



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 month features an interview with **HE Lucie Berger, Ambassador of the European Union to the United Arab Emirates** who shares her insights on a wide range of topics, from trade and sustainability to diplomacy and cultural exchanges. Her vision for strengthening cooperation between these two influential regions offers a glimpse into the future of collaborative global endeavors.

This month in the Knowledge Hub, we introduce the **Briefing on World Economic Forum Global Risks Report 2023 and an analysis of the EU27 and GCC risks landscape.**

The project is busy planning for a couple of events scheduled in Q1 of 2024. Check the events page for more details and how to register.

In selecting and preparing the content for 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 rnsair@eugcc.eu.

TABLE OF CONTENTS

[In dialogue with HE Lucie Berger, Ambassador of the European Union to the United Arab Emirates. pp.2-5](#)

[Top Headlines pp. 6-12](#)

[The Knowledge Hub pp.13-14](#)

[Events p.15-16](#)

[About Us p.17](#)





IN DIALOGUE WITH HE LUCIE BERGER, AMBASSADOR OF THE EUROPEAN UNION TO THE UNITED ARAB EMIRATES



Q

As the new EU Ambassador to the UAE, what are your primary strategic goals for further deepening the relationship between the EU and the UAE during your tenure?

A

The EU together with its twenty-seven Member States and the UAE are traditionally key political, economic and security partners and the importance of this very rich and wide-ranging collaboration is rapidly increasing in the changing global and regional context. The EU highly values the very reliable and productive exchanges with our UAE partners in areas as various as trade and investment, climate action, sustainable energy, customs cooperation, humanitarian assistance, or women empowerment, and the list is long.

However, if I were to name one strategic objective for my tenure as Ambassador in the UAE this would be my clear intention to demonstrate the huge potential in engaging with Europe also at the EU level to our Emirati counterparts. This means the opportunity to utilize the vast expertise offered by our unique, supranational institutions including in developing cutting-edge policies and regulations at a Continental scale and often with global impacts as well as comprehensive cooperation frameworks with third countries.

Q

Given your extensive experience in trade and climate action, how do you plan to enhance trade relations between the EU and the UAE, particularly in the context of both countries' commitment to sustainable trade practices?

A

Let me start by recalling that EU-UAE trade and investment relations are thriving. In 2022 the UAE was our second largest trading partner in the MENA region and first export market with an accumulated volume of trade in goods almost reaching EUR 50 Billion with an additional EUR 26 Billion trade in services. In addition, the UAE is the EU's number one investment destination in the region attracting more than 80% of the stock of EU FDI in these' countries surpassing EUR 150 Billion in 2021 (last available data) and the UAE is also a leading investor in the EU. These positive trends are confirmed by the figures published in the first nine months of 2023. But there is a huge potential to further enhance trade and investment relations.

The EU has made clear that by 2050, it aims to be climate-neutral. Given the urgency to act, we have moreover set an ambitious goal to achieve a 55% reduction of greenhouse gas emissions by 2030. This objective is at the heart of the Green Deal our comprehensive policy and regulatory framework to attain these objectives notably in the economic context by giving governments and operators the support and incentives to accelerate their transition towards a sustainable economic model. But the EU's Green Deal is not only a comprehensive response to the climate imperative but also a very efficient and promising initiative to generate new business opportunities by helping the emergence of a novel sustainable and circular economic model.

This also provides new areas for economic cooperation worldwide with trusted and committed partners notably the UAE which is promoting economic diversification and sustainability and participation in global value chains. In many of these areas, the EU has cutting-edge technologies and regulations to offer and this will provide new opportunities for stepped-up EU-UAE economic engagement.

As to the important area of trade and sustainability, trade policy can and should play a significant role in promoting these objectives and the EU has already taken important measures to promote this agenda internally in line with our multilateral commitments. On this and other trade-related issues, we are in close conversation with our UAE counterparts who will host the next WTO Ministerial Meeting (MC13) at the end of February in Abu Dhabi.



With the UAE hosting COP28 and your background in climate action, what specific initiatives or collaborations are you envisaging to foster a joint approach toward addressing global climate challenges?



Let me first stress that the UAE both as a host country and as a Presidency did an excellent job in ensuring a successful outcome at COP28 in Dubai. We also welcomed the attention given by the Presidency to topics generally at the margins of the negotiations. The thematic programme shed new light on the impact that climate change has on health, women, youth and children, vulnerable countries, etc. The final text was of course a compromise and the EU would have possibly liked to go further in some regards. Still, the text eventually adopted has the great benefit of setting the direction for all the stakeholders worldwide including governments, economic operators, investors consumers by including a commitment to “transiting away from fossil”. This is sending a very clear signal to all the relevant players and will also certainly have a positive impact on EU-UAE economic and policy cooperation building on and reinforcing already existing engagements.

In particular, I see important potential in areas covered by some of the global pledges adopted at COP28 notably on tripling renewable energy production and doubling energy efficiency as well as eliminating methane emission by 2030. Beyond the very significant climate change mitigating effects stemming from the implementation of these measures, I see also an important potential in EU-UAE partnerships in these areas with economic operators (investors, technology companies, service providers, etc.) on both sides already active in our countries and the above clear commitments reached at COP28 will certainly boost these engagements.



How does the EU's Green Deal align with the UAE's sustainability goals, and what opportunities do you see for collaboration in areas like sustainable energy and environmental protection?



As mentioned above under the European Green Deal, the EU will become climate-neutral by 2050. The UAE plans to become carbon neutral in the same time frame. While still being a very energy-intensive economy, the UAE signed up during its COP28 Presidency to triple renewables and double energy efficiency in the country by 2030. Masdar, UAE's renewables leader has also ambitious green investment plans abroad, including in the MENA region. The EU therefore foresees to cooperate with the UAE on renewables and energy efficiency measures to accelerate the global energy transition. Another interesting track for possible cooperation is renewable hydrogen. As laid out in its Hydrogen Leadership Roadmap, the UAE plans to become a leading hydrogen exporter. The UAE could therefore make an important contribution to the EU's energy security in the future. We are in the process of establishing an EU-UAE Hydrogen Working Group to exchange best practices in policy design and regulation.

As regards collaboration on environmental issues, we could focus on three sectors, namely: sustainable water management; the transition to a resource-efficient, low-carbon circular economy; and biodiversity protection.

Water is a finite resource and the sustainable management of water is integral in addressing both energy and food security. Water reuse, in particular, is an area with considerable potential, as a more cost-effective alternative to desalination with less impact on the environment.

A circular economy is a means of production and consumption that aims to minimize waste and pollution by reusing limited resources. Sustainable waste management is a key element to it, with the sustainable collection, recovery, and recycling of waste materials creating economic opportunities while simultaneously reducing the negative impacts of waste disposal.

Biodiversity degradation and loss is a global crisis that threatens human beings, through the impact on food production as a result of degraded soil and water and a loss of pollinators, a proliferation of pests, and an increase in CO2 emissions. Action on biodiversity protection and restoration is critically needed, in light of a global commitment to protect at least 30% of the world's land and seas by 2030. This means action at a national and regional level as well as integrating biodiversity protection into international development assistance.



Considering the evolving geopolitical landscape, what are your views on strengthening EU-UAE cooperation in diplomatic actions to address regional and global challenges?



The EU has traditionally been and will remain a staunch supporter of a rules-based international system. Our internal functioning with supra-national institutions and 27 countries working closely together in a wide range of policy areas is based on clear and enforceable rules. We also believe that in the global context relying on multilateral rules and obligations among countries as well as non-state actors is the only way to ensure peaceful coexistence and economic prosperity for all. Hence our unwavering commitment to support the good functioning of international institutions be it in the WTO or the UN bodies notably in the area of climate mitigation as was demonstrated by the EU's active involvement at COP28.

In this regard, the EU and the UAE -- have been natural partners in the past. Given recent developments and challenges in the global and regional order I am convinced that this partnership will grow even stronger in the future.



Beyond trade and politics, how do you plan to promote cultural and educational exchanges between the EU and the UAE to foster deeper mutual understanding and collaboration?



This is indeed a very crucial area in which we should strive to tap into the full potential of bilateral cooperation. Culture is a domain on which our countries have a lot to offer to each other and we are working on some specific projects to further promote cultural exchanges. Here I can refer to an excellent project in the process of implementation which is the organization of a European Film Festival in Abu Dhabi in the not-too-distant future streaming both European and Emirati films.

In the domain of education, there are already significant exchanges between EU and Emirati education establishments and researchers in the context of the Erasmus programme. However, we see a potential to further these exchanges and have more students from the UAE spend time in European Universities and vice-versa. And around our Europe Day celebrations on the 9 of May, we are also planning to organize a simulation of the EU's internal decision-making context (so-called Model EU whereby participants represent the positions of the respective EU Member States as well as EU institutions in negotiating mode) for Emirati students to familiarize them with the complex but efficient way our system is functioning.

SAUDI ARABIA'S STRATEGIC ENGAGEMENT AT WEF DAVOS 2024

At the World Economic Forum (WEF) Annual Meeting 2024 in Davos, Saudi Arabia's delegation, led by H.H. Prince Faisal bin Farhan bin Abdullah, Minister of Foreign Affairs, marked a strong presence with significant contributions and strategic agreements:

- **Delegation Composition:** The high-level delegation included prominent figures like H.R.H Princess Reema bint Bandar AlSaud, U.S. Ambassador; H.E. Dr. Majid A. Alkassabi, Minister of Commerce; H.E. Adel A. Aljubeir, Minister of State for Foreign Affairs; and other key ministers.
- **Engagement in Key Sessions:** The Saudi delegation actively participated in sessions addressing global challenges. Topics included global security, seamless services, Gulf economies, and the future of banking and technology in Saudi Arabia.
- **Saudi House Initiative:** Launch of the 'Saudi House: Bold Visions Series', a platform for discussing economic development, with a focus on the blue economy, tourism, and technology investments.
- **Major Agreements and Announcements:**
 - a. **Hosting WEF Special Meeting in Riyadh (April 2024):** A major step in strengthening global cooperation, the meeting will bring together over 700 leaders from various sectors to foster international dialogues and solutions.
 - b. **Partnership with WEF's UpLink Platform:** Signing two agreements aimed at fostering innovative solutions to environmental and sustainability issues, particularly focusing on ocean health, biodiversity, and circular carbon economy.
 - c. **MOU with the OECD:** A commitment to enhancing policy cooperation in areas like the economy, corporate governance, and sustainability.
- **Key Panels and Discussions:** The delegation contributed to panels such as 'Regulating Non-Banks, Bold Steps for a Sustainable MENA', 'Resilience: What It Means and What to Do About It', and 'Supply Chains of the Future'. A special panel on 'Saudi Arabia: The Course Ahead' highlighted Saudi Arabia's role in promoting regional peace, security, and prosperity.
- **Global Role Affirmed:** Through these engagements and agreements, Saudi Arabia showcased its commitment to playing a key role in global economic diversification, sustainable development, and international cooperation.



Source: [Click here.](#)

SAUDI ARABIA TO HOST WORLD ECONOMIC FORUM SPECIAL MEETING IN APRIL 2024

- Event: World Economic Forum (WEF) Special Meeting
- Dates: April 28-29, 2024
- Location: Riyadh, Kingdom of Saudi Arabia
- Announcement: Made at the 54th Annual Meeting of the WEF in Davos, Switzerland.
- Key Announcers:
 - His Excellency Faisal F. Alibrahim, Minister of Economy and Planning, Saudi Arabia.
 - Børge Brende, President of the World Economic Forum.
- Primary Focus:
 - Global cooperation
 - Economic growth
 - Energy challenges and opportunities
- Attendees:
 - Over 700 global leaders
 - Representatives from the public and private sectors
 - International organizations
 - Non-governmental organizations (NGOs)
 - Academia
 - Civil society
- Objectives:
 - Facilitate dialogues between countries
 - Revive international cooperation
 - Tackle current global challenges related to growth and development
- Saudi Arabia's Role:
 - Described as a global capital for progress and thought leadership
 - Positioned as a key player in bridging divides between developed and emerging economies
 - Strategic location as a hub connecting Asia, Africa, and Europe
 - Midway point between the Global South and the Global North
- Historical Context:
 - Follows Saudi Arabia's presidency of the G20 in 2020
 - Builds on the longstanding partnership between Saudi Arabia and the WEF
- Importance:
 - The meeting underscores Saudi Arabia's commitment to shaping global agendas
 - Focuses on fostering international cooperation and addressing global challenges
 - Aims to create a platform for transformative ideas and positive global impact

EU LAUNCHES COMPREHENSIVE INITIATIVES TO FORTIFY ECONOMIC SECURITY

In response to increasing geopolitical tensions and technological transformations, the European Commission has unveiled a set of five strategic initiatives under the European Economic Security Strategy. These measures aim to strengthen the EU's economic resilience while maintaining the openness of its trade, investment, and research sectors.

Key Components of the EU's Economic Security Package:

1. Foreign Investment Screening Enhancement:
 - The EU proposes to fortify its screening of foreign investments, ensuring all Member States have robust mechanisms in place.
 - The focus is on harmonizing national rules and extending screening to cover EU investments controlled by non-EU entities.
2. Coordinated Approach to Export Controls:
 - Initiating discussions on a more unified European response to export controls, particularly for dual-use goods like advanced electronics and nuclear technology.
 - Proposes uniform EU controls for items not covered by multilateral export control regimes.
3. Monitoring Outbound Investment Risks:
 - A step-by-step analysis of outbound investments, especially in advanced technologies, to assess risks to EU security.
 - Involves stakeholder consultation and a 12-month monitoring period, leading to a joint risk assessment report.
4. Support for Research in Dual-Use Technologies:
 - Public consultation on enhancing support for R&D in dual-use technologies, with potential to be used for civil and defense purposes.
 - Three options are being considered: expanding current setups, altering focus on civil applications, or creating a dedicated R&D instrument for dual-use technologies.
5. Research Security Enhancement:
 - Proposal for a Council Recommendation to safeguard EU research and innovation against external threats and exploitation.
 - Focuses on ensuring open yet secure international research cooperation, following the principle 'as open as possible, as closed as necessary'.

Strategic Importance and Future Actions:

- These initiatives are part of a broader three-pillar approach to promote competitiveness, protect against risks, and foster global partnerships.
- Future actions will be informed by ongoing risk assessments and strategic coordination with Member States.

Significance of the Initiatives:

- The EU's approach signifies a proactive stance in addressing economic security challenges while ensuring that its market remains open and competitive.
- It reflects an adaptive and collaborative approach to safeguarding the EU's economic interests in a rapidly evolving global landscape.

[Source: Click here.](#)

UAE PREPARES TO HOST INFLUENTIAL WORLD GOVERNMENT SUMMIT 2024

The United Arab Emirates is gearing up for the World Government Summit (WGS) 2024, set to take place in Dubai from February 12 to 14 under the patronage of UAE President Sheikh Mohamed bin Zayed Al Nahyan. This prominent event is anticipated to draw over 4,000 participants, making it the largest annual global government gathering.



Key Highlights of WGS 2024:

- Theme: 'Shaping Future Governments' aims to explore the development of future government models.
- Global Participation: Expected attendance includes representatives from over 50 governments, world leaders, Nobel laureates, and leaders from significant international organizations like the World Bank Group and the IMF.
- Private Sector Involvement: High-profile figures such as Sam Altman (OpenAI), Guillaume Faury (Airbus), Jensen Huang (NVIDIA), and other tech giants will participate.
- Rich Agenda: The summit features 110 dialogues, 15 forums, focusing on AI, healthcare, economic growth, and food security.
- Record International Representation: The 2024 edition boasts the highest participation from international organizations since its inception.
- 80 Agreements Signed: Reflecting the summit's significant impact and reach.
- Partnerships: Inclusive collaborations with partners like the Telecommunications and Digital Government Regulatory Authority, Dubai RTA, DEWA, and others.

Distinctive Approach:

- Unlike Davos, which focuses on crises, the World Government Summit is forward-looking, emphasizing future government shaping and international cooperation.

The WGS 2024 in Dubai represents a pivotal platform for global leaders and experts to envision and shape the future of governments, fostering innovation and international partnerships for a better tomorrow.

Source: [Click here.](#)

UAE MEGAPROJECTS: FROM WORLD'S TALLEST TOWERS TO MANMADE ISLANDS, 20 PROJECTS ON THE WAY

The United Arab Emirates continues to astonish the world with its ambitious megaprojects, redefining urban development and luxury. Here are the key highlights:

1. **Ciel Tower, Dubai:** Poised to be the world's tallest stand-alone hotel at 365 meters, featuring over 1,000 guest rooms, an observatory lounge, and a rooftop infinity pool. Expected completion: 2024.
2. **Marsa Al Arab, Dubai:** An architectural marvel with a superyacht-inspired design, offering sea-facing rooms, private villas, and exclusive amenities. Opening in phases throughout 2024.
3. **Dubai Wasl Tower:** A 64-floor tower with the region's largest ceramic facade and a mix of residential units, hotel rooms, and office space. Completion anticipated in mid-2024.
4. **Burj Binghatti, Dubai:** Set to become the world's tallest residential tower by 2026, offering luxury amenities including an infinity pool and bespoke services.
5. **Dubai Creek Tower:** Undergoing a redesign, this cable-tied tower is set to surpass the height of Burj Khalifa. New plans to be unveiled in 2024, with completion by 2025.
6. **Al Habtoor Tower:** A \$3 billion residential building standing 345 meters tall with over 1,700 units, set for completion in Q3 2026.
7. **Palm Jebel Ali:** An expansive tourist attraction, featuring 80 hotels and resorts, and a range of leisure amenities.
8. **The World Islands:** Continuing development, with the Cote d'Azur Monaco Hotel already open and more properties to come by 2026.
9. **Dubai Islands:** A development of five unique islands, offering resorts, hotels, and various recreational facilities.
10. **Hatta Redevelopment:** Aiming to transform Hatta into a year-round tourist destination with a range of new amenities.
11. **Mohammed bin Rashid Solar Park:** The world's largest solar park, expanding Dubai's clean energy capacity, with new phases opening in the coming years.
12. **Dubai Metro Blue Line:** A new 30km metro line connecting key areas in Dubai, set to open in 2029.
13. **Etihad Rail:** The UAE's extensive rail network, with future passenger services planned.
14. **Hudayriyat Island, Abu Dhabi:** A massive development featuring residential communities, sports, and leisure facilities.
15. **Jubail Island, Abu Dhabi:** A serene residential space amidst a mangrove reserve, aiming for completion in a few years.
16. **Natural History Museum, Abu Dhabi:** An educational journey through time and space, set for completion at the end of 2025.
17. **Saadiyat Grove:** A dynamic mixed-use development with residential units, hotels, and entertainment spaces.
18. **Zayed National Museum:** Celebrating UAE's history and its founding father, featuring distinctive architecture.
19. **Guggenheim Abu Dhabi:** An iconic museum by Frank Gehry, opening in 2025.
20. **Aljada, Sharjah:** A mixed-use development near Sharjah's airport, with residential units, hotels, schools, and entertainment spaces.

[Source: Click here.](#)

PRESIDENT VON DER LEYEN ADVOCATES GLOBAL COLLABORATION AT WORLD ECONOMIC FORUM

At the World Economic Forum in Davos, European Commission President Ursula von der Leyen emphasized the necessity of global collaboration to address contemporary challenges. Key highlights from her participation include:



- **Focus on Misinformation:** The "Global Risks Report" identified dis- and misinformation as major concerns, impacting our ability to tackle global issues like climate change and geopolitical tensions.
- **Call for Business-Government Cooperation:** Von der Leyen stressed the importance of joint efforts between governments and businesses to foster prosperity, innovation, and equal opportunities.
- **Emphasis on Democracy and Freedom:** 2024 is a pivotal year with significant global elections, including 450 million people voting in the European elections. The President highlighted Ukraine's struggle for democracy as emblematic of broader European values.
- **European Green Deal and Energy Transition:** The EU's response to Russia's energy weaponization through the European Green Deal was underlined, focusing on reducing emissions and leading the clean energy economy.
- **AI Leadership and Regulation:** The EU aims to be a frontrunner in AI advancements, balancing innovation with responsible use. The EU's AI Act sets standards for high-risk AI applications, establishing trust and innovation space.
- **Bilateral Meetings and Partnerships:** Von der Leyen met with global leaders like Swiss Confederation President Viola Amherd, Ukraine's Volodymyr Zelenskyy, Israel's Isaac Herzog, US Secretary of State Antony Blinken, and Chinese Premier Li Qiang to discuss various geopolitical and bilateral issues.

President von der Leyen's participation at the WEF highlighted the EU's commitment to addressing global challenges through cooperation, technological advancement, and upholding democratic values.

Source: [Click here.](#)

EU SPACE: THE TOP 5 PRIORITIES FOR 2024 AND BEYOND

The European Union is charting a bold course for its space policy, setting five major priorities to enhance its role as a global space power. These priorities, aligned with the new EU space program, emphasize innovation, security, and commercial development in the space sector.

1. EU Single Market for Space with New Space Law:

- The upcoming EU Space Law aims to unify diverse space regimes across Europe, establishing common rules focused on safety, resilience, and sustainability.
- The law will address security concerns, setting minimum requirements for space systems and cyber security risk management, enhancing Europe's global standing in space norms and standards.

2. Regaining Sovereign Access to Space:

- Europe faces a crisis in independent space access, impacting the deployment of key EU projects like Galileo and Copernicus.
- The EU plans to support Ariane 6 and Vega C as baseline launchers and to reframe its launcher policy within an EU framework, including aggregating demand for launch services and fostering innovation in the sector.

3. Developing European 'Space Domain Awareness':

- A proposed European 'Space Domain Awareness' system will monitor space infrastructures and threats, enhancing the safety and security of EU space operations.
- This system will integrate national and European assets, ensuring a comprehensive approach to space safety and security.

4. Enhancing the Defense Aspect of Space Programs:

- The EU seeks to unlock the full defense potential of space programs like Galileo and IRIS², providing secure communications and military applications.
- Initiatives include developing an EU Earth-Observation governmental service and increasing synergies with European Defence Fund projects.

5. Boosting Space Commercialization:

- The EU is committed to fostering space entrepreneurship, aiming to unlock significant private investment for space start-ups.
- Key efforts include the Copernicus Dynamic Purchasing system and CASSINI support for over 200 companies in accessing finance, institutional contracts, and in-orbit validation.

Conclusion and Future Outlook:

- These priorities are set against the backdrop of new challenges, including geopolitical tensions and technological shifts.
- The EU's space policy is now a fundamental part of its broader policy framework, with a new program and budget being prepared beyond 2027.



Source: [Click here.](#)

BRIEFING ON WORLD ECONOMIC FORUM GLOBAL RISKS REPORT 2023 AND ANALYSIS OF EU27 AND GCC RISKS LANDSCAPE

The project team prepared a briefing that identifies the most severe perceived risks to economies and societies over the next two years and the next 10 years. The briefing is based on the **WEF Global Risks Report 2023** and additional analysis conducted by the project team based on WEF data. The analysis presents the risks identified at the national level and their frequency as well as a comparison of the risks' severity as perceived by each of the EU27 MS and GCC members.

Cost of living dominates global risks in the next two years while climate action failure dominates the next decade

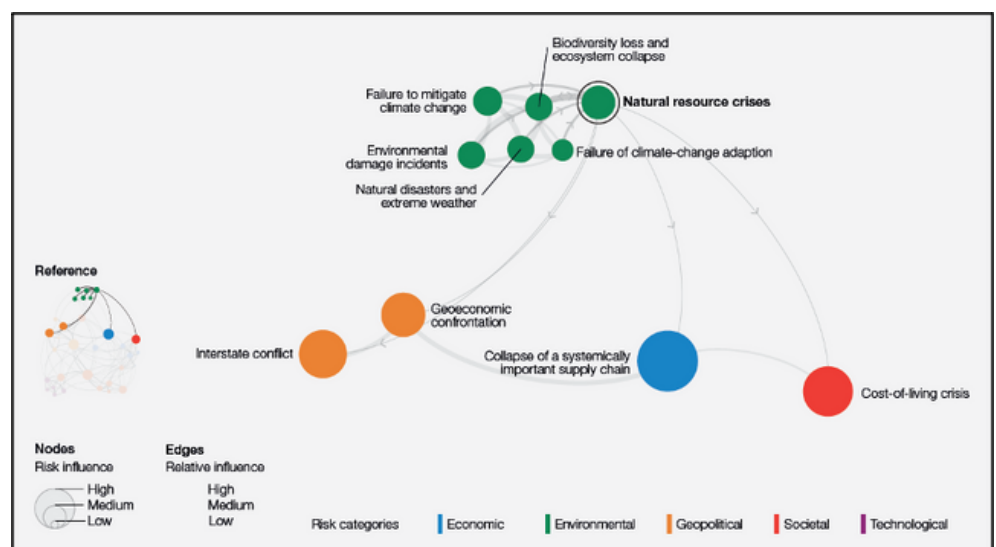
The next decade will be characterized by environmental and societal crises, driven by underlying geopolitical and economic trends. “Cost-of-living crisis” is ranked as the most severe global risk over the next two years, peaking in the short term. Economic impacts are often cushioned by expansive fiscal policy and government programmes in countries that can afford them.

Both governments and businesses participating in the survey assessed the “Cost of living crisis” and the “Natural disasters and extreme weather events” as the top two risks over the short-term. However, there were some notable differences between the responses of government and business respondents regarding the other risks included in the top 10. “Debt crises”, “Failure to stabilize price trajectories”, “Failure to mitigate climate change” and “Failure of climate change adaptation” featuring more prominently for governments, and “Widespread cybercrime and cyber insecurity” and “Large-scale environmental damage incidents” perceived as more severe by businesses.

Resource rivalries can lead to polycrisis

In recent years the demand-supply gap for natural resources – food, water, energy - has been growing and it is escalating, due to a number of factors, including continued population growth, anticipated to reach 8.5 billion by 2030 and socioeconomic advancement, with a push to achieve the UN Sustainable Development Goals (SDGs) by the target date of 2030.

The continued expansion into secure, renewable energy and related infrastructure will also drive exponential demand for finite critical metals and minerals.



Risks ranking at the national level in the EU27 and the GCC

Out of 35 risks assessed, the EU27 Member States found 22 of them relevant. The table below provides a list of all the risks identified by the EU27 Member States in the top five for their economy and the number of Member States who selected the risk as being in the top five.

Counter	Risk	Number of EU27 MS countries who ranked the risk in the top 5
1	Rapid and/or sustained inflation	26
2	Severe commodity price shocks	17
3	Cost-of-living crisis	16
4	Geoeconomic confrontation	16
5	Interstate conflict	12
6	Debt crises	9
7	Severe commodity supply crises	8
8	Failure of climate-change adaptation	6
9	Geopolitical contestation of resources	6
10	Asset bubble burst	3
11	Breakdown of critical infrastructure	3
12	Employment and livelihood crises	3
13	Proliferation of illicit economic activity	2
14	Prolonged economic stagnation	2
15	Collapse of a systemically important industry	1
16	Digital inequality	1
17	Erosion of social cohesion	1
18	Human-made environmental damage	1
19	Infectious diseases	1
20	Natural disasters and extreme weather events	1
21	State collapse	1
22	Terrorist attacks	1

Source: Author’s table and calculations based on WEF Global Risk Report 2023 data

For the list of top five risks identified by each of the EU27 Member States, please refer to the full report [HERE](#).

GCC countries - Top 5 identified risks

For 5 out of the 6, “Cost-of-living crisis” is the top risk, except for Oman where it is ranked as the 3rd highest risk. Oman ranks “Debt crises” as the top risk, which is also a perceived high risk by Bahrain, who ranked it as 2nd. All GCC countries rated “Severe commodity price shocks” within the top five risks, ranked as 3rd or 4th. With the exception of Oman, the risk of “Rapid and/or sustained inflation” ranks in the top four risks for the GCC countries.

Qatar, Saudi Arabia and the UAE ranked “Failure of cybersecurity measures” as a high risk. “Geopolitical contestation of resources” is ranked in the top five risks by Oman, Qatar and the UAE.

	Bahrain	Kuwait	Oman	Qatar	Saudi Arabia	UAE
1	Cost-of-living crisis	<ul style="list-style-type: none"> Cost-of-living crisis Rapid and/or sustained inflation 	Debt crises	Cost-of-living crisis	Cost-of-living crisis	Cost-of-living crisis
2	Debt crises		Natural disasters and extreme weather events	<ul style="list-style-type: none"> Geoeconomic confrontation Natural disasters and extreme weather events 	Interstate conflict	Rapid and/or sustained inflation
3	Severe commodity price shocks	Severe commodity price shocks	<ul style="list-style-type: none"> Cost-of-living crisis Severe commodity price shocks 		Rapid and/or sustained inflation	Severe commodity price shocks
4	<ul style="list-style-type: none"> Prolonged economic stagnation Rapid and/or sustained inflation 	<ul style="list-style-type: none"> Human-made environmental damage Interstate conflict 		<ul style="list-style-type: none"> Failure of cybersecurity measures Geopolitical contestation of resources Rapid and/or sustained inflation Severe commodity price shocks 	<ul style="list-style-type: none"> Breakdown of critical infrastructure Failure of cybersecurity measures Severe commodity price shocks 	Geopolitical contestation of resources
5			<ul style="list-style-type: none"> Geopolitical contestation of resources Proliferation of illicit economic activity 			<ul style="list-style-type: none"> Failure of cybersecurity measures Geoeconomic confrontation

Source: Author’s table based on WEF Global Risk Report 2023 data

Actions to increase risk preparedness

As a deteriorating economic outlook brings tougher trade-offs for governments facing competing social, environmental and security concerns, investment in resilience must focus on solutions that address multiple risks, such as funding of adaptation measures that come with climate mitigation co-benefits, or investment in areas that strengthen human capital and development.

Several cross-cutting principles can support preparedness across themes: 1) strengthening risk identification and foresight, 2) recalibrating the present value of “future” risks, 3) investing in multi-domain risk preparedness and 4) strengthening preparedness and response cooperation.

For more details, please refer to full report [HERE](#).

UPCOMING EVENTS:

Event: Establishment of the European Chamber of Commerce in Bahrain

Date: 28 February 2024

Time: 14:00 - 17:00 GST

Venue: Ritz Carlton Bahrain



ESTABLISHMENT OF THE EUROPEAN CHAMBER OF COMMERCE IN BAHRAIN

Bahrain is entering a promising phase of growth, opening up new opportunities for European businesses. In recognition of this potential, we are gathering to assess the viability and enthusiasm for the establishment of the **European Chamber of Commerce (ECC) in Bahrain**. This event is a chance for us to explore together how such a chamber could support our business needs, improve trade, and influence policies that favor both European companies and Bahrain's development.

Why Attend?

- **Network with Peers:** Connect with fellow European companies, Bahraini businesses, and key policymakers.
- **Influence Policy:** Be a voice in the advocacy efforts that will shape the trade landscape in Bahrain and the EU.
- **Gain Market Insights:** Learn from success stories and market analyses presented by distinguished speakers.
- **Steer the ECC's Direction:** Take part in discussions that will define the ECC's objectives and services.

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A project funded by the European Union



Delegation of the European Union
to Saudi Arabia, Oman and Bahrain

ESTABLISHMENT OF THE EUROPEAN CHAMBER OF COMMERCE IN BAHRAIN

TENTATIVE AGENDA

13:30 – 14:00 GST	Registration & Refreshments
14:00 – 14:20 GST	Opening Remarks <ul style="list-style-type: none"> • Representative of the EU • Representative of the Bahrain Government
14:20 – 15:00 GST	Presentation: "From Challenges to Success: Case Studies on Business Dialogue, Sectoral Issues, and Chamber Successes" <ul style="list-style-type: none"> • A European Chamber Perspective by Mr. Freddie Hoeglund, CEO, European Chamber of Commerce Taiwan • A National Business Chamber Perspective by Mr. Frederik Boye, CEO, Swedish Chamber of Commerce Taipei (TBC)
15:00 – 15:20 GST	Presentation: "The Establishment of the European Chamber of Commerce in the Kingdom of Saudi Arabia" <ul style="list-style-type: none"> • Mr. Kristijonas Gedvilas, CEO, ECCSKA
15:20 – 15:40 GST	Presentation: "Gateway for European Companies: The Role of a European Chamber in Third Markets" <ul style="list-style-type: none"> • Ms Sue Donoghue, CEO Arab Cluster, DHL Global Forwarding, (Bahrain, Kuwait & Saudi Arabia)
15:40 – 16:30 GST	Open Forum: Joint discussion with all speakers and participants
16:30 – 16:35 GST	Closing Remarks <ul style="list-style-type: none"> • Mr. Douglas Aitkenhead, Team Leader, The EU-GCC Dialogue on Economic Diversification Project
16:35 – 17:00 GST	Networking

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UPCOMING EVENTS:

Event: Building Sustainable Futures in the EU & KSA - Smart Buildings & Smart Technologies

Date: 6 March 2024

Time: 08:30 - 13:30

Venue: Rosh Rayhaan by Rotana Hotel



6 MARCH 2024
08:30 - 13:30

ROSH RAYHAAN
BY ROTANA

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BUILDING SUSTAINABLE FUTURES IN THE EU & KSA - SMART BUILDINGS & SMART TECHNOLOGIES

DISCUSSIONS AND INSIGHTS

- **Explore Cutting-Edge Policies & Regulations:** Unpack the European Union's regulatory framework, including the Energy Efficiency Directive and Green Deal, and discuss Saudi Arabia's roadmap towards an optimized regulatory environment for smart buildings in line with Vision 2030.
- **Unleash the Potential of Smart Technologies:** Delve into the integration and optimization of smart technologies in building systems, from automation to renewable energy interaction, tailored to the unique climatic conditions of the GCC region.
- **Drive Sustainability & Efficiency:** Discover how the Smart Readiness Indicator (SRI) can guide the implementation of intelligent building operations, energy efficiency, and adaptability to occupant needs and grid signals, contributing to global climate action efforts.
- **Foster Economic Diversification & Digital Transformation:** Learn about the transformative impact of digital technologies in the building sector, enabling predictive maintenance, intelligent decision-making, and opening up new opportunities for local businesses and investment in sustainable infrastructure.
- **Networking & Collaborative Opportunities:** Engage with an array of public and private sector stakeholders, from policymakers to system integrators, and participate in a platform designed to inspire implementation, partnership, and investment in the future of smart living spaces.

EU-GCC Dialogue on Economic Diversification
A project funded by the European Union



Delegation of the European Union
to Saudi Arabia

PROPOSED AGENDA

08:30 - 09:00	Registration & Welcome
09:00 - 09:10	Opening Remarks
09:10 - 10:00	Session One: Policies for a Stable Environment for Smart Buildings and Smart Technologies
	<p><i>Presentations:</i></p> <ul style="list-style-type: none"> • Policy framework for smart buildings in the EU • Roadmap of the Kingdom of Saudi Arabia for strengthening the regulatory framework for Smart Buildings and Smart Building Technologies <p><i>Panel Discussion:</i> Policies for a Stable Environment for Smart Buildings and Smart Technologies:</p>
10:00 - 10:50	Session Two: Smart Technologies for New and Existing Buildings
	<p><i>Presentations:</i></p> <ul style="list-style-type: none"> • Implementing Smart Technologies in Buildings • Building Operating Systems <p><i>Panel Discussion:</i> Technologies for Smart Buildings</p>
10:50 - 11:00	Coffee Break
11:00 - 11:50	Session Three: The Market Potential for Smart Buildings in KSA and Innovative Business Models
	<p><i>Presentations:</i></p> <ul style="list-style-type: none"> • Smart Buildings Potential in KSA • Innovative Business Models for Smart Buildings <p><i>Panel Discussion:</i> KSA Smart Buildings Market</p>
11:50 - 12:15	Session IV: Open Forum
	Joint discussion with all speakers and participants on business opportunities and challenges for the EU & KSA
12:15 - 12:20	Closing Remarks
12:20 - 13:30	Lunch & Networking

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

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YOUR FEEDBACK COUNTS

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, Events & 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.

THE TEAM

Team Leader: [Douglas Aitkenhead](#)

Events & Communications Expert: [Rania Nseir](#)



EU-GCC Dialogue on Economic Diversification

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SCAN ME
to learn more about the project