



Conclusions and follow-up actions

Discussed and agreed during the 10th Energy Experts Group within the framework of the co-operation agreement between the European Union and the Gulf Co-operation Council

The two delegations, headed by Dr Majid A. Al-Moneef, (Chairman of the GCC energy delegation) and Mr Jan Panek (Head of Unit for Oil and Coal in DG Energy of The European Commission), met in Kuwait on June 2nd 2010 and examined the issues stated in the attached agenda.

The two delegations exchanged views on common energy issues aimed at improving co-operation between the two regions as stated in paragraph 6 of the above mentioned co-operation agreement.

During his opening statement, Dr. Al Moneef referred to the conclusions of the EU/GCC meeting in Riyadh in February 2010 to find ways and means to implement the joint cooperation agreement in different fields including energy and expressed satisfaction of the identified areas of energy cooperation in that meeting, towards which the Joint Expert Group on Energy has been active in pursuing for years. He observed that the year 2009 was critical to the world economic and energy markets and noted that the world is gradually recovering from the crisis and entering a new growth path.

In his introductory speech, Mr Panek referred to the crisis that the global economy is passing through these last two years as well as the extremely high oil price volatility detrimental for both producers and consumers economies. These circumstances make close international cooperation ever more important. EU-GCC cooperation should aim inter alia at exchanging information between producers and consumers countries on energy policies and improve transparency in both energy markets.

Under agenda items 2, Dr Majid Al-Moneef presented the short term oil market outlook and the impact of financial markets on oil price volatility. He then presented the medium and long term energy outlook and the development in GCC oil and gas sectors and the impact of the financial crisis on energy related investments. Highlighting the underlying uncertainties and the context and patterns of upstream and downstream oil and gas investments in the GCC region.

Mr Panek presented the recent developments in the EU energy policies and other market actions aiming at serving the three pillars of the EU energy policy, i.e. secure energy, sustainable energy mix and a competitive energy economy. According to EU energy models, by 2030 imports for oil and gas will continue to represent the major part of the EU energy balance, while fossil fuels are expected to represent two thirds of global energy demand. Developing technologies for energy efficiency, renewable sources and CCS are some of the priorities for the next few years. Completion of the internal energy market is another major goal of the EU energy policy that will lead to a more integrated and mature electricity and gas markets. He then mentioned the plans of the EU to develop shortly a fully-fledged strategy for the energy sector towards 2050.

A fruitful exchange of comments and questions between the two delegations followed.

Under agenda item 5 parties discussed developments on EU-GCC clean energy technologies network. The EU side gave a presentation on the steps taken from its side on this matter. The EU-GCC clean Energy Technology network project intended to facilitate cooperation between the stakeholders in the two regions mainly in the field of renewable energy, energy efficiency, natural gas and related technologies, integration of electricity networks, CCS, smart grids and clean technologies. This should be in particular through sharing of information on energy policies, regulatory framework, joint research initiatives, demonstration and pilot projects, etc. The project is to cover three years and aims initially at identifying a “key partner” to act as a key partner GCC on the GCC side which would secure continuity of the project. The EU selected a consortium led by the Institute of Communications and Computer Systems of the national Technical University of Athens as consultants to contact potential stakeholders of the network with the facilitation from the GCC energy working group.

The GCC side responded that the issue will be put before the relevant ministerial body within the GCC to identify the proper GCC institution to act as the Key Partner GCC Institution in the development and the identification of the scope of work of the network and other issues relevant to the steering of the network. The relevant GCC Ministerial meeting will take place before the end of 2010, the conclusion of which will be communicated to the EU side.

Under agenda item 6, the Energy Experts Group identified areas of mutual interest for future cooperation. The two sides will organise meetings and launch common studies, where appropriate, for deepening knowledge on the following subjects (as per attached suggested concept document):

- Natural gas
- Energy Efficiency

The two sides will nominate contact persons in each of the above to coordinate the work and will identify the experts in each of the above areas and communicate them by the end of September 2010 accordingly.

The next EU-GCC Energy Experts Group is suggested to take place in a mutually convenient venue in one year's time at the latest.

The meeting was held in an open, friendly and co-operative atmosphere.

Kuwait, June 2nd, 2010

Majid A. Al-Moneef

Jan PANEK

Chairman of the GCC energy delegation

Head of the EU delegation