



# EU-GCC Dialogue on Economic Diversification

A project funded by the European Union



## THE LATEST NEWS FROM THE EU-GCC DIALOGUE ON ECONOMIC DIVERSIFICATION PROJECT

This month sees the introduction of a new feature in the newsletter – **'In dialogue with'**. Senior figures in both the EU & GCC will be interviewed by the project to discuss their perspectives on the EU-GCC relationship and the challenges and opportunities for economic diversification in the region. The series starts in this edition with an interview with **H.E. Mr. Patrick Simonnet, Ambassador, European Union Delegation to the Kingdom of Saudi Arabia, the Kingdom of Bahrain and the Sultanate of Oman.**

This month in the Knowledge Hub, we feature the **Trade in goods between EU and GCC: 2021 & Trends** produced by the project.

We also welcome you to interact with **our poll feature** on issues related to GCC economic diversification.

We do hope you enjoy this feature.

In selecting and preparing the content of upcoming editions of the newsletter, we would welcome your feedback on the topics and sectors that interest you most. Please feel free to send your suggestions to our editor Rania Nseir at [rnsair@eugcc.eu](mailto:rnsair@eugcc.eu).

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## IN DIALOGUE WITH H.E. MR. PATRICK SIMONNET, AMBASSADOR, EUROPEAN UNION DELEGATION TO THE KINGDOM OF SAUDI ARABIA, THE KINGDOM OF BAHRAIN AND THE SULTANATE OF OMAN.



We are privileged to have had the opportunity to interview H.E. Mr. Patrick Simonnet, for our first In Dialogue feature. The Ambassador highlights the roles, challenges, and opportunities for the EU and the GCC countries for growth and economic diversification.

### **Q** What role do EU delegations play in host countries across the world and in particular in the GCC member countries?

**A** The Delegations play a vital role in representing the EU and its citizens around the globe and building networks and partnerships. The role of the Delegations of the EU is to represent the EU and its Member States in the countries to which they are accredited to promote the values and interests of the EU as well as to foster mutual relationships. They are responsible for all policy areas of the relations between the EU and the host country – be they political, economic, trade, or human rights and for building relationships with partners in civil society. An important role of the EU delegations is to conduct dialogue on foreign policy and security issues of common interest with our partner countries. The EU has its own internal policies currently focusing on the EU Green Deal and on digitalisation, which have strong external dimensions translated into multilateral partnerships (like COP26) as well as bilateral partnerships with regional organisations such as the GCC and member countries. As such, EU delegations play a particular role in sharing EU priorities in dialogues with partner countries.

In this context, EU Delegations provide in-depth analysis and reporting to European capitals on political and economic developments in their host country. Another fundamental aspect of Delegation is public diplomacy which consists in increasing the visibility, awareness, and understanding of the EU. For instance, the European Union is one of the largest economic blocs in the world, representing roughly 18% of world gross domestic product (2020). The European Union accounts for around 7% of the world's population and consequently, is a full member of the G20.

The foundation of the European Union's relationship with the GCC is the important trading partnership between both economic areas. The EU is the 2nd biggest trading partner of the GCC, representing 12.3% of the GCC's total trade in goods with the world in 2020. 17.8% of the GCC's imports came from the EU in 2020. The EU ranked as the GCC's number one import partner. Of course, trade is a two-way flow. In 2020, the EU was the 4th biggest export partner of the GCC as 6.9% of the GCC's exports went to the EU.

In 2018, total EU foreign direct investment outward stock in the GCC region amounted to €76.9 billion making the EU the first foreign investor in the region.

Delegations are diplomatic missions and sometimes responsible for several countries. Our EU Delegation resides in Riyadh but is accredited to the Kingdom of Saudi Arabia, the Kingdom of Bahrain, and the Sultanate of Oman. It is also responsible for relations with the GCC Secretariat and the OIC (Organisation of Islamic Cooperation).

Current EU GCC relations are based on a Cooperation Agreement dating from 1988 which aims at broadening political dialogue as well as economic and technical cooperation, including in the fields of energy, industry, trade, and services, agriculture, fisheries, investment, science, technology, and environment. A number of technical working groups exist inter alia in the fields of energy, economic affairs, air, and transport. For instance, the EU-GCC Trade and Investment Dialogue is the Trade and Economy framework between the EU and the GCC.



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The EU-GCC Agreement provides for annual joint councils/ministerial meetings between the EU and the GCC foreign ministers, as well as meetings of the EU-GCC Regional Directors and Joint Cooperation Committees at the senior official level. The Agreement allowed for the development of closer cooperation on issues such as energy, transport, research and innovation, and the economy, as well as regular political consultations. The EU has also established Cooperation Agreements with each GCC country separately; to deepen the dialogue with individual countries in addition to the GCC.

To advance dialogue and cooperation with the GCC countries on strategic areas of mutual interest, the EU funds, through the Partnership Instrument (PI), various projects in the region such as the **EU-GCC Clean Energy Network**, the **EU-GCC Dialogue on Economic Diversification**, and the **Enhanced EU-GCC Political Dialogue, Cooperation and Outreach**.

### **Q** How can the EU's experience and expertise assist the GCC countries in their route to economic diversification?

**A** There are numerous areas in which the EU has significant expertise and experience that can add huge value to GCC countries as they seek to develop and grow. In addition to the traditional and existing business relationships – defense, infrastructure, construction – Gulf economies are looking for increased private sector investment through public-private partnerships and build-own-operate structures, etc. Furthermore though, on top of these tried and tested paths, the EU has great experience in developing cross-border value chains, the green economy, fintech, and ICT-related industries. It seems the time is ripe for a divergence from the usual industrial and heavy industry focus, to seek new opportunities that align with the GCC countries' development goals, not least where knowledge transfer is possible.

A good example of this is the EU Green Deal and the net-zero commitments taken by several GCC countries. In this new environment, the EU Green Deal can create channels for constructive cooperation between the EU and GCC countries. Through the agreement, the EU can support its Gulf partners' attempts to diversify their energy mix by expanding their green energy capabilities and for GCC countries to supply energy sources, beyond oil, such as gas, and hydrogen. This could create opportunities for sustainable economic development. GCC member countries are not only leading voices in the global oil and gas market, especially through Saudi Arabia but also have great potential to accelerate the green transition.

### **Q** As we come out of the COVID-19 pandemic, how similar are the policy approaches of the EU & the GCC?

**A** Since March 2020, both EU and GCC member states have encountered a number of challenges that have affected their economies and require solutions to mitigate the consequences of the pandemic and the fall in oil prices. In particular, the Covid 19 pandemic has had a significant impact on the diversification models of the GCC member countries with sectors such as tourism, transport, hydrocarbons, financial services, and access to low-cost expatriate labour all suffering. Governments across the world are looking beyond the immediate economic challenges to set strategies for sustainable long-term growth and development.

Long-term energy outlooks scenarios have been carried out by various entities and we are confident that it will be a rise in the low carbon markets in the coming years. The pandemic may accelerate the transition from fossil fuels economy, but it will differ from a country to another depending on country circumstances and how each country will manage the conflict between reviving the economy and continuing the decarbonization of its key economy sectors.



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Russia's invasion of Ukraine has impacted global energy prices impacting the economic recovery from the pandemic; In this context, our energy system should move towards a more integrated, sustainable, and resilient approach in which we should reinforce the usage of technologies and measures such as:

- Energy efficiency – notably in the buildings and industry sectors
- Renewable power generation – notably wind & solar
- Electric vehicles
- Smart Infrastructure & Storage
- Green Hydrogen



**Each of the GCC member countries has 'Visions' which guide their future development. How can the EU contribute to the realisation of these visions?**



Each GCC country has developed an economic development plan, typically termed "Visions" or similar. These all seek a similar path of growth, identifying specific sectors of comparative advantage, with infrastructure development central, the concept being that this will stimulate growth and importantly the private sector.

GCC Vision statements are an important element in establishing the forward direction of economic diversification away from hydrocarbon-dominated economies. Each GCC member country has established Vision statements of varying duration covering a range of economic, social, and physical development by the target date of the vision.

The EU has the opportunity to contribute to the programmes and initiatives each GCC country designs to assist the countries in their work towards the Vision. The signed cooperation arrangements between the EU and all GCC governments provide the requisite political foundation for the development of economic and commercial linkages to exploit synergies. In essence, cooperation arrangements become the framework to identify and implement an overall cooperation programme of activities in support of achieving the GCC countries' "Visions", common goals, and objectives in areas of EU-GCC mutual interest.



**Many EU Member states have embassies in the GCC countries covered by the EU delegations in the region. What is the role of the delegation's vis-a vis these member states?**



EU Delegations are diplomatic missions, akin to embassies, and play a coordinating role of the Member States 'embassies present in-country. Coordination takes place through daily contacts and through chairing monthly meetings at Ambassador, political and economic levels with the Member States to coordinate positions. In all matters of competence of the EU, the EU Delegation speaks, delivers messages, and negotiates on behalf of all EU Member States.

The European Union delegations – 140 worldwide – are essential to the promotion of EU interests and values around the world and are on the front line in delivering EU external relations policy and action, from the common foreign and security policy through trade and development cooperation to scientific and technical relations.

## REPowerEU plan - EU actions and EU-GCC opportunities for collaboration

In March, the European Commission proposed an outline of a **plan**, starting with gas, in light of Russia's invasion of Ukraine.

Europe has been facing increased energy prices for several months, but now uncertainty on supply due to Russia's invasion of Ukraine is exacerbating the problem. **REPowerEU plan will make Europe independent from Russian fossil fuels well before 2030. The EU will seek to diversify gas supplies, speed up the roll-out of renewable gases and replace gas in heating and power generation.** This can reduce EU demand for Russian gas by two-thirds before the end of the year.



Executive Vice-President for the European Green Deal, Frans Timmermans said: "It is time we tackle our vulnerabilities and rapidly become more independent in our energy choices. Let's dash into renewable energy at lightning speed. Renewables are a cheap, clean, and potentially endless source of energy and instead of funding the fossil fuel industry elsewhere, they create jobs here. Putin's war in Ukraine demonstrates the urgency of accelerating our clean energy transition."

To address the skyrocketing energy prices, the Commission will look into all possible options for emergency measures to limit the contagion effect of gas prices on electricity prices, such as temporary price limits. It will also assess options to optimise the electricity market design taking into account the final report of the EU Agency for the Cooperation of Energy Regulators (ACER) and other contributions on the benefits and drawbacks of alternative pricing mechanisms to keep electricity affordable, without disrupting supply and further investment in the green transition.

### The REPowerEU - eliminating EU's dependence on Russian gas before 2030

The REPowerEU plan will increase the resilience of the EU-wide energy system based on two pillars:

1. **Diversifying gas supplies, via higher Liquefied Natural Gas (LNG) and pipeline imports** from non-Russian suppliers, and larger volumes **of biomethane and renewable hydrogen production and imports;**
2. **Reducing faster the use of fossil fuels** in homes, buildings, industry, and power systems, by **boosting energy efficiency, increasing renewables** and electrification, and **addressing infrastructure bottlenecks.**

### EU energy suppliers and domestic production

The EU is reliant on fossil fuel (gas, oil and coal) imports for its energy needs, amounting to 57% to 60% of gross energy consumption in the past 5 years. Although domestic production of renewable energy sources has increased significantly in recent years, the declining production of EU coal, lignite and gas has meant that the EU remains dependent on imports for gas (90% of consumption), oil (97%) and hard coal (70%).

In the gas sector, Russia provided around 45% of the EU's total gas imports in 2021. Over the past years, this number has been on average around 40%. The other main gas suppliers to the EU were Norway (23%), Algeria (12%), the United States (6%) and Qatar (5%).

For crude oil, Russia was also the largest supplier of EU imports (27%), followed by Norway (8%), Kazakhstan (8%), and the USA (8%). In the hard coal sector, even though import volumes have declined in recent years, Russia also remains the leading supplier (46%), followed by US (15%) and Australia (13%).

## REPowerEU plan - Actions

In December 2021, the Commission presented legislative proposals aimed at facilitating the uptake of renewable and low carbon gases, including hydrogen – thereby encouraging the decarbonisation of the EU gas market, boosting the diversification of supply, and reinforcing energy security for all citizens in Europe.

To boost the EU production of biomethane, the REPowerEU plan would aim for 35 bcm of biomethane production by 2030, doubling the current EU ambition, using sustainable biomass sources such as agricultural wastes and residues.

REPowerEU would also create a Hydrogen Accelerator, developing integrated infrastructure, storage facilities and port capacities. The Commission estimates that an additional 15 million tons of renewable hydrogen can replace 25-50 bcm per year of imported Russian gas by 2030 (10 mt imported renewable hydrogen from diverse sources and 5 mt more renewable hydrogen produced in Europe, in addition to the 5 mt already planned).

An integrated EU energy system largely based on renewables and greater energy efficiency is the most cost-effective solution to reduce our dependence on fossil fuels at the level of homes, buildings, and industry. This is the second pillar of the Commission's REPowerEU plan. The case for energy efficiency has never been stronger, as lowering energy consumption in households and enterprises means not only reducing energy imports from Russia but also reducing energy costs for EU citizens and businesses.

The Communication encourages an accelerated roll-out of solar, wind, and heat pumps. This could bring important energy savings and reduce significantly the use of fossil gas for power and in buildings.

By implementing the REPowerEU plan, Europe will have sufficient renewable electricity and renewable gases to accelerate the decarbonisation of Industry based on faster electrification and switch to hydrogen. This will give European industries a competitive advantage and allow for faster reindustrialisation.

Investment in renewables is still too often hampered by long permitting procedures and other administrative barriers at the national level. Regulatory bottlenecks can be eased to speed up renewables permitting and minimise the time for roll-out of renewable projects and grid infrastructure improvements. The Commission will publish in May a Recommendation on fast permitting for renewable energy projects addressing the key barriers and good practice solutions to tackle them.

Similarly, the Commission and the European Investment Bank Group will conclude in 2022 the financing mechanisms that would be best suited to promote the development of power purchase agreements (PPAs) in Europe. Public consultation on both permitting and PPAs is currently ongoing and the guidance should be published before summer.

**The REPowerEU plan and EU actions to diversify its gas supplier base and accelerate production of renewable energy present opportunities for the EU and GCC private sectors to collaborate, through exchanging knowledge, creating partnerships, investing, and supporting each other in achieving their goals – EU goals of REPowerEU and GCC countries national development goals.**



## GOOGLE, META, AND OTHERS WILL HAVE TO EXPLAIN THEIR ALGORITHMS UNDER NEW EU LEGISLATION

The EU has agreed on another ambitious piece of legislation to police the online world.

Early Saturday morning (23 April 2022), after hours of negotiations, the bloc agreed on the broad terms of the Digital Services Act, or DSA, which will force tech companies to take greater responsibility for content that appears on their platforms.



New obligations include removing illegal content and goods more quickly, explaining to users and researchers how their algorithms work, and taking stricter action on the spread of misinformation. Companies face fines of up to 6 percent of their annual turnover for noncompliance.

*"The DSA will upgrade the ground rules for all online services in the EU,"* said European Commission President Ursula von der Leyen in a statement. *"It gives practical effect to the principle that what is illegal offline, should be illegal online. The greater the size, the greater the responsibilities of online platforms."*

Margrethe Vestager, the European Commissioner for Competition who has spearheaded much of the bloc's tech regulation, said the act would *"ensure that platforms are held accountable for the risks their services can pose to society and citizens."*

The DSA shouldn't be confused with the DMA or Digital Markets Act, which was agreed upon in March. Both acts affect the tech world, but the DMA focuses on creating a level playing field between businesses while the DSA deals with how companies police content on their platforms. The DSA will therefore likely have a more immediate impact on internet users.

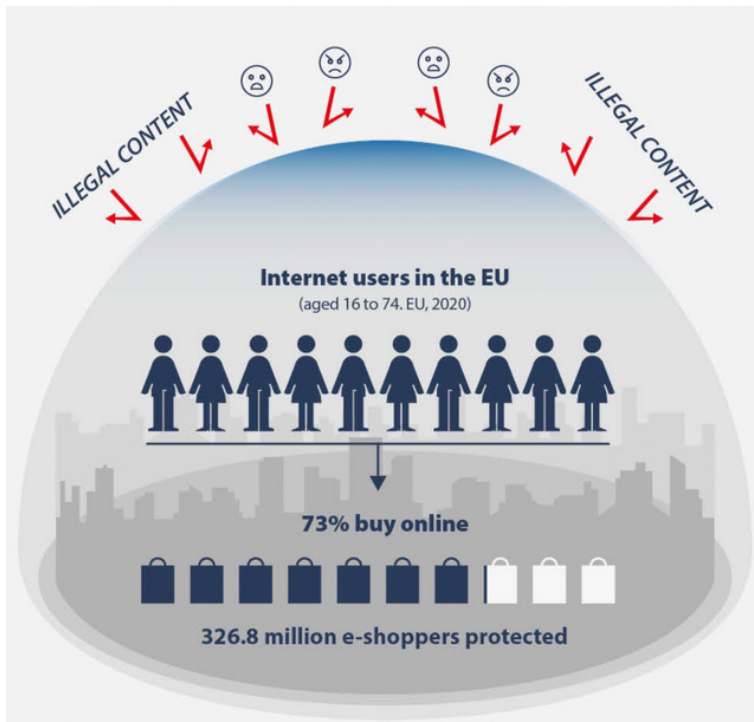
Although the legislation only applies to EU citizens, the effect of these laws will certainly be felt in other parts of the world, too. Global tech companies may decide it is more cost-effective to implement a single strategy to police content and take the EU's comparatively stringent regulations as their benchmark. Lawmakers in the US keen to rein in Big Tech with their own regulations have already begun looking to the EU's rules for inspiration.

The final text of the DSA has yet to be released, but the European Parliament and European Commission have detailed a number of obligations it will contain:

- Targeted advertising based on an individual's religion, sexual orientation, or ethnicity is banned. Minors cannot be subject to targeted advertising either.
- "Dark patterns" — confusing or deceptive user interfaces designed to steer users into making certain choices — will be prohibited. The EU says that, as a rule, canceling subscriptions should be as easy as signing up for them.
- Large online platforms like Facebook will have to make the working of their recommender algorithms (used for sorting content on the News Feed or suggesting TV shows on Netflix) transparent to users. Users should also be offered a recommender system "not based on profiling." In the case of Instagram, for example, this would mean a chronological feed (as it introduced recently).
- Hosting services and online platforms will have to explain clearly why they have removed illegal content as well as give users the ability to appeal such takedowns. The DSA itself does not define what content is illegal, though, and leaves this up to individual countries.

## GOOGLE, META, AND OTHERS WILL HAVE TO EXPLAIN THEIR ALGORITHMS UNDER NEW EU LEGISLATION (CONTINUED)

- The largest online platforms will have to provide key data to researchers to “provide more insight into how online risks evolve.”
- Online marketplaces must keep basic information about traders on their platform to track down individuals selling illegal goods or services.
- Large platforms will also have to introduce new strategies for dealing with misinformation during crises (a provision inspired by the recent invasion of Ukraine).



The DSA will, like the DMA, distinguish between tech companies of different sizes, placing greater obligations on bigger companies. The largest firms — those with at least 45 million users in the EU, like Meta and Google — will face the most scrutiny.

These tech companies have lobbied hard to water down the requirements in the DSA, particularly those concerning targeted advertising and handing over data to outside researchers.

Although the broad terms of the DSA have now been agreed upon by the member states of the EU, the legal language still needs to be finalized and the act officially voted into law.

This last step is seen as a formality at this point, though.

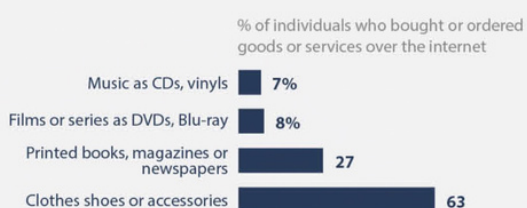
The rules will apply to all companies 15 months after the act is voted into law, or from January 1st, 2024, whichever is later.

### Expected impact of digital markets in numbers:

a **13.5%** increase in cross-border consumers = **12.7 million** new consumers buying online

SMEs could save **€15.5 billion** in transaction costs online

reducing counterfeit online sells could bring consumption gain of **€2.8 billion** from film, music and games, and a further **€300 million** from digital books



an increase in annual cross-border e-commerce sales between **€1.9 billion** and **€6.6 billion**



## HOW PUBLIC-PRIVATE PARTNERSHIPS WILL DRIVE SAUDI ARABIA'S GROWTH AGENDA

Since the industrial age, government and private sector partnerships have been instrumental in driving innovation, introducing vital services, and finding answers to some of humanity's most pressing problems.

More recently, the public-private partnership model has been used for major commercial projects since the 1970s and has boosted the region's economic development. Saudi Arabia has made huge headway in its transformation thanks to a thriving partnership between government and private sector firms.

A great example is the **Shareek program** launched last March to encourage government and private sector collaboration through foreign direct investments, with a target of \$1.33 trillion by 2030. The plan aims to lift the private sector's contribution to the Kingdom's gross domestic product by 65 percent and position Saudi Arabia among the top 15 largest economies in the world.

This type of partnership is one of the cornerstone strategies of Saudi Arabia's Vision 2030 plan for social and economic reform and has been instrumental in driving innovation, services, and increased participation of the private sector across the nation.

As Saudi Arabia accelerates its journey toward a digital economy, partnerships in emerging technologies will be key to mapping research and innovation policies that respond to changing market conditions.

Partnerships in hybrid cloud computing and artificial intelligence will become vital, as these technologies play an important role in developing future innovations in the Kingdom. Since the COVID-19 pandemic, these technologies have been a key driver in accelerating digital transformation. The country has invested steadily in digital infrastructure, which has meant that despite lockdown restrictions, the Kingdom's advanced digital ecosystem has allowed it to function smoothly, across business, education as well as the delivery of public services.

Emerging technologies have significantly helped the Saudi government increase service quality, cybersecurity robustness and the integration of its digital services. Today, not only do partnerships in technology improve the overall effectiveness and performance of the public sector, but they also offer the Kingdom's private sector many opportunities to work on large-scale projects that go far beyond their usual capacities.

One example of this model is the collaboration that marked a key milestone for payments innovation in the region, where Saudi Payments, under the supervision of the Saudi Central Bank, known as SAMA, launched Saudi Arabia's instant payments system called SARIE with IBM and Mastercard. The introduction of the system is in line with Saudi Arabia's Financial Sector Development Program under Saudi Vision 2030, which targets moving up to 80 percent of the country's transactions to cashless payments by 2030.

With Saudi Arabia's Vision 2030 aiming to foster a digital economy, public-private partnerships will boost the knowledge and skills of its citizens.

Shortly, as the **Fourth Industrial Revolution** becomes a key driver of digital economies, both public and private sectors need to assess how technology can accelerate Saudi's transformation. As firms navigate mounting challenges in the current environment, the public-private partnership model presents a viable approach that is effective, scalable, and sustainable. It is a key part of ensuring the Kingdom is future-ready and marks a watershed moment in driving radical changes toward the nation's agenda for growth.



## HOW GULF ARAB STATES ARE GETTING TO GRIPS WITH THE ENERGY TRANSITION CHALLENGE

Even before the Ukraine war began, one thing became clear quickly — that demand for conventional energy was not going away.

Now, with Brent crude hovering around \$107 per barrel and natural gas costing \$6.95 per MMBtu amid heightened risks of supply disruptions, the impending fiscal windfall gives the Gulf Arab states extra resources to accelerate their transformation into **“green economies.”**

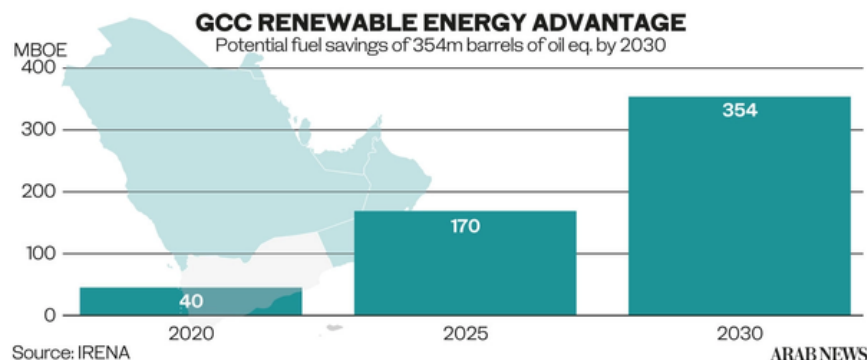


From ambitious “circular carbon economy” and net-zero emission pledges to investments in renewables and electric vehicle production, the past year has already witnessed the launch of numerous initiatives by these energy-exporting countries in response to calls for accelerated action for combating climate change.

At the same time, the Gulf region has made notable progress in the development of utility-scale solar and wind power, including phase three of the Mohammed bin Rashid solar project in Dubai completed last year and the inauguration of Saudi Arabia’s first wind farm at Dumat Al-Jandal.

“These are breakthrough moments which build momentum through knowledge and experience,” Francesco La Camera, director-general of the International Renewable Energy Agency, better known as IRENA, told Arab News.

“These low-cost renewables projects also open the door to the production of cost-competitive green hydrogen. We believe hydrogen will have a pivotal role to play in the decarbonization of the energy system.”



IRENA’s “World Energy Transitions Outlook” shows hydrogen could account for 12 percent of total final energy consumption globally by the middle of the century, up from today’s marginal levels.

“There are already clear signals of intent from the region to capture these market opportunities, which may prove to be a new and important aspect of the transition that the region can apply its hydrocarbon expertise and experience to,” La Camera said.

In the lead-up to the UN Climate Change Conference, COP26, in Glasgow last November, the UAE pledged to achieve net-zero carbon emissions by 2050 and to invest up to \$160 billion in clean and renewable energy solutions.

## HOW GULF ARAB STATES ARE GETTING TO GRIPS WITH THE ENERGY TRANSITION CHALLENGE (CONTINUED)

The previous month, Saudi Arabia launched the Saudi Green and Middle East Green initiatives, committing the Kingdom to reach net-zero greenhouse-gas emissions by 2060 and to plant 10 billion trees over the coming decades, rehabilitate 8 million hectares of degraded land, and allocate new protected areas.

More recently, the Abu Dhabi National Oil Company and Abu Dhabi National Energy Company announced they would join the UAE's state-owned holding company Mubadala as shareholders in the clean-energy company Masdar.

The partnership is designed to increase Masdar's renewable energy capacity to 50 gigawatts by 2030 and to create a global clean energy powerhouse, with a focus on areas such as green hydrogen and renewables.

Similar developments are taking place in Saudi Arabia, including several projects in NEOM — the Kingdom's smart city on the Red Sea coast — most notably the launch of Oxagon, the world's largest floating industrial complex.



"The Oxagon project is a revolutionary idea looking at reshaping the way industries work at the gateway of the most popular shipping channel in the world, powered by 100 percent renewable energy, and requiring extensive levels of symbiosis between various industries," Daniel Gribbin, corporate sustainability lead at WSP Middle East, told Arab News.

"The region's drive to a more sustainable future is no secret. Levels of transparency and individual consumer behaviors, along with the vision of regional leaders, have accelerated the need to respond and act, so that they can have a seat at the global table.

"Demand for sustainability considerations from international investors has also been a propelling force for raising ESG awareness in the regional market, contributing toward valuation and reputation."

The past year has witnessed a sea change in the regional approach to climate action, according to Nawal Al-Hosany, the UAE's permanent representative to IRENA.

At COP26, for instance, the UAE announced a number of landmark pledges and partnerships to raise ambitions, including the UAE-IRENA Energy Transition Accelerator Financing platform, which aims to raise \$1 billion to accelerate renewable-energy transition in developing countries.

## HOW GULF ARAB STATES ARE GETTING TO GRIPS WITH THE ENERGY TRANSITION CHALLENGE (CONTINUED)

The UAE, through the Abu Dhabi Fund for Development, has already pledged \$400 million in anchor funding to the platform.

“We also announced the Hydrogen Leadership Roadmap, which seeks to establish the country as a competitive global hydrogen exporter,” Al-Hosany told Arab News.



“Looking ahead to COP27 in Egypt, and COP28 in the UAE in 2023, the impetus for climate action will continue to create a ripple effect across the Middle East.”

La Camera describes the energy transition as an unstoppable megatrend, underpinned by innovation and motivated by the pursuit of long-term prosperity and climate action.

“GCC countries recognize this opportunity and are acting accordingly,” he told Arab News.

“It is also important to recognize that the Gulf region is positioning itself as a serious player in the global energy transition because its leaders understand their hydrocarbon resource wealth and vast clean energy potential presents them with an opportunity to build a resilient economy around knowledge, clean technologies, and long-term energy leadership.”

From desertification to droughts, the Middle East is particularly vulnerable to the impact of climate change. And although every country has its own unique reasons to transition away from fossil fuels and toward renewables, the Gulf region has a lot to gain from the transition, according to La Camera, even if there are uncertainties about the long-term future of hydrocarbon exports.

“Exploiting its vast clean energy resources offers diversified growth and the creation of new jobs well into the 21st century,” he said. “Additionally, let us not forget the perilous situation this region may find itself in should global temperatures continue to rise unabated.”

La Camera said that the climate crisis “is likely to send regional average temperatures to around double the global average this century while increasing pressure on already scarce water supplies. This is a profound and very real threat that the region cannot solve alone, but it must be part of the solution.”

“Individual drivers and consumer behavior have changed, and the demand for ‘green’ and sustainable products is only going to increase. As a region that is extremely reliant on imports, particularly for food, and that has contributed to the proliferation of hydrocarbons, early investment is key in ensuring that we are part of the solution.”

By acting now, Gribbin said, the region will ensure it has both a thriving economy and an environment that can support a high quality of life for generations to come.

The invasion of Ukraine has the potential to accelerate the global trend toward renewables, with Europe expected to drastically reduce its reliance on Russian natural-gas supplies. If Gulf countries use their fiscal surpluses to fast-track the development of renewable energy, hydrogen, ammonia-export and carbon-capture projects, they will emerge well prepared for the post-oil age.

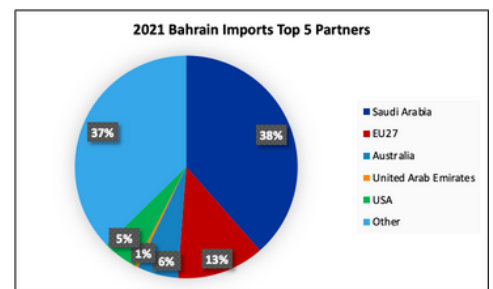
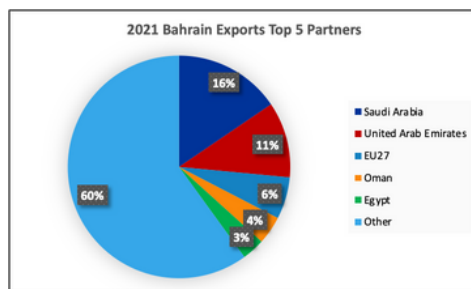
# TRADE IN GOODS BETWEEN THE EU AND GCC COUNTRIES: 2021 & TRENDS

The table below provides the EU ranking as a trade partner in 2021, the trade in goods with the EU as a percentage of each GCC country's trade with the world, as well as the trade values in billion EUR.

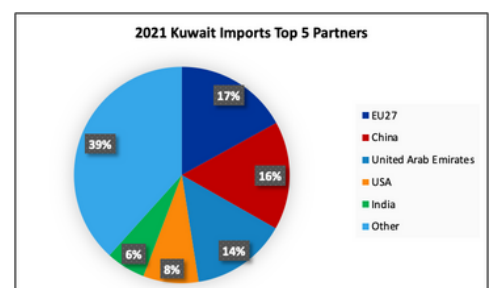
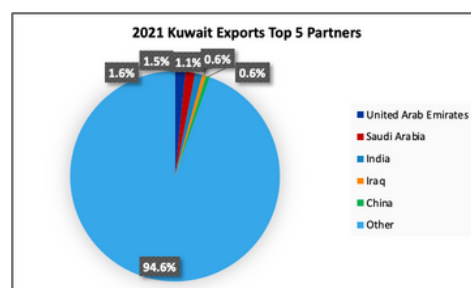
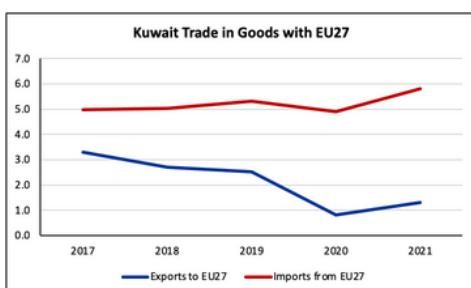
GCC Country	EU rank as supplier	Import Value (Billion EUR)	Imports from EU as % of country's imports from all partners	EU rank as export market	Export Value (Billion EUR)	Exports from EU as % of country's exports from all partners
Bahrain	2	1.8	12.7	4	0.50	4.1
Kuwait	1	1.5	17.0	8	0.06	0.3
Oman	2	2.3	10.1	18	0.23	0.6
Qatar	1	6.2	26.1	6	4.47	6.0
Saudi Arabia	1	26.1	20.9	2	24.42	10.0
United Arab Emirates	2	33.2	12.6	6	8.90	4.1

The following section provides the values of GCC countries' trade with the EU for the past five years and the 2021 top five trading partners both for exports and imports, for each of the GCC countries.

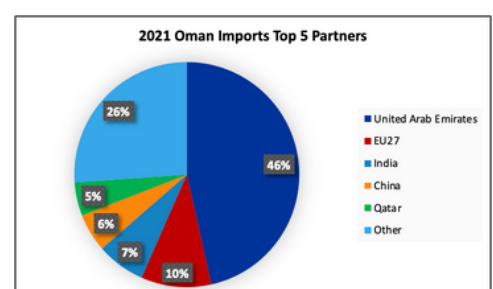
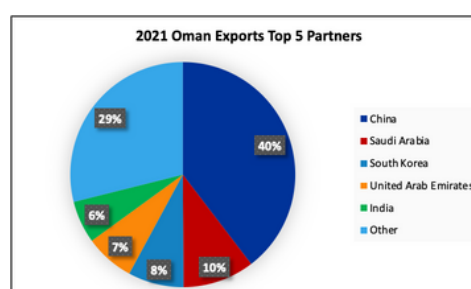
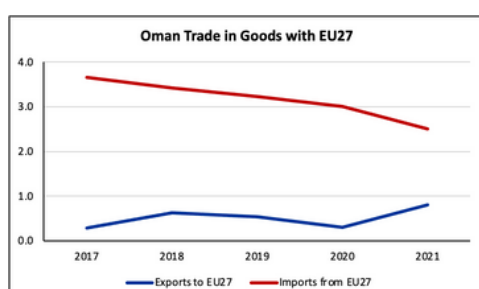
## Bahrain



## Kuwait

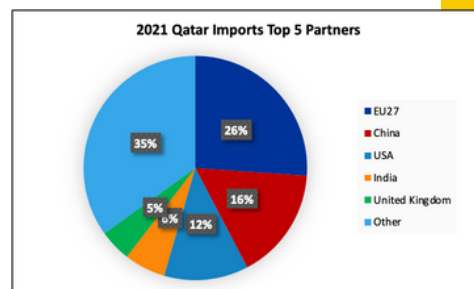
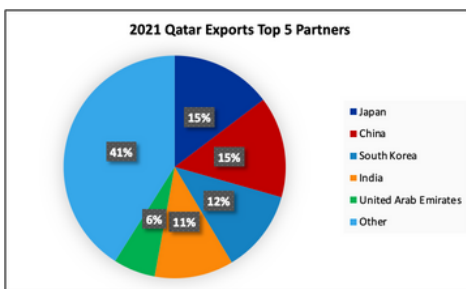
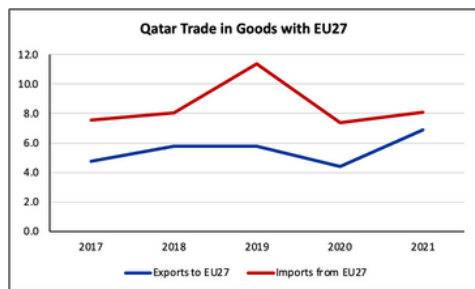


## Oman

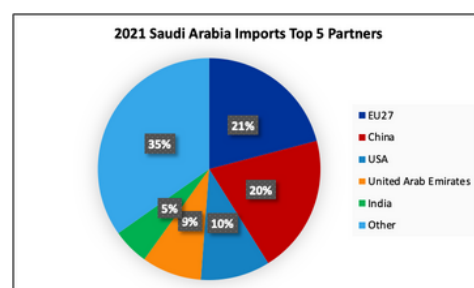
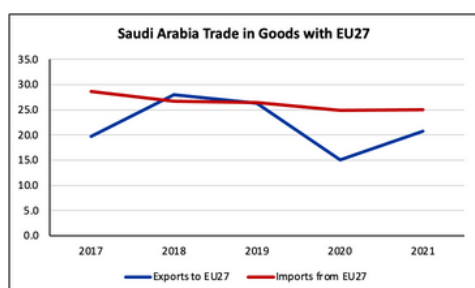


# TRADE IN GOODS BETWEEN EU AND GCC: 2021 & TRENDS (CONTINUED)

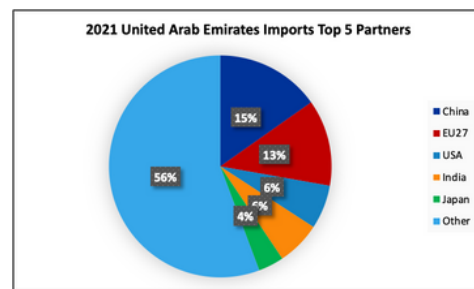
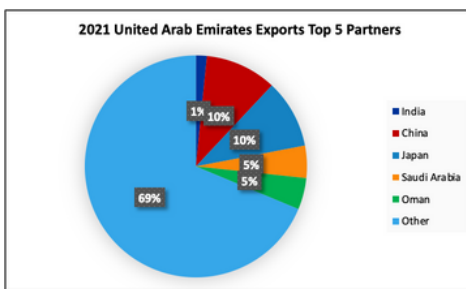
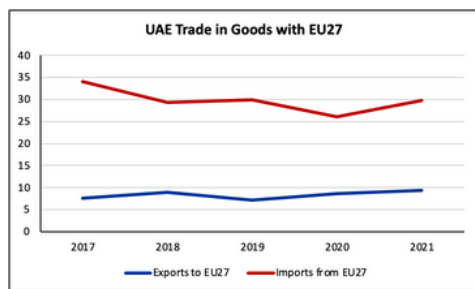
## Qatar



## Saudi Arabia



## United Arab Emirates



Detailed reports for each of the GCC countries will be released soon.

# TAKE OUR POLL



1→ In 2021, EU imports from the GCC reached:

A 20 billion EUR

B 40 billion EUR

C 60 billion EUR

D 80 billion EUR

E Over 80 billion EUR

F Do not know

Submit

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1→ In 2021, EU exports from the GCC reached:

A 30 billion EUR

B 50 billion EUR

C 70 billion EUR

D 90 billion EUR

E Over 90 billion EUR

F Do not know

Submit

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## YOUR COMPASS FOR NAVIGATING THE EUROPEAN RESEARCH & INNOVATION LANDSCAPE: AN INTRODUCTION TO HORIZON EUROPE

HELD ON 6 APRIL 2022, WEBEX WEBINAR

### Horizon Europe

Presentations by:

**Ms. Marialuisa Tamborra,**  
**Mr. Alessandro Calabro,**

DG Research & Innovation, F2 Asia, Africa, Middle East, and External Relations - Directorate Global Approach and International Cooperation, European Commission

### General Overview of Horizon Europe

- Vision
- Pillars and clusters
- International cooperation
  - - The role of the National Contact Points (NCPs)
  - - Clarification on funding modalities in the frame of Horizon Europe

### Focus on the GCC Region & Regional Cooperation

- A glimpse of award criteria and principles
- Statistics on GCC countries' participation in Horizon 2020 (predecessor Horizon Europe)
- Regional Cooperation: the example of the Union for the Mediterranean Regional Platform in R&I

[Click here to download presentation](#)

### Marie Skłodowska-Curie Actions

Presentation by **Mr. Thierry Devars,**  
Policy Officer, MSCA Unit, DG Education and Culture, European Commission

- Overview of MSCA:
- Key features, main actions
- Participation opportunities for GCC countries ' individuals and organisations

[Click here to download presentation](#)

Relevant contact info can be found in the presentations.

## INTRODUCING THE EU SPACE PROGRAMME: EXPLORING THE BENEFITS OF EU SPACE DATA FOR THE GULF

HELD ON 12 APRIL 2022, ONLINE WEBINAR



If you are interested in knowing more about the EU and Gulf space market, have a look at the EU Global Action on Space market reports [here](#).

The reports offer, among others:

- In-depth analysis of each local space market, the knowledge of EU space components (GNSS and Copernicus) and their market development potential;
- An analysis of market gaps and opportunities for EU space businesses at country and regional levels.

The EU Global Action on Space Team updates the reports annually during the lifetime of the EU Global Action on Space initiative, so do not forget to check their [webpage](#) regularly.

Should you wish to receive further information with regards to the presentations discussed during this webinar or future events, don't hesitate to contact: [events-team@eu-global-space.eu](mailto:events-team@eu-global-space.eu).

Relevant contact info can be found in the presentations.

**FOR MORE INFORMATION ON THE EU-GCC DIALOGUE PROJECT, AND TO DOWNLOAD RESEARCH REPORTS, NEWSLETTERS & OTHER PUBLICATIONS, PLEASE VISIT:**

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As always, we welcome your feedback on the topics and sectors that interest you most and you would like to see covered in future editions of the newsletter. Please contact Rania Nseir, Event Management & Communications Expert at [rnseir@eugcc.eu](mailto:rnseir@eugcc.eu) for any suggestions and to subscribe or unsubscribe to any of our publications.

## ABOUT US

The EU-GCC Dialogue on Economic Diversification is a project funded by the [European Commission Service for Foreign Policy Instruments](#) under the [Partnership Instrument](#). The project contributes to stronger EU-GCC relations by supporting the GCC countries in the ongoing process of economic diversification away from hydrocarbon-dependent sectors, including by funding regular EU-GCC Business Fora.

The purpose of this project is to promote climate-friendly trade, investment and economic affairs-related policy analysis, dialogue, and cooperation between stakeholders from the EU and GCC at both regional and country levels in the context of the GCC economic diversification process.



**EU-GCC Dialogue on Economic Diversification**

A project funded by the European Union