developing countries has long called for a debt workout mechanism, even securing a UN General Assembly resolution committing the body to work towards establishing a multilateral legal framework for sovereign debt restructuring in 2014. Earlier in October 2020, the IMF has come out in favor of reforming the international debt architecture to "support orderly debt restructuring". In an open letter on October 15, 2020, addressed to all governments, international financial institutions, and lenders, over 500 groups once again called for "A fair, transparent, binding and multilateral framework for debt crisis resolution (under the auspices of the UN and not in lender-dominated arenas) that addresses unsustainable and illegitimate debt."[58]

Lending and tax proposals: A tentative drop in the ocean

The G20 welcomed reports on the Blueprints for Pillar 1 and Pillar 2 by the G20 and OECD Inclusive Framework on Base Erosion and Profit Shifting (BEPS). The proposals outline new rules on where tax should be paid and a global minimum tax, which the OECD estimated would recoup $200 billion of revenue gains. [59]

Even these piecemeal proposals have yet to be agreed upon, with the G20 communiqué urging parties to "address the remaining issues with a view to reach global and consensus-based solution by mid-2021." This is despite the OECD's warning that developing countries dealing with costs of the pandemic could face a double blow from escalating trade wars unless international talks on tax rules are successful.

Unsurprisingly, the G20's communiqué was once again silent on the matter of a new issuance of the IMF's reserve currency, SDRs, which was previously opposed by both the US and India. This comes amidst reports that the IMF and World Bank's Covid-19 response financing has come nowhere near the required $2.5 trillion to meet immediate Covid-19 financing needs. When asked about this during the press briefing, Al-Jadaan emphasized that the G20 will, continue to as the IMF to "explore every option possible to ensure we provide support to countries in need, including through ways of issuing SDRs."[60] An SDR issuance would easily cover the costs of multilateral debt cancellation.

Writing at the start of the Annual Meetings, the Ghanaian Finance Minister and Chair of the G24, Ken Ofori-Atta, highlighted that G20 countries have already spent more than

$10 trillion on recovery and economic stimulus packages for their economies. Ahead of the G20 meeting, he critiqued the US for opposing an issuance of SDRs and China for blocking progress on debt relief, which has stymied the multilateral response, asking, "Where is the fierce urgency for change in a global event of this scale?" The G20 yet has no answer to this question.[61]

Some Significant Developments

The G20 extended its debt suspension initiative but otherwise fell short of what low-income countries, advocates, and World Bank President David Malpass had hoped it would do to help countries facing debt challenges in the wake of Covid-19. The Group of 20's Debt Service Suspension Initiative, which allows the world's poorest countries to delay debt payments, was extended through the first half of 2021, with the G-20 reviewing whether another extension might be needed at the World Bank annual meetings.[62]

Many had hoped that the result of this round of meetings would be progress on a debt reduction process, instead, the G-20 in its communique said that it "agreed in principle on a 'Common Framework for Debt Treatments beyond the DSSI'" and acknowledged that more may be needed for certain countries beyond what the DSSI is providing.[63]

Ahead of the release of the G20 communique, World Bank President David Malpass said it was "disappointing," and action was needed on debt relief rather than just debt deferral. The World Bank President David Malpass says he plans to propose a $25 billion emergency funding facility for the International Development Association, the bank's fund for low-income countries, to help with its response to Covid-19.

Negotiations on debt reduction were delayed and deferred to a new meeting of G-20 finance ministers to be held in November, while several other issues to help countries with debt challenges, provide financing and address the pandemic appear to be in a holding pattern.

The inability to agree on the debt reduction framework came down generally to tensions around how extensive a restructuring process should be and whether it would include other low- and middle-income countries beyond those eligible for DSSI. China, India, and Turkey had concerns about agreeing to a process without a resolution to questions about who it impacts.

Another ongoing issue is the participation of the private sector, which has been asked to voluntarily provide relief in line with DSSI but has not done so. One issue with these ongoing negotiations is that debtor countries do not have a seat at the table at the G20 and may not have a say in how these processes are structured.

The G-24, the body that represents low- and middle-income countries in international fora, released a communique this week calling for support for LMICs as they “manage their worsening debt vulnerabilities to avoid a debt crisis that seriously sets back development progress.”

The risk of being downgraded by credit rating agencies and limiting market access is holding back government decisions to seek debt relief, an issue that needs to be addressed to implement effective debt standstills, the G-24 communique said.[64]

One way to provide additional support is through a new IMF issuance of Special Drawing Rights, which would provide countries with additional liquidity, though there too talks appear to be stalled at the G20.[65]

Debt relief is critical for the world’s lowest-income countries, and while steps by the G20 and the International Monetary Fund this week are a move in the right direction, they won’t be enough, according to development experts. Low-income countries cannot make the kind of fiscal and monetary policy moves that the wealthiest countries can, but they still need fast access to additional capital to respond to both the health and economic crisis resulting from Covid-19.

Debt relief frees up money immediately, allowing governments to use funds that had been reserved for debt repayment to address urgent needs and work to shore up their economies, said Eric LeCompte, the executive director of the Jubilee USA Network.[66]

The IMF announced that it would provide debt relief to 25 of its poorest member countries using its revamped Catastrophe Containment and Relief Trust, through which it will provide grants to cover their debt obligations to the fund for six months. The G20 also called on private creditors to participate in a suspension of debt service payments and asked multilateral development banks to explore options for doing so as well.

The G20 debt suspension began May 1 and continues to the end of the year and applies to the World Bank International Development Association countries or countries that meet the United Nations' definitions for countries. Suspending debt payments will mean that those countries have access to an additional $20 billion in the next six months that they can use to bolster health services and pass economic stimulus measures, Saudi Finance Minister Mohammed al-Jadaan told reporters after the meeting.[67]

The IMF has some $140 billion in gold reserves and several development experts have called for the institution to take money out of the reserves to fund debt cancellation. There were also some shortfalls in the G-20 communique as it provided only short-term relief, calls for only voluntary participation from other creditors and did not address long-term challenges.

The G20 communique called on private creditors and multilateral development banks to consider debt relief on the same terms as the bilateral creditors. Any debt relief initiative that is not comprehensive could result in a country using the funds from debt relief to pay other nonparticipating creditors. The challenge for the World Bank and other multilateral development banks is that they do not have a facility such as the IMF trust that would allow them to provide grants for debt relief. The World Bank IDA, its main financing arm for low-income countries, gets some money from donors, but a large share of the funding it provides comes from loan repayments. If those repayments are paused, it would limit future funding, unless donors step up.[68]

Despite the importance of even a short-term debt freeze, experts believe it will not be enough as countries borrow more to address critical needs and permanent debt cancellation will likely be necessary.

African leaders have called for more comprehensive debt relief from bilateral, multilateral, and commercial partners, asking for a forbearance of interest payments for all African countries for two to three years. They also called for $100 billion in support from donors to address the Covid-19 crisis, of which $44 billion would go towards debt relief. Experts agree that this crisis also needs to finally be the opportunity to reform international financial systems and develop a new more permanent institutional approach to debt, so crises can be resolved more quickly and fairly.[69]

Future meetings should consider debt cancellation and address the needs of a broader group of countries that may also face debt distress. In addition to debt relief, global leaders had also been discussing a new IMF issuance of Special Drawing Rights, which would provide countries with additional liquidity, which many leaders have called for as a critical piece of the response. German Chancellor Angela Merkel, French President Emmanuel Macron, Ethiopian Prime Minister Abiy Ahmed, South African President Cyril Ramaphosa, and other leaders called for the allocation of SDRs. The United Nations Conference on Trade and Development had called on IMF to issue about $1 trillion in SDR, saying that it would be “a serious step towards alleviating liquidity constraints, particularly in low- and middle-income economies.”[70]

Given the precarious condition of many poor countries because of the prolonged Covid19 emergency, the $1 trillion SDRs would be desperately needed. Clearly, the Summit must deliver on this score.

Criticisms of the G20 Women's Forum

As expected, the Summit framework is not without its criticisms. Given the extremely poor track record of Saudi Arabia on the human rights issue, such outside criticisms and censure were to be expected. Human Rights Watch, the reputable international watchdog, details the abuses under MBS whose Vision 2030 immediately cast him in the role of reformer when it launched in 2016. In June 2017, King Salman elevated his son to crown prince, making him next in line to the Saudi throne and de facto day-to-day ruler of the country. Positive changes for women and youth, combined with a major push for foreign direct investment and lavishly funded public relations efforts, promoted a positive image for the crown prince on the international political scene. The Human Rights Watch states that:[71]

During the crown prince's visits to the United Kingdom and the US in March 2018, officials, business people, and celebrities alike lauded him. A darker reality lay behind the glamor and pomp and the advancements for Saudi women and youth, as the Saudi authorities moved to sideline anyone who could stand in the way of Mohammed bin Salman's political ascension. In mid-2017, around the time of his promotion to crown prince, authorities quietly reorganized the country's prosecution service and security apparatus, the primary tools of Saudi repression, and placed them directly under the royal court's oversight.

The authorities then began a series of arrest campaigns. They targeted prominent clerics, public intellectuals, academics, and human rights activists in September 2017, leading businesspeople and royal family members accused of corruption in November 2017, the country's most prominent women's rights advocates beginning in May 2018, and prominent intellectuals and writers in April and November 2019. The arrest waves were often accompanied by media. Detaining citizens for peaceful criticism of the government's policies or human rights advocacy has long been the Saudi Arabian government's practice. However, the post-2017 arrests were notable for the sheer number and range of people targeted over a short period and new repressive practices. These included holding people at unofficial detention sites, such as holding so-called corruption detainees at the five-star Ritz-Carlton Hotel in Riyadh from late 2017 into early 2018, and the prominent women's rights activists at what they described as a "hotel" or "guesthouse" during mid-2018. There are credible allegations of rampant torture and mistreatment at those sites. Abusive practices have also included long-term arbitrary detention – two years in some cases – without charge, trial, or any clear legal process. Some of the so-called corruption detainees arrested in late 2017 remain in detention without charge or trial, including Turki bin Abdullah, the son of the late King Abdullah and former governor of Riyadh, and Adel al-Fakih, a former government minister. The authorities also targeted family members of prominent Saudi dissidents and activists, including imposing arbitrary travel bans. Omar Abdulaziz, a Canada-

> based Saudi dissident, said that Saudi authorities detained his two brothers in August 2018 to silence his online activism. Other abusive practices have included extorting financial assets in exchange for releasing detainees, outside of any legal process, and seeking the death penalty for acts that do not resemble recognizable crimes. Saudi prosecutors are currently seeking the death penalty against a reformist religious thinker, Hassan Farhan al-Maliki, on vague charges relating to the expression of his peaceful religious ideas, and against a well-known cleric, Salman al-Awda, on charges stemming solely from his peaceful political statements, associations, and positions. Both were detained during the September 2017 crackdown.
>
> The Saudi authorities have allegedly used commercially available surveillance technologies to hack into the online accounts of critics of the government and dissidents. Citizen Lab, an academic research center based in Canada, concluded with "high confidence" that in 2018, the mobile phone of a prominent Saudi activist based in Canada was infected with spyware. It allowed full access to a victim's personal files, such as chats, emails, and photos, as well as the ability to surreptitiously use the phone's microphones and cameras to view and eavesdrop.

Rights groups wanted participants in the G20 women's meeting starting in Saudi Arabia on October 21, 2020, to seek the release of detained female activists and call out the kingdom for its record on rights.

As the current chair of the Group of 20 major economies, Riyadh has tried to improve its image after global outrage at the 2018 murder of journalist Jamal Khashoggi at its Istanbul consulate. Amnesty International said ahead of the two-day virtual W20 meeting that:[72]

> [Saudi] continues to violate basic women's human rights and muzzle voices that demand equality. Your participation in the W20 must not be used in Saudi Arabia's whitewashing of its international reputation while they continue to jail

> peaceful women activists. Saudi authorities arrested at least a dozen female activists in 2018. Rights group say at least three faced abuses including solitary confinement, electric shocks, flogging, and sexual assault. Officials deny torture. Few charges have been made public, but those against some of the women include contacting foreign journalists, diplomats, and rights groups. Amnesty and Human Rights Watch urged participants to raise the women's cases. De facto ruler Crown Prince Mohammed bin Salman has introduced reforms enabling women to drive, travel without permission, and improve access to jobs. But rights group say more is needed as some aspects of the male guardianship system remain intact and the government recognizes filial disobedience as a crime.

There has been increasing pressure on officials to boycott Saudi-led G20 events, which have largely been hosted virtually this year due to COVID-19. On October 22, 2020, more than 40 U.S. Congress members asked Secretary of State Mike Pompeo to withdraw from a November summit. The European Union parliament on Oct. 8 passed a resolution urging the bloc to downgrade its participation.[73]

The coordinator of the W20 summit which opened on October 21, 2020, invited participants to "imagine a world where women's equality is a reality", yet Hathloul and other activists were deprived of their freedom because they fought for that dream inside Saudi Arabia, her sister, Lina, told the Guardian.

"[Summit attendees] legitimize a regime that silences all voices on human rights, including women's voices," Lina al-Hathloul said. "Women activists are behind bars, and the official charges they face are for their activism."

The mayors of major cities, including London, New York, Los Angeles, and Paris, boycotted another major G20 linked event – the Urban 20 summit – last month, in protest at the plight of political prisoners in Saudi Arabia.

Saudi Arabia's powerful crown prince Mohammed bin Salman, widely considered the country's de facto ruler, has presented himself as a reforming modernizer. In recent years he has dismantled restrictions on daily life, allowing women to drive, curtailing the powers of the religious police who patrolled women's clothing and mixing of the sexes, and allowing cinemas to open after a decades-long ban.

Yet critics say reforms represent largely superficial changes to life in a country that is one of the world's few remaining absolute monarchies, where total obedience to the royal family is still demanded.[74]

In recent years Saudi authorities have sought to silence critics at home and around the world. Most notoriously, exiled journalist Jamal Khashoggi was murdered by government officials in the Saudi consulate in Istanbul in 2018.

Hathloul was detained and released several times for her campaigns, before she was caught up in a wider crackdown against women's rights activists in May 2018, just before the ban on female drivers was lifted.

"The only thing that has changed [in recent years] is Saudi Arabia's image in the west," said Lina al-Hathloul. "There is no place for reform at all. All the reformers are behind bars and my sister is one of them. What Saudi Arabia wants is to whitewash all the rights violations."

The summit and its tagline – "If not now, when" – was attacked as an exercise in hypocrisy by other human rights campaigners.

Grant Liberty, a new human rights group specializing in civil liberties in Saudi Arabia, described the W20 as "ludicrous and offensive", and warned that it risked turning the G20 into a "PR tool for Mohammed Bin Salman's brutal regime," and called for a boycott.

Human Rights Watch also called on women attending the W20 summit to speak up for the jailed Saudi campaigners. It called on participants to refuse to play a role in the kingdom's "whitewashing efforts", and stated that:[75]

> While female activists were in jail, talk of reform rings hollow. The Saudi government's use of women's rights to divert attention from other serious abuses is well documented. Recent changes, including the right to drive and to travel without male guardian permission, might be significant, but do not hide the fact

> that some of the women who campaigned for these changes still languish behind bars….The Saudi government's use of women's rights to divert attention from other serious abuses is well-documented….Recent changes, including the right to drive and to travel without male guardian permission, might be significant but do not hide the fact that some of the women who campaigned for these changes still languish behind bars. HRW said participants should be aware of Saudi Crown Prince Mohammed bin Salman's government's activists. While courageous women are subjected to torture for peaceful activities, the Saudi government seeks to assert itself on the international stage as a 'reforming' power'," HRW said.W20 participants should not play a role in Saudi Arabia's "whitewashing efforts" and must use their platform to speak up for Saudi women's rights champions…If they are committed to 'realizing opportunities for all', that includes all Saudi women activists behind bars, and numerous unnamed victims of discrimination.

As expected, Saudi Arabia used the G20 forum to showcase positive developments in the country. It presided over a virtual global interfaith forum that began on October 13, 2020, with participation from Muslim clerics, Jewish rabbis, Christian priests, and other religious figures. The kingdom is hosting the online event as part of its presidency this year of the Group of 20 leading rich and developing nations. Saudi Arabia has embarked more assertively in recent years on outreach to Jewish and Christian groups. Some of those efforts have coincided with a broader alignment of interests and emerging ties between the Gulf Arab states and Israel, which share a common foe in Iran. Saudi Crown Prince Mohammed bin Salman has also overseen efforts to supplant a religiously conservative Saudi identity with one rooted in hyper-nationalism, following decades of adherence to a hardline interpretation of Islam known as Wahhabism, which has flourished in the kingdom.[76]

Faisal bin Muaammar, who heads the Saudi-funded International Dialogue Center organizing the five-day forum, told The Associated Press the purpose of the event is to enhance relationships among different faiths. "We are talking about a relationship between religions, between Muslims, Christians, Jews, Buddhists, and Hindus. The dialogue has no political agenda or a political direction in terms of political conversations or negotiations," he said. Still, he said interfaith forums like this can help build bridges between people and countries. "If it is used for the right reasons, the input of religious leaders or religious parties is excellent for any peace process in the world," he said. The event had been envisioned to be held in the Saudi capital, Riyadh, a rare gathering of diverse religious figures in the conservative Islamic nation. However, due to the coronavirus pandemic, the forum is being held virtually like other high-profile G-20 events hosted by Saudi Arabia. Speakers at the opening session included the Saudi religious affairs minister, the secretary general of the Saudi-based Muslim World League, the grand mufti of Egypt, archbishop of Constantinople-New Rome and ecumenical patriarch, the president of the Conference of European Rabbis, and U.N. representatives.

As expected, Saudi officials used the forum to highlight success stories in their country. Members of the G20's Think 20 (T20) engagement group on October 12, 2020, discussed migration, ways to tackle youth unemployment, and how innovative policies and programs to encourage cross-generational engagement might be developed.

The webinar for the T20's Task Force 9 on Migration and Young Societies was hosted in cooperation with Jordan's Center for Strategic Studies. The participants included representatives of research centers, government bodies, and civil society organizations.

The event featured two panel discussions that focused on how migration might shape the future, and how new digital platforms will affect the experiences of migrants, women, and children.

During her opening speech, Princess Maha bint Mishari, the lead co-chair of the task force, emphasized the severity of the demographic challenges faced by societies and migrants, and the negative effects of the COVID-19 pandemic on "already vulnerable" groups. She said the challenges facing young people, women, and migrants have been heightened by economic and educational shutdowns, closed borders, and lack of healthcare infrastructure in many places.

She also noted that under King Salman, Saudi Arabia has made remarkable and unprecedented progress on many levels, politically, socially, economically, and developmentally. “These achievements are the pillars of the Vision 2030 reform program, (and show) that the Saudi leadership is committed to its pledge to build a state for the future and consolidate its position in the G20,” she said.[77]

Fahad Al-Sharif, a senior research fellow at King Faisal Center for Research and Islamic Studies, highlighted some of the factors that have affected global migration over time, including early movements of humans, the two world wars, and now the pandemic. He stated that:[78]

> Many types of migrations have emerged through time, depending on the geographic, socioeconomic and push-and-pull factors…For example, forced migrations caused by civil wars, natural disasters, and ethnic cleansing, among many other things…Countries should deliver policies in support of irregular migrants…Even though COVID-19 proved our unpreparedness and vulnerability, it also created a new opportunity for us, as individuals and countries, to engage in finding new, creative, compassionate and usable policies to face the future…We should increase trust between these communities and health authorities…We also need to assure communities that their members will not face any punishment. We also must implement a system that allows undocumented migrants to call emergency services without the threat of retaliation. Moreover, we need to develop more robust and long-term cooperation with foreign embassies to facilitate the identification of undocumented migrants and their presence in their countries.

The T20,

The T20 is a network of think tanks and researchers, is one of several independent G20 engagement groups led by organizations from the host country. They focus on different sections and sectors of society and work to develop policy recommendations that will be presented to G20 leaders for consideration. The Migration and Young Societies task force focuses on finding ways to develop skills and opportunities among young people and encourage macroeconomic and microeconomic policies that address high youth unemployment, demographic changes, economic growth, and the reform of social systems.

It is one of 11 T20 task forces working to develop research and policy recommendations on issues such as economic development, climate change, women and youth, technology and innovation, multilateralism, financing, food security, access to water, and methods of solving complex problems. They operate under the presidency of King Abdullah Petroleum Studies and Research Center, and the King Faisal Center for Research and Islamic Studies.[79]

Overall, the G20 Summit process is an impressive affair. Saudi Arabia is going to fully use the occasion to showcase its achievements and develop its soft power. This is the first time in history that an Arab country has hosted a G20 Summit event. MBS is the force behind the whole effort and will utilize the events to consolidate his power within the country and try to build his image as a powerful Arab and Muslim leader that is striving to bring peace and prosperity to his country, the region, and the world beyond. MBS is an overly ambitious man and single-mindedly focused on consolidating his own power inside the country, and beyond. However, he lacks the clout and stature of leading the Summit in any remarkable manner. The promises made by the King shall not be met in the coming Summit.

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[1] Opening Remarks for the Custodian of the Two Holy Mosques during the

[2] Ibid

[3] “Saudi Arabia hosts G20 talks on virus recovery, debt relief”, The Economic Times News, October 21, 2020, https://economictimes.indiatimes.com/news/international/saudi-arabia/saudi-

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