



Week from 28 December 2021 to 4 January 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.



Global Europe: the European Union sets out priority areas for cooperation with partner countries and regions around the world

The Commission has adopted the Multiannual Indicative Programmes (MIPs) of Global Europe setting out priority areas for cooperation with partner countries and regions around the world for 2021-27. This also includes the financial allocation for 2021-2024 (country level) and for 2021-2027 (regional level) that will support this cooperation for a total of almost €26.3 billion. The adoption of the country and regional MIPs will significantly contribute to climate actions, social inclusion and human development and migration and forced displacement and to achieve gender and biodiversity targets. [Read more.](#)

Single Market Scoreboard 2021: Member States edging forward to a better implementation of Single Market rules for a more resilient Europe

Thanks to the Single Market, the EU is limiting the effects of shortages by driving innovation and diversifying supply chains across Europe. A well-functioning Single Market, where innovation can flourish, is the best ally for a resilient European economy.

In agreement with Member States, the scope of the Single Market Scoreboard 2021 has been extended to three new policy areas and indicators. These concern the circular economy/[greening of industry](#), [market surveillance](#) and [SMEs' business environment](#). [Read more.](#)

State aid: Commission approves €900 million German scheme to support investments in production of renewable hydrogen

The European Commission has approved, under EU State aid rules, a €900 million German scheme to support investments in the production of renewable hydrogen in non-EU countries, which will be

then imported and sold in the EU. The scheme, called 'H2Global', aims at meeting the EU demand for renewable hydrogen that is expected to significantly increase in the coming years, by supporting the development of the unexploited renewable resource potential outside the EU. It will contribute to the EU environmental objectives, in line with the European Green Deal, without unduly distorting competition in the Single Market. [Read more.](#)



Top news headlines from the GCC

KSA: Saudi Arabia launches e-visa service for cruise tourists

The Saudi Ministry of Foreign Affairs has launched an e-visa service for cruise tourists. Through Twitter, the ministry on Sunday said that the e-visa would be issued to people arriving in Saudi Arabia via cruises, and that applications could be filed through its electronic platform. Proof of a cruise ticket purchase is required to apply for the visa, it added. Applications will then be processed before a visa is issued through the ministry's digital embassy platform.

Tourism plays a crucial role in the Kingdom's Vision 2030 plan for economic diversification. [Read more.](#)

KSA: TRSDC — More than just a sustainable tourism site powered by green energy: Year in Review

The Red Sea Development Co., known as TRSDC, made great strides in 2021 in its mission to build the world's largest tourism spot powered by renewable energy on Saudi Arabia's west coast.

The Kingdom's Public Investment Fund-owned TRSDC was established in 2018 to drive the development of The Red Sea Project, known as TRSP. It is one of the key large-scale mega-projects announced by Crown Prince Mohammed bin Salman the year before.

Last month, a Saudi ACWA Power-led consortium secured \$1.33 billion of financing to operate the renewable power-based multi-utilities infrastructure that will serve the site. [Read more.](#)

KSA: PIF — driving force behind economic diversification: Year in Review

This was a crunch year for Saudi Arabia's sovereign wealth body, the Public Investment Fund, as it announced a five-year strategy to push the Kingdom's diversification drive.

It picks up from the body's first five-year plan launched in 2017, when the Saudi government chose the PIF to "lead the charge in building a national economic transformation."

The fund posted around SR1.5 trillion (\$400 billion) in assets under management, at the end of 2020 — growing nearly threefold from SR570 billion from 2015.

The Saudi sovereign wealth fund aims to more than double this growth — targeting around SR4 trillion in assets under management by 2025, with a focus on contributing billions of dollars to the Kingdom's non-oil gross domestic product. [Read more.](#)

KSA: How Saudi economy came out of the pandemic in 2021: Year in Review

The Saudi economy recovered in 2021 after a tough year of pandemic restrictions as vaccination campaigns rolled out in the Kingdom and across the world driving its key oil exports.

MENA's largest economy bounced back from last year, when the Kingdom's gross domestic product contracted by 4.1 percent, according to the International Monetary Fund.

But this year saw higher oil output, its first quarterly budget surplus in over two years and lower unemployment drove growth.

Some economic data in 2021 even bettered pre-pandemic levels, although the full effect of the latest omicron variant is yet to be played out. [Read more.](#)

KSA: Saudi private sector growth drops to 9-month low on omicron concerns: IHS Markit

Fuelled by omicron worries, the growth of the Saudi private non-oil sector experienced a nine-month low as demand and confidence weakened in December, according to IHS Markit.

The Kingdom's Purchasing Managers' Index dropped considerably in December, falling by three points to 53.9 in December, the latest survey release showed. However, since it still crossed the 50-threshold, the reading still indicated improvement in conditions. [Read more.](#)

UAE: Accession Day: Sheikh Mohammed launches Dh100 million project to search for 1,000 Arab geniuses

The Dubai Ruler has used his 16th Accession Day anniversary to launch a project that will search for 1,000 Arab pioneers in different fields. His Highness Sheikh Mohammed bin Rashid Al Maktoum, Vice-President and Prime Minister of the UAE and Ruler of Dubai, said the Museum of the Future would serve as the hub for these geniuses. The museum would open soon, he tweeted on Tuesday. The Dh100 million project would search for 1,000 pioneers in the fields of physics, mathematics, programming sciences, research and economics, among others, over the next five years. [Read more.](#)

UAE: Mubadala named 'Fund of the Year' for global partnerships and investment activity

[Mubadala Investment Company](#) has bagged the global sovereign wealth fund industry's top honour, becoming the "2021 Fund of the Year", a recognition of its investment acumen and the part it has played in helping the industry to grow last year despite headwinds.

The award, from industry tracker Global SWF, is also an acknowledgment of the Abu Dhabi strategic investment arm's high level of deal activity in 2021, partnerships it has forged with governments and investment entities across the globe, and the crucial role it has played at home in the economic recovery. [Read more.](#)

UAE: Dubai launches online portal to boost timeshare real estate market

Dubai has set up a website on which [timeshare operators](#) can apply for permits, as the emirate aims to become a major destination for holiday-home ownership, encourage tourists to stay for longer and attract investment to the sector.

The new portal, developed by Dubai's Department of Economy and Tourism, allows would-be operators to submit applications for timeshare properties, receive permits as licensed operators and renew them on a yearly basis, Dubai Media Office said. [Read more.](#)

UAE: Dubai sets spending in 2022 fiscal budget at \$16.3bn

The UAE's Dubai ruler, Sheikh Mohammed bin Rashid Al Maktoum approved the emirate's budget for 2022 with a total expenditure of 60 billion dirhams (\$16.3 billion), according to a tweet by Dubai Media Office.

Dubai's budget for the fiscal years of 2022-2024 was approved for a total expenditure of 181 billion Emirati dirhams (\$49 billion), Dubai's deputy ruler said in a tweet on Sunday. [Read more.](#)

UAE: Expo 2020 Dubai records almost 9 million visits in first three months

Expo 2020 Dubai has recorded 8,958,132 visits during its first three months. From October to December 2021, Expo hosted a total of 8,902 government leaders, including ministers, presidents, prime ministers and heads of state.

Almost half of all visits (47 per cent) have been generated by Expo's Seasons Passes, with the number of repeat visits to the show in the first three months reaching 3.5 million, official news

QATAR: Private sector stages strong recovery in 2021

Qatar's economy has registered a strong recovery during 2021. The latest PMI data of the Qatar Financial Center showed a record improvement in the commercial activity of non-energy private sector companies in October 2021, as they recorded an increase for the fifth month in a row, by about 62.2 points, from 60.6 points in September of the same year.

The record rise in the overall commercial activity growth rate indicates strong growth rates in all four major sectors, namely services, retail and wholesale, manufacturing and construction. [Read more.](#)

QATAR: Asia top destination of Qatar's exports

Qatar's economy has gained momentum in exports with easing of COVID-19 related restrictions. Asian countries have occupied a dominating position in Qatar's exports during November 2021. The top four export destinations for Qatari exports were from Asia, according to the Planning and Statistics Authority (PSA) data.

China emerged as a top destination for Qatar's exports in November 2021. Qatar's exports to China were close to QR5.08bn, a share of 14.8 percent of total exports compared to QR3.41bn in October 2021 representing a share of 11.4 percent. [Read more.](#)

QATAR: Extended reality to have huge impact on innovation ecosystem, businesses

Transforming businesses to the next level with Extended Reality (XR) which includes Augmented Reality (AR), Virtual Reality (VR), Mixed Reality (MR) and other immersive technologies that merge the physical and virtual worlds, is a priority in the region for an advanced knowledge-based economy. It is imperative to empower digital innovation and transform the way people work and interact with the growth of small and medium-sized enterprises (SMEs) through end-to-end digital transformation of their value chain, said an official during a virtual event. [Read more.](#)

QATAR: Qatar's trade surplus up 170.6% in November

Qatar's foreign merchandise trade balance, which represents the difference between total exports and imports, showed a surplus of QR24.5bn in November 2021, showing an increase of about QR15.5bn or 170.6 percent compared to November 2020. When compared month-on-month (M-o-M), the surplus increased by nearly QR3.3bn or 15.8 percent compared to October 2021...[Read more.](#)

OMAN: RO 5bn-worth Omani non-budgetary investments planned in 2022

Investments in new projects and initiatives totaling around RO 5 billion are envisaged during 2022, the Omani Ministry of Finance stated on Sunday, emphasizing that funding for these ventures will come from non-budgetary sources. [Read more.](#)

OMAN: New matrix for delivery of 10th FYP projects: MoE

The Ministry of Economy has formulated a new matrix to help with the prioritization and effective implementation of developmental projects during the 10th Five Year Development Plan (2021 – 2025). "The development projects have been reprioritised in terms of their urgency, cost, and economic and social return, using the Matrix of Projects developed by the Ministry of Economy," it was noted in the budgetary statement.

The matrix spells out a clear mechanism for evaluating the priority of projects selection to meet current and future requirements. It also sets out unified standards for ministries to prepare and submit the project file. Additionally, a clear and flexible methodology is outlined for project selection in line with the strategic objectives of development. [Read more.](#)

OMAN: OCCI to support Made in Oman campaign with RO5,000

The Board of Directors of the Oman Chamber of Commerce and Industry ((OCCI) approved the establishment of a joint Omani-Bahraini company and decided to provide RO5,000 annually for the Made in Oman campaign. It stressed the importance of supporting, developing, and expanding the presence of Omani products by helping it to compete locally, regionally, and internationally. [Read more.](#)

OMAN: Oman's 2022 budget deficit likely to be lowest since 2014: MoF

Oman this year is expected to record the smallest annual budget deficit since 2014 thanks to the government's Medium-Term Fiscal Plan, according to the Ministry of Finance (MoF).

In a statement to Oman News Agency, H E Sultan bin Salim al Habsi, Minister of Finance, said that preliminary data points to the fact that the state budget 2022 tends to register the lowest deficit since 2014, despite the fluctuation in oil prices over the past period. The deficit for Oman's 2022 budget is estimated to be RO1.5bn, constituting 15 per cent of the total revenues and 5 per cent of the country's GDP, which falls within the range of deficits estimated in the Medium Term Fiscal Plan (MTFP). A major part of the deficit in 2022 will be financed from external and internal borrowing, while the rest of the deficit, around RO400mn, will be funded through withdrawal from the state's reserves. [Read more.](#)

OMAN: Over 62,000 SMEs registered in Oman till November 2021

The total number of Small and Medium Enterprises (SMEs) registered in the Authority for Small and Medium Enterprises Development till the end of November 2021 increased by 30.4 per cent to reach 62,335 compared to 47,802 in November 2020, according to the data released by the National Centre for Statistics and Information (NCSI).

Among the governorates, the Governorate of Muscat topped the list by reaching 21,068 enterprises, comprising a rise of 31.5 per cent, followed by the Governorate of North Al Batinah with 9,830, comprising an increase by 30.4 per cent, the Governorate of A'Dakhiliyah with 7,604, going up 25.9 per cent and the Governorate of Dhofar by 5,318, constituting a surge by 33.7 per cent compared to the same period in 2020. [Read more.](#)

OMAN: HE Saqri and OCCI board members discuss economic stimulus initiatives

HE Dr Said bin Mohammed al Saqri, Minister of Economy, on Wednesday met with OCCI board members and discussed the role of economic stimulus initiatives and public-private partnership in economic recovery. In his meeting with the OCCI board members, H E Saqri reviewed the importance of the Fiscal Balance Plan that contributed to maintaining the value of Omani riyal. 'The plan was a necessary and important move,' the ministry said. The ministry further said that food security plays an important role in diversifying Omani exports in agriculture and fisheries fields with more emphasis on agriculture products that generate high yields at a lower cost. [Read more.](#)


KUWAIT: Kuwait to boost tourism


According to a report issued by Collier International Group Inc., Kuwait is focusing on the redevelopment of its tourism sector, as it announced a capital investment of \$830 million through the Kuwait Investment Authority to facilitate the achievement of its tourism goals, reports Al-Anba daily. Following the announcement, the Tourism Enterprises Company (TEC) revealed the redevelopment plans for the country's hospitality, leisure and entertainment sector, in addition to plans to implement three major projects. [Read more.](#)



EU-GCC Dialogue on Economic Diversification

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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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