



JUNE 24, 2008

ENERGY POLICY

King Abdullah: Saudi Arabia to increase oil production

King Abdullah bin Abdulaziz said June 22 that Saudi Arabia has increased its oil production from nine to 9.7 million barrels per day and that the Kingdom stands ready to meet additional demand. He also cited several factors for the current high oil prices, including speculators, increasing consumption in developing economies and high petroleum taxes in consuming countries.

King Abdullah made the remarks in an opening address at a summit in Jeddah to address rising oil prices. Representatives of more than 36 producing and consuming countries attended, as well as seven international organizations and a number of major oil companies.

In his remarks at the meeting, Oil Minister Ali Al-Naimi reiterated that current high prices are not justified by market fundamentals and that the status quo is in the interest of neither producers nor consumers. He said that for the rest of the year, Saudi Arabia is prepared to produce more than 9.7 million bpd of crude oil if there is demand.

In a final communiqué, participants in the summit expressed concern at rising oil prices and called on all concerned parties to exert intensive efforts to stabilize global markets. They also called for improved transparency and regulation in oil production and financial markets dealing in crude oil, and recommended investment in all sectors of the oil industry.

King Abdullah calls for energy initiative for developing countries

In his opening address at the Jeddah energy summit, King Abdullah called for the establishment of a \$1 billion energy initiative for impoverished countries to help them cope with the rising cost of energy. He also announced that Saudi Arabia would contribute \$500 million to help developing countries finance development and energy projects.

FOREIGN POLICY

Saudi leadership meets with Chinese vice president

King Abdullah met with Chinese Vice President Xi Jinping in Jeddah June 21. They discussed Saudi-Sino cooperation as well as a number of international issues of mutual interest, including energy matters. Crown Prince Sultan bin Abdulaziz held a separate meeting with Xi to discuss bilateral relations and



international issues, in particular the Palestinian situation. The two countries signed several agreements, including a joint statement on strategic cooperation and an agreement on infrastructure cooperation.

FOREIGN AID

Kingdom sets up relief camp for quake victims in China

Saudi Arabia has set up a relief camp in China's Sichuan Province for victims of the May 12 earthquake. The 7.4 acre camp can accommodate 15,000 families in more than 11,300 tents, and offers a clinic for medical care. Plans are underway to establish three more such camps to provide shelter for over 50,000 families.

Saudi Arabia donated \$50 million in urgent assistance and \$10 million in relief supplies to China following the quake. In addition, a Saudi airlift delivered 250 tons of relief aid to Sichuan Province.

SAUDI-US RELATIONS

Shura Council delegation meets with Speaker Pelosi

A delegation from the Majlis Al-Shura (Consultative Council) met with the Speaker of the House of Representatives Nancy Pelosi (D-California) in Washington June 20. They discussed a range of issues, including the Palestinian-Israeli conflict, Iraq, counterterrorism efforts, oil prices and the Saudi economy. The Saudi delegation also highlighted its desire to boost relations with Congress.

SAUDI ARABIA

Interior Minister: Authorities close to uncovering terror financiers

Interior Minister Prince Nayef bin Abdulaziz told *Asharq Al-Awsat* June 18 that Saudi authorities are close to uncovering the sources of terror funding in the Kingdom, telling the newspaper: "We have found things (related to terror funding) ... that can be used as evidence against Al-Qaeda's financial backers ... Without financial backing, terrorists could not have moved as they did."

Prince Nayef added that further investigations were needed in order to obtain a complete picture, and expressed the hope that the findings would soon be made public. He also reiterated the Kingdom's commitment to confronting Al-Qaeda.