



EU – GCC DIALOGUE ON ECONOMIC DIVERSIFICATION PHASE II

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7. ACTIVITY REPORT

SMEs and Skills Development Webinar

A project implemented by DAI
in consortium with AHK and
ICCS



German Emirati Joint Council
for Industry and Commerce
المجلس الألماني الإماراتي
المشترك للصناعة و التجارة

Activity Report

SMEs and Skills Development Webinar EU-GCC Business Forum webinar series

31 August 2026, Online

I. Summary

	Description
Theme	SMEs and Skills Development Webinar from the EU-GCC Business Forum webinar series under the EU–GCC Dialogue on Economic Diversification II
Purpose	To revisit key findings, recommendations and partnership opportunities identified during the 9th Forum and assess progress achieved since November 2025. Focus on translating these findings into concrete business actions, partnerships and policy recommendations to be showcased and advanced at the 10th Forum.
Date and time	31 August 2026, 14:00 Saudi Arabian time
Venue	Online (idloom, MS Teams)
Organised by	- DAI - AHK – German Emirati Joint Council for Industry and Commerce
Supported by	Delegation of the European Union to Saudi Arabia
Format	Online (fully virtual)
Language	English
Main Target Audience	GCC government authorities, EU and Saudi/GCC institutions and regulatory bodies, EU and GCC business community, and experts.
Number of Participants	51

II. Performance Reporting

1. Event Delivery

The webinar focused on how SMEs across the GCC are navigating economic uncertainty, regional tensions, and rapid technological change ahead of the 10th EU-GCC Business Forum. Moderator Dr. Martin Henkelmann led a discussion with panellists Muayed Bages, Laurence Ouaknine, and Ruediger Heim. The speakers agreed that SMEs remain critical drivers of economic diversification, innovation and job creation but due to the current regional instability are facing challenges such as delayed contracts, reduced liquidity, slower customer demand and market volatility. They emphasised that SMEs need more than financing alone; they require a supportive ecosystem

including access to markets, technology, talent, government programmes and partnerships.

A major theme throughout the discussion was the impact of artificial intelligence and changing workforce requirements. All three panellists stressed that AI is becoming a necessity rather than an option, helping businesses improve efficiency, reduce costs, strengthen customer engagement and increase competitiveness.

1.1 Opening and moderation

Hanna Kuula Verbaan welcomed participants on behalf of the EU-GCC Dialogue on Economic Diversification Project and explained the webinar series' role between the 9th and 10th EU-GCC Business Forums. Dr Martin Henkelmann moderated the panel and framed the discussion around SME resilience, the role of policy, changing skill sets and the accelerating development of AI.

Contributor	Role stated in the webinar	Contribution to the discussion
Hanna Kuula Verbaan	Executive Assistant to the Team Leader, EU-GCC Dialogue on Economic Diversification Project	Welcome, series context, housekeeping and follow-up information.
Dr Martin Henkelmann	CEO, German Emirati Joint Council for Industry and Commerce	Moderator; linked the discussion to the 9th and 10th forums.
Muayed Bages	CEO and Managing Director, 3I Holding Company	SME ecosystem building, resilience, EU-GCC cooperation and entrepreneurial AI literacy.
Laurence Ouaknine	CEO, Au Coeur de Luxe and Sthrive	Retail and hospitality impacts, SME support measures, training and AI-enabled performance.
Ruediger Heim	Group Chief Human Resource Officer, Albatha Group	Large-company/SME relationships, vocational education, broader skills and AI-supported learning.

1.2. SME Ecosystem Development in Saudi Arabia

Muayed Bages, CEO of 3I Holding Company¹, described his organisation's approach as an **ecosystem builder** rather than a traditional SME support provider. He explained that SME success depends not only on entrepreneurs but also on access to markets, financing, technology, talent and partnerships. 3I Holding Company supports entrepreneurs directly, works with governments and investors to create enabling platforms as well as builds and operates companies to understand SME challenges first-hand.

Muayed Bages noted that many SMEs have experienced delayed contracts, wlower government payments and overdependence on a single client or contract.

The response to combat this has been to focus on adaptability, cost management, AI adoption and connecting SMEs with available government support mechanisms.

He suggested the opportunity for the EU-GCC cooperation would be moving beyond simple buyer-seller relationships towards joint ventures between EU and GCC businesses, joint expansion into third-country markets and sharing expertise in emerging sectors, particularly AI-driven industries.

¹ 3I Holding Company is 3i is an investment holding company based in Riyadh, Saudi Arabia, dedicated to advancing and nurturing the impact investment ecosystem. Its work focuses on building the roadmap for effective and positive impact investment, enhancing its own ecosystems, and increasing its investment opportunities and the number of impact investors.

1.3 SME Perspective from Retail, Hospitality and Education

Laurence Ouaknine, CEO of Coeur du Luxe (ACDL)² and Sthrive³, explained that her companies operate internationally and provide consulting, training and AI-powered business solutions for retail and hospitality sectors.

She reported that the impact of the current crisis in the regions has affected the retail and hospitality sectors significantly. Large clients delayed investments and training initiatives. Many organisations reduced headcount by more than 15% and payment delays have increased. For now, some projects were paused rather than cancelled.

Despite these challenges, she remained optimistic due to the region's long-term growth potential and anticipated a rebound once market confidence returns.

Regarding International Best Practices for supporting SMEs, she drew on experience from France, Hong Kong and Singapore and highlighted effective measures used during past economic crises:

- Government-backed SME financing schemes.
- Easier access to low-cost credit.
- Salary-support loans to preserve employment.
- Reduction of administrative costs and duties for SMEs.

She further stressed that large companies could support SMEs by creating procurement opportunities, increasing collaboration with smaller firms as well as offering SMEs a genuine chance to compete for contracts.

1.4 Large Enterprise and Workforce Perspective

Ruediger Heim, Group Chief Human Resources Officer (CHRO) of Albatha Group⁴, described how the diversified business portfolio helped absorb market shocks during the current crisis in the region. He recognised that SMEs are more vulnerable and require stability from larger organisations to weather the storms.

He outlined measures large enterprises can provide to aid SMEs including long-term commercial relationships; predictable demand; responsible payment practices and collaboration to sustain SME ecosystems.

He argued that future winners will not necessarily be the largest businesses but the most agile, technologically advanced, customer-focused companies that are able to strengthen supply chains and invest in people.

1.5 Skills Development and Workforce Transformation

Ruediger Heim described the launch of the German Emirati Vocational Institute (GEVI), which adapts Germany's dual vocational training model for the UAE. GEVI was opened in April 2026 and so far, has 40 trainees enrolled. Mechatronics and automotive programmes have been launched, with a planned expansion into supply chain and healthcare programmes. GEVI has been accredited in both Germany and the UAE.

The initiative aims to build local talent pipelines, support Emiratisation and create long-term workforce sustainability.

² Coeur du Luxe (ACDL) is an international group, leader in training for premium and luxury brands. Utilizing various mobile technologies, real-world human resources and data expertise, ACDL takes advantage of new-generation digital technologies to ensure its clients thrive in omnichannel.

³ Sthrive is an AI-native frontline performance platform based in UAE that transforms the way companies manage, coach, and develop distributed teams at scale.

⁴ Albatha Group is based in the United Arab Emirates and the group comprises over 30 autonomous companies - specialising in sectors such as automotive, healthcare, manufacturing, engineering, electronics, FMCG, food, and real estate.

Discussing curriculum design if GEVI, he emphasised that future workers require broader, more holistic education. It is crucial to understand how interconnected supply chains are. Future workers are further required to have digital competencies and practical experience in using AI tools.

1.6 AI and the Future of SMEs

Laurence Ouaknine observed that AI adoption has progressed through three stages:

1. Fear of job displacement.
2. Productivity enhancement.
3. Performance and value creation.

She further explained that large corporations tend to move slowly due to governance and security processes, but SMEs can adopt AI more quickly because they focus directly on practical solutions and business outcomes.

AI is currently helping SMEs to reduce operational costs, improve customer engagement, scale training as well as access capabilities that previously required larger investments.

Muayed Bages argued that AI literacy is now a core entrepreneurial competency. He stressed that entrepreneurs do not need to be AI experts, but must understand how AI improves customer service, how it supports decision-making and reduces costs. The competitive risk of not in adopting AI. He concluded that SMEs can compete effectively with larger enterprises if they successfully leverage AI tools.

2. Audience engagement and follow-up

2.1 Audience question on Kuwait

Sabeekah Al Bahar, a real-estate broker from Kuwait, raised concerns about the position and growth prospects of SMEs in Kuwait, particularly businesses previously supported through the National Fund, and asked how AI could contribute to their development. Laurence Ouaknine responded that the barrier she had observed in Kuwait was not only the technology itself, but also managerial readiness to lead digital transformation. She emphasised that leaders need greater confidence managing digital transformation projects; organisations should encourage open discussion of capability gaps and AI projects succeed when businesses embrace change rather than resist it.

3. Communications and next activities

- Participants of the webinar were told that information on subsequent webinars would be shared with those who joined the session.
- The next webinar, on trade and investment, was provisionally indicated for 10 September 2026, but has since been moved to week of the 14th of September.
- The project will contact Interested participants, speakers and SMEs regarding the Business Forum in 2026.

4. Key Outcomes

- **Treat SME support as development of the ecosystem:** Help firms build connections to markets, finance, technology, talent, government programmes, investors, and larger companies, moving beyond isolated training and advisory support.
- AI is becoming essential for competitiveness, resilience and productivity and AI literacy should be made practical.



- Skills development must focus on adaptability, digital literacy and vocational pathways: Prepare learners for changing conditions through cross-functional understanding, customer focus and the ability to work across alternative scenarios.
- Large companies have a role in stabilising SME ecosystems through partnership and procurement. Create fair opportunities for SMEs to enter supply chains and build durable commercial relationships.
- EU-GCC collaboration offers opportunities in joint ventures, talent development and AI-driven innovation: Develop joint ventures, shared programmes and third-market delivery models, not only conventional buyer-seller relationships.
- Expand employer-led vocational pathways: Build accredited programmes that combine institutional learning with structured workplace practice and train-the-trainer support.