

Top Saudi oil firm sees 90% surge in net profits for second quarter of 2022

Saudi oil giant Aramco has revealed profits of \$48.4bn (£40bn) for the second quarter of 2022 – a 90% year-on-year increase.

The sum has broken the firm's quarterly profit record set in May, with soaring energy prices driven by [Vladimir Putin's](#) invasion of Ukraine resulting in windfalls to oil producers.

The \$48.4bn figure is higher than all of the first six months of last year, when profits reached \$47bn (£39bn).

It is also the company's highest quarterly earnings since it was publicly listed in 2019, when the [Saudi](#) government, which owns 98% of the firm, sold a 1.7% stake mainly to the Saudi public and regional institutions.

Aramco's half-year profits reached \$87.9bn (£72.4m) as oil prices remain high globally, putting Aramco on track to far surpass the full-year earnings of 2019, prior to the pandemic, when profits hit \$88bn.

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The company said the profits were driven primarily by higher crude oil prices and volumes sold, and higher refining margins.

President Putin's invasion of Ukraine has led to western countries pledging to restrict their dependence on Russian oil for energy purposes.

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Oil prices were, however, already rising before the war as countries recovered from the pandemic and supply could not keep up with demand.

Back in May, [Aramco overtook Apple as the world's most valuable company.](#)

Earnings by global energy companies, such as BP and Shell, have risen to their highest in at least a decade on the back of rising commodity prices, even as many of them reduced the value of assets as a result of exiting Russia.

The hefty revenues have seen mounting calls in the UK for a windfall tax on oil and gas firms to help households cope with the cost of living crisis, which has been driven by soaring energy prices.

The Labour Party has been calling for a windfall tax on oil firms' profits for over a year, with shadow climate change and net zero secretary Ed Miliband previously saying it is "an unanswerable case".

The party says funds from such a tax could be used to provide extra support for households in the UK amid the cost of living crisis.

Soaring oil prices have provided a major boost to the Saudi economy, which reported its fastest economic growth in a decade during the first quarter of the year.

But earlier this week, Conservative leadership candidate Liz Truss defended earnings at energy companies amid soaring price rises, saying profits should not be considered "dirty and evil".

She referred to the concept of a windfall tax as "bashing business".

A windfall tax is a one-off charge imposed on a companies which have benefited from circumstances they were not responsible for.