

## Saudi Arabia

# Oil price firms as Saudi Arabia targets elite

Crude reaches new 2-year high after crown prince crackdown hits royals, ministers and tycoons



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AN HOUR AGO by Ahmed Al Omran in Riyadh and Simeon Kerr in Dubai

Oil hit a fresh two-year high on Monday after the weekend arrests of at least 11 Saudi Arabian princes and dozens of senior officials and prominent businessmen by the country's new anti-corruption commission.

Brent crude was up 0.5 per cent at \$62.39 a barrel ahead of European trading as uncertainty over the situation in Riyadh added to other factors putting upward pressure on oil prices.

Targets of Sunday's purge included billionaire tycoon Prince Alwaleed bin Talal, one of the world's richest men and a major investor in Twitter, Citigroup and many other international companies, people aware of the matter said.

The private airport in Riyadh was closed to prevent personal jets being used to assist any escape, these people added.

[The arrests](#), first reported by the Saudi-owned Al Arabiya news channel, came just hours after King Salman ordered the establishment of a new anti-corruption commission and named his 32-year-old son, Crown [Prince Mohammed bin Salman](#), to lead it.

The international stature of outspoken Prince Alwaleed, who has sparred with US president Donald Trump on Twitter and is estimated to be worth around \$18bn, has amplified the global reaction to the crown prince's domestic campaign. Shares in Kingdom Holdings, his investment

company, fell 10 per cent on the Tadawul stock exchange, despite announcing a sharp rise in third-quarter earnings on Sunday.

Government officials were not immediately available for comment. Al Arabiya did not initially offer details on the identities of the princes and officials who were arrested. Reuters quoted an unnamed senior Saudi official confirming the arrest of Prince Alwaleed and Ibrahim al-Assaf, a former finance minister.

Sheikh Saud Al Mojob, attorney-general, said on Sunday that the corruption suspects would retain full legal privileges relating to their property and funds during the probe, adding: "There is an independent judicial process under way, which will be fully respected."

The governor of the Saudi Arabian General Investment Authority said the arrests were "a vital step in creating a fair and level playing field for all potential investors".

Heightened security around the Ritz-Carlton in Riyadh fuelled rumours that the detainees were being held in the luxury hotel, which only days earlier had hosted a big investment conference. Ritz owner Marriott International said it was evaluating the situation at the Riyadh hotel.

The graft clampdown marks the crown prince's most dramatic power play yet as he consolidates his domestic power base while pushing ahead with a radical economic reform programme to wean the country off oil revenues.

In a reshuffle on Saturday evening, the king removed Prince Miteb bin Abdullah as minister of the national guard.

A son of the late King Abdullah, Prince Miteb had been regarded as a potential contender for the throne.

"The dismissals and detentions of prominent princes as well as senior military officers suggest that Mohammed bin Salman is extending his iron grip to the ruling family, the military and the national guard to counter what appears to be more widespread opposition within the family as well as the military to his reforms and the Yemen war," said James Dorsey, a senior fellow at Singapore's Nanyang Technological University.

The speed and extent of Prince Mohammed's reforms have prompted dissent among some members of the royal family, who are afraid their privileged positions are in jeopardy and are calling for more consultation about the whirlwind changes affecting the country.

Earlier this year, Prince Mohammed replaced his elder and more experienced cousin as crown prince, tightening his grip on power in the kingdom amid an expectation — denied by officials —

that King Salman may soon abdicate.

Adel Fakeih, the economy minister who has played a central role in Prince Mohammed's domestic reforms, was also replaced in the reshuffle by Mohammed al-Tuwaijri, a former HSBC banker.

Many in the country have been urging action against corruption at the highest levels as austerity measures raise the cost of living for normal Saudis. News of Saturday's arrests quickly trended on Twitter in the kingdom.

"This is the latest act of concentration of power in Saudi," said Hasnain Malik, global head of equity research at the specialist frontier and emerging markets investment bank Exotix Capital. "As unprecedented and controversial as it may be, this centralisation might also be a necessary condition for pushing the austerity and transformation agenda, the benefits of which very few investors are pricing in."

Saudi Arabia's top religious body came out in support of the crackdown, saying fighting corruption is "as important as fighting terrorism", according to a statement posted on Twitter.

Prince Mohammed said in a television interview earlier this year that corrupt officials would be held accountable. "No one who got involved in a corruption case will escape, regardless if he was a minister or a prince," he said.

The news came hours after [Saudi forces intercepted](#) a ballistic fired towards Riyadh's airport, an escalation of the kingdom's bloody war with Yemen.

*This story has corrected to clarify that the missile was not launched from near Riyadh airport.*

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