



IN DIALOGUE WITH MR. MARC FIEDRICH, ACTING DIRECTOR AND HEAD OF SERVICE FOR FOREIGN POLICY INSTRUMENTS, COMMISSION OF THE EUROPEAN UNION



Q What is the service for Foreign Policy Instruments and what role does it play on behalf of the European Union?

A The mission of the Service for Foreign Policy Instruments is to put EU foreign policy into action, fast and flexibly, in a policy-driven and integrated approach, with global, geographical, and thematic scope, as part of a comprehensive geopolitical vision. Thereby we support achieving the objectives of the Common Foreign and Security Policy of the Treaty on the European Union, in particular as regards peace and conflict prevention, democracy and the rule of law, human dignity, and leveraging the EU's influence in the world notably economic.

We work under the authority of the High Representative of the Union for Foreign Affairs and Security Policy, Josep Borrell, and act as the first responders to foreign policy needs and opportunities.

Q What are the Foreign Policy objectives of the European Union?

A The President of the Commission determined 6 political priorities for the current 5-year mandate. These are derived from the Council's strategic agenda and from discussions with the political groups of the European Parliament. These include a European Green Deal, A Europe fit for the digital age. An economy that works for people and A stronger Europe in the world.

The EU's joint foreign and security policy, designed to resolve conflicts and foster international understanding, is based on diplomacy and respect for international rules. Trade, humanitarian aid, and development cooperation also play an important role in the EU's international position. EU foreign and security policy seeks to preserve peace, strengthen international security, promote international cooperation and develop and consolidate democracy, the rule of law, and respect for human rights & fundamental freedoms.

Indeed common grounds are emerging from the post COVID era and new opportunities are being provided for future EU-GCC economic cooperation. One of the most obvious areas of synergies and complementary approaches is the acceleration of our trade ties. In February this year, the European Commission published a Communication defining a new strategy for the EU's trade policy for the next decade.

This strategy is a consolidated EU response to the new challenges in the global economy including the "weaponisation" of trade policy for geopolitical purposes, deepening paralysis of the World Trade Organisation, and rapidly spreading unfair trade practices. All this is on top of a global recession that we all have to deal with because of the pandemic.

In this new trade strategy, the EU sets out three fundamental principles to build a new consensus regarding trade policy both at the European level and globally.

- We are reconfirming our commitment to an open, fair, and ruled-based trading system which is an economic and political necessity.

This is why reforming the WTO will be the first priority of the EU's trade policy over the next years.

- Our strategy puts sustainability at the heart of trade policy. We can safely claim that this is the greenest trade strategy ever.
- Finally, we are also prepared to be assertive and to ensure that agreed rules comply with international trade.

We stand ready to implement this strategy together with our Gulf partners.

Q

What is the relationship between the European Union and the GCC in terms of trade and economic development?

A

The Gulf region, like Europe, has always been a place of exchange – of goods, ideas, and cultures. The European Union is naturally looking to the Gulf countries with renewed interest, as they are key members of the global economy and the multilateral trading system.

The foundation of the European Union's relationship with the GCC is the important trading and investment 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 2020, total EU foreign direct investment outward stock in the GCC region amounted to € 177.1 billion.

But we also share challenges that are common to both the EU and the Gulf Cooperation Council member countries. On the EU side, we have a rapidly ageing population and limited natural resources. In the Gulf region's growing economies, there is a rapidly growing young population and a wealth of natural resources. More than a third of the population in the Gulf countries is less than twenty years old, which requires the creation of millions of jobs to keep pace with this growth. And while its share has declined significantly in recent years, still the larger part of the region's exports are oil and gas, which are finite resources with highly volatile prices.

These factors represent for our regions certainly a challenge but also an opportunity to diversify and make better use of natural resources and generate more jobs with a new push towards a sustainable economic model. Our well-established EU-GCC cooperation provides the right framework to advance together in this direction.

The EU can contribute with its proven know-how, regulations and standards, and cutting-edge technologies and management solutions to help Gulf countries in their efforts to diversify their economies. And thanks to the economic diversification that GCC countries are pursuing, the Gulf region is becoming more and more attractive to EU investors.

The EU is also ready to continue supporting economic integration in the Gulf region. This is a complex and challenging process, but vital for creating economies of scale and generating the opportunities needed for trade and investment in the global economy. And in the area of economic integration, the EU also has unique and unparalleled experiences which we are ready to share. To discuss economic ties we do not need to start from scratch. We have well-established structures that allow us to enhance cooperation between our regions at several levels.

A structured Dialogue on Trade and Investment between the EU and the GCC was launched in May 2017 and has since been organised on a yearly basis. This provides a very useful platform to discuss trade and investment-related issues.

It also provides an excellent forum to discuss steps supporting operators from both blocks in accessing each other's market as well to support each other in the regional and multilateral trade policy context.

Q

The Commission recently published a Joint Communication on a "Partnership with the Gulf". How will this document facilitate and strengthen future EU cooperation with the GCC?

A

Indeed, the EU has just adopted a Joint Communication on a 'Strategic Partnership with the Gulf'.

A strengthened partnership is beneficial both for the EU and for the Gulf partners, with the EU being the world's largest single market, a leader in research and innovation, an important security actor in the Gulf region, and the leading actor in global challenges such as climate change and digitalisation.

The EU Global Gateway provides a dynamic framework for cooperation with GCC partners to foster sustainable investments in the broader Middle East region as well as in Africa. GCC countries are dynamic economies and an important gateway between Europe, Asia, and Africa. They are reliable Liquefied Natural Gas providers that have some of the best solar and wind resources in the world, whose development can be key in implementing our respective strategies to meet climate commitments as well as economic goals. As a strong defender of multilateralism and social transformation including human rights and gender equality, the EU will continue to foster political dialogue on such matters with the Gulf countries.

Increased cooperation and exchanges between the EU and GCC countries will ultimately be beneficial also for the people of both regions. Closer inter-cultural cooperation, mobility for youth and students, higher education cooperation, and exchanges will improve mutual understanding and trust. And these are just some of the many examples one could give.



The European Union is currently funding a number of Technical Assistance projects in the GCC. What role do they play in supporting EU-GCC cooperation in different policy areas?



The Gulf region represents a big market and the EU is supporting and encouraging its economic diversification. There are currently three EU-funded projects targeted exclusively on our cooperation with the Gulf Cooperation Council (GCC) both regionally and at an individual country level. These projects will help to support the implementation of the Joint Communication.

As I explained, the **EU-funded Dialogue on Economic Diversification Project** is supporting GCC diversification strategies. The Project is designed to identify synergies and complementarities in economic policy priorities between Europe and the Gulf and to enhance the conditions to step up trade and investment relations. It funds opportunities for a strengthened EU-GCC sustainable trade, investment, and business cooperation through the organisation of business fora, roundtables for policy discussions, technical workshops on regulatory frameworks, and topics such as standards and Intellectual Property Rights and protection, and the development of policy recommendations.

By supporting political dialogue through concrete activities as well as cooperation and outreach between the two sides, **the Enhanced EU-GCC Political Dialogue, cooperation, and outreach Project** contributes to a stronger relationship and helps strengthen the alliance between the EU and the GCC countries and the region, based on mutual interests. The project seeks to deepen political dialogue through workshops, conferences, capacity building, awareness-raising activities, study tours, technical assistance, advisory services, and networking. The project also supports the implementation of the Cooperation Arrangements between the European External Action Service and the Ministries of Foreign Affairs of the six GCC countries.

Finally, our third ongoing project, **the EU- GCC Clean Energy Technology Network** aims to catalyse partnerships between clean energy stakeholders, both in the GCC and the EU. The Network is a source of information on clean energy topics, an inclusive platform for stakeholders to meet and debate, and the bridge towards cooperation on clean energy, including policy and technology aspects, among various players across the EU and GCC countries. The Network is structured around collaboration in five working areas, with Climate Change as a cross-cutting topic:

1. Renewable Energy Sources
2. Energy Efficiency & Demand Side Management
3. Clean Natural Gas & related Technologies
4. Electricity Interconnections & Market Integration
5. Carbon Capture & Storage

This project is coming to an end soon but will be followed by a new project we are preparing, dedicated to our cooperation and dialogue with the GCC on climate change.