



DECEMBER 23, 2008

## SAUDI ARABIA

### **Cabinet approves FY 2009 budget**

The Cabinet approved the state budget for Fiscal Year 2009 during a December 22 meeting chaired by King Abdullah bin Abdulaziz.

The King announced that the 2009 budget is projected at SR 475 billion [\$126.7 billion], SR 65 billion [\$17.3 billion] higher than last year. Specifically, SR 122 billion [\$32.5 billion] will be allocated for education and research, SR 52 billion [\$13.9 billion] for health care and social development, SR 19 billion [\$5.1 billion] for transportation and telecommunications and SR 49 billion [\$13.1 billion] for water, municipal services and agriculture.

According to a December 22 statement from the Ministry of Finance, the 2009 budget projects total revenues of SR 410 billion [\$109.3 billion] and expenditures of SR 475 billion [\$126.7 billion].

For 2008, the Ministry projects total revenues of SR 1.1 trillion [\$293.3 billion] and total expenditures of SR 510 billion [\$136 billion]. GDP is projected to grow in 2008 by 22 percent in current prices, reaching SR 1.753 billion [\$467.5 billion]. The oil sector is expected to grow by 34.9 percent and the private sector by 8 percent in current prices.

## ENERGY

### **Saudi oil minister urges global energy cooperation**

Minister of Petroleum and Mineral Resources Ali Al-Naimi said at a meeting of energy ministers in London on December 19 that all countries must work together to achieve stability in the energy markets.

Al-Naimi cited \$75 as a fair price for a barrel of crude, explaining, "It is the price that marginal producers need to maintain investment sufficient to provide adequate supplies for future oil consumption needs."

Al-Naimi vowed that the Kingdom will do its part to ensure adequate oil supplies. "Saudi Arabia is committed to our mega-projects that will increase our maximum sustained production capacity from just over 11 million barrels per day now to 12.5 million barrels per day by next year," he said. "We will proceed undeterred by financial and economic conditions. We are committed to investing to help ensure an uninterrupted supply of energy to the world."

## FOREIGN RELATIONS

### **Foreign Minister participates in Quartet meeting**

Foreign Minister Prince Saud Al-Faisal said during a December 16 Quartet meeting that the Middle East peace process has not yielded tangible results this year. "We must recognize the fact that peace will not be attained through holding fruitless meetings and negotiations while ignoring the core of the conflict," he said at UN headquarters in New York.

Prince Saud noted that Israel has been proceeding with its policy of settlement-building in East Jerusalem, making it difficult for the Palestinian government to convince its people of the benefits of peace.

Prince Saud stressed the importance of taking advantage of the current transitional period to pave the way for serious actions aimed at reaching peace. A lack of success in the peace process, he warned, will only increase the attractiveness of extremist ideologies.

## TERRORISM

### **Course on combating terrorism organized**

The Training College of Naif Arab University for Security Sciences and the Council of Arab Interior Ministers has jointly organized a training course on combating terrorism. Three days of activities and classes are being held in Tunis, beginning December 22.

The training course will cover several topics, including terror cells, the role of religion in fighting terrorism, the contradiction of terrorism with Islamic law and the Saudi experience in dealing with extremism.

