

**Opening Remarks**

by

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at the launch of

**Regional Energy Market Analysis: GCC 2019**

at

**The World Future Energy Summit**

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Your Excellencies,

Distinguished Guests,

Ladies and Gentlemen

Thank you very much for joining us today at this extremely busy time of the year. It is remarkable how this forum has gathered so many people. I extend a special welcome to those of you who are visiting Abu Dhabi from other parts of the world.

As the host country of the International Renewable Energy Agency and a strong proponent of renewables, the United Arab Emirates has been a steadfast supporter of IRENA's work. Today, we are honored to have His Excellency Engineer Suhail Mohamed Faraj Al Mazrouei, the Minister of Energy and Industry for the UAE. You play a key role for the UAE's global leadership in the transition to a clean and sustainable energy future. Thank you, Your Excellency, for gracing us with your presence.

This week marks a confluence of events in Abu Dhabi. The 9<sup>th</sup> Assembly of IRENA just concluded, and is followed by the World Future Energy Summit, which

brings together more than 33,000 business leaders and participants from around 170 countries to advance solutions to the world's most pressing energy related challenges. Renewable energy is at the center of this drive, with its cost competitiveness and strong business case today. All over the world, countries are raising their level of ambition to develop their renewable energy potential.

The countries of the Gulf Cooperation Council are increasingly becoming a part of this momentum. And today, I am pleased to launch IRENA's *Regional Energy Market Analysis: for the GCC for 2019*. The report demonstrates the tremendous potential of renewables for the region known primarily for its oil and gas resources. It also captures the progress made in the region in the establishment of enabling policy, regulatory and investment frameworks.

When we published the first edition of the GCC Renewable Energy Market Analysis in 2016, the conversation in the region was centered around “should we have renewables?”. Over this short period of three years, we have moved the discussion to “how much can we integrate” and “how do we go further”. We have seen consecutive auction rounds in Saudi Arabia and the UAE, resulting in world

record low price bids for solar PV and concentrated solar power. My good friend, Paddy Padmanathan of ACWA Power is here today. ACWA Power achieved a low price of 2.34 US cents/kWh for the 300 MW Sakaka project in Saudi Arabia in May 2018. A similarly low price of 2.4 US dollar cents/kWh was also seen for the 250 MW of solar PV that was added to Phase IV of Dubai's solar park in late 2018. These projects are positioning both Saudi Arabia and the UAE to meet their ambitious targets. Saudi Arabia's '*Vision 2030*' aims to source 10 per cent of the country's power from renewables by 2023. And just yesterday, the Kingdom announced its aim of adding 40GW of solar and 20GW of wind capacity by 2030. We are fortunate to have with us Mr Turki Al Shehri, Head of the Renewable Energy Project Office (REPDO) at the Ministry of Energy, Industry and Mineral Resources of Saudi Arabia who will elaborate further on these developments.

The UAE aims to generate 44 percent of the country's power from clean energy by 2050 set under its '*Energy Strategy 2050*' launched in 2017. But the country's ambition doesn't stop with developing its own renewable resources; it is also investing overseas. I am pleased that this aspect is also examined in the report.

Mr. Bader Al Lamki, my good friend, is here with us today from Abu Dhabi's own, Masdar. Masdar is active in over 20 countries and has invested 2.7 billion US dollars in wind and solar projects with nearly 3 GW. In partnership with Equinor, it has a 25% stake in Hywind which is the world's first floating offshore windfarm with a 30 MW capacity located off the coast of Scotland. The initial results are extremely positive, could change the future of established technologies. Besides, Masdar is also working on the production of biofuel from algae that has the potential to become a major fuel source for aircrafts in particular. I am confident that Masdar's drive for innovation will result in cutting edge developments in this area. And yesterday we heard this extraordinary news that Masdar was awarded the contract for the 400MW wind farm in Saudi Arabia for a record low price of 2.13 US dollar cents/kWh.

Ladies and Gentlemen,

While the progress made in renewable energy uptake is encouraging, we are yet to achieve the full potential the Gulf countries has to offer. For instance, besides solar, our analysis found that there is a growing momentum to harness the region's wind energy potential particularly in Kuwait, Oman and Saudi Arabia.

will not only play a key role in meeting increasing energy demand but will also deliver on environmental and social objectives. Our analysis shows that by capitalizing renewable resources, the Gulf countries will add 220,500 new jobs through 2030. They will also reduce water withdrawal for power production and associated fuel extraction by 11.5 trillion litres in 2030. In a water stressed region, this is a great news. To this end, we are already seeing tremendous developments – there is a project pipeline worth of 7 GW of new renewable energy-based power generation that is coming online in the GCC by the early 2020.

I believe that the global momentum of energy transformation will continue to strengthen if we are serious about tackling climate change in particular. IRENA's analysis has demonstrated that renewable energy and energy efficiency combined can deliver 90% of the energy-related emission reductions needed to realise the well-below 2°C goal of the Paris Agreement. This accelerated renewables deployment will have far-reaching geopolitical implications for which we need to prepare. The report of the *Global Commission on the Geopolitics of Energy Transformation*, launched on 11 January at the IRENA Assembly highlights that the global energy transformation will result in changes in the relative position of states, the emergence

of new energy leaders, more diverse energy actors, changed trade relationships and the creation of new alliances. It will thus present both opportunities and challenges. The report finds that the benefits will outweigh the challenges, but only if the right policies and strategies are put in place. In this regard, the UAE is a model for a forward-looking strategy to diversify the economy and prepare for a sustainable future.

The Gulf countries have assumed a leadership role in the global energy transformation and the developments I touched upon provide strong testament to the success of these countries. I am extremely proud to add IRENA's contribution to the momentum through the launch of this report. The Agency, with all its capabilities and expertise, will continue to work with the Gulf countries to make their renewable energy vision a reality.

Thank you very much.