

Analyzing the Energy Mixture - Shedding Light on Traditional and Non Traditional Solutions

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شكرا سيدي الرئيس – كما فهمت من الاخوة المنظمين فسيكون حديثي باللغة الانجليزية بغية تواصل مباشر مع المتحدثين الاخرين – علما بانني افضل الحديث باللغة العربية – لكن على كل حال اسمحوا لي ان انتقل للانجليزية الان

Thank you Mr Chairman, great pleasure to join Asbar Forum and be part of this panel with a highly distinguished group of speakers - to address an important topic, in an important period of time. As you know this is a period of great suspense, a period witnessing the best election season ever, with the grand finale happening today, US elections will have detrimental outcomes that will lead into long term consequences regionally as well as globally. Not to mention its impact on the energy sector.

First and foremost, let me present a quick idea of my country. Jordan is a country that imports around 96% of its energy resources. A country that is also considered as one of the seven poorest countries in water resources globally. Being poor in water and energy is unique, of course the inter-relation between water and energy is quite obvious. In my profession, I challenge students with the simple question, "Which is more important for a country of limited resources .. Water (or) Energy?" Many would think that water is more important, but I have to disagree and opt for energy. Energy is life, with the absence of water resources, energy has the ability to create water via desalination or condensation or any other mechanisms.

A Geostrategic Update

Following this introduction, I would like to shift into a relevant issue which is seen by many as a non relevant issue. Couple of weeks ago Lebanese government entered into a face to face discussion with Israel to delineate common and joint borders. Lebanon does not have any form of relations with Israel, there is a high level of hostilities between both parties; yet both agreed willingly to enter into negotiations, under the patronage of the US administration.

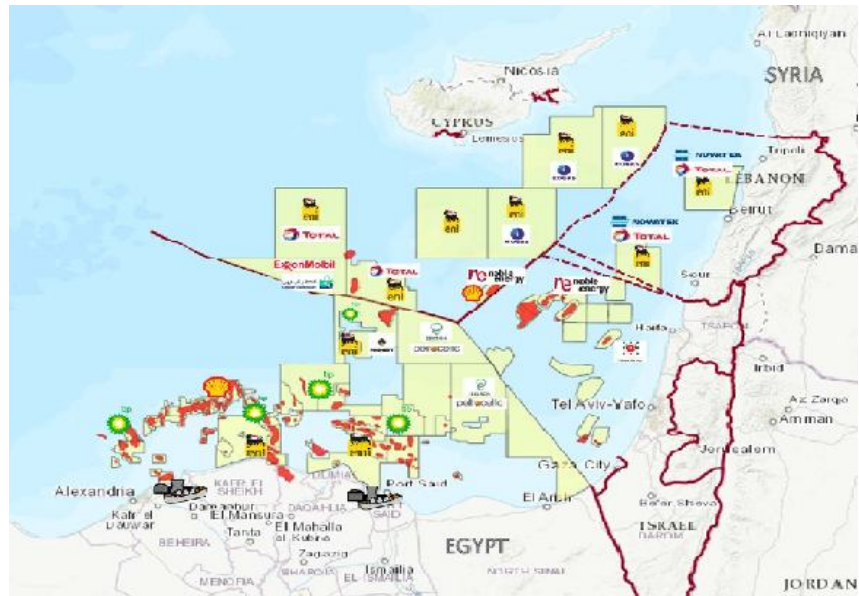
For those of you who think that this is an attempt of pursuing normalization, or perhaps a move to settle territorial disputes by delineating common borders; I caution you that this is not the case. These negotiations do not take into consideration disputed territories, e.g. the Sheba'a farms. The truth of the matter is that these discussions are energy driven, they intend to define maritime borders (only and strictly) and have nothing to do with land borders.

Attempts to initiate discussions between Lebanon and Israel dates back to many years ago. In fact, successive US administrations dispatched many special envoys to the region attempting to finalize the energy map. Apparently, and despite reported difficulty in discussions, things are now kicking off. ? Why is this happening, well, the US believes that an early resolution of the energy map in eastern med will lead into better security as well as improved economic prospects for Israel, A one sided approach really.

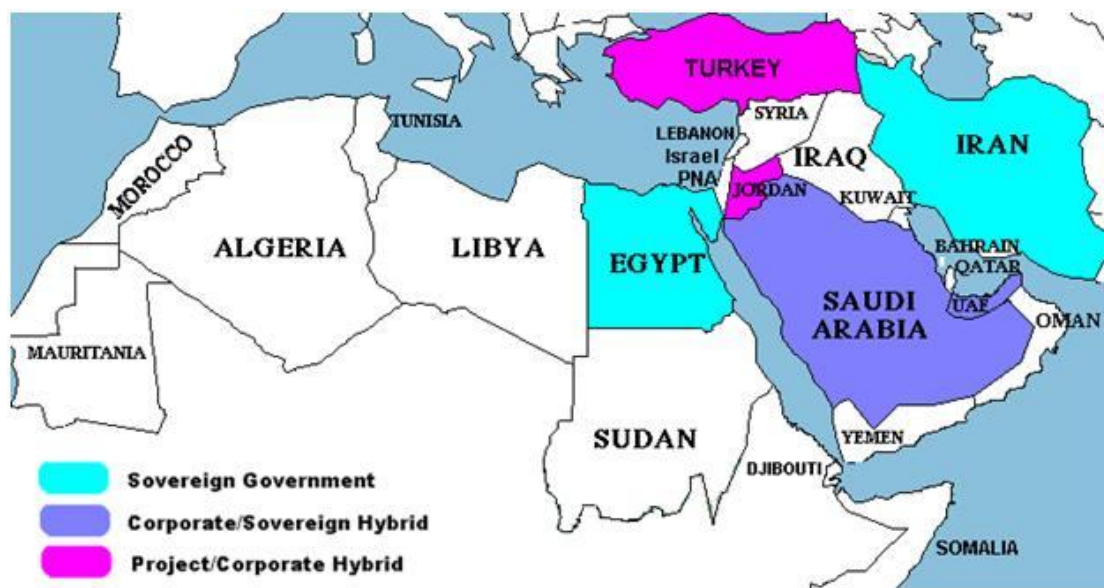
This provides a very good indication to a fact that we tend to overlook. In other words, the importance of energy surpasses politics. Even if countries are practically in turmoil, you can continue with your disputes and highly abnormal relations, while energy cooperation is still going on at full swing.

Another example, which I hate to mention, but I will bring to your attention is the ongoing Qatari-Emirati feud. Despite these tensions Qatari gas exports to UAE is still taking place at normal levels. This is a clear demonstration that energy overrides and supersedes politics.

Going back to the Mediterranean context, the eastern flank of the Mediterranean promises to have unprecedented natural gas resources, probably one the world's largest proven gas reserves. Under this scheme, i.e. Med-gas scheme, Gaza will be a major beneficiary of gas resources. Gaza Gas may provide a promising future for the Palestinians. Yet, Gaza gas is currently being exploited by Israel, which is the occupying power and the de facto manger of Palestinian shorelines.

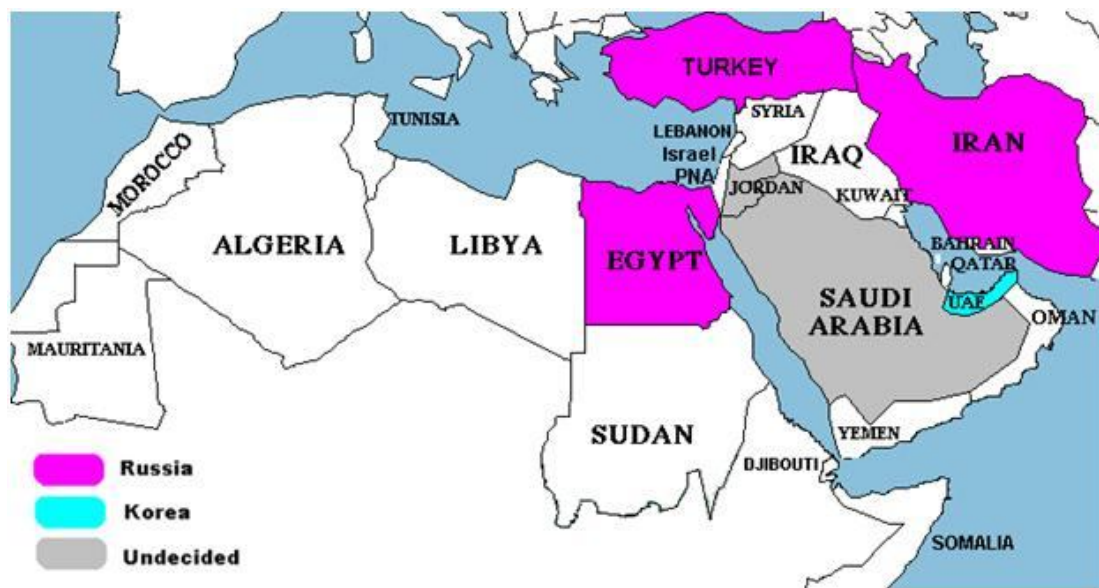


To finalize, I will focus on another important component of the energy mix in our region, namely, nuclear energy. Many countries in the Middle East are considering – or – have already endorsed nuclear energy as an essential component of their energy mix. Yet nuclear energy proves to be a very costly option and many countries would find themselves in a position of arranging their own financial model. For example, Iran, which has successfully blended its nuclear program into its national identity is now opening the door for foreign investors, which is an unprecedented move. Egypt, Jordan and Turkey are also considering providing sovereign concessions to nuclear technology providers.



Nuclear energy funding models; © ACSIS- Stanton Research Project

Considering external funding arrangement is a risky undertaking which may put any state in jeopardy, thus allowing itself to become at the disposal of nuclear investors; this is a new form of technological colonization. Today, Russia, China and Korea (employing US approved patents) are the new rising nuclear technological providers which seek to have extra dominance in the Middle East region.



Nuclear energy providers in the Middle East; © ACSIS- Stanton Research Project

Resorting to renewable energy might be less costly, less risky and less problematic. Renewable energy would not entail any obligations on the state behalf, be it financial or sovereign. While renewable energy is affordable and environmentally friendly, the next decade will push the Middle East to increasingly rely on natural gas resources.