



# 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 Christophe Farnaud, Ambassador, Delegation of the European Union to Saudi Arabia, Bahrain & Oman** who shares his vision of EU-GCC relations, the role of the new European Chamber of Commerce in Saudi Arabia, and the EU's contributions to realising the GCC's ambitious developmental visions.

This month in the Knowledge Hub, we introduce the **Briefing on Global and GCC Forecast and Policy Recommendations – Increasing economic resilience during geopolitical and commodity trade fragmentation.**

Don't forget to check out our events page on our website for summary reports of all recent events hosted.

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](mailto:rnsair@eugcc.eu).

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## IN DIALOGUE WITH HE. CHRISTOPHE FARNAUD, AMBASSADOR, DELEGATION OF THE EUROPEAN UNION TO SAUDI ARABIA, BAHRAIN & OMAN



Q

**As Ambassador to the Kingdom of Saudi Arabia, Bahrain, and Oman, you're in a unique position to observe the economic landscape across these nations. Could you share any common trade and investment opportunities that are emerging within the GCC that might be particularly appealing to our European stakeholders?**

A

There are many! Historically, the Gulf region is known as an energy region. Indeed, the majority of exports from most Gulf countries are hydrocarbons while the EU's exports are mainly machinery, transportation and heavy equipment. Through the various Vision programmes of the Gulf countries, there is a prospect that this economic landscape is becoming increasingly diversified.

This is a great opportunity for EU companies that have experience and know-how in areas such as construction, tourism, culture, sports and entertainment, digital transformation, green technologies, logistics, or mining. The European brands have a very good name in the GCC and they are welcomed in the region. The Gulf countries also have placed a lot of emphasis on quality and are less price sensitive. This is a real advantage for European products and services.

Q

**Given the significance of the Saudi market, could you elaborate on how it stands as a beacon for generating investment and trade opportunities, especially for EU-based SMEs? How do you envision these opportunities evolving in the near future?**

A

Saudi Arabia is the only Arab country in the G20 and it is home to the biggest economy in the Middle East. The EU is one of Saudi Arabia's major trading partners, representing approximately 15 percent of the Kingdom's global trade. To date, over 1,300 companies originating in the European Union have invested in the Kingdom. In 2022, European investment stocks amounted to EUR 30.8bn, a great leap from the year before. There is no doubt that the economy in KSA is growing and I would invite all European companies to see first-hand the opportunities that are being created. Saudi Arabia is therefore a most interesting partner for European companies. It has a vision and, in particular, the financial means to make things happen. For this reason, I am confident that Saudi Arabia is a good platform for companies that come here to invest and do business.

Q

**The establishment of the first European Chamber of Commerce in the Kingdom of Saudi Arabia (ECCKSA) marks a pivotal moment for EU-GCC relations. In your view, how will the ECCKSA contribute to shaping policies that enhance the business environment in Saudi Arabia, and what impact do you foresee on the broader EU business community?**

A

We are very pleased to see the creation of the European Chamber of Commerce in KSA. This is the first in the whole MENA region! The European Chamber will offer a direct contact point, provide information and advocacy, and facilitate a network within the market. These features are as essential for established companies as for new ones, in particular SMEs which often find the entry burden much higher.

One of the main roles of a Chamber is to act as a voice for the private sector. The ECC will bring together top EU and international companies that work in the same industry sectors. It will also add expert knowledge and expertise to put forward position papers which will serve as the basis for what the industry sees as best practice for the businesses. This in itself is a treasure trove for policymakers as it makes their jobs easier in drafting business-friendly policies that ultimately will attract even more investment.

Q

**With each GCC member country guided by its own developmental 'Vision', the EU's role in supporting these ambitions is crucial. Could you highlight how the EU plans to contribute to the realisation of these visions, particularly in areas where our priorities align?**

A

Each GCC country has developed its own economic development plan. These all defined a path of growth, identifying specific sectors of comparative advantage. GCC Vision statements are an important element in establishing a forward-looking direction of economic diversification away from hydrocarbon-dominated economies.

The EU has the opportunity to contribute to the programmes and initiatives each GCC country designs to assist the countries in their work towards the Vision. In 2022, in the Joint Communication on "A strategic partnership with the Gulf", the EU picked up the thread of the vision programmes and identified many sectors where the EU is ready to cooperate. The economy plays a central part in these efforts and this is why the strengthening of economic ties between private sector companies is crucial. For instance, we are very pleased to see that the Saudi government is also actively seeking closer cooperation with Europe, as was demonstrated by the very successful, first-ever Saudi-EU Investment Forum last year for which over 1400 companies registered.

Q

**The Kingdom's giga-projects present unique opportunities for European investors. Could you discuss these opportunities and suggest how they can be effectively promoted to ensure maximum interest and participation from EU investors?**

A

The giga-projects are the flagship initiatives of the new Saudi Arabia. I am impressed by the audacity and visionary concept of these projects. Just take NEOM and The Line as an example. For European companies to successfully participate in these projects, information sharing and transparency is key. Many European companies have a lot of expertise and know-how but they are not always aware of the projects, their works, timelines and their opportunities. This is something we need to promote further, in particular for those that are not here. The perception in Europe about Saudi Arabia is lagging behind the reality. I would invite Europeans to come to KSA and to see with their own eyes how this country is changing. I strongly believe that closer cooperation between Saudi Arabia and Europe is in our mutual interest and to our mutual benefit.

## EUROPEAN COMMISSION - NEW GLOBAL RULES TO SIMPLIFY TRADE IN SERVICES ENTER INTO FORCE IN THE WTO

- **New WTO Rules for Services Trade:** New World Trade Organization (WTO) rules aimed at facilitating and simplifying global trade in services have come into effect.
- **Wide Application:** These rules are adopted by a diverse group of WTO Members, including developed, developing, and least developed countries, covering 92% of global services trade.
- **Benefits for Businesses:** The initiative streamlines authorisation requirements and reduces procedural hurdles, benefiting especially micro, small, and medium-sized enterprises (MSMEs).
- **Economic Impact:** Expected to reduce global services trade costs by over €110 billion annually, enhancing transparency, efficiency, and predictability in trade procedures.
- **Sector Growth:** Services, the fastest-growing sector, represent a significant portion of the economy; in the EU, they account for 75% of GDP and 25% of the EU's GDP in trade, supporting over 20 million jobs worldwide.
- **Development Impact:** Facilitates trade for developing economies, offering paths for export diversification and economic growth.
- **Support for MSMEs and Women:** Simplifies trade for MSMEs and women entrepreneurs by easing compliance with foreign market regulations.
- **Advances in Digital Trade:** Benefits sectors such as telecommunications, computer services, engineering, and banking; includes provisions to promote non-discrimination between genders.
- **Broad Participation:** 71 WTO members, including the EU, have committed to these new rules, enhancing service suppliers' benefits from any WTO member under the most-favored-nation principle.



*“Trade in services is booming business, and I’m glad to see that so many WTO Members are now applying clear rules that boost transparency, efficiency and predictability. This will help our SMEs in particular to thrive and expand globally. We have been at the forefront of this initiative, which not only benefits business and but also shows that compromises are possible within the WTO. I look forward to more Members joining and making the most of these new opportunities.”*

**Valdis Dombrovskis, Executive Vice-President and Commissioner for Trade**

# COMMISSION PRESENTS NEW INITIATIVES BOOSTING EUROPEAN INDUSTRIAL LEADERSHIP IN ADVANCED MATERIALS

- **EU Industrial Leadership Strategy:** The European Commission has proposed a strategy aimed at positioning the EU as a leader in advanced materials, crucial for the green and digital transition.
- **Communication on Advanced Materials:** Introduces a plan to align research, innovation priorities, and investments across the EU, marking the initial step towards a unified European approach in this domain.
- **Importance of Advanced Materials:** These materials are essential for innovation across various sectors including energy, electronics, construction, and mobility, fueling advancements in renewable energy, batteries, semiconductors, and more.
- **Increasing Demand:** Anticipated rise in demand for advanced materials in diverse applications from zero-emission buildings to defense equipment.
- **Strategic Objectives:** Aims to boost EU's long-term competitiveness, ensure leadership in material technologies, and reduce dependencies by enhancing development, testing, and deployment capacities.
- **Five Main Pillars:**
  - Strengthening the European research & innovation ecosystem.
  - Fast-tracking materials to market, developing a "materials commons" for faster design and testing.
  - Boosting capital investment and financing, targeting €500 million investments by 2027.
  - Fostering production and use, including an Advanced Materials Academy for workforce skills.
  - Establishing a Technology Council for advanced materials to provide strategic direction.
- **Background and Support:** Highlighting Europe's strong foundation in advanced materials development, supported by EU R&I Framework programmes and initiatives like the Graphene Flagship.
- **Strategic Roadmap Call:** Reflects the Materials 2030 Manifesto's call for a strategic roadmap and new European R&I agenda on advanced materials, following extensive consultations with stakeholders.



Source: [Click here.](#)

## GCC 2024 ECONOMIC PROSPECTS AND GROWTH PATTERNS

- **GCC Economic Outlook:** World Bank forecasts robust growth for the GCC, with a regional increase of **3.6% in 2024** and **3.8% in 2025**, driven by strong non-oil sectors.
- Individual Country Growth:
  - **Saudi Arabia:** Expected to grow 4.1% in 2024 and 4.2% in 2025.
  - **UAE:** Predicted growth of 3.7% in 2024 and 3.8% in 2025.
  - **Bahrain:** Forecasted to expand by 3.3% in 2024 and 3.2% in 2025.
  - **Oman:** Estimated growth at 2.7% in 2024 and 2.9% in 2025.
  - **Kuwait:** Projected to grow by 2.6% in 2024 and 2.7% in 2025.
  - **Qatar:** Expected to see growth of 2.5% in 2024 and 3.1% in 2025.
- **Diversification Efforts:** GCC countries are investing in technology, renewable energy, and tourism to reduce oil dependency.
- **Saudi Tourism Expansion:** Aiming to boost its GDP share from tourism from 3% to 10% by 2030, with a 10-year investment plan of US\$1 trillion to enhance infrastructure.
- **Renewable Energy Initiatives:** The GCC is shifting towards sustainable energy, with significant investments in solar and wind projects. The UAE leads with 14% renewable energy capacity, while other GCC countries are ramping up their efforts.
- **Infrastructure Development:** Ongoing projects in transportation and healthcare are poised to improve quality of life and attract international businesses.
- **Global Collaborations:** The GCC is enhancing its global standing through international partnerships and trade agreements.
- **Saudi Arabia's Tourism Goals:** With over 30 million tourists in 2023, Saudi aims for 150 million by 2030, enhancing its global tourism presence.
- **Technology and Innovation:** The GCC's commitment to becoming a tech hub is underscored by smart city and digital transformation projects.
- **Energy Transition Focus:** GCC countries, especially the UAE and Saudi Arabia, are prioritizing renewable energy projects to meet climate change goals and reduce fossil fuel reliance.

## GCC ATTRACTIVE DESTINATION FOR PRIVATE EQUITY INVESTMENTS

- **GCC Attractiveness for PE Investments:** The GCC, particularly the UAE, is emerging as a prime location for private equity (PE) investments, thanks to a business-friendly regulatory environment and optimistic economic outlook.
- **Shift in SWFs Strategy:** Sovereign wealth funds (SWFs) in the GCC, managing over \$3.2 trillion, are refocusing on local economy development, boosting PE and venture capital (VC) activities.
- **PE and VC Momentum:** The region witnessed 31 identifiable PE and VC transactions in 2022, with an expectation of increased activity due to substantial uninvested funds ("dry powder").
- **Resilience Amid Global Slowdown:** Despite a global slowdown in PE flows in 2023, the GCC's PE and VC activities remained resilient, with private credit emerging as a popular asset class.
- **Deal Volume Increase:** From 2019 to 2022, PE/VC deal volumes in the GCC increased by over 50%, with the UAE leading in the number of deals.
- **Top Investment Sectors:** Fintech, transport, logistics, and e-commerce sectors received the highest level of investments from PE investors in recent years.
- **Rising Popularity of Private Credit:** The private credit market in the GCC has been gaining traction since 2023, supported by regulatory progress and new product launches.
- **Regulatory Improvements:** Recent regulatory enhancements in the UAE and Saudi Arabia have bolstered the attractiveness of GCC markets for PE and private credit investments.
- **Positive Outlook for Private Credit:** Despite being in its early stages, the outlook for the private credit market in the GCC region is positive as of early 2024.



Source: [Click here.](#)

## UNIFIED GCC TOURIST VISA POLICY TO BOOST REGION'S ATTRACTIVENESS FOR GLOBAL TALENT AND BUSINESSES

- **Unified GCC Tourist Visa:** Enhances the region's attractiveness, expected to boost tourism and support related sectors like hospitality and transportation.
- **GCC Immigration Modernization:** Self-sponsorship schemes such as the UAE's Golden Visa and Saudi Arabia's Premium Residency indicate a modern approach to immigration.
- **Potential for Unified Business Visas:** Future unified visa categories could facilitate intra-regional business travel and support Gulf-based business mobility.
- **Growth in Business Travel:** Post-COVID business travel expected to exceed pre-pandemic levels, reaching \$1.8 trillion by 2027, driven by the demand for in-person interactions.
- **Bleisure Trends:** Increasing blend of business and leisure travel, with many business travelers extending trips for leisure purposes.
- **Impact of Technology on Business Travel:** AI and automation are streamlining visa applications and compliance, improving the travel experience for business travelers.
- **Nomadic Platform Features:** Offers comprehensive travel support including pre-trip assessments, visa support, and compliance management through RPA technology and geo-tracking.
- **HR Role in Business Travel:** Proactive monitoring and data analysis are vital for maintaining compliance, optimizing travel policies, and improving the employee travel experience.
- **Challenges in Business Travel Tech:** Adapting to new visa regulations and administrative challenges remain significant for business travelers and their employers.
- **Cost Management:** Rising travel expenses pose challenges, especially for SMEs, underlining the importance of efficient resource allocation and policy optimisation.





## GCC REVEALED AS TOP EXPORT AND RE-EXPORT MARKET FOR DUBAI CHAMBER OF COMMERCE MEMBERS IN 2023

- **Dubai International Chamber Network Expansion:** In 2023, 16 new international representative offices were established to support the diversification of export markets for Dubai Chamber of Commerce members.
- **Export and Re-export Figures:**
  - GCC remains the leading destination, representing 55.6% of total exports and re-exports valued at AED 158.1 billion.
  - Non-GCC Middle East countries accounted for 21.8% with exports valued at AED 62 billion.
  - Asia-Pacific region held 9.5% of exports and re-exports, totaling AED 27 billion.
  - African markets made up 7.9%, with a value of AED 22.4 billion.
  - European markets contributed to 3.5% of total exports, worth AED 10.1 billion.
  - North American exports and re-exports were at 1.4%, valued at AED 3.9 billion.
  - Latin American markets accounted for 0.3%, totaling approximately AED 1 billion.
- **Leadership Comments:** His Excellency Mohammad Ali Rashed Lootah, President and CEO of Dubai Chambers, emphasizes the commitment to boosting Dubai's foreign trade in line with the Dubai Economic Agenda (D33) and supporting members in expanding their global reach.
- **Global Network Enhancement:** The new offices aim to strengthen Dubai's international presence, diversify export markets, and support the city's dynamic business community.
- **Adaptability and Competitiveness:** The diverse export destinations highlight the agility and competitive nature of Dubai traders.
- **Total Export Value:** In 2023, the value of exports and re-exports of Dubai Chamber of Commerce members reached AED 284.5 billion.



Source: [Click here.](#)

## UAE RANKS 1ST GLOBALLY IN STRONG AND STABLE ECONOMY INDICATOR

- **UAE Soft Power Achievements:** The UAE maintains its 10th position in the Brand Finance Soft Power Index 2024 for the second consecutive year, marking it as the only Gulf country in the top 10 globally.
- **Strong and Stable Economy:** The UAE ranked 1st in the 'Strong and Stable Economy' indicator, reflecting sustainable growth and successful economic diversification beyond oil.
- **Significant Non-Oil Trade Growth:** Achieved a record high of Dh3.5 trillion in non-oil foreign trade in 2023, demonstrating robust economic performance despite global challenges.
- **Global Leadership Recognition:** Ranked 10th in 'Internationally Admired Leaders', showing the global appreciation for the UAE's balanced foreign policies and diplomatic efforts.
- **Future Growth Potential:** Secured 3rd place, highlighting the UAE's strategic investment in vital sectors like innovation and technology.



- **Global Engagement:** The UAE ranked 10th in the 'Affairs I Follow Closely' indicator, showcasing effective communication and media outreach globally.
- **Humanitarian Initiatives:** Achieved 3rd place in the 'Generous' indicator, reflecting the country's commitment to global humanitarian efforts.
- **Diplomatic Influence:** Stood 8th in 'Influential in Diplomatic Circles', emphasizing the UAE's active role in international peace and stability.
- **Business Environment:** Secured a top-10 global ranking in 'Business & Trade Image', underlining a favorable business and investment climate.
- **Tech and Innovation Leadership:** Ranked 8th in 'Leader in Technology and Innovation', demonstrating a strong commitment to tech advancements.
- **Safety and Security:** Achieved 9th in 'Safe and Secure', ensuring high living standards and security for residents and visitors.
- **Sustainability Commitments:** Showcased leadership in sustainability, ranking 9th in "Sustainable cities and transport" and extending the Year of Sustainability into 2024.
- **Increased Nation Brand Value:** The UAE's Nation Brand value soared to a trillion dollars, leading in the Middle East and Africa.
- **Global Soft Power Summit:** The announcement was made during the Global Soft Power Summit in London, attended by prominent international figures and leaders.

## SAUDI PRIVATE SECTOR EMPLOYMENT TOUCHES 11.1M



- **Private Sector Growth:** Saudi Arabia's private sector workforce reached 11.1 million in February, marking a 0.9% increase from the previous month.
- **Workforce Composition:** Of the total employees, 2.3 million were Saudi nationals (961,690 females, 1.4 million males) and 8.8 million were non-Saudi residents (348,892 females, 8.4 million males).
- **Employment Increase:** In February, there was a net job growth of 26,694 across both Saudi nationals and non-resident employees in the private sector.
- **Experienced Workforce:** Over 123,000 Saudis have more than 20 years of experience in the private sector, showcasing job sustainability and growth.
- **Private Sector Initiatives:** Financial incentives, continuous training, and development programs supported by government initiatives have contributed to the sector's growth.
- **Women's Employment:** The Saudi private sector is hiring women at twice the rate of the public sector, with a 64% increase in female labor market participation between 2019 and 2020.
- **Economic Diversification and Employment:** The Kingdom's economic diversification, including projects like NEOM, is creating new employment opportunities and reducing dependence on oil.
- **Vision 2030:** These efforts are in line with Saudi Arabia's Vision 2030, aimed at strengthening the private sector and diversifying the economy.

Source: [Click here.](#)

## BRIEFING ON GLOBAL AND GCC FORECAST AND POLICY RECOMMENDATIONS – INCREASING ECONOMIC RESILIENCE DURING GEOPOLITICAL AND COMMODITY TRADE FRAGMENTATION

The project team prepared a paper on **Global and GCC Forecast and Policy Recommendations – Increasing economic resilience during geopolitical and commodity trade fragmentation**. The recommendations are based on the team's analysis of IMF data on economic growth, inflation and trade for the GCC countries and the findings of the International Monetary Fund (IMF) 2023 World Economic Outlook (WEO) – Navigating Global Divergences and IMF Regional Economic Outlook Middle East and Central Asia 2023.

The briefing provides visual representations for trends in Gross Domestic Product (GDP), inflation, exports and imports pre-COVID-19 and forecasts to 2028 based on the IMF WEO data.

Growth, inflation and employment in the EU and GCC:

- **Growth in the euro area** is projected to reach 1.2 percent in 2024. The forecast for growth in emerging and developing Europe is 2.2 percent in 2024.
- **Growth in the Middle East** and Central Asia is projected to decline from 5.6 percent in 2022 to 3.4 percent in 2024.
- Among advanced economies, **private consumption has been stronger in the United States than in the euro area**, with households receiving larger fiscal transfers early in the pandemic and spending the associated savings more quickly.
- Among advanced economies, **the euro area has seen larger employment gains** than the United States. This may reflect more extensive use in the former of worker-retention programs modeled on the German Kurzarbeit short-time work scheme.

### Commodity markets and the risk of geopolitical fragmentation

- Commodity markets are an important channel through which geopolitical fragmentation can affect the economy. Many features of commodities underpin their vulnerability in the event of fragmentation: their highly concentrated and difficult-to-relocate production, hard-to-substitute consumption, and critical role as inputs for manufacturing and key technologies.
- Fragmentation in commodity markets is on the rise. Measures restricting commodity trade surged in 2022, price differentials across geographic markets have widened for selected commodities, and FDI flows in commodity sectors are in decline—the latter a trend that started before the war in Ukraine.
- Critical minerals for the energy transition and some highly traded agricultural goods are highly vulnerable in the event of fragmentation. Fragmentation in critical mineral markets could make the clean energy transition more costly, raising the risks of delaying necessary climate change mitigation. Given the heavy reliance on agricultural imports among many low-income countries, fragmentation of agricultural commodities would raise important food security concerns.
- Commodity price volatility could intensify as a result of smaller market sizes and the incentives for producers to switch geopolitical allegiances. This could result in volatile inflation dynamics, making monetary policy more complex.

## MIDDLE EAST FORECAST – GCC FOCUS

### Governance reforms

Governance reforms are being implemented to improve government effectiveness. The specific sequence in which reforms are implemented can play a crucial role in affecting macroeconomic outcomes. In addition, when certain reforms are implemented together, they can amplify each other's positive effects, resulting in more substantial gains than when the reforms are implemented separately.

Saudi Arabia stands out as an example of a successful bundled reform approach. Through its ambitious Vision 2030 plan launched in 2016, the country achieved greater government efficiency, upgraded trade infrastructure, and better labor market outcomes (including raising the female labor force participation rate from 23 percent in 2016 to 28 percent in 2022, nearing the 2025 target of 30 percent). Moreover, access to credit improved for small and medium enterprises, with bank loans increasing almost fourfold, from 2 percent to 7.7 percent. Robust digital development in Saudi Arabia has bolstered financial inclusion, strengthened the financial sector's resilience, and enhanced government efficacy.

Overall, Saudi Arabia's non-oil growth has accelerated since 2021, averaging 5.3 percent in 2022 spurred by strong domestic demand. Non-oil growth is expected to remain robust and above 4 percent in the medium term, supported by Saudi Arabia's sound macroeconomics policies and strong reform momentum.

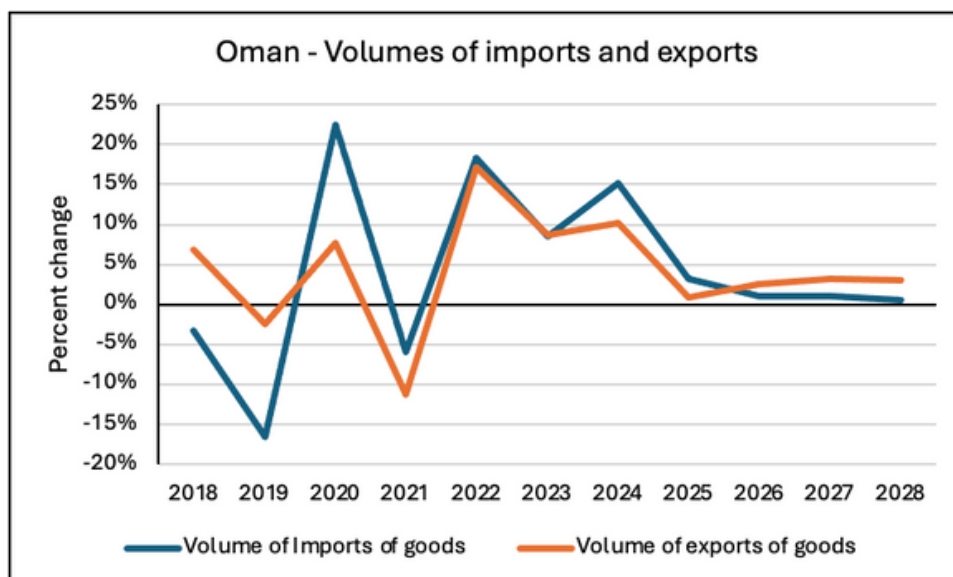
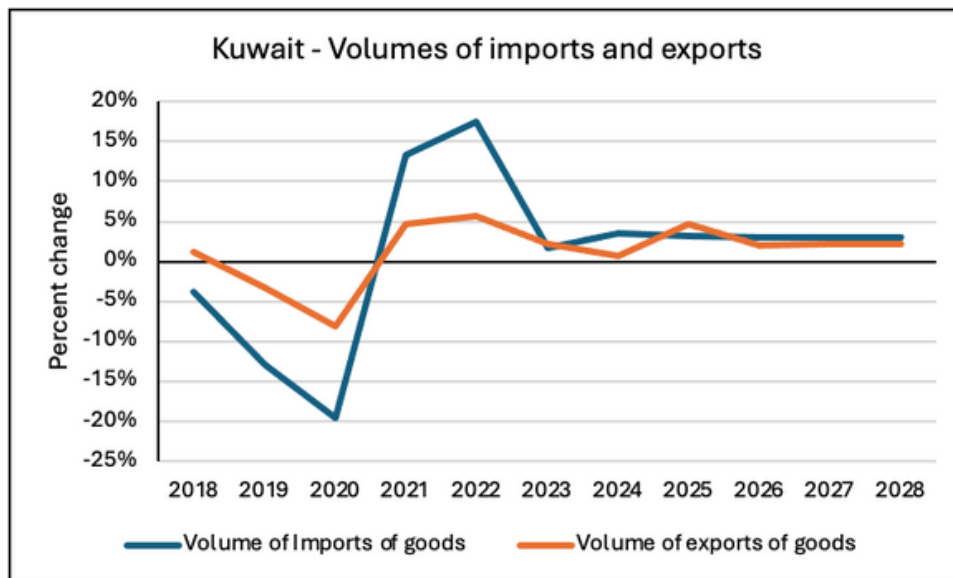
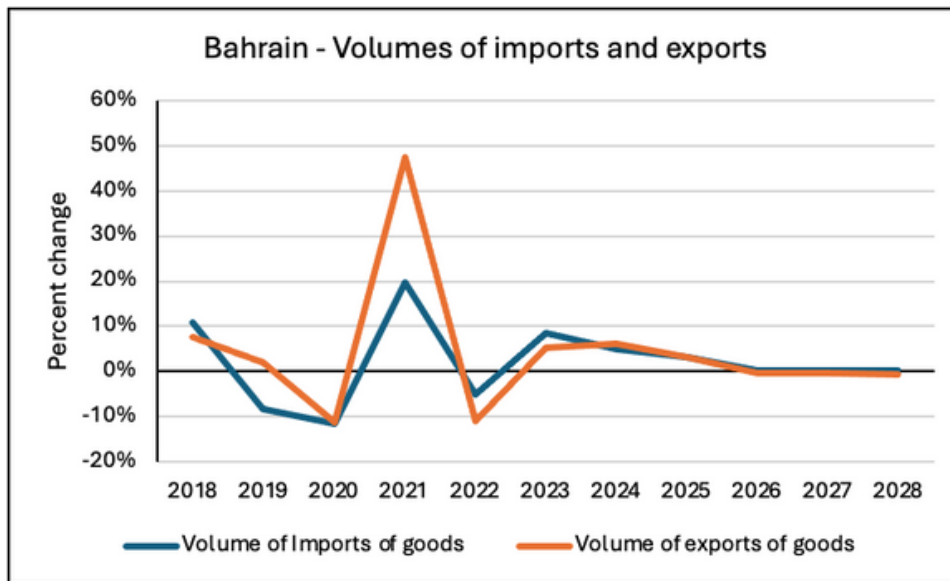
### Economic diversification in the GCC

Oil production cuts and country-specific factors have started to weigh on oil exporters. Oil GDP growth is slowing after three rounds of deep OPEC+ oil production cuts (October 2022, April 2023, June 2023) and additional temporary cuts by Saudi Arabia. For the GCC countries, crude oil production was cut considerably, driving a deceleration in oil GDP growth.

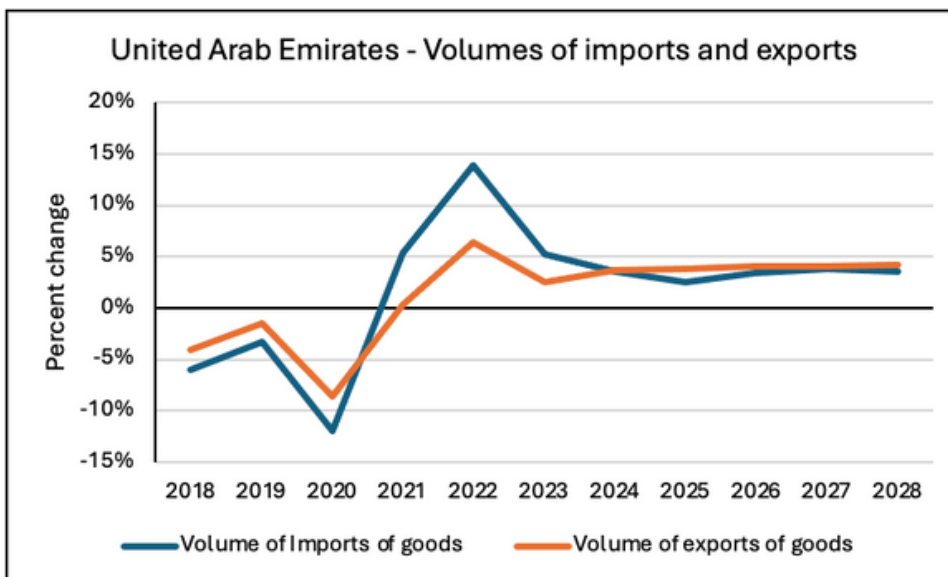
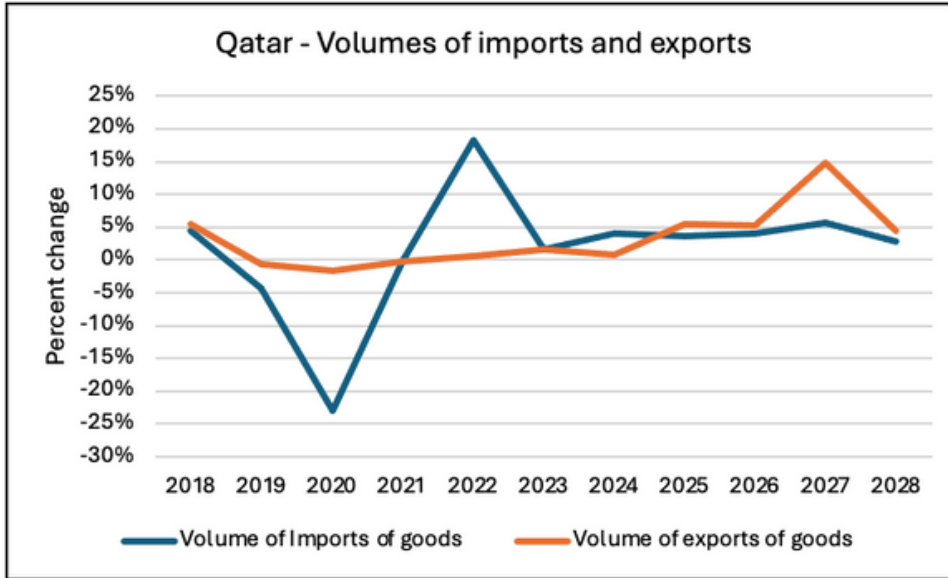
Crucially, the slowdown of oil GDP has been partially offset by continued strong non-oil GDP growth, driven by robust manufacturing activity (Oman, Qatar, Saudi Arabia, United Arab Emirates) and surging services (Bahrain, Oman, Saudi Arabia, United Arab Emirates).

Several oil exporters are expected to continue consolidating their public finances to mitigate the fiscal impact of lower oil revenue and reduce budget sensitivity to oil price volatility. Planned consolidation efforts focus on rationalizing current expenditures to free up resources for priority spending, including on social safety nets and infrastructure (Bahrain, Oman, Qatar, Saudi Arabia), while also reducing the fiscal deficit in some (Bahrain, Qatar). As such non-oil fiscal balances (as a percentage of non-oil GDP) are expected on average to improve in 2023 by 5.5 percent and further to 1.8 percent in 2024. Conversely, an increase in the wage bill (Kuwait) and subsidies (United Arab Emirates) is expected to result in a worsening fiscal position in these economies this year.

TRADE TRENDS SINCE 2018 AND FORECAST TO 2028



TRADE TRENDS SINCE 2018 AND FORECAST TO 2028



Source: Author's chart, based on IMF World Economic Outlook data

## EVENTS:

The project team hosted an event on 28 February on the potential **Establishment of the European Chamber of Commerce in Bahrain** at the Ritz Carlton Bahrain.

The EU Delegation to Saudi Arabia, Bahrain and Oman and the EU-GCC Dialogue on Economic Diversification, funded by the European Union, with the support of the Bahrain Chamber of Commerce and Industry, hosted a forward-looking event on 28 February at the Ritz Carlton Hotel in Manama on the possible establishment of a European Chamber of Commerce in Bahrain. The conference marked a crucial first step in presenting to the business community the objective and scope of a European Chamber.

The initiative aims to create a platform for European and interested Bahraini companies to advocate for mutually beneficial policies, and nurture partnerships between European and Bahraini businesses. This comes at a pivotal time as the European Union is Bahrain's second-largest trading partner, highlighting the strategic importance of Bahrain as a central hub in the Gulf.

The proposed Chamber would further support Bahrain's economic diversification and growth. It aims to broaden business opportunities, promote investments and cultivate a dynamic environment for stakeholders in both regions.

The event underscored the importance of the European business community's involvement in Bahrain. Their active participation is essential for the realisation of the European Chamber of Commerce.

As the Chamber is designed to be 'from the business for the business', it is in the hands of the European business community in Bahrain to take an active role in th. The establishment of the European Chamber of Commerce would open new doors for trade and investment, heralding a new era in Bahrain-EU relations.

**A summary report for this event will be published on our website in due course.**





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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](mailto: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](#)



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