

The Role of European Chambers in Third Markets - A Business Perspective

EVENT REPORT
MAY 2023



EU-GCC Dialogue on Economic Diversification

A project funded by the European Union



MODERATION AND SPEAKERS

The EU-GCC Dialogue on Economic Diversification project convened the second phase of the Role of European Chambers in Third Markets on 10 May 2023, held at the Rosh Rayhaan by Rotana Hotel in Riyadh, Saudi Arabia. The discussions were moderated by Mr Douglas Aitkenhead, Team Leader of the EU - GCC Dialogue on Economic Diversification Project. The event took place at the Rosh Rotana and coincided with initiatives related to Europe Day. The following panellists were present:

- **Mr Thomas Juergensen**, the Minister Counsellor and Head of the Trade Section of the European Union Delegation to Saudi Arabia, Oman, and Bahrain
- **Mr John Wilson**, Regional Coordinator Middle East & South Asia, EBO Worldwide Network ASBL & Board Member of European Chamber of Commerce Sri Lanka (ECCSL), Sri Lanka
- **Mr Frederik Boye**, CEO, Swedish Chamber of Commerce, Taipei (attended remotely)
- **Dr Pedro I. Iriarte**, Managing Director TYP SA Saudi Arabia
- **Mr Mohammed N Aloqayli**, Business Development Manager, Middle East Acciona Agua, Saudi Arabia
- **Mr Baptiste Pers**, Business Development Manager EDF Group, Saudi Arabia

AGENDA

SESSION I: Opening Remarks

- Opening remarks by the EU GCC Economic Diversification Project
- Opening remarks by the European Union Delegation to Saudi Arabia, Qatar, Oman, and Bahrain

SESSION II: "From Challenges to Success: Case Studies on Business Dialogue, Sectoral Issues, and Chamber Successes"

- A Board Member Perspective of a European Chamber by Mr John Wilson
- A Member State Perspective of a National Business Chamber (Member State) by Mr Frederik Boye

SESSION III: Panel discussion: "Building Bridges for Business: Strengthening European - KSA Cooperation in Industry."

SESSION IV: Open Forum: "Beyond Borders: Exploring Opportunities and Challenges of Investing and Doing Business in Third Markets"

CLOSING REMARKS

EXECUTIVE SUMMARY

This event marked a crucial step in fostering European business engagement in the Gulf Cooperation Council (GCC) regions, specifically the Kingdom of Saudi Arabia (KSA). The focus was on the formation of a European Chamber of Commerce in the KSA, a strategic initiative advocated by the Joint Communication to the European Parliament and the Council on a Strategic Partnership with the Gulf.

Session I consisted of an introduction to the role and benefits of European Chambers of Commerce in foreign markets. It highlighted their contribution to promoting European businesses, easing their entry into foreign markets, and advocating for regulatory improvements. The session highlighted the EU's readiness to support the establishment of such a Chamber in the KSA.

Session II involved first-hand perspectives from Mr John Wilson and Mr Frederik Boye on the success and challenges of European Chambers in Sri Lanka and Taiwan respectively. Mr Wilson highlighted the Chamber's role in advocacy, policy changes, and member services while stressing the need for the Chamber model to adapt to local contexts. Mr Boye discussed the Swedish Chamber of Commerce in Taiwan's accomplishments and provided insights into local business culture, relationship-building, and policy advocacy.

The event concluded with a panel discussion, "Building Bridges for Business - Strengthening European - KSA Cooperation in Industry", featuring Dr Pedro I. Iriarte, Mr Mohammed N Aloqayli, and Mr Baptiste Pers. The panelists agreed on the importance of understanding local regulations and culture, building long-term relationships, and the potential advantages for medium to large businesses in the KSA. They also emphasised the importance of European businesses speaking with a unified voice for more effective negotiations and discussions.

In summary, the event underlined the crucial role the European Chambers of Commerce play in advocating for European businesses in foreign markets and emphasized the readiness and enthusiasm for establishing such a chamber in the KSA. The shared experiences and insights provided valuable lessons on how to navigate the local business culture and regulatory landscape, creating a roadmap for success in the KSA and beyond.



SESSION I: OPENING REMARKS

Opening Remarks by Mr Thomas Juergensen, the Minister Counsellor and Head of the Trade Section of the European Union Delegation to Saudi Arabia, Oman, and Bahrain

- European businesses play an essential role in third markets and actively contribute to Europe's growth as a global leader. Furthermore, a coordinated European approach has paved the way for European businesses to have a more substantial presence and voice in external markets. It has enabled more robust advocacy and the removal of barriers through collective action. European businesses of all sizes have been benefitting from this.
- In many markets, European businesses have united and formed EU Business Chambers as the voice of European industry in third markets. Such Chambers actively provide inputs to host Governments, European institutions, and EU MS as the leading European business think tanks to encourage constructive, critical feedback on current strategies and enhance overall impact towards a progressive business-conducive market. As foreign businesses, they pursue and advocate regulatory improvements in third markets in areas such as the harmonization of standards, protection of intellectual property rights (IPR), access to procurement and reduction of subsidies, and administrative barriers, amongst many others, ensuring that they align and provide progressive benefits to the host market.
- There are currently no European Chambers of Commerce in the GCC. **Supporting the establishment of an EU Business Chamber in KSA has been identified in the Joint Communication to the European Parliament and the European Council on a Strategic Partnership with the Gulf as a priority for EU action in the region.** KSA embassies of European Member States are also strongly supporting this initiative. The EU-GCC Dialogue on Economic Diversification project has been tasked with implementing a strategy that leads to the creation of a European Chamber by European businesses.
- This event marks an important step towards establishing a European Chamber in the KSA, by providing a business audience with a briefing on the objectives, functions, and services of European Chambers throughout the world and the benefits they provide to EU businesses both large and small. The EU stands ready to support the creation of such a Chamber in KSA asap and it encourages European businesses to work together towards its establishment.

SESSION II: FROM CHALLENGES TO SUCCESS - CASE STUDIES ON BUSINESS DIALOGUES, SECTORAL ISSUES, AND CHAMBER SUCCESS

A BOARD MEMBER PERSPECTIVE: BY MR JOHN WILSON

- John Wilson, renowned Managing Principal of John Wilson Partners, one of Europe's largest law firms based in Sri Lanka, was invited to Riyadh to elaborate on the essential role that European Chambers of Commerce play in third markets. Drawing on his rich personal journey, which began in 2008 as a mere Chamber member to becoming the Vice President in 2022, he brought a unique trifecta of perspectives: member, European Business representative, and board member.
- In his presentation, Mr Wilson highlighted the Chamber's multifaceted functions, which range from advocacy to networking and capacity building, as well as the publication of the successful Eurolink magazine. The European Chamber of Commerce stands as a steadfast advocate and representative for European businesses, often confronting and resolving market entry barriers.
- Moreover, he underlined the significance of the Chamber's Market Access Committees, alternately known as Industry or Sectoral Committees. These entities serve as the driving force behind the Chamber, effectively spearheading initiatives like position papers to combat significant issues.
- Wilson's illustrious journey in the Chamber and his predictions about ascending to the Presidency underscores the transformative potential of individual commitment to collective action. His unique experience speaks volumes about the European Chamber's role as the unified voice of European businesses on the international stage, amplifying their concerns and advocating for their interests with a singular, impactful voice.
- The European Chamber of Commerce in Sri Lanka organises a variety of activities for its members, including social networking events and business information sessions. These sessions focus on trending European Union topics like the General Data Protection Regulation.
- Board members, according to Mr. Wilson, offer insights, foster networking opportunities, and guide the Chamber's Secretariat on strategy. The Chamber structure is a direct membership organization, composed of a board of directors, an executive director, a Secretariat, an advocacy officer, and a help desk.
- The main goal of the Chamber is to facilitate and enhance economic and business ties between Sri Lanka and European countries. Mr. Wilson suggests that the Chamber model should be flexible, taking into account the local context and the preferences of European businesses.



- Mr. Wilson discussed the EU Sri Lanka Investor Dialogue, which is a tool to help European businesses overcome obstacles in Sri Lanka. Initially, the dialogue was led by Sri Lanka's Board of Investment and the foreign investment deputy minister, but the EU delegation later intervened to restart the meetings.
- He also mentioned the funding from the European Commission under the European Business Information Centre initiative, which served as seed funding for strengthening the Chamber's capacity for six years. Now, the Chamber generates funds by organizing profitable events and securing sponsors.
- Mr. Wilson then introduced the EU Helpdesk, a service assisting European companies in Sri Lanka. This is especially beneficial as most Member State embassies are located in New Delhi, not Sri Lanka.
- Speaking on his role as the Regional Coordinator of the European Business Organisation Worldwide Network (EBOWWN), he oversees South Asia and the Middle East. EBOWWN praised the EU's decision to establish a European Chamber in the Middle East, noting the model in Taiwan as a successful case study.
- Finally, the establishment of a European Chamber of Commerce in Saudi Arabia was lauded by EBOWWN, citing its significant advantages to European businesses.

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THE ROLE OF
EUROPEAN CHAMBERS
IN THIRD MARKETS -
A BUSINESS
PERSPECTIVE



Mr John Wilson's Presentation

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SESSION II: FROM CHALLENGES TO SUCCESS - CASE STUDIES ON BUSINESS DIALOGUES, SECTORAL ISSUES, AND CHAMBER SUCCESS

A MEMBER STATE PERSPECTIVE: BY MR FREDERIK BOYE CEO, Swedish Chamber of Commerce, Taipei

- Mr. Boye, who joined the Swedish Chamber of Commerce in Taipei as CEO in 2019, spoke remotely at the event. The chamber, representing the top forty Swedish firms in Taiwan, has facilitated Taiwan's shift from agriculture to infrastructure and transport since the 1950s.
- Its main focuses are networking corporate advocacy, and education. It collaborates with around 100 global Swedish chambers and the local Taiwan chamber community, including the European Chamber of Commerce, with the highest representation from France, Netherlands, Germany, UK, USA, and Europe.
- The Taipei Swedish Chamber is part of the Asia-Pacific Swedish Chambers network, positively influencing Taiwan through monthly idea exchanges and events.
- The Swedish Chamber of Commerce in Taipei fosters connections between Swedish universities and Taiwan, promotes student exchanges, and encourages Swedish students to study in Taiwan, significantly impacting the 10 million-strong population. Advocacy is crucial for the Chamber, often happening through intimate gatherings like tea sessions, banquets, and golf games to establish personal connections (guanxi) before building business relationships.

- However, relationships need to be rebuilt when Swedish representatives leave since most companies are Swedish-managed. The Chamber also conducts an annual survey, assessing member companies' development outlooks and concerns, with results influencing the broader European Chamber of Commerce in Taiwan.
- The Swedish Chamber supports Swedish businesses entering the local market and provides learning events on topics like cybersecurity and sustainability. They collaborate with other chambers in the Asia-Pacific to attract high-profile speakers and educate staff on Swedish values, distinguishing their employers and offerings from competitors.
- Moreover, the Swedish Chamber collaborates with European Chambers on pressing issues, improving the retention rate of human resources personnel in Taiwanese companies through events and white papers.
- Mr. Boye's recommendations revolve around a business philosophy that includes a generous compensation package, transparent operations, a commitment to sustainability, promoting female leadership, and prioritizing personal well-being. Despite the pandemic, the Swedish Chamber and adjacent chambers flourished due to trust-building, personal relationships, and transparency.
- In conclusion, Mr Boye encouraged chamber leaders to be open, share knowledge, establish their own Leadership Networks, collaborate with other chambers, customize their offerings to each member, and invest time to understand members' needs. The emphasis was on maintaining an open mind and fostering cooperation for mutual success.

Swedish Chamber of Commerce Taipei (SCCT)

- ▶ Voice of the 40 biggest Swedish companies in Taiwan
- ▶ Member of Swedish Chambers international
- ▶ Member of the local Taiwan Chamber community
- ▶ Member of Swedish Chambers in APAC
- ▶ Swedish university focal point

Mr Frederik Boye's Presentation

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SESSION III: PANEL DISCUSSION "BUILDING BRIDGES FOR BUSINESS - STRENGTHENING EUROPEAN - KSA COOPERATION IN INDUSTRY"

The panel discussion was led by Mr Douglas Aitkenhead. The three panellists introduced themselves. Namely **Dr. Pedro I. Iriarte, Managing Director TYP SA Saudi Arabia**, **Mr Mohammed N Aloqayli, Business Development Manager, Middle East from Acciona Agua** and **Mr Baptiste Pers, Business Development Manager EDF Group**.

- All representatives broached the context of the Kingdom of Saudi Arabia's Vision 2030 and the ambitious economic diversification programme currently being pursued by the Saudi government.
- Contribution to the market through initiatives such as a memorandum of understanding with local universities for research and development student exchange. It enhances the market's reputation and demonstrates to them that the business is coming here as a partner and key player and that you care profoundly about the local and regional economies and business cycle.
- All panellists stressed the need for understanding local regulation and the local context whilst building long-term relationships.
- Each market in the global economy has distinct characteristics from the others. Understanding these distinctions will help companies and business leaders succeed in this market.

- The GCC region is unified and shares many characteristics, but Saudi Arabia, Kuwait, Bahrain, and the United Arab Emirates have distinct regulations, cultures, and local knowledge. To succeed in this market, it is important to understand the local market and culture and have advisors who are well-versed in these topics.
- The advantages outweigh the disadvantages for medium to large businesses, as most contracting experts have experts in-house within the specialised areas. For smaller Businesses, having representation support services would be valuable.
- Medium to large businesses have the foresight to invest in the market over the long term, and the market is sustainable enough to pay back within a few years. However, for a new small business seeking very quick hits on run businesses, this will be difficult. However, we have witnessed this market's very strong development during COVID-19, despite the numerous political issues surrounding the region. Politically and economically, there has been much progress within the Kingdom of Saudi Arabia.
- It is important to become informed about local regulations. Second, be prepared for fast-tracked projects, as this is how all projects are typically developed. For any government office, it is essential to be a dependable and trustworthy partner and build strong interpersonal relationships.
- When businesses join forces with other businesses, they must have more influence in negotiations and discussions. Speaking with one voice gives you more influence and allows you to provide a superior product while preventing confusion in conversations with local actors.

SESSION THREE:

OPEN FORUM: "BEYOND BORDERS: EXPLORING OPPORTUNITIES AND CHALLENGES OF INVESTING AND DOING BUSINESS IN THIRD MARKETS"



This open forum will give participants an opportunity to discuss with the speakers the role of a European Chamber in facilitating business in Saudi Arabia.

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

European Union to Saudi Arabia

Rosh
Rayhaan
by Rotana



Beyond Borders, exploring opportunities and Challenges of Investing and doing business in Third Markets

The final session was the open forum "**Beyond Borders, exploring opportunities and challenges of investing and doing business in third markets**". It allowed participants to ask questions and explore the role of a European Chamber in facilitating business.

Question 1: DAA International has sixteen locations worldwide, including three in Saudi Arabia. Having worked in Saudi Arabia for the past three years and recognising the positive vision of the Kingdom of Saudi Arabia, how can businesses collaborate to achieve these through clear objectives?
(Mr Lorcan Tyrrell, Commercial Director, DAA International)

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- **Mr Wilson** remarked that there is no one-size-fits-all solution and that it is crucial to familiarise oneself with Saudi Arabia, its people, and its customs.
 - Establishing a chamber to organise educational and awareness-raising events about Saudi Arabia is essential.
 - Representatives of European businesses must devote their time, effort, and energy, but they will only do so if they perceive a collective advantage.
 - According to him, a study is currently being conducted to determine which European businesses exist on the ground, and the results will depend on the characteristics of those involved.
 - **Mr Juergensen** noted that the initiative to establish the European Chamber of Commerce has the political support of the EU and all of its Member States. However, the actual creation of the Chamber is in the hands of the European businesses and they have to move forward with the support of the EU and EU Member States.
 - It is very important to inform the European business community in Saudi Arabia about this initiative and to identify companies or individuals who are prepared to take the lead.
 - The global EBO Network of which a European Chamber in KSA could become a member is an ideal location to share experiences regarding the types of committees, the number of board members, and everything related to these topics.
 - The next step is to assemble a steering committee composed of business community members and design the structure of the Chamber.
 - **Mr Aitkenhead** invited other representatives to join the steering committee.
 - He noted the steering committee would play a crucial role in preparing the business plan for the Chamber, organising the chamber's structure, and collaborating with the Legal Counsel on the chamber's constitution.
 - To achieve the ambitious deadline at the end of the year, a great deal of effort is required. Therefore, there was an invitation to European Business to partner.

Question 2: What initiatives exist? How do Member States support it? Is it to attract business delegations from countries? (Mr Christakis Demetriou, Head of the Consular and Economic Affairs ,Embassy of Cyprus)

- **Mr Juergensen** outlined that the first and most important stage is to contact companies.
- The Delegation can support and collect interest and then assist in forming this founding group.
- Drafting a constitution that conveys the role of the European Chamber concerning member states, such as business promotion offices, is a very important issue.
- **Mr Wilson** addressed the legal aspect.
- Any regulation impacting the Chamber's key role requires communication with the local authorities.
- Further, before a position can be reached on business-level issues, it is sometimes necessary to discuss them behind closed doors.
- Depending on the circumstances, it may be necessary to establish a distinct regulatory framework for this type of Chamber of Commerce.

Question 3: To comprehend the scope of the possibility, how many European companies have been established and established in Saudi Arabia? (Mr Daniel Cunningham, International Business Developer, Enterprise Ireland)

- **Mr Juergensen** noted that the EU Delegation does not have a specific number but that there are many European companies active in KSA that could be interested in a European Chamber.

Question 4: Addressing the element of identity and brand Europe, based on both the Swedish and European perspectives, how does the European Chamber Sri Lanka promote the European brand identity? (EU Delegation, Mr Juergensen)

- **Mr Wilson** clarified that communication is critical and essential for a chamber's activities, and resources must be allocated for it. It is also important to work closely with the delegation and commission to understand the initiatives on a commission level. Examples of green initiatives include the Green Deal, sustainability, and the circular economy. Europe is well-known for its expertise in renewable energy, which can be conveyed through its activities.

Contact Us

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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.



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