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EU-GCC Dialogue on Economic Diversification II



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Welcome note

Message from the Team leader



Team Leader
Dr. Rade Glomazić

Dear partners and colleagues,

this edition of our newsletter highlights several important strands of the project's current work and the broader evolution of EU-GCC economic cooperation.

We look at the continued development of the EU Business Forum in the UAE, including its work on market access, logistics, energy and food-related priorities, as well as the recent webinar on SMEs and Skills Development, which underlined the importance of stronger ecosystems, access to markets, technology, financing and talent for SME growth across the Gulf.

The newsletter also reflects the increasingly important role of two-way investment between the EU and the GCC, with growing cooperation across industry, digital infrastructure, AI, energy, transport and other diversification sectors. At the same time, we continue to support the development of European business structures in the region, including ECCKSA, whose expanding sectoral engagement is helping create a stronger platform for European companies in Saudi Arabia.

Looking ahead, the project is advancing a broad pipeline of activities covering cybersecurity and infrastructure resilience, customs cooperation, fintech, defence technology and AI, alongside continued preparation for the next EU-GCC Business Forum. These activities are designed to connect policy dialogue with practical business opportunities and to ensure that companies, chambers, investors and institutions remain at the centre of the EU-GCC economic partnership.

I would like to thank all our partners, experts and business communities for their continued engagement and contribution.

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EUBF

EU Business Forum



EU Business Forum (EUBF) - Bringing the European Business Community Together in the UAE

Author: Helene Daniel
Key Expert - Advisor on Trade, Economics and Investment

During August, EUBF's activities focused on preparing for the next meetings of the Energy Task Force, including interviews with industry representatives and the distribution of a survey to all participants.

We also continued to gather information on the economic context and the challenges faced by our members, particularly in the areas of market access, import and export, and logistics, against the backdrop of a rapidly changing regional environment.

In preparation for the coming F&B Task Force meeting, we also worked on the nutritional labelling and the UAE National Strategy for Healthy Nutrition.

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Major policy dialogue event

SMEs and Skills Development Webinar

This webinar was organized on 31 August 2026 in online format.
The webinar focused on how SMEs across the GCC are navigating economic uncertainty, regional tensions, and rapid technological change.

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.

Muayed Bages, CEO of 3I Holding Company, 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. 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.

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

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.

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.

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. 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.



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Main outputs and country focus

EU - GCC Investment corridors



Author: Daniela Stratulativ
Senior Expert Political Economy - International Trade and Investment.

The GCC's economic transformation is creating a new generation of investment relationships with global partners. GCC diversification strategies seek to develop more competitive economies centred on industry, technology, digital infrastructure, artificial intelligence, energy, logistics, tourism, healthcare and other high-growth sectors.

The EU is an increasingly important partner in this transformation. The depth of the EU-GCC economic relationship, combined with the scale and capabilities of EU companies and financial institutions and the growing international reach of GCC sovereign wealth funds and other investors, is creating investment corridors that increasingly operate in both directions. GCC capital is expanding its presence in the EU markets, while EU companies are increasingly participating in major development projects across the Gulf. The relationship is evolving beyond a predominantly trade-based partnership towards a broader economic partnership, with investment opportunities emerging across a diverse range of sectors.

Recent investment commitments and partnerships illustrate this shift. The UAE and Saudi Arabia, in particular, are using their international investment strategies to deepen ties with EU economies while supporting the national economic diversification objectives.
The UAE is a major global investor, with sovereign wealth funds playing a central role. Mubadala alone had assets under management of AED 1.4 trillion (US $385 billion) at the end of 2025 and deployed AED 143 billion (US $39 billion) during 2025. Europe accounted for approximately 15 percent of Mubadala's portfolio, reflecting the importance of European markets to the UAE's international investment strategy.

The UAE's investment relationship with the EU continues to strengthen. In September 2026, the UAE announced plans to invest an additional 40 billion EUR in Germany beside the existing 34 billion EUR, focusing on industrial development, digital infrastructure, artificial intelligence and energy. This commitment represents a significant forward-looking investment expansion aligned with the UAE's economic diversification strategy.
Europe remains an important destination for Saudi investment. Between 2017 and 2025, the Public Investment Fund invested approximately EUR 98 billion in the EU and the United Kingdom and plans to unlock more than EUR 10.4 billion in additional European investment opportunities by 2030.

During Crown Prince Mohammed bin Salman's visit to Paris in August 2026, Saudi Arabia and France signed more than 21 agreements and MoUs covering sectors including infrastructure, healthcare, energy, transport, tourism, entertainment, AI and R&D. The package included a US$5 billion credit line for French companies in Saudi Arabia, cooperation between the Saudi National Development Fund and Bpifrance, and a EUR 6 billion Qiddiya investment in three French theme parks. Together, these agreements reflect Vision 2030's diversification objectives and the increasingly two-way nature of Saudi-European investment relations.

The expansion of EU-GCC two-way investment flows depends on policy frameworks that provide greater predictability, facilitate market access and support long-term institutional and commercial partnerships. Strengthened regulatory cooperation, more effective financing mechanisms and closer coordination among public institutions, sovereign wealth funds and private investors would provide the basis for turning individual agreements into a more structured and mutually beneficial EU-GCC investment partnership.

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ECCKSA Highlights

Strengthening EU - Saudi Relations

"ECCKSA was built on a shared commitment to Vision 2030 and to deepening European-Saudi economic ties, and that commitment remains as strong as ever."

With these words, Sue Donoghue, CEO of DHL Global Forwarding Saudi Arabia, opens her mandate as ECCKSA's new Chair for 2026-2028, elected by the Board of Directors.



Involved in the earliest discussions that led to the creation of ECCKSA in May 2024, Sue is a founding member of the Chamber and served as Vice Chair for two years before taking on this new role. Based in Saudi Arabia since 2017, she brings a deep understanding of the local ecosystem, overseeing operations across the region. Her role in logistics puts her in contact with the full breadth of the region's economic sectors, a valuable asset in bringing a cross-sectoral perspective to ECCKSA members' priorities. As Chair, her priorities are to build on the Chamber's strong foundations, keep it firmly member-led, and ensure that ECCKSA keeps delivering practical value as it moves from its founding phase into one of sustained growth.

On 2 September, the European Chamber of Commerce in the Kingdom of Saudi Arabia (ECCKSA) welcomed members of its Healthcare Committee to its offices in Riyadh. The Committee brings together leading European companies active across the healthcare sector, including Almaviva, B. Braun, Bayer, Boehringer Ingelheim, HHH Hospital Healthcare Holdings, Novo Nordisk, and Roche.



This meeting offered members an important opportunity to exchange perspectives on the continued development of Saudi Arabia's healthcare landscape and to discuss the Committee's overall direction and priorities for 2026-2027.

The European Chamber of Commerce in the Kingdom of Saudi Arabia (ECCKSA) was pleased to attend LEAP 2026 in Riyadh. As one of the world's leading technology gatherings, LEAP provides an important platform for dialogue, innovation and international collaboration. During the event, ECCKSA met with its members, accompanied by Timo Hammarén, Head of Trade at the Delegation of the European Union to Saudi Arabia. Together, they met with Hakan Cervell, President of Ericsson Saudi Arabia; Mohammed Khlaif, Head of Mission Critical, Enterprise and Growth at Nokia Saudi Arabia; Youssuf Zarhan, CEO and Founder of Nelta GmbH; and Mustafa Zibage, Business Development Director at SLB.



In response to the sector's growth, ECCKSA plans to establish a dedicated ICT, Artificial Intelligence and Digital Innovation Committee. It will provide a platform for members to exchange expertise, identify shared priorities and develop practical initiatives supporting Saudi Arabia's digital transformation and Vision 2030 objectives.

ECCKSA looks forward to continuing these conversations and strengthening cooperation between the European and Saudi business communities.

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Activities and events

Implemented and Planned Activities

The project continues to deliver its activities designed to foster economic integration and diversification. On the 31st of August 2026 the project organised the Webinar on SMEs and Skills Development ahead of the 10th EU-GCC Business Forum. The project continued to focus on the organisation of several events in the region including the EU-Qatar Defence Technology and AI Forum, on the 3rd of December 2026.

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. The webinar concluded 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. It was emphasised that SMEs need more than financing alone; they require a supportive ecosystem including access to markets, technology, talent, government programmes and partnerships.

In terms of policy analysis and institutional support, the project continues to workon a policy papers on performance requirements and is finalising distributing surveys to companies across the GCC. The Economic Country Fiches have been going through their yearly update.

Significant technical assistance continues to be extended to EU Chambers of Commerce in Bahrain, Saudi Arabia, and the UAE. This support includes strategic business planning, legal advisory, and the support of business and operations plans for the EU Chamber of Commerce in Bahrain. The project is gearing up towards the EU Chamber of Commerce in Bahrain Launch event later this year.

For the period ahead, the project is preparing for a series of planned activities including the Digital Cybersecurity and Infrastructure Resilience Dialogue event organised with Digital Cooperation Organization – DCO in Riyadh, Saudi Arabia, is supporting the organisation for the launch of the Bahrain Chamber of Commerce (September 2026) as well as the upcoming EU-GCC Business Forum.

In relation to the Business Forum, the project continues to organise webinars on topics related to Trade and Investment, Digital Transformation and AI, as well as New Avenues for Cooperation. These initiatives are designed to facilitate the exchange of best practices and align regulatory standards with international benchmarks as well as enhance bilateral business opportunities for both EU and GCC actors. The Trade and Investment Webinars will happen on the 17th of September, with the two others following later in September or early October.

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Planned Activities

KSA Digital Cybersecurity and Infrastructure Resilience Dialogue

November - December 2026

Saudi Arabia

EU–Oman Aviation Dialogue

TBD 2026

Oman

Participation in EU-KSA Foresight Dialogue event

30th Sep -1st Oct 2026

Saudi Arabia

Fintech & Digital Banking & Innovation (MISA)

TBD 2026

Saudi Arabia

Participation in Quantum and New - Tech Summit

28–30 September 2026

UAE

10th EU-GCC Business Forum

TBD

Online events in preparation to the 10th EU-GCC Business Forum

September - October 2026

Online

Customs Dialogue - Qatar

October - November 2026

Qatar

Official Launch Event of the Chamber of Commerce Bahrain

TBD 2026

Bahrain

EUBF next monthly meeting

29th September 2026

Public Procurement Dialogue

TBD 2026

Kuwait

EU-GCC Defence Technology and AI Forum

December 2026

Qatar

Contacts

About us

The EU-GCC Dialogue on Economic Diversification II 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.



Contact us

Dr. Rade Glomazić
Team Leader
rade_glomazic@eugcceconomicdialogue.eu

Ksenija Petrović
Communication Expert
petrovic_ksenija@eugcceconomicdialogue.eu

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If you found this newsletter valuable, we encourage you to share it within your network to strengthen dialogue and cooperation between the EU and the GCC. By fostering economic diversification, digital transformation, regulatory covergence, and private sector engagement, we can advance sustainable growth, trade, and investment opportunities across both regions.

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E-mail contact:
FPI MENA: fpi-regional-team-mena@eeas.europa.eu
DG TRADE: TRADE-DIR-E2-SECRETARIAT@ec.europa.eu