

Relations of the European Union with the Gulf Cooperation Council

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The Committee on Foreign Affairs adopted the own-initiative report drafted by Dominique BAUDIS (EPP, FR) on European Union relations with the Gulf Cooperation Council (GCC).

Firstly, the report recalls that its geopolitical environment makes the Gulf a focus of security challenges that have global and regional implications (the Middle East peace process, Iran's nuclear programme, the stabilisation of Iraq, Yemen and Darfur, terrorism and piracy). It states that the GCC is still the only stable regional organisation based on multilateralism and cooperation. In this context, Members emphasise that **concluding the free trade agreement between the EU and the GCC remains a priority** and that failure to conclude it would not be in either party's interests.

Given the limited presence of the Union in the Gulf region, the EU needs to develop a strategy for the region aimed at strengthening its ties with the GCC, supporting the regional integration process, and encouraging bilateral relations with the GCC member states. The objective is a **strategic partnership with the GCC** and its member states commensurate with the respective roles of the two entities on the international stage.

Members call for the European External Action Service (EEAS) to devote more human resources to the region and for new EU diplomatic missions to be opened in the GCC member states. They stress that these resources should stem principally from a reallocation of staff within the EEAS. They also stress that tailored bilateral approaches to GCC member states minded to engage in closer cooperation with the EU can only complement and strengthen the multilateral framework.

Members encourage all these states to sustain their efforts and to do more to promote human rights, to combat discrimination of all kinds, including discrimination based on gender, sexual orientation and religion. They invite the GCC member states to safeguard and promote the rights of minorities – including religious minorities – gender equality, the right to work – including for migrant workers – and freedom of conscience, expression and opinion. A continuous dialogue on these issues is called for with the aim to:

- adopt measures to facilitate women's access to the labour market and to education;
- abolish the sponsorship system imposed on migrant workers, where it is still enforced, and to pursue labour law reforms;
- create synergies with the EU and its Member States in support of an International Labour Organisation (ILO) convention for domestic workers' rights;
- combat all forms of impunity, guarantee the independence of the judiciary and the right to a fair and speedy trial and strengthen the role of justice system professionals;
- take steps to ensure that all human rights standards are widely publicised.

In parallel, obstacles to the full and effective exercise of the fundamental right of religious freedom should be removed. Members also reinstate the EU's opposition to the **death penalty** and Parliament's call for a **global moratorium** on it.

Joint Action Programme: Members note the three-year Joint Action Programme adopted by the EU-GCC Joint Council and Ministerial Meeting on 14 June 2010 which is intended to strengthen cooperation in many strategic areas of mutual interest. They consider that the implementation of this Joint Action Programme should be accompanied by a precise and detailed funding scheme. They stress the importance

of ensuring the visibility of this programme and that an evaluation of the results should be carried. Members call on the EU to focus its cooperation programmes with the GCC member states more on civil society organisations and to support the empowerment of women and youth.

Middle-East: Members express their profound concern at seeing the Gulf region caught up in an arms race and ask the EU to initiate a strategic dialogue with the GCC member states on regional security issues of common interest (the Middle East peace process, Iran's nuclear programme, the stabilisation of Iraq, Yemen and Darfur, terrorism and piracy). They call for a **regional security structure in the Middle East** to be built in partnership with the Gulf states. The report emphasises that it is in the common interest of the EU and the GCC to promote peace and stability in the Middle East, North Africa and the Horn of Africa, and globally. It urges the partners to strengthen cooperation on this matter of common interest.

Members reiterate their support for the Arab peace initiative put forward by one of the GCC member states and call on the GCC member states to continue their mediation efforts and support for the Israeli-Palestinian peace process. They call on the EU and the GCC to step up joint efforts to bring about a negotiated **end to the occupation of the Palestinian Territories**, while continuing to provide full support for a two-state solution to the Israel/Palestine conflict. Members call on the GCC member states to contribute more to strengthening Palestinian institutions and to economic development, within the context of the Palestinian Authority's government programme, and to consider paying their financial contributions through existing international aid mechanisms, where appropriate.

Trade relations: recalling its resolution of 24 April 2008 on the Free Trade Agreement (FTA) between the EC and the GCC, Members deplore the fact that negotiations between the EU and the GCC (EU-GCC FTA) have suffered repeated lengthy delays. They also deplore the GCC's decision to suspend these negotiations in 2008. They believe that it is **high time to unblock these negotiations so that a definitive solution can be found**. After 20 years of negotiations, the FTA has still to be concluded despite the fact that it should be seen not only as an instrument to enhance welfare through trade, but also as a tool to foster geopolitical stability.

In particular, Members call for:

- greater diversification of trade between the two parties;
- an increase in services trade and investment;
- more transparency as regards public procurement procedures.

Members reaffirm that the EU's **primary objective in its relations with the GCC should be to conclude the FTA**, which will be a major region-to-region agreement. They encourage the High Representative /Vice-President and the Commissioner for Trade to assess alternative approaches to future commercial relations with the GCC member states, in the form of bilateral agreements between the EU and the Gulf States that already feel prepared to enter into further commitments with the EU. They also believe that an FTA with the EU would facilitate the **further economic integration of the GCC** and that, following the establishment of the GCC Customs Union, it may also lend greater impetus to important projects such as the GCC common market and the completion of a GCC monetary union with a single currency.

Members states that the future FTA should also:

- provide for the substantial liberalisation of both imports and exports;
- greatly enhance the current relations between the EU Member States and the GCC member states, and would lend added value to the recent Joint Action Programme,
- open the way to further agreements which will encourage and facilitate mutual foreign direct investment (FDI) with a view to eliminating obstacles to foreign ownership and investment protection;
- open up new investment opportunities for both sides;

- increase in services-related investments which will foster the development of the GCC and of the EU Member States.

Members propose the establishment of a **regular heads of state and government summit between the EU and the GCC** which could enhance the political, financial, economic, commercial and cultural ties between the EU and GCC immensely.

Migrant workers: the report notes that there are 15 million migrant workers in the six Gulf Cooperation Council states and that those workers make up 40% of the total population. Members recall the precarious situation of migrant workers in the Gulf States which was highlighted by the International Labour Organisation (ILO) and supports the ILO's call for a minimum wage in the region in order to prevent any further deterioration in the position of domestic and migrant workers.

Energy: Members consider that synergies must be encouraged on the issue of renewable energy. They commend the work carried out by the EU-GCC Energy Expert Group, in particular on natural gas, energy efficiency and nuclear safety and call on the Commission, in the light of the challenge of climate change and the growing energy consumption in both regions, to address energy efficiency as one of the main areas of development and to enhance cooperation on energy efficiency issues. They call for **greater transparency in oil and gas data** as regards the future demand and supply scenario, in keeping with the shared interest in predictable oil markets. They recognise that the GCC's efforts to increase potential natural gas and liquid natural gas (LNG) reserves accord with the EU's desire to diversify energy sources and supply routes. They encourage the GCC member states to coordinate the further development of gas-to-liquid (GTL) technology with their European partners in order better to incorporate GTL into the European energy mix. Members also emphasise that the EU has opportunities to invest in GCC energy production capacity, using the latest technologies in terms of generation, transmission and interconnection.

The report stresses the importance of a reliable partnership between the EU and the GCC in the use of, and access to, raw materials. It favours open markets for goods and the removal of non-tariff barriers. It calls for joint efforts to address the **speculation and price volatility affecting raw materials**, through greater transparency and closer supervision of OTC derivatives trading.

Members also make a number of recommendations with a view to strengthening bilateral cooperation in the following fields:

- research and technology programmes;
- innovation;
- education (Members emphasise that this cooperation should include further support for exchange programmes for students, academics and professionals);
- media.

Lastly, Members recommend that the EU **devote more resources to the GCC** via the instrument for cooperation with industrialised and other high-income countries, which should be made more visible and should focus on suitable programmes for training local civil servants, including in trade matters.