

Address by
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Minister of Petroleum and Mineral Resources

Before
HE the President of the Republic of Mexico
Mr. Enrique Peña Nieto

At the Secretariat General of the International Energy Forum

Riyadh
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**His Excellency the President of the Republic of Mexico, Mr. Enrique
Pena Nieto,
Your Royal Highnesses,
Your Excellencies,
Ladies and Gentlemen**

It is a source of pleasure for me to welcome His Excellency President Enrique Pena Nieto and participate with him in this important meeting, to discuss a topic of common interest to both our two countries; namely oil.

Before I address this subject, I would like to mention a personal subject that ties me to the Republic of Mexico. I've been to Mexico more than ten times, as a tourist about forty years ago, then as a government official on official business. I visited its mountains, deserts, forests and beaches, either to the north, south, west or east, and enjoyed its wonderful and diverse nature. Mexico is one of the most beautiful countries in the world. However, what is more beautiful is the Mexican people, with their generous nature, love to assist visitors and the excellent manner in which they deal with everybody.

**Mr. President,
Ladies and Gentlemen**

The Kingdom of Saudi Arabia has strong ties with the Republic of Mexico, in terms of petroleum, but also in terms of political, economic, cultural and even social ties. Our two countries aspire to continue to solidify and expand those relations.

On the petroleum front, both our countries possess large oil and gas resources. Both have been major and influential producers on the global arena for decades. Both have strong and ever-green national oil industries, ambitious future projects, and substantial and effective mutual and international cooperation. When oil prices plummeted in 1998, the Kingdom and Mexico cooperated very closely to restore market stability and boost prices. Things were difficult at the beginning, and the first Saudi/Venezuelan/Mexican meeting was held in Riyadh in March 1998. Coordination and meetings continued for the remainder of that year and the

following one, month by month and week by week. We managed to create solidarity and cooperation among OPEC countries as well as with some non-OPEC nations, and to settle the outstanding issues at the time, so that in mid-1999 we were able to eradicate the supply and stock surplus, restore market stability and, consequently, improve prices, thus serving the interests of all producers and consumers. That was ideal and wonderful cooperation that reflected positively on oil producing nations, the oil industry and the energy industry as a whole. Our cooperation and direct coordination concerning global oil markets have continued up to the present day.

In addition, there are other important areas of cooperation between our two countries, in the field of oil and its downstream industries. Our two countries have substantial petroleum resources, both discovered and undiscovered and giant national oil companies; i.e., Pemex and Saudi Aramco. Both countries have human resources that are distinguished and qualified in the technical areas, and industries and services supporting oil production, which creates more fields for technical and investment cooperation in the oil and oil-related industries.

It is a source of pleasure for me that we are going to sign, today, in the presence of the Custodian of the Two Holy Mosques King Salman ibn Abdulaziz and Your Excellency, a petroleum cooperation agreement between the two countries, covering several areas including the exchange of experts, establishment of joint ventures and encouragement of mutual investments. I am full of hopes that this agreement will further solidify the relations and the close cooperation in the oil arena between our two countries.

Ladies and Gentlemen

The Kingdom of Saudi Arabia and the Republic of Mexico have endeavored not only to create cooperation ties among oil producing nations, but also to create effective cooperation among oil producing and consuming countries. Both our two countries garner a lot of credibility and respect on the international arena, and such cooperation has achieved tangible success. One of its fruits was the International Energy Forum, which brings together major oil producing and consuming nations. We meet today at the offices

of the Secretariat General of this Forum, which is run by Mr. Aldo Flores [Quiroga], a Mexican oil expert with great expertise.

**Your Excellency the President,
Ladies and Gentlemen**

Before I conclude my address, I would like to tackle, in brief, the condition of the global oil market, which has been undergoing a period of instability for more than 12 months now. As you know, the oil market has witnessed over its long history periods of instability, severe price fluctuations, and petro-economic cycles. This is one of them. Market forces, as well as the cooperation among the producing nations, always lead to the restoration of stability. This, however, takes some time.

I am optimistic about the future, the return of stability to the global oil markets, the improvement of prices and the cooperation among the major producing countries. Mexico and the Kingdom have an especially important role to play in achieving this objective, in the past, at the present, and in future.

On this occasion, I thank the Secretariat General of the International Energy Forum and its Secretary General for organizing this important meeting, and for his invitation to Your Excellency to give an important address at this Forum.

Thank you.