



Summary of GCC-EU Energy Experts Group meeting

January 22nd, 2015

Riyadh - Kingdom of Saudi Arabia

In general, the focus of the meeting is to discuss and exchange views during the GCC-EU Energy Expert Group within the framework of the co-operation agreement between the Gulf Co-operation Council and European Union.

Opening:

The two delegations, headed by Mr. Fareed AlAsaly, (Chairman of the GCC Energy Committee, WTO and FTAs) and Mr. Hans van Steen, (Head of unit International Relations and Enlargement, Directorate-General for Energy European Commission), met in Riyadh, Kingdom of Saudi Arabia GCC Headquarters, January 22nd, 2015 and discussed the issues in the attached agenda.

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

In the introductory speech, Mr. AlAsaly welcomed the delegates and highlighted the importance of having the bilateral meetings between the GCC and the EU given the recent developments in the energy market seen and noted the need for more cooperation. He also briefly highlighted the main futures of the updated GCC Common Petroleum Strategy vision, mission, goals, objectives and various elements of the strategy.

In his introductory speech, Ambassador Adam Kulach, (Head of the Delegation of the EU to the Kingdom of Saudi Arabia and GCC) highlighted the importance of having these regular meetings. He emphasized previous successful cooperation between the GCC and the EU, noting the importance of the cooperation with the Saudi Energy Efficiency Program initiative. He expressed the view that the EU and GCC should look forward for additional opportunities for cooperation and thanked the GCC for hosting the meeting.

Market Outlook and EU Energy Policies:

- Mr. Sammy Al Mehaid (senior oil market analyst, Ministry of Petroleum and Mineral Resources, Saudi Arabia) presented a brief on the world economy's medium and long term growth trends, highlighted the oil markets and provided a brief look into the world's supply and demand forecasts for the short and long term.
- Mr. Hans van Steen (Head of Unit International Relations and Enlargement Directorate-General for Energy European Commission) noted the importance of energy security for the EU which is increasingly dependent energy import. He then presented recent developments in EU energy policies namely:

- the European Energy Security Strategy adopted in May 2014,
- the 2030 Energy and Climate Framework endorsed by the European Council in October 2014;
- the upcoming initiative on the Energy Union proposed by Commission President Juncker.

Natural Gas:

- Mr. Massimo Lombardini, (International Relations Officer, Directorate-General for Energy European Commission), recalled the historical milestones of the development of the gas market in the EU and underlined that natural gas currently covers almost a quarter of total EU energy needs. He then presented a general overview of the EU Gas market covering also issues related to the EU security of gas supply and the result of the "energy security stress test"

Energy Efficiency:

- Mr. Mohammed Al Ibrahim (SEEP Transportation Team Leader) presented the Saudi Energy Efficiency Program (SEEP) mission, key objectives and futures including:
 - Guiding principles and framework since inception of the program noting the program's bottom-up approach and the focus on three key sectors; industry, transportation and buildings;
 - The multi-departmental organization structure of the program, and importance that has been weighed to partners nationally and internationally;
 - An overview on the different initiatives in each sector as well as awareness campaigns and the resultant from implementation thus far.
- Mr. Kevin O'Rourke (Director of Marchena Management Services Ltd.) presented the latest developments in EU policies on energy efficiency and in particular in energy efficiency in building. He emphasized that energy efficiency is a core element in EU energy policy, and contributes to all the three objectives of the EU energy strategy namely, security of supply, competitiveness and sustainable development.. On energy efficiency in buildings, he pointed out that buildings are the largest consumer of energy in the EU representing 40% of the global energy consumption. As a consequence buildings are a priority sector in EU and in Member States national energy efficiency plans.

Outcomes and way-forward:

- GCC Chairman proposed an Energy Efficiency workshop between the GCC and EU to be conducted in a mutually agreed place in the near future.
- Mr. van Steen informed that the EU will re-launch an initiative to support the EU-GCC clean Energy Network. The activities of the network will be organized in close cooperation between the EU and the GCC Chairman in the near future.
- The next EU-GCC Energy Experts Group meeting was suggested to take place in a mutually convenient venue in Europe in one years' time at the latest.

EU thanked the GCC for their hospitality to host the meeting in Riyadh.