



Week from 17 to 24 May 2022

This weekly newsletter prepared on behalf of the EU-GCC Dialogue on Economic Diversification Project includes the top headlines of the most significant and relevant news from across the EU and GCC in a consolidated easy to read format.



Customs: Provisional agreement reached on EU single window which will make customs clearance easier and faster

The Council and the European Parliament reached a provisional agreement on a single window for customs which sets the appropriate conditions for digital collaboration between customs and partner competent authorities. The aim is to make international trade easier, shorten customs clearance times and reduce the risk of fraud. It will also help reduce the administrative burden for traders.

Efficient customs clearance and controls are essential to allow trade to flow smoothly while also protecting EU citizens, businesses and the environment. Once fully implemented, businesses will no longer have to submit documents to several authorities through different portals. The single window environment will allow customs and other authorities to automatically verify that the goods in question comply with EU requirements and that the necessary formalities have been completed. [Read more.](#)

European Semester Spring Package: Sustaining a green and sustainable recovery in the face of increased uncertainty

The European Commission's 2022 European Semester Spring Package provides Member States with support and guidance two years on from the first impact of the COVID-19 pandemic and given the current geopolitical situation.

The European Semester and the Recovery and Resilience Facility (RRF) - at the heart of NextGenerationEU - provide for robust frameworks to ensure effective policy coordination and to address the current challenges. The RRF will continue to drive Member States' reform and investment agendas for years to come. It is the main tool to speed up the twin green and digital transition and strengthen Member States' resilience, including through the implementation of national and cross-border measures in line with REPowerEU. [Read more.](#)

Increased support for EU farmers through rural development funds

The European Commission proposed an exceptional measure funded by the [European Agricultural Fund for Rural Development](#) (EAFRD) to allow Member States to pay a one-off lump sum to farmers and agri-food businesses affected by significant increases in input costs. Such increases in prices, notably for energy, fertiliser and animal feed, are disrupting the agricultural sector and rural communities, leading to liquidity and cash flow problems for farmers and small rural businesses active in processing, marketing or development of agricultural products. By directly addressing these cash-flow challenges, helping to keep them afloat, the support will address the market disturbances and thus contribute to global food security. [Read more.](#)

GCC: EU unveils Strategic Partnership with the Gulf

The High Representative and the European Commission adopted a Joint Communication on a 'Strategic Partnership with the Gulf' with the aim to broaden and deepen the European Union (EU)'s cooperation with the Gulf Cooperation Council (GCC) and its Member countries.

A strengthened partnership is beneficial both for the EU and for the Gulf partners, with the EU being the world's largest single market, a leader in research and innovation, an important security actor in the Gulf region and the leading actor on global challenges such as climate change and digitalisation. The EU Global Gateway provides a dynamic framework for cooperation with GCC partners to foster sustainable investments in the broader Middle East region as well as in Africa. GCC countries are dynamic economies and an important gateway between Europe, Asia and Africa. They are reliable Liquefied Natural Gas providers and have some of the best solar and wind resources in the world, whose development can be key in implementing mutual strategies to meet climate commitments as well as economic goals. As a strong defender of multilateralism and social transformation including human rights and gender equality, the EU will continue to foster political dialogue on such matters with the Gulf countries. [Read more.](#)

REPowerEU: A plan to rapidly reduce dependence on Russian fossil fuels and fast forward the green transition*

The European Commission has today presented the REPowerEU Plan, its response to the hardships and global energy market disruption caused by Russia's invasion of Ukraine. The measures in the REPowerEU Plan can respond to this ambition, through energy savings, diversification of energy supplies, and accelerated roll-out of renewable energy to replace fossil fuels in homes, industry and power generation.

The green transformation will strengthen economic growth, security, and climate action for Europe and our partners. The Recovery and Resilience Facility (RRF) is at the heart of the REPowerEU Plan, supporting coordinated planning and financing of cross-border and national infrastructure as well as energy projects and reforms. The Commission proposes to make targeted amendments to the RRF Regulation to integrate dedicated REPowerEU chapters in Member States' existing recovery and resilience plans (RRPs), in addition to the large number of relevant reforms and investments which are already in the RRP. The country-specific recommendations in the 2022 European Semester cycle will feed into this process. [Read more.](#)



Top news headlines from the GCC

KSA: Saudi minister hails KSA's work in field of education

Saudi Deputy Minister of Education for Universities, Research and Innovation Mohammed Al-Sudairi headed the Kingdom's delegation to the 26th session of the general conference of the Arab League Educational, Cultural and Scientific Organization and the meeting of its executive council at its 117th session in Tunis.

The deputy minister said that the Kingdom gave \$30 million to the International Alliance for the Protection of Heritage in Conflict Areas, in addition to launching an environment hackathon to support the objectives of the "Saudi Green Initiative" and to enhance the Kingdom's digital role globally through a set of studies related to artificial intelligence. [Read more.](#)

KSA: PIF-backed Lucid Motors to set up first overseas production factory in Saudi Arabia

US-based Lucid Motors signed agreements on Wednesday to build a production factory in Saudi Arabia with an annual capacity of 155,000 zero-emission electric vehicles.

The deals are estimated to provide financing and incentives to Lucid up to \$3.4 billion in total over the next 15 years to build and operate the manufacturing facility in the Kingdom. [Read more.](#)

KSA: TRSDC preparing a new breed of Saudi hospitality professionals to place Kingdom firmly on global tourism map

The Saudi government, which is keen to diversify its economy and reduce its dependence on oil as the primary source of revenue, has embarked on an ambitious multi-billion-dollar plan to turn the Red Sea into a significant tourist attraction.

To achieve this goal, the Kingdom set up The Red Sea Development Co., which was incorporated as a closed joint-stock company wholly owned by Saudi Arabia's Public Investment Fund.

The work of TRSDC does not stop here. The company has also created a talent team to groom young Saudi nationals to work on the project to create more jobs in the market. [Read more.](#)

KSA: Saudi Arabia's hospitality sector set to lead after seeing significant rebound

Of all the industries impacted by the pandemic, the hospitality sector was the worst hit in Saudi Arabia and the Gulf, as in all other territories.

In 2020, hotel occupancy rates declined to 49 percent in Riyadh from 60 percent in 2019. Likewise, Makkah witnessed a decline from 61 percent to 25 percent, and Jeddah from 58 percent to 37 percent, according to professional services firm Deloitte.

However, the Kingdom's travel and tourism sector enjoyed an equally dramatic rebound. Riyadh, Dammam and Jeddah witnessed revenue per available room recovery index rates of 88 percent, 85 percent and 56 percent, respectively, in 2021, as recently reported by the US-based hospitality research company STR. [Read more.](#)

KSA: Saudi tourism sector to create 1 million jobs by 2030, says top official

Saudi Arabia's tourism sector will create 1 million jobs by 2030 and the Kingdom will welcome 100 million visitors, said Qusai Al-Fakhri, CEO of the Saudi Tourism Development Fund.

The sector will create one of every three new jobs in Saudi Arabia in the next decade, as the nation focuses more on the growth of non-oil sectors, said Al-Fakhri.

Talking about the progress of the Saudi tourism sector at the Future Hospitality Summit in Riyadh, he said: "Last year, with the support of the tourism ecosystem, and the larger government ecosystem and enablers, Saudi Arabia achieved record levels of domestic tourism that is remarkable globally."

Al-Fakhri also noted that the tourism sector is expected to contribute 10 percent to the Kingdom's gross domestic product by the end of this decade.

KSA: Saudi economy to grow 7 percent in 2022, ahead of other GCC countries: World Bank report

Saudi Arabia's economy is expected to grow 7 percent in 2022, ahead of other countries in the Gulf Cooperation Council, according to the Global Economic Update report by the World Bank.

According to the report, the Kingdom's growth in 2022 will be driven by stronger oil output following OPEC+ production cuts and continued growth in non-oil sectors, supported by stronger consumption, increased tourism, and higher domestic capital spending. The report forecasts a combined growth of

5.9 percent in the GCC countries altogether, driven by the hydrocarbon and non-hydrocarbon sectors. [Read more.](#)

KSA: Saudi Arabia to utilize 2022 oil windfall to propel diversification from fossil fuels

Saudi Arabia plans to utilize its 2022 oil windfall to propel the Kingdom's diversification away from fossil fuels.

This comes as the government is aiming to further boost the non-oil economy in the Kingdom by 2023 without having to increase fiscal expenditures, Bloomberg reported, citing Minister of Economy and Planning, Faisal Al-Ibrahim.

According to Bloomberg's surveys of analysts, Saudi Arabia is projected to be one of 20 fast-paced growing economies in 2022.

The government is anticipating that by 2030, the private sector's contribution to the economy would stand at 65 percent, up from the current 51 percent. [Read more.](#)

UAE: Sharjah SRTI Park launches industry accelerator program to boost UAE's 4IR

The launch is to diversify the national industrial base and contribute to the positioning of the UAE as an incubator of innovation and creativity in line with Industry 4.0. The accelerator program will provide local and regional start-ups with innovative solutions and a strong support system within the thriving SRTI Park ecosystem.

SAIA 2.0 is also in line with the UAE's industrial strategy 'Operation 300bn', a 10-year comprehensive policy aimed at empowering and expanding the industrial sector to become the driving force of a sustainable national economy, increasing its contribution to the GDP. [Read more.](#)

UAE: UAE records largest increase in renewable energy capacity globally in the past decade

The UAE recorded the largest increase in renewable energy capacity worldwide over the past decade, a new index has revealed, reflecting the government's key focus on enacting initiatives to achieve its net-zero ambitions.

The UAE is expanding efforts to shift to greener technologies under its Net Zero 2050 Strategic Initiative, which calls for Dh600 billion (\$163bn) to be invested in clean and renewable energy sources in the next three decades. [Read more.](#)

UAE: UAE partners with International Co-operative Alliance to boost local co-ops

The UAE's Ministry of Economy has joined forces with the International Co-operative Alliance — the largest global co-operative organisation — to boost the performance of the country's co-operative sector and increase its contribution to the national economy.

The agreement will help raise the work environment in the country's co-operative sector to new levels, Abdullah Al Saleh, undersecretary of the Ministry of Economy, said.

The UAE had 42 co-operatives with 200 branches operating across the country, with a total capital of more than Dh3.1 billion (\$840 million) and net profit of Dh1bn as of the end of 2020, state news agency Wam said.

The country intends to increase their contribution to the gross domestic product to more than 5 per cent by 2031 from less than 1 per cent in 2018. [Read more.](#)

UAE: Dubai forms task force to track digital economy

Dubai is setting up a task force to track the [digital](#) economy and oversee the technological developments in the emirate.

The move is part of the directives issued by Sheikh Mohammed bin Rashid, Vice President and Ruler of Dubai, during the previous meeting of the Dubai Council. Sheikh Mohammed had directed the formation of a higher committee to supervise technological developments in the emirate and oversee developments in the digital economy.

The initiative aims to enhance Dubai's status as the "best city in the virtual space thanks to innovative services and its advanced regulatory and legislative framework".

The emirate plans to become a key player in the virtual world and is also developing a regulatory and legislative framework for the sector. [Read more.](#)

UAE: UAE's tourism sector growth in first quarter outpaced pre-pandemic levels

The UAE's tourism sector growth during the first quarter of this year outpaced the rates seen in 2019, before the Covid-19 pandemic, making it one of the best quarters for the local tourism industry, the UAE's Ministry of Economy has said.

The performance made it "one of the best years in terms of economic growth in general and tourism in particular", said Ahmad Al Falasi, Minister of State for Entrepreneurship and SMEs and chairman of the UAE Tourism Council. [Read more.](#)

UAE: UAE announces new discounts on fees for expats' work permits at private companies

Private companies in the UAE can from June 1 avail major discounts on government fees for issuing work permits for expats, as part of incentives for meeting or exceeding targets such as Emiratisation and other criteria, it was announced on Tuesday.

Dr Abdul Rahman Al Awar, Minister of Human Resources and Emiratisation, made the announcement at a media briefing in Dubai, during which he explained three new categories for companies. [Read more.](#)

QATAR: Qatar Airways releases 2021 Sustainability Report

Qatar Airways Group yesterday published its Sustainability Report for FY2019-21, a special 2-year edition themed "Response, Relief, Recovery, Resilience". Acknowledging the unprecedented circumstances the global aviation community faced in 2020, the approach of this two-year report differs from previous years, due to the impact of the COVID-19 pandemic on its business as usual operation.

The latest report details how the airline group was able to quickly respond to the needs of its customers, and its relief efforts in providing repatriation to people stranded and transport of essential medical and other supplies, as well as the airline's strategy to recover and build resilience to ensure long-term business sustainability. [Read more.](#)

QATAR: More tech firms coming to Qatar: PwC official

More technology companies are coming to expand their operations in Qatar as the government ramps up its investments in tech and innovation. And the presence of two hyperscalers – Microsoft and Google – in the country is expected to help startups and the entrepreneurial ecosystem here to further flourish, said an expert.

Speaking to *The Peninsula* on the sidelines of the 'Emtech lab' launch in Doha, Partner and Qatar Technology Lead at PwC Firas Sleiman said the global consultancy firm has been seeing a dramatic increase in the number of tech companies establishing their operations in Qatar during the last five years.

"Also, a lot of the companies that have headquarters in the region whether in Dubai or Saudi Arabia are now investing in Qatar. They're opening their offices here, and they're bringing their best resources just because Qatar which is going towards a knowledge-based economy has opened the gates for all companies to come and interact and work with the government. [Read more.](#)

QATAR: Qatari investments in Germany valued at €25bn

The visit of the Amir H H Sheikh Tamim bin Hamad Al Thani to the Federal Republic of Germany will expand opportunities and open doors for further cooperation in the commercial and economic fields, which will positively affect the business sectors in both countries, Chairman of Qatar Chamber Sheikh Khalifa bin Jassim Al Thani has said.

In a statement to QNA, Sheikh Khalifa said trade relations between the two countries have witnessed great development in recent years, as Germany is an important trading partner for Qatar.

Trade exchange between both countries rose by 75 percent in 2021 despite the COVID-19 pandemic and its repercussions on the global trade movement, with bilateral trade amounting to about QR11.2bn last year, compared to QR6.4bn riyals in 2020. [Read more.](#)

QATAR: Huge opportunities for Spanish firms in Qatar

Qatar Chamber Chairman Sheikh Khalifa bin Jassim Al Thani said that Qatar and Spain enjoyed close relations at all levels, especially the economic and commercial aspects, noting that their bilateral trade exchange hit \$1.2bn last year compared with \$820m in 2020, an increase of 46 percent.

This was revealed during the Qatar-Spain Business Forum held on the sidelines of the visit of Amir H H Sheikh Tamim bin Hamad Al Thani to Spain.

Sheikh Khalifa called on the private sector on both sides to benefit from the tremendous potential both countries own to build commercial partnerships and alliances that contribute to developing their trade exchange. [Read more.](#)

OMAN: Oman-Saudi partnership to invest \$3 bn in EV batteries, energy storage, food security

Bahwan Services and Trading LLC (BST), an affiliate of Shaikh Ahmed bin Suhail Bahwan's group of companies (Sultanate of Oman) and Ajlan & Brothers Holding Group (Abilitii), Kingdom of Saudi Arabia have signed a collaboration agreement to establish joint investments in both countries by announcing a new era of partnerships for key sectors in line with respective countries' Saudi Vision 2030 and Oman Vision 2040.

BST and Abilitii, both privately owned business conglomerates met in Muscat on Tuesday, May 24, 2022, to sign an economic, commercial and technical collaboration agreements. The various projects of mutual interests come under the field of industrial manufacturing of lithium-ion batteries for electric vehicles and stationary energy storage, renewable energy, healthcare and food security initiatives in both countries and joint investments within and outside the GCC. [Read more.](#)

OMAN: Oman Vision 2040 Unit implements 34 business environment improvement initiatives

Oman Vision 2040 Implementation Follow-up Unit, in cooperation with the competent government agencies, managed to develop and follow up the implementation of 34 initiatives and projects in 2021.

This drive came as part of activating the priorities of Oman Vision 2040, which are related to the economic and development axis, within three programmes to improve the business environment with the aim to make the business environment in Oman an attractive and stimulating to attract the different national and foreign investments, taking into consideration all legislative and procedural aspects.

Eng Mohamed Said al Masrouri, General Supervisor of Business Environment Sector at Oman Vision 2040 Unit, said that the three business environment improvement programmes are related to the two priorities of (the private sector, investment and international cooperation) and (the judiciary, legislation and supervision). [Read more.](#)

OMAN: Budget surplus to boost spending on priority projects

The financial indicators for the first quarter of this year confirmed the recovery of the national economy, after the state's general budget achieved a surplus of more than RO300 million.

According to officials and experts, the improvement in financial performance during Q1 of 2022 confirms the recovery of the economy due to measures made by the government, aided by the oil prices in global markets.

Dr. Nasser bin Rashid al Maawali, Undersecretary of the Ministry of Economy, said that the improvement in the financial performance is due to measures taken by the government and that the budget surplus will be used to stimulate growth, enhance spending on priority development projects and reduce the level of public indebtedness. [Read more.](#)

OMAN: Pact signed for \$88m petrochemical project in Salalah Free Zone

Salalah Free Zone (SFZ) signed a pair of land use (usufruct) agreements covering the development of a petrochemicals project with an investment of around \$88 million, as well as a workshop for the maintenance and repair of shipping containers valued at around \$1 million.

The petrochemical plant will be built on a 78,00 sq metre site, while the workshop will come up on a 3,000 sq metre plot. The latter will repurpose shipping containers for use as homes, restaurants, workshops and other facilities based on international standards.

The two agreements will contribute to the national economy by creating direct job opportunities. The factory's petrochemical products will be handled through Salalah Port which will enhance the performance of the maritime transport sector.

SFZ offers economic incentives for investors, particularly tax exemptions and complete ownership of projects. The SFZ also boasts a strategic position next to Salalah Port. (With inputs from ONA).

KUWAIT: Experts say Kuwait ban on expats buying property hinders efforts to lure investors

Foreign investments in Kuwait remain weak, despite the establishment of the Kuwait Direct Investment Promotion Authority, whose main role is to provide investors with the best environment and facilities. Preventing foreigners from buying properties is one of the main reasons for the dearth in local investment. Some real estate experts told Kuwait Times that Kuwait's policy and laws are the reason foreigners are not allowed to own real estate in the country, saying they don't see any logical reason for this ban. [Read more.](#)

KUWAIT: Fluctuating oil prices requires measures to enhance Kuwaiti economy: Commerce Minister

Minister of Commerce and Industry Fahad Al-Shuraian said on Wednesday that the political and economic changes that the world was going through amidst the sharp fluctuating oil prices required some serious measures to enhance the economy through economic restoration programs and initiatives to privatize a number of public sector institutions. This came in an economic forum organized by the Arab Planning Institute entitled 'towards more privatization in the GCC' with the participation of several economic experts and officials.

Shuraian added that economic restoration programs aim to improve the level of competition, which reflects positively on the country and lifts the load on the government, and creates new job opportunities. "It requires new measures in order to achieve Kuwait's vision, measures that correspond to the international requirements, the application of transparency and equality standards, these are the main characteristics for the transformation into a financial center," he pointed out. [Read more.](#)

BAHRAIN: Davos 2022: how Bahrain plans to double the size of its tourism sector in five years

Bahrain is confident it can attract 14 million visitors annually by 2026 as it almost doubles its [tourism sector's](#) contribution to economic output to 11.4 per cent.

The kingdom's accelerated tourism push will build on previous achievements, in tandem with plans to build up its business events sector, while boosting growth from markets such as India, China and

the US, Zayed Alzayani, Minister of Industry, Commerce and Tourism, told *The National* on the sidelines of the World Economic Forum meeting in Davos. [Read more.](#)

BAHRAIN: Edamah launches Sitra Industrial Park Expansion

Bahrain Real Estate Investment Company (Edamah), the real estate arm of the Kingdom's sovereign wealth fund, Bahrain Mumtalakat Holding Company announced the availability of agile industrial locations at its Sitra Industrial Park.

The 87,382 sqm Park includes a total of four existing facilities with two new covered facilities and dry storage plots for industrial, commercial and logistical use. Edamah is keen to tailor its features to accommodate tenants' requirements. The Park is to be expanded with an additional 8,000 sqm of industrial space with construction about to commence on the site.

Edamah's diverse portfolio spans retail, hospitality, commercial and industrial properties across the Kingdom. It aims to drive sustainable economic growth while also creating benefits for local communities. [Read more.](#)

BAHRAIN: Abu Dhabi Securities Exchange, Bahrain Bourse discuss high-level strategic partnership

Senior executives of Abu Dhabi Securities Exchange (ADX) and Bahrain Bourse (BHB) have held meetings in Abu Dhabi this week to advance a strategic partnership designed to achieve greater cross-border cooperation.

During the visit by a delegation of the Bahrain Bourse to ADX, the two exchanges took steps to implement the cooperation agreement signed earlier in November 2021. The agreement aims to achieve synergies, enhance market liquidity and promote innovative products and services. [Read more.](#)

BAHRAIN: stc Bahrain launches region's 1st 5G Standalone network with Huawei

The Standalone 5G network will enable a new set of communication services for both consumers and enterprises, through ubiquitous connections and high computing capabilities that can be delivered to individuals for their diverse services, such as high-resolution video, VR, AR, and multimedia, online data communication, and more.

The digital advancements are considered a significant stepping stone for stc Bahrain, ensuring new economic opportunities and efficiencies for communication services in the Kingdom. [Read more.](#)

GCC: GCC Economies to Expand by 5.9% in 2022

The economies of the Gulf Cooperation Council (GCC) are projected to expand by 5.9% overall in 2022, with this recovery likely to continue in the medium-term, driven by the hydrocarbon and non-hydrocarbon sectors. The GCC comprises six countries—Bahrain, Kuwait, Oman, Qatar, Saudi Arabia, and the United Arab Emirates.

The latest issue of the [World Bank's Gulf Economic Update \(GEU\), "Achieving Climate Change Pledges,"](#) describes them as rebounding robustly from the COVID-19 pandemic in the course of 2021 and at the beginning of 2022. It attributes the rebound to a broadly successful vaccination rollout across the GCC, the easing of pandemic restrictions, and developments in the hydrocarbon market. As a result, fiscal deficits have markedly improved, with the GCC external balance reaching pre-pandemic levels in 2021 as energy prices and export earnings strengthened. [Read more.](#)



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