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Russia, Saudi Arabia to Discuss Oil Cooperation Agreement

By The Moscow Times

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Saudi Arabian Oil Minister Ali al-Naimi attends the OPEC seminar ahead of an OPEC meeting in Vienna, Austria.

The oil ministers of Russia and Saudi Arabia plan to discuss a broad cooperation agreement on Thursday at an economic forum in St. Petersburg, two sources said.

Saudi Arabia is the top producer in the Organization of the Petroleum Exporting Countries and the world's top oil exporter, while Russia, which is not an OPEC member, is the second biggest oil supplier to the global markets.

One source said the agreement to be discussed between Russian Energy Minister Alexander Novak and Saudi Oil Minister Ali al-Naimi would not be about joint oil production or export strategy.

Russia has stepped up contacts with OPEC after oil prices plunged last year, but it has

dismissed any suggestion it might cut output to prop up prices. OPEC has also refused to curb its output in order to defend market share.

A spokeswoman for Russia's Energy Ministry confirmed the meeting but declined to comment on the agenda.

The talks in Russia's second city follow OPEC's meeting on June 5 in which the group kept its output policy unchanged. Before the meeting, an OPEC delegate said the group would not cut supply unless non-OPEC producers contributed.

Saudi Arabia is pumping oil at a record high as it focuses on keeping market share, while Russian output hit a post-Soviet high of 10.71 million barrels per day in April.

Despite ample supply, oil prices have rallied to almost $65 a barrel in 2015 after sliding toward $45 in January, supported by stronger-than-expected demand and signs the supply glut will ease.

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