



EU-GCC Dialogue on Economic Diversification

A Project funded by the European Union



THE LATEST NEWS FROM THE EU-GCC DIALOGUE ON ECONOMIC DIVERSIFICATION PROJECT

This edition of our monthly newsletter covers the project's activities that were carried out over the month of December 2021. The newsletter will focus on top news, upcoming events, meetings, and active projects in both Europe and the GCC in the hopes of fostering and initiating dialogue on future opportunities for collaboration between the two regions.

In selecting and preparing the content of upcoming editions of the newsletter, we would welcome your feedback on the topics and sectors that interest you most. Please feel free to send your suggestions to our editor Rania Nseir at rseir@eugcc.eu.



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GLOBAL EUROPE: THE EUROPEAN UNION SETS OUT PRIORITY AREAS FOR COOPERATION WITH PARTNER COUNTRIES AND REGIONS AROUND THE WORLD

The Global Europe programming, officially launched in November 2020, addresses the overarching Commission priorities, promotes the post-COVID-19 green, digital, inclusive, and sustainable recovery, and fully respects the commitments contained in the new instrument, particularly on climate action, social inclusion, and human development, migration, and forced displacement, and gender equality. The Commission has adopted the Multiannual Indicative Programmes (MIPs) of Global Europe setting out priority areas for cooperation with partner countries and regions around the world for 2021-27.



This also includes the financial allocation for 2021-2024 (country level) and for 2021-2027 (regional level) that will support this cooperation for a total of almost €26.3 billion. The adoption of the country and regional MIPs will significantly contribute to climate actions, social inclusion and human development and migration, and forced displacement and to achieve gender and biodiversity targets.

A Team Europe that delivers

The priorities have been defined in consultation with the relevant partners' authorities and a real Team Europe approach, together with EU Member States, the European financial institutions, EIB and EBRD, as well as the European Parliament. Consultations were also held with Civil Society Organisations, including women and youth organisations, local authorities, representatives from the private sector, the UN, and other like-minded partners. The agreed priorities are in line with the UN's 2030 Agenda and the Sustainable Development Goals, the Paris Agreement, and the EU's Global Gateway Strategy.

Pursuing EU Interests in Key Partners

The region encompasses members of the Gulf Cooperation Council (Bahrain, the Kingdom of Saudi Arabia, Kuwait, Oman, Qatar, and United Arab Emirates), Yemen, Iraq and Iran. Given the heterogeneous nature of the region, there is no single political cooperation framework with the EU in place. The EU will pursue a flexible geographic and thematic approach with the overarching objective of easing regional tension, preventing conflict and mitigating risks, and supporting social transformation. **The EU will support a stronger partnership through policy and political dialogue at national and regional level with the Gulf in furtherance of the EU's external priorities, stronger regional integration, through dialogue and cooperation, as well as with neighbouring regions, diversified economies through greener and more sustainable consumption and production and more open and inclusive societies.** Engagement on the global agenda will also be reinforced. All this will be reflected in the Joint Communication A Partnership with the Gulf planned for adoption in the spring of 2022, which will, in turn, inform the implementation of the programmed cooperation. [Read more.](#)



REFLECTING ON THE RIYADH SUMMIT AND EUROPEAN INTERESTS IN THE GULF

On 14 December 2021, the leaders of the Gulf Cooperation Council (GCC) gathered in Riyadh for the 42nd Summit of the GCC Supreme Council. Against the backdrop of growing international turbulence and the continuing global pandemic, the Riyadh Summit was notable. This short work provides a snapshot of the GCC's direction and what it means for Europe.



In terms of content, the Riyadh Summit built on the goals outlined during the 2015 and 2021 (re: Al-Ula) meetings and included key initiatives such as: fulfilling the 2003 Customs Union, finalising the 2008 Common Market, constructing an intra-GCC Railway, developing a common water strategy, plan for the prevention of non-infectious diseases and creating the Gulf Center for Disease Prevention and Control, launching the Unified Military Command and advancing military integration, unifying foreign policies, and establishing the GCC Police (GCCPOL) headquarters in Abu Dhabi. Most of these initiatives were frozen during the 2017-2021 GCC crisis.

The Riyadh Summit represented an opportunity to revive those efforts, create a closer bloc and work towards collective security and economic development. Unity will be the central pillar in consolidating the GCC's international position amid heightened uncertainty given the increasingly complex international environment more and more defined by US-China-Russia rivalry, reflective polarisation and unresolved regional conflicts in Yemen and Iraq, while Iran continues its missile and nuclear enrichment programmes. **Despite this, the Summit was held in a positive atmosphere—driven by progress in reconciliation between Qatar and the UAE/Saudi Arabia.** Sure, other issues need to be resolved and intense efforts continue to be undertaken to rehabilitate Bahrain-Qatar relations. This is a necessary first step in fulfilling the lofty goals of the bloc.

During the Summit, GCC leaders reemphasised the importance of finalising economic integration by 2025—a date set in reference to their national socio-economic Visions and the 2030 United Nations Sustainable Development Goals (SDGs). Economically, the focus will be on localising Gulf capital and integrating industries. Energy, food and water security projects are also key. The private sector and coming-of-age youth will shape the economic transformation. The GCC also plans to finalise free trade agreements and activate strategic dialogues with other countries and organisations.

Regarding security, GCC leaders reaffirmed their solidarity and promised to activate a collective defence approach to counter challenges noting, succinctly, that an 'attack against any of the GCC states is an attack on all of them. Any danger that threatens one of them threatens all of them.'

This declaration is being practically reinforced and progress has been made in enhancing strategic interdependence. For instance, the recent inauguration of a Unified Military Command and the upcoming Gulf Security 3 joint exercise in Saudi Arabia's Eastern Region stand in testament to a more integrated security system in the bloc. Recognising the indivisibility of their internal security, the GCC members will also continue to collaborate on home affairs: building on their previous experience in fighting organised crime, drug smuggling and boosting border security.

With such a clear institutional renewal underway in the GCC, it is also important to present a few policy options that may be adopted by the EU and UK in relation to the Gulf. The GCC offers the best chance for economic and political stabilisation of the wider Middle East and its members remain long-term strategic allies the EU (and its members), the UK and of NATO. In this way, it is more than an interest but a prerogative to deepen the intra-regional (Euro-Gulf) lines of communication and platforms of collaboration. [Read more.](#)

HOW SAUDI ECONOMY CAME OUT OF THE PANDEMIC IN 2021: YEAR IN REVIEW

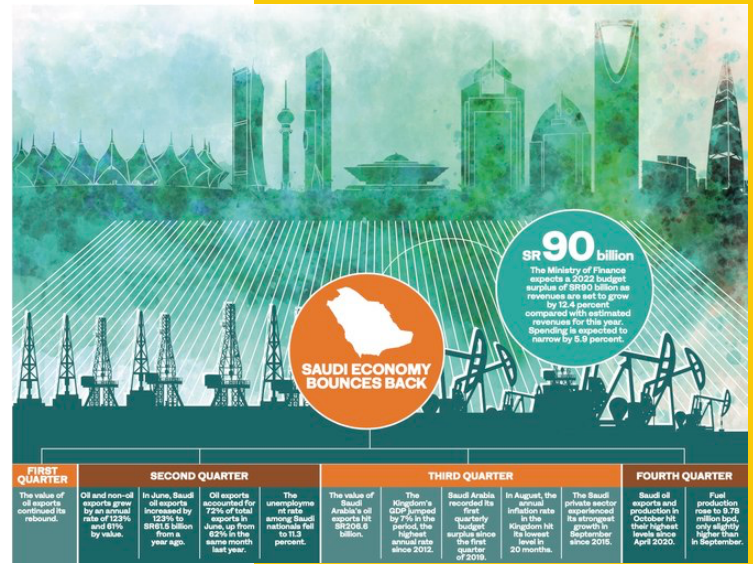
The Saudi economy recovered in 2021 after a tough year of pandemic restrictions as vaccination campaigns rolled out in the Kingdom and across the world driving its key oil exports.

MENA's largest economy bounced back from last year, when the Kingdom's gross domestic product contracted by 4.1 percent, according to the International Monetary Fund.

But this year saw higher oil output, its first quarterly budget surplus in over two years and lower unemployment drove growth.

Some economic data in 2021 even bettered pre-pandemic levels, although the full effect of the latest omicron variant is yet to be played out.

Here are the Kingdom's economic key highlights this year:



First quarter: Oil exports lift

The value of oil exports continued its rebound in the first quarter of 2021, rising for the third consecutive quarter and hitting the highest level since the final quarter of 2019, according to official data.

However, in all four quarters of 2021, the Kingdom's oil exports were lower when compared to the corresponding periods in 2019.

Second quarter: Unemployment eases

The unemployment rate among Saudi nationals fell to 11.3 percent in the second quarter, the lowest since at least the same period in 2016, said GASTAT, attributed to ongoing government efforts to boost local employment in the private sector.

By contrast, Saudi unemployment had hovered at a mean rate of 13.7 percent in 2020.



The third quarter: Budget surplus and falling inflation

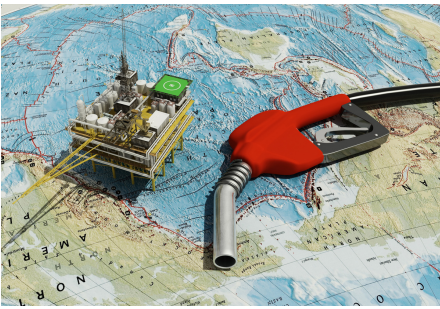
The value of oil exports hit SR206.6 billion in the third quarter, the highest since the final quarter of 2018, as the sector enjoyed rising demand and higher prices.

This led the Kingdom's GDP to jump by 7 percent in the period, the highest annual rate since 2012. Oil and non-oil output surged by 9.3 percent and 6.3 percent, respectively.

The Ministry of Finance added that the Kingdom recorded its first quarterly budget surplus since the first quarter of 2019. The surplus was valued at SR6.7 billion, reversing an SR4.6 billion deficit in the previous quarter.

Also, the budget deficit hit SR293.9 billion in 2020, rising more than two-fold compared to 2019. Spending on social benefits, subsidies and grants were all raised, at the height of the pandemic.

HOW SAUDI ECONOMY CAME OUT OF THE PANDEMIC IN 2021: YEAR IN REVIEW (CONTINUED)



The fourth quarter: More oil production

Saudi oil exports and production in October hit their highest levels since April 2020, according to data published by Jodi. Oil shipments lifted 5 percent on the previous month to 6.83 million barrels per day. Fuel production rose to 9.78 million bpd, only slightly higher than in September, but this was 9 percent up on a year ago.

Forecasts for 2022

The outlook for the Saudi economy next year is favorable, according to government and economic forecasters.

The Ministry of Finance expects a 2022 budget surplus of SR90 billion as revenues are set to grow by 12.4 percent compared with estimated revenues for this year. Spending is expected to narrow by 5.9 percent. This will give the Kingdom its first fiscal surplus since 2013, if achieved.

The ministry forecasts that the economy will grow by 7.4 percent next year.



Capital Economics has a similar forecast of 7.3 percent, saying that oil production will push up the Kingdom's output in 2022.

The GCC Statistical Center, Jadwa Investment as well as Capital Economics expect Saudi Arabian inflation in 2022 to settle at between 1 and 2 percent as last year's VAT rise continues to ease. [Read more.](#)

COUNTRY FICHES

The Country Fiches produced by the project on each of the GCC countries are a compendium of available socio-economic information (reports, indicators, statistics) organised into the following key sections;

- Key Facts
- Country Economic policies and EU economic relations
- Trade Statistics
- Economic competitiveness indicators
- Population Structure and Availability of Human Capital
- Investment Opportunities by Sector
- Important Contacts

Updated on an annual basis the Country Fiches provide a useful overview of the country and can act as useful briefing material for high-level visitors and business delegations to the region. They can be found on the project's pages on each of the EU Delegations in the GCC along with other project outputs and publications.

Below is a preview of the report content. To view the country fiche report for each of the 6 member GCC states, click [here](#).



[Click here to view all the country fiches reports](#)

THE EUROPEAN CIRCULAR ECONOMY STAKEHOLDER PLATFORM (ECESP) GOES GLOBAL! SHOWCASING EUROPE'S EXCELLENCE IN THE CIRCULAR ECONOMY



On **17 & 18 January 2022** the ECESP will present Europe's pioneering work done by its Leadership groups in the field of the circular economy before a global audience at the Circular Europe Days in Dubai.

The Circular Europe Days will take place during the Dubai Expo Global Goals Week, coinciding with the Abu Dhabi Sustainability Week, which will attract an international audience including High State representatives.

The programme is rich and varied and covers various themes, ranging from buildings and infrastructure, circular procurement, electronics, economic incentives, food waste, and more. European Commissioners, members of the European Parliament, and representatives of the European institutions' highest levels will join the event to present Europe's vision for the circular economy.

Five Member States (Ireland, Slovenia, The Netherlands, Poland, and Finland) will be hosting the Circular Europe Days in their pavilions, highlighting national efforts to transition towards the circular economy.

There will also be matchmaking opportunities, supported by the Europe Enterprise Network, for businesses onsite and online to facilitate collaboration, urging further action towards a sustainable and inclusive future. During 6 days you can book meetings with interesting parties, involved in circular economy from all over the world!

The first 2 days (17-18 January)) the meetings will be hybrid: onsite for the people in Dubai and online for the others. From 19-22 January the meetings will be 24/7 online for all participants ('long-term' matchmaking). The matchmaking event is free and open for all participants, joining the Dubai EXPO, participating in missions and other organisations in the world, active in the field of circular economy.

[FIND OUT MORE ABOUT THE EVENT INFO AND REGISTRATIONS HERE.](#)

THE LUXEMBOURG CHAMBER OF COMMERCE AND ITS ENTERPRISE EUROPE NETWORK ARE ALL SET TO HOST THE INTERNATIONAL BUSINESS MATCHMAKING BY B2FAIR® EVENT AT THE WORLD EXPO DUBAI 2020.

INTERNATIONAL BUSINESS MEETINGS by **b2fair**

CONNECTING BUSINESSES,
CREATING GROWTH
@ THE WORLD EXPO 2020

VENUE: JUMEIRAH EMIRATES TOWERS
DATE: 23RD - 25TH JANUARY 2022

CHAMBER OF COMMERCE LUXEMBOURG | enterprise europe network | LUXEMBOURG TRADE & INVEST | EXPO 2020 DUBAI | LUXEMBOURG

The event will have an international dimension in line with Luxembourg's open spirit and vision of serving as a crossroads to access the European market. With a 3-day programme planned, this b2fair event will aim to showcase Luxembourg and European companies potential as well as facilitate the creation of new synergies and business partnerships during Expo 2020. Participants will have the possibility to participate in various side events, such as onsite visits in a special economic zone, thematic seminars, business networking opportunities and visits to selected pavilions at the World Expo. The event will gather many company delegates from the UAE and the Middle Eastern Region as well as numerous business delegations from the European Union and all over the world.

While the event will be multi-sectoral supporting a varied spectrum of SMEs, there will be a special emphasis on all priority sectors for the European economy in line with the Expo's theme: 'Connecting Minds, Creating the Future': ICT, transport, biotechnologies, mobility, ecotechnologies, industry 4.0, renewable energy, health tech, circular economy, sustainable development and logistics.

Special price of EUR 75 for the networks of the EU-GCC. Promo code: EUGCC

Consult the list of registered companies [here](#).

FIND OUT MORE ABOUT THE EVENT INFO AND REGISTRATIONS HERE.

EUROPEAN GREEN DEAL AND FARM TO FORK STRATEGY: HOW INNOVATION CAN SUPPORT THE TRANSITION TOWARDS GLOBAL SUSTAINABLE FOOD SYSTEMS



As part of EXPO 2020 in Dubai, the EU is organising a series of events focusing on EU policy priorities. One of these is the conference, "European Green Deal and Farm to Fork strategy: how innovation can support the transition towards global sustainable food systems" scheduled on **19 February 2022 in the French pavilion.**

The conference will focus on the importance of the transition towards a sustainable global food system, and will highlight the role that multi-actor research and innovation projects can play to help achieve this goal.

Showcasing European funded projects, the event will feature:

- Challenges and opportunities of the transition to sustainable food systems;
- Multi-actor and participative projects supporting sustainable farming;
- Multilateral approaches for greater efficiency and dissemination of outcomes to food chain actors.

Speakers from various parts of the world will share their experiences and bring out their contribution to the food system transition. A focus will be given to achieving greater resource efficiency worldwide through the use of research & innovation.

The conference will provide an opportunity for stakeholders from a range of backgrounds to exchange lessons learned and good practice, particularly around initiatives to improve soil health and water management as well as climate-related approaches for more sustainable farming and food production.

[FIND OUT MORE ABOUT THE EVENT INFO HERE.](#)

As part of its "More Than Food" promotion campaign across the Gulf region, the EU is organising EXPO 2020 activities in Dubai from January until the end of March. The EU Caravan will visit three popular locations in Dubai: the City Walk, La Mer and JBR Beach, offering tasting of a variety of food and beverage products from across the EU, as well as cooking shows and activities suitable for the whole family. Students of Dubai's International Centre for Culinary Arts will be invited to join a special masterclass in EU products given by acknowledged chef Micheel Uwe.

Finally, the EU will open its doors for a "More Than Food Festival" organised as part of the Taste of Dubai (tbc) in March, offering unprecedented opportunity to savour tastes and stories behind some of the best agricultural products from the EU.

For more details and a schedule of activities [here](#), or access the app: <https://more-than-food-expo-dubai.eu/>



20 EUROPEAN COMPANIES TO TRANSFORM THE FUTURE OF HEALTHCARE WITH THE EIC OVERSEAS TRADE FAIRS PROGRAMME



Nineteen outstanding companies were selected by the European Innovation Council (EIC) to join the European Pavilion at Arab Health 2022 under the EIC Overseas Trade Fairs (OTF) Programme 2.0. Based on concrete internationalisation goals and technological fit with the scope of the trade fair, a panel of expert independent evaluators identified game-changing innovations with the potential to scale up internationally and become market leaders.

Arab Health, the largest medical equipment exhibition in the Middle East, is all set to unite the global healthcare industry in Dubai, United Arab Emirates from 24 to 27 January 2022. The EIC-funded SMEs, startups and scale-ups will have a major opportunity to impress international audience with their exceptional solutions and forge strategic business partnerships with like-minded counterparts. The spectrum of EU innovations ranges from digital health products (remote sensing and wearables, telemedicine, predictive modelling, health and wellness behaviour modification tools) to innovative medical devices.

[FIND OUT MORE ABOUT THE EVENT INFO HERE.](#)

25 January, 18:30 - 19:30 (Dubai time)

A dialogue on sustainability, innovation, and the future of healthcare

Explore innovative concepts in securing sustainable healthcare for all with a view to answer hard questions about creating healthcare reform while gaining efficiencies in healthcare spend by harnessing the transformative power of the digital era.

- Funding the vision of Universal Health Coverage
- Economic growth and the intersection of healthcare sustainability
- Climate change and its impact on health for megacities
- Women leadership for global health
- The cost of digitalisation - is it for everyone?

Moderated by Dr Michele Barry, Director, Center for Innovation in Global Health, Senior Associate Dean for Global Health, Stanford University

Panelists:

- Dr. Alaa Murabit, Medical Doctor, Global Security Strategist, Women's Rights Advocate and United Nations High-Level Commissioner on Health, Employment & Economic Growth
- Dr. Sameh El-Saharty, Program Leader for Human Development, GCC Country Department, The World Bank
- Päivi Sillanaukee, Ambassador for Health and Wellbeing, Ministry for Foreign Affairs of Finland
- Dr. Rowland Illing, Chief Medical Officer and Director, International Government Health, Amazon Web Services (AWS)

If you would like to have any of your upcoming events featured in our next newsletter, please email Rania at rnseir@eugcc.eu

FOR MORE INFORMATION ON THE EU-GCC DIALOGUE PROJECT, AND TO DOWNLOAD RESEARCH REPORTS, NEWSLETTERS & OTHER PUBLICATIONS, PLEASE VISIT:

https://eeas.europa.eu/headquarters/headquarters-homepage/87855/eu-gcc-dialogue-economic-diversification-project_en

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@EUintheUAE
@eu_eeas
@Trade_EU

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As always, we welcome your feedback on the topics and sectors that interest you most and you would like to see covered in future editions of the newsletter. Please contact Rania Nseir, Event Management & Communications Expert at rseir@eugcc.eu for any suggestions and to subscribe or unsubscribe to any of our publications.

ABOUT US

The EU-GCC Dialogue on Economic Diversification is a project funded by the European Commission Service for Foreign Policy Instruments under the Partnership Instrument.

The project contributes to stronger EU-GCC relations by supporting the GCC countries in the ongoing process of economic diversification away from hydrocarbon-dependent sectors, including by funding regular EU-GCC Business Fora.

The purpose of this project is to promote climate-friendly trade, investment and economic affairs-related policy analysis, dialogue, and cooperation between stakeholders from the EU and GCC at both regional and country levels in the context of the GCC economic diversification process.

