



## Week from 24 to 31 October 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.



**Payments: Commission proposes to accelerate the rollout of instant payments in euro**

The Commission has adopted a legislative proposal to make instant payments in euro, available to all citizens and businesses holding a bank account in the EU and in EEA countries. The proposal aims to ensure that instant payments in euro are affordable, secure, and processed without hindrance across the EU.

Instant payments allow people to transfer money at any time of any day within ten seconds. This is much faster compared to traditional credit transfers, which are received by payment service providers only during business hours and arrive at the payee's account only by the following business day, which could take up to three calendar days.

Valdis Dombrovskis, Executive Vice-President for an Economy that Works for People, said: *"Instant payments are fast becoming the norm in many countries. They should be accessible to everyone in Europe too, so that we stay globally competitive and make the most of the innovation opportunities offered by the digital age. People gain with more choice and convenience, businesses gain with better control of their cash flow and lower operational costs. Today's proposal will strengthen our economy, make it more efficient and help it to grow."* [Read more.](#)

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## European Green Deal: Commission proposes rules for cleaner air and water

The Commission is proposing stronger rules on ambient air, surface and groundwater pollutants, and treatment of urban wastewater. Clean air and water are essential for the health of people and ecosystems. Air pollution alone means nearly 300,000 Europeans die prematurely each year, and the proposed new rules will reduce deaths resulting from levels of the main pollutant PM<sub>2.5</sub> above World Health Organization guidelines by more than 75% in ten years.

Across air and water, all of the new rules provide clear return on investment thanks to benefits in health, energy savings, food production, industry, and biodiversity. Learning the lessons from current laws, the Commission proposes to both tighten allowed levels of pollutants and to improve

implementation to ensure pollution reduction goals are more often reached in practice. Today's proposals are a key advance for the [European Green Deal](#)'s zero pollution ambition of having an environment free of harmful pollution by 2050. They also respond to specific demands of the Conference on the Future of Europe. [Read more.](#)

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## Expert report identifies promising approaches on how to best invest in education and training

The Commission publishes the final report of the Expert Group on Quality Investment in Education and Training, "*Investing in our future: quality investment in education and training*". The experts' report focuses on how to best invest public money in four major areas of education and training expenditure in the EU: teachers and trainers, education infrastructure, digital learning, and equity and inclusion.

The expert group identifies promising education and training practices in national contexts, which can serve as inspiration for governments and education institutions across the EU. These include initiatives to reduce teachers' work-related stress, promote their well-being, and raise their pedagogical digital competences; one-to-one tuition and peer tutoring programmes; school building and renovation programmes to increase the quality of facilities; and quality early childhood education and care. Such national practices and reforms of education policies are regularly shared in the context of the [European Education Area](#) strategic framework through the [EEA Working Groups](#), to inspire positive change throughout the European Union. [Read more.](#)

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## Commission adopts its Work Programme for 2023: Tackling the most pressing challenges, while staying the course for the long-term

The Commission adopted its 2023 Work Programme. It sets out a bold agenda to respond to the current set of crises affecting the everyday lives of Europeans, while doubling down on the ongoing green and digital transformations, making our European Union more resilient.

In this spirit, the Commission aims at supporting people and businesses – whether by reducing energy prices, securing the supplies critical for our industrial competitiveness and food security, or by reinforcing our social market economy.

This Commission Work Programme contains 43 new policy initiatives across all six of the headline ambitions of President von der Leyen's [Political Guidelines](#), building on her [2022 State of the Union speech](#) and [letter of intent](#). [Read more.](#)

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## Commission sets out actions to digitalise the energy sector to improve efficiency and renewables integration

The European Green Deal and the [REPowerEU Plan](#) require a deep transformation of our energy system, which needs to become more interactive and smarter to help consumers embrace the benefits of the green transition. Today, the Commission is presenting an Action Plan highlighting how new technologies can help improve the efficient use of energy resources, facilitate the integration of renewables into the grid, and save costs for EU consumers and energy companies.

The Commission is setting out actions to boost data sharing, promote investments in digital electricity infrastructure, ensure benefits for consumers and strengthen cybersecurity. With data centres and the growing appetite for online services demanding ever more resources from our energy system, today's plan also outlines ways to decouple the energy footprint of the ICT sector from the exponential growth of data. The green and digital transition must go hand in hand. [Read more.](#)



## Top news headlines from the GCC

KSA: Next 6 months to be difficult for global economy but Gulf to stay strong, says Saudi finance minister

The world is going to witness a very difficult six months from now, as economic challenges such as high-interest rates and inflation persist in almost all countries, warned Saudi Arabia's Finance

Minister Mohammed Al-Jadaan.

Speaking at the Future Investment Initiative forum in Riyadh on Oct. 26, the minister said the Gulf region will stay stable amid these economic headwinds, adding that the Kingdom will support other regional countries facing challenges during these tough times.

"The region is largely split into two areas. One is the Gulf region, and for them, the next six months, and possibly the next six years, will be very good. The wider region is going to be very difficult, and it is our role to help that wider region," said Al-Jadaan, adding: "Worldwide, I think, we need to work to ensure that there is more collaboration and cooperation to bring about stability, and that is what we are doing." [Read more.](#)

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## KSA: Aramco announces \$1.5bn global sustainability fund

Saudi Arabian Oil Co. will launch a \$1.5 billion sustainability fund to invest in stable and inclusive energy transition technology, announced its CEO Amin Nasser.

Managed by the oil behemoth's venture capital arm Aramco Ventures, it will be "among the biggest funds in the world for sustainability," declared the CEO at the sixth edition of the Future Investment Initiative held in Riyadh.

In addition, the company is developing its blue ammonia and hydrogen business to produce up to 11 million metric tons of blue ammonia per year by 2030. [Read more.](#)

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## KSA: Booming Saudi Arabia cannot be ignored by global investors: BNY Mellon executive Anthony Habis 10 seconds of 1 minute, 9 second volume 90%

International investor interest in Saudi Arabia is booming thanks to the "bold and ambitious" economic reforms introduced as part of Vision 2030, according to a leading figure at the Bank of New York Mellon Corp..

Speaking to Arab News at the Future Investment Initiative in Riyadh, Anthony Habis — global head of client coverage at the bank — said it was the job of institutions like his to provide access to the Kingdom's markets for those who want to play a role in the developing economy.

Habis said that BNY Mellon, which have been operating in the region for nearly a century, and in Saudi Arabia for over four decades, had a positive outlook for Saudi Arabia's economic future. [Read more.](#)

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## KSA: Saudi Arabia 'unbeatable' in supply chain resilience, says investment minister

Digital infrastructure and competitive energy rates are among the tools giving Saudi Arabia the advantage when it comes to supply chain resilience, according to the Kingdom's minister of investment.

Speaking at the Future Investment Initiative in Riyadh on Oct. 26, Khalid Al Falih said the strength in this area is a key attraction for securing foreign direct investment into the Saudi economy.

The Global Supply Chain Resilience Initiative is a strategy of continuous enhancement of the investment environment, complete with a unique incentives budget including SR10 billion (\$2.66 billion) in financial and non-financial inducements.

In its launch phase, it aims to attract SR40 billion in industrial and service investments in global supply chains to the Kingdom. [Read more.](#)

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## UAE: Dubai retains position as top global destination for FDI projects in first half of 2022

Dubai retained its position as the world's top destination for foreign direct investment projects in the first half of this year, according to a report.

In the first six months of the year, the emirate attracted 492 FDI projects, an 80.2 percent year-on-year jump, according to data published by Dubai's Department of Economy and Tourism (DET), Dubai Media Office said in a statement on Monday.

Dubai witnessed FDI inflows of Dh13.72 billion (\$3.74bn) in the January-June period, reflecting growth of 14.6 percent compared with the same period last year. [Read more.](#)

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## UAE: UAE Finance Ministry amends some provisions of VAT law

The UAE Ministry of Finance announced amendments to some provisions of the Federal Decree-Law No 8 of 2017 on value-added tax (VAT), which will be effective from January 1, 2023, according to state news agency Wam.

The amendments made are in line with international best practice in light of the [GCC Unified VAT Agreement](#). They are based on experiences, challenges faced by various business sectors as well as recommendations received from relevant parties, Wam said.

The UAE in 2018 introduced 5 percent VAT on a majority of goods and services as part of its plans to diversify the economy and reduce its dependence on oil.

The Emirates will also introduce a 9 percent [federal corporate tax](#) on the profit of businesses from the financial year starting on or after June 1, 2023, the Ministry of Finance said on January 31.

A standard statutory tax rate of 9 percent applies for companies, positioning the UAE competitively when compared with other financial centres and developed economies globally. [Read more.](#)

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## UAE: UAE ranks eighth globally for its readiness of markets for electric mobility

The UAE ranks eighth globally, for its readiness of markets for electric mobility.

The electric vehicle (EV) market is estimated to grow at a Compound Annual Growth Rate (CAGR) of 30 percent between 2022 and 2028 in the country.

Accelerated by the increasing threat of climate change, interest in electric mobility has escalated over the last four years.

Governments across the Middle East region are accelerating development of EV technology with the UAE, aiming to become carbon neutral by 2050 and ranking in the top 10 globally in terms of readiness for electric mobility.

Saudi Arabia's has pledged to become carbon neutral by 2060 and have 30 per cent of vehicles in Riyadh electric by 2030. [Read more.](#)

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## UAE: AD Ports Group to harness power of high-tech hub for food and healthcare sectors

AD Ports Group is preparing to bring one of the region's largest food and healthcare strategic storage hubs into the logistics ecosystem of Abu Dhabi.

The leading facilitator of global trade, logistics and industry has announced that KLP21 — its new advanced warehousing and logistics facility — will be available in the fourth quarter of 2022.

Located at KEZAD, the hub comprises four warehouses with more than 80,000 square metres of capacity tailor-made to support critical regional and international industries that require cold and ambient storage.

These sectors include healthcare, food and beverage, fast-moving consumer goods (FMCG), and speciality chemicals. [Read more.](#)

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## QATAR: Qatar Chamber launches Qatar Economic & Commercial Activities Guide

Qatar Chamber launched on Sunday the "Qatar Economic & Commercial Activities Guide 2022" which coincides with the 2022 FIFA World Cup.

The publication was launched by the Deputy CEO and Chief Strategy Officer at the Qatar Free Zones Authority (Strategic Partner) Sheikh Mohammed bin Hamad bin Faisal Al-Thani and QC General Manager Saleh bin Hamad Al Sharqi in the presence of several businessmen and representatives of sponsoring institutions.

Addressing the ceremony, Al Sharqi said that the issuance of this guide stemmed from the Chamber's concern to inform visitors to Qatar during the tournament about the country's business sectors and economic and commercial activities, stressing that the World Cup provides a great opportunity to promote the advancement witnessed by Qatar in terms of the infrastructure and economy. [Read more.](#)

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## QATAR: Qatar's trade surplus reaches QR36.3bn in September

Qatar's foreign merchandise trade balance, which represents the difference between total exports and imports, showed a surplus of QR36.3bn in September 2022, an increase of about QR17.2bn or 89.9 percent compared to September 2021, and increase by nearly QR0.1bn or 0.1 percent compared to August 2022.

The Planning and Statistics Authority has released preliminary figures of the value of exports of domestic goods, re-exports and imports for September 2022.

In September 2022, the total exports of goods (including exports of goods of domestic origin and re-exports) amounted to around QR47.6bn, showing an increase of 70.6 percent compared to September 2021, and increase of 1.7 percent compared to August 2022. [Read more.](#)

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## QATAR: Qatar poised to woo in 6.2 million visitors by 2028

The World Travel and Tourism Council expects Qatar to welcome 6.24 million tourists by 2028 with spending on the sector reaching QR 102.7bn, an increase of 9.1 percent annually until 2028, the 'Qatar Economic and Commercial Activities Guide 2022' launched by the Qatar Chamber yesterday stated.

The Guide was inaugurated in the presence of Minister of State and Chairman of the Board, Qatar Free Zones Authority H E Ahmad bin Mohammad Al Sayed and Chairman of the Qatar Chamber Sheikh Khalifa bin Jassim Al Thani.

Qatar would notch an economic return exceeding \$7bn through tourism from the World Cup which will contribute to achieve great momentum for the Qatari economy in the last quarter 2022 the Guide stated based on research by Capital Economics, an economic research company.

The Guide underpins the waste scope that Qatar offers to investors across a wide spectrum being known as a land for investment. [Read more.](#)

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## QATAR: Qatar's nominal GDP forecast at \$230.9bn in 2022: Emirates NBD

Qatar's nominal GDP has been forecast by Emirates NBD at \$230.9bn this year and \$244.1bn in 2023 while real GDP growth at 5.1% this year and 2.7% in 2023.

The country's budget balance as a percentage of GDP has been forecast by the regional banking group at 10.4 this year and 12 in 2023.

Inflation based on CPI has been forecast at 4.5% this year and 2.5% in 2023.

Qatar's GDP grew 4.3% year-on-year (y-o-y) in H1 (first half) of 2022 underpinned by a sharp rebound in building and construction as the country prepares to host the FIFA World Cup in November and December this year. [Read more.](#)

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## OMAN: Sohar Port earmarks 6 million sqm of land for green projects

Sohar Port and Free Zone has announced the allocation of around 6 million square metres for renewable energy projects, CEO Emile Hoogsteden (pictured) said.

At the briefing, Hoogsteden highlighted some of the important developments characterizing Sohar Port's performance so far this year and its positioning for stronger growth in a number of areas. At the end of the third quarter of this year, cargo throughput reached 21 million tonnes, with the port handling a total of about 2,225 ships. As many as 1,924 companies as associated with the operation of the port and free zone, which accounts for a notable 2.6 percent (equivalent to RO 601.4 million) of the Sultanate of Oman's GDP, the CEO noted. [Read more.](#)



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## OMAN: Oman opens up three new mining sites for investment

Three mining concessions offered up for investment by Oman's Ministry of Energy and Minerals will be awarded within three months of the opening of the bids, the Ministry has pledged.

However, unlike the Ministry's Licensing Round of Mineral Blocks announced earlier this year – which was open to both local and international investors – the latest public auction is restricted to Omani mining firms with proven industry experience. The goal is to channel investment opportunities to smaller Omani players in the industry as well.

Interested parties have until December 4, 2022, to submit their bids for the sites on offer. Successful bidders will however receive only one site per company. A formal opening of the bid envelopes is scheduled at the Ministry on December 5, 2022. [Read more.](#)

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## OMAN: Investments at Nizwa Industrial City reach OMR470mn

The total volume of investments by mid-2022 stood at OMR470 million in Nizwa Industrial City, a senior official said on Wednesday.

"The number of industrial projects at the end of the third quarter of this year reached 154, spread over various activities in industrial, service and commercial fields. The City is working to play a pivotal role in accelerating development in Al Dakhiliyah Governorate and the neighbouring governorates, Ahmed bin Salem Al Hajri, Director-General of Nizwa Industrial City, said.

"The city has attracted many investors from inside and outside the Sultanate of Oman and has created a diversity of investments, products and job opportunities for young people besides contributing a lot to the local economy," he added. [Read more.](#)

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## OMAN: Omantel creates new opportunities for innovative employees

Omantel, the leading provider of integrated telecommunication services in the Sultanate of Oman, has launched an in-house programme for employees who submit innovative ideas that could be converted into solutions or projects, offering them rewards like the opportunity to join a world-class accelerator, potentially gain funding, and get one year of paid or unpaid leave.

The initiative is considered to be one of the advanced projects that Omantel is currently working on to promote a culture of innovation and entrepreneurship among employees. The initiative is called 'Fikra' which provides a platform that delivers solutions related to innovation within technology, and anything that would add value to Omantel and maintain its position as a leading telecommunication company. [Read more.](#)

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## OMAN: Opaz delegation visits Port of Rotterdam in Netherlands

Dr. Ali bin Masoud Al Sunaidy, Chairman of the Public Authority for Special Economic Zones and Free Zones (Opaz), visited the International Port of Rotterdam in the Kingdom of the Netherlands and met with Allard Castelein, CEO at Port of Rotterdam and a number of officials.

During the meeting, both parties discussed mechanisms to activate the cooperation between the Port of Sohar, the Port of Rotterdam and the free zones in the Sultanate of Oman. They also touched on ways to maximise the benefits of renewable energy for the production and export of green hydrogen. [Read more.](#)

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## OMAN: Oman aims to become leading green hydrogen producer

Oman has set an ambition to become one of the largest green hydrogen producers and exporters globally, targeting production of one million tonnes by 2030.

The sultanate on Sunday announced its green hydrogen strategy and plans that target massive investments and installation of 180GW renewable energy capacity by 2050. The plan includes installation of 300mn solar panels and 10,000 wind turbines for the green hydrogen projects by 2050.

To accelerate the development of green hydrogen sector, Oman on Sunday launched Hydrogen Oman (Hydrom) – an autonomous subsidiary company of Energy Development Oman – with a vision to position the sultanate as a leading global green hydrogen hub. [Read more.](#)

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## KUWAIT: Kuwait expects surplus budget

Positive indicators still dominate the performance of the state's general budget despite the decline in oil prices from more than \$120 per barrel to the level of \$92 per barrel. It is 37.5% more than the break-even price in the 2022/2023 budget, reports Al-Anba daily.

According to statistics prepared by the daily, based on the announced oil prices since the beginning of the current fiscal year, the average value of the increase in the price of each barrel of oil sold since the beginning of the current fiscal year is estimated at about \$29.6 per barrel, which means that every barrel of oil sold added a surplus in the budget the same value. [Read more.](#)

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## KUWAIT: 'Digital transformation constitutes main pillar of Kuwait 2035 vision'

Kuwait has made great strides towards digital transformation, a main pillar of its 2035 development vision, said Minister of State for Communications and Information Technology Affairs Mazen al-Nahedh on Sunday. Speaking at the Ninth e-Government Forum launched with the participation of several government and private agencies, Al-Nahedh, also minister of commerce and industry, said that development and digital transformation are closely linked.

There is no sustainable development without smart digital transformation, he affirmed. He argued that that digital transformation of government transactions save a lot of time, effort and money to the country. "We see that technology should be used to boost transparency and limit human intervention in government transactions in a way that enhances anti-corruption efforts", he said. [Read more.](#)

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## KUWAIT: Kuwait ranks 61st in global e-govt 'development' index; e-services index drops 14 places

The United Nations e-government development index for 2022 shows Kuwait's global ranking fell 15 places on the e-government development index and is placed in the 61st place, reports Al-Qabas daily. Kuwait's ranking dropped by 49 places on the e-participation index for the year 2020, and it lags behind by two places at the level of the Gulf Cooperation Council countries, while the human capital index — concerned with the ability of human resources to disseminate and use information and communication technology — was the only one that witnessed improvement, as it rose from the 75th position in the year 2020 to 77 in 2022, while the rest of the other indicators declined and an official government report, a copy of which is obtained by the daily concluded that it is necessary to implement 10 specific recommendations to enhance the development of e-government in Kuwait. [Read more.](#)

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## BAHRAIN: Bahrain attracts \$72.7 million worth of investment in financial services

The Bahrain Economic Development Board (Bahrain EDB), supported by Team Bahrain has attracted \$72.7 million (BD27.5 million) in direct investments during the first three quarters of 2022 through nine financial services companies either setting up in or expanding their business within the Kingdom.

The financial services investments are expected to generate over 840 jobs over the next three years.

Financial services companies attracted by Bahrain EDB include the leading global blockchain services provider Binance, locally grown open Banking company Spier Technologies, and new regional headquarters for Gulf Insurance Group (GIG). [Read more.](#)

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## GCC: Saudi Arabia calls for economic road map to strengthen bilateral trade and investment ties with Qatar

Saudi Arabia has called for drawing up an economic road map for strengthening its bilateral trade and [investment ties with Qatar](#).

In a meeting of the Saudi-Qatari Joint Business Council, Hamad bin Ali Al-Shuwaier, chairman of the Saudi side of the council, said the bilateral framework for improving economic ties should be based on a study and analysis of the current economic situation, focusing on the most prominent sectors stimulating the growth of trade and investments.

“Exchange of information on investment opportunities, holding of joint events, presenting initiatives and incentives, and examining the obstacles that face the growing of economic relations between the two countries should be part of the road map,” Al-Shuwaier said. [Read more](#).

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## GCC: Oman records lowest inflation rate in GCC

The Sultanate of Oman recorded the lowest inflation rate in the Gulf Cooperation Council countries during September 2022. The inflation rate in Oman increased by 2.4 percent year-on-year (y-o-y) during September 2022, according to National Centre for Statistics and Information (NCSI).

Meanwhile, Kuwait witnessed an increase inflation rate of 4.1 percent y-o-y mainly driven by education price index, followed by food and beverage price index. Inflation is expected to continue to slow down in Kuwait due to the decrease of global food prices.

Saudi Arabia’s inflation rate recorded an increase of 3.1 percent y-o-y in September 2022 — its highest monthly y-o-y rate change since June 2021.

On the other hand, the UAE’s Central Bank forecasted 5.6 percent inflation rate rise for the Emirates during 2022 — the country’s highest rate in six years. As a result of the rising cost of living attributed to inflation, the Emirati population has started to cut back on spending on certain necessities such as clothes and petrol.

Qatar’s inflation rate hit the highest in nine months after it increased by 6 percent y-o-y during September 2022. Qatar’s inflation growth during the month was mainly driven by the recreation and culture sector which registered a 35.6 percent y-o-y rise as the country makes final preparations to host the Fifa World Cup.

The inflation rate in Bahrain grew at the highest monthly rate in nearly ten years recording a 4 percent y-o-y increase during August 2022, as per the latest report by Kamco Invest. [Read more](#).



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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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