



GCC-Sweden Relations

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Introduction

The relationship between the Gulf Cooperation Council (GCC) states and Sweden, which became more robust in the 1990s, has evolved further recently, driven by mutual interests, especially in trade, investment, energy, education, and technology. Generally, there exists an increased focus from the European Union (EU) as a whole, as well as Sweden specifically, on the Gulf region. The release of the European Commission's Joint Communication on "A Strategic Partnership with the Gulf" in May 2022 is an example of this. The document was well received by the GCC nations, and it has since functioned as a framework for reflecting and acting on both sides' mutual interests. The document explicitly states that "the security and stability of the Gulf region bear direct consequences for the EU."

However, while there have been aspects of bilateral growth between the GCC countries and Sweden, more clarity is needed on what an enhanced partnership between the two sides could look like in terms of improvements in political dialogue and security cooperation, business and economic partnerships, and cultural and educational cooperation. This would allow the enhanced partnership to provide clear benefits to both sides, including increased trade and investment opportunities, shared technological advancements, and a richer cultural exchange.

Political Dialogue and Security Cooperation

The starting point for a more substantial partnership is regular, high-level, and profound political and security dialogue in which both sides understand the other's concerns and priorities. The release of the "Vision of the Gulf

Cooperation Council (GCC) for Regional Security" document in March 2024, which outlines the principles of regional security and several positions on regional concerns, can be a basis for discussions to move forward. The document highlights shared concerns about regional stability and the need for international cooperation to address these issues. It also asserts that "establishing a solid international relationship is vital in enhancing regional security and stability and upholding international peace and security."



H.E. Mr. Jasem AlBudaiwi, Secretary-General of the GCC, and H.E. Ms. Petra Menander, Ambassador of the Kingdom of Sweden to the Kingdom of Saudi Arabia, January 2024

Source: [GCCSG](#)

Sweden and the GCC states have witnessed a significant increase in their political exchanges; a clear sign of the growing diplomatic ties between the two sides.

In [September 2024](#), H.H. Sheikh Tamim bin Hamad Al Thani, Amir of the State of Qatar, paid an official visit to Stockholm where he met with His Majesty King Carl XVI Gustaf of the Kingdom of Sweden, Her Majesty Queen Silvia, HRH Crown Princess Victoria, Speaker of the Riksdag Andreas Norlén, and H.E. Tobias Billström, Minister for Foreign Affairs of the Kingdom of Sweden, to discuss Qatar-Swedish



cooperation, the developments in Gaza, and other regional and international developments. The two countries signed various MoUs, [including](#) an MoU on political consultations, an MoU on cooperation in the field of peace and reconciliation, a letter of intent for military cooperation, an MoU in the field of humanitarian and development cooperation, an MoU on land transport and logistics services, and an MoU on cooperation in social development and family support.

In [February 2024](#), H.E. Jasem AlBudaiwi, Secretary-General of the GCC, met with H.E. Tobias Billström, Minister for Foreign Affairs, on the sidelines of the 60th Munich Security Conference in Germany, where they discussed ways to enhance both GCC-Swedish and GCC-European cooperation. The two officials also discussed the outcomes of the 27th GCC-European Joint Ministerial Meeting held in Muscat in 2023 and ways to move forward.

The GCC Secretary-General had previously met H.E. Petra Menander, Ambassador of the Kingdom of Sweden to the Kingdom of Saudi Arabia in [January 2024](#) for discussions focused on their specific bilateral ties.

Saudi Arabia's Foreign Minister, H.H. Prince Faisal bin Farhan, and the Kingdom's Defense Minister, H.R.H. Prince Khalid bin Salman, received Mr. Billstrom in [October 2023](#) to discuss ties and prospects for enhanced cooperation.

Sweden has also participated in various mediation efforts in the Gulf, which align with the GCC's increased role in regional and international de-escalation efforts, for example, the Jeddah Peace Talks on Ukraine held in 2023. As part of an [Omani-brokered](#) prisoner swap, Sweden saw one of its citizens of Iranian descent released, thus underlining the direct benefit that can result from such ties.



H.H. Sheikh Tamim bin Hamad Al Thani, Amir of the State of Qatar, and H.E. Tobias Billström, Minister for Foreign Affairs of the Kingdom of Sweden, September 2024

Source: [Qatar News Agency](#)

The increased contact and exchange of views have led to a better assessment on both sides of the prospects of closer ties. Despite all of this, there is still more that needs to be done to adequately address issues of common concern. For instance, the recent demonstrations in Sweden, where copies of the Holy Quran were burned, highlighted the presence of ongoing misconceptions and intolerance.

The incident led numerous Gulf countries, such as Saudi Arabia, the United Arab Emirates, and Kuwait, to summon the Swedish ambassadors of their respective countries to file complaints. In response, both the Ministry of Foreign Affairs of Sweden and the EU released [statements](#) rejecting the “Islamophobic act,” calling it “offensive, disrespectful and a clear act of provocation” and “manifestations of racism, xenophobia, and related tolerance.” Additionally, there have been efforts from the Swedish side to regulate such events. Sweden's Justice Minister [asserted](#) that the government is looking into amending its protest laws.”

Sweden became NATO's newest member in March 2024, marking a significant milestone in its security and defense strategy. This move solidifies Sweden's position within the Nordic region, strengthening ties with neighboring countries like Finland, Norway, and Denmark and enhancing collaboration with NATO



member states globally. The benefits of Sweden's NATO membership, however, extend beyond Europe. By aligning more closely with NATO, which has been emphasizing strengthening ties with the Gulf, Sweden is well-positioned to deepen its engagement with the GCC countries. As both NATO and the GCC look to expand their collaborative efforts, Sweden's NATO membership could serve as a bridge, fostering increased dialogue and cooperation between the two sides.



Saudi Arabia's Foreign Minister H.H. Prince Faisal bin Farhan and his Swedish counterpart, H.E. Tobias Billstrom, October 2023

Source: [Arab News](#)

Sweden's dual membership in the EU and the Nordic Council of Ministers, a governmental forum established in 1971 that coordinates policy and cooperation between the five Nordic countries: Sweden, Finland, Denmark, Norway, and Iceland, also provides opportunities to advance its relations with the GCC states and expand its partnerships across the Middle East. This includes creating opportunities for private sector growth, investments, and knowledge exchange between the two sides.

As a member of the EU, Sweden would have the chance to cooperate with the GCC on mutual interests in areas such as renewable energy, sustainability, technological innovation, and economic diversification, which are key priorities for both regions.

Moreover, Sweden's presidency of the Nordic Council of Ministers in 2024 presents a unique opportunity to enhance collaboration not just as a collective Nordic entity, but also with the GCC.

The basis of [Sweden's presidency](#) agenda is a safer, greener, and freer Nordic region, with a particular focus on improving integration and freedom of movement across borders. By holding this presidency, Sweden is in a prime position to advocate for broader engagement between the Nordic countries and the GCC, aligning Nordic expertise in areas like green technology, digitalization, and innovation with the Gulf states' ambitions to diversify their economies and enhance their technological capacities.

Business and Economic Partnerships

Bilateral trade between the GCC and Sweden has seen consistent growth, with both imports and exports increasing over time. In [Saudi Arabia](#), for example, Swedish exports to the Kingdom have increased by over 50% since 2018, with Saudi exports to Sweden rising sharply in 2023 compared to 2022.

In the [UAE](#), more than 200 Swedish companies have already established a significant presence, and Swedish public data shows an increase in bilateral trade by more than 40%. Currently, GCC-Sweden economic relations encompass trade and investment across a wide range of goods and services.

As the GCC countries continue undergoing transformations under their respective national visions, the Gulf region possesses significant economic potential and Sweden should benefit from this favorable investment environment. Table 1 shows Sweden's trade with the GCC in 2022.



Table 1: Sweden’s Trade with the GCC, 2022
(Million USD)

	Exports	Imports	Total Trade
Saudi Arabia	\$1.29B	\$110M	\$1.40B
United Arab Emirates	\$939M	\$76M	\$1.02B
Qatar	\$388M	\$180M	\$568M
Kuwait	\$194M	\$164M	\$358M
Oman	\$133M	\$24.7M	\$157.7M
Bahrain	\$87.6M	\$12.2M	\$99.8M
GCC	\$3.03B	\$566.9M	\$3.60B

Source: The Observatory of Economic Complexity (OEC)

A key player in increasing business and economic partnerships is [Business Sweden](#), which is jointly owned by the Swedish state and the Swedish business sector with a mandate and a mission to help international companies gain access to the Swedish market and help domestic ones utilise it as a platform for expansion, and [reiterated](#) that the “Middle East and Africa is a dynamic region with great potential for Swedish companies thanks to the rapid urbanisation and technological development taking place.” Currently, Business Sweden has established five offices in the Middle East and Africa, with two in the Gulf (Saudi Arabia and the UAE). In addition, companies like Ericsson, Volvo, and Scania have established strong presences in the region, providing telecommunications infrastructure, automobiles, and heavy equipment to support the GCC’s growing industries.

Nicolas Blixell, Vice President and Head of Gulf Council Countries at Ericsson Middle East

and Africa, has [stated](#): “The November 2023 edition of the Ericsson Mobility Report shows that over 90 percent of the subscriptions in the Gulf Cooperation Council will be 5G by 2029. The strong economies in the GCC region are enabling governments to invest in Information and Communications Technology (ICT) and telecoms as part of ambitious national visions and digitalization programs. Our commitment to supporting our partners in the GCC is steadfast and unwavering to provide limitless connectivity and a sustainable future.”

Given Sweden’s well-developed business landscape, numerous areas lend themselves for further economic expansion, including the areas of small and medium-sized businesses (SMEs), education and training, entrepreneurship and innovation, modern technology, transportation and logistics, water treatment services, pharmaceutical industries, health and medical tools and equipment, e-commerce, as well as the continued expansion of free trade zones in the GCC. Megaprojects such as NEOM, AMAALA, the Red Sea Development Project, Diriyah, Qiddiyah, and others represent additional opportunities.

Economic relations between the GCC and Sweden face several challenges, including trade barriers and limited awareness of market opportunities. While Sweden has in force Bilateral Investment Treaties (BITs) with Saudi Arabia, the UAE, Oman, and Kuwait, a renewed effort should be undertaken to restart the Free Trade Agreement (FTA) negotiation between the GCC and EU. Another issue is that, despite growing interest between the two sides, Swedish businesses may need more knowledge about the GCC markets.

Enhancing the business delegations and cultural exchanges would improve market access and mutual understanding. An essential step here is visa facilitation. While Swedish nationals enjoy relatively unrestricted entry into GCC



countries, GCC nationals still face obstacles when visiting Sweden, as with other EU countries. Visa-free access for the GCC states will be vital in advancing Sweden's special priority and focus on "improving integration and freedom of movement across borders" in its 2024 presidency in the Nordic Council of Ministers. The proposed visa facilitation is not only in line with Sweden's strategic goals but also promises to bring mutual benefits to both Sweden and the GCC by enhancing the ease of business and cultural exchange. Visa facilitation is seen as essential to strengthening people-to-people connections and increasing mutual understanding between the two sides.

Cultural and Educational Cooperation

A key area of focus should be on cultural exchanges. Though limited at the moment, efforts to promote tourism, cultural exchanges, and cross-tourism campaigns can be an essential element to enhancing mutual understanding. For instance, H.E. Ambassador Enass Alshahwan, the Ambassador of Saudi Arabia to Sweden, hosted a [Ramadan iftar banquet](#) in March 2024, in which Andreas Norlén, speaker of the Parliament of Sweden (Riksdag), Olle Burell, president of the Stockholm City Council, as well as several officials from the Ministry of Foreign Affairs and ambassadors from Organization of Islamic Cooperation (OIC) countries attended.

During the event, Speaker Norlén "expressed his commitment to promoting dialogue with Islamic countries in order to achieve deeper understanding and strengthen shared elements underlin[ing] the significance of keeping dialogue channels open to facilitate mutual understanding." Shortly after, the Saudi Ministry of Islamic Affairs, Dawah, and Guidance inaugurated King Salman's "Gifts of Dates" program in Sweden, which distributed two tons of dates in Stockholm to about 8,000 Muslims. Ambassador Alshahwan [explained](#),

"Islamic centers play a crucial role in strengthening the values of responsible citizenship and promoting intellectual and cultural approaches that preserve authentic Islamic principles."



H.E. Ms. Petra Menander, Ambassador of the Kingdom of Sweden to the Kingdom of Saudi Arabia, presenting her credentials in April 2024

Source: [Arab News](#)

While a degree of focus on education exists, both the GCC and Sweden can place greater emphasis on this domain. While the GCC governments devote 20–25% of their overall government spending to education expenditures, most students from the GCC still opt to study in English-speaking countries like the United Kingdom, the United States, and Australia rather than in the countries of continental Europe. To remove the concern about language barriers and promote educational and cultural cooperation, Sweden could offer and market more English programs to encourage students to study in the country.

Here, the potential of the Nordplus program, the Nordic Council of Ministers' central program in lifelong learning for the Nordic states, to partner with the GCC and develop exchange programs for students in the two regions is promising. Sweden and Saudi Arabia have already introduced a Master's Degree scholarship program, fully funded and administered by ABB in Saudi Arabia for the



two-year study period in Sweden, including accommodation, transportation allowances, medical insurance, food allowance, books, and round trip tickets. The scholarship program is organized in cooperation with the Swedish Embassy in Saudi Arabia.

Nevertheless, there is still a knowledge gap between the GCC and Sweden that can be narrowed through more interaction and education. Here, Sweden can collaborate with the GCC to provide language, summer, and exchange programs to give Swedish and GCC students experiences and opportunities that will help them in their careers and positively influence their perceptions of the region.



Additionally, initiatives that promote eco-tourism in Sweden and luxury tourism in the GCC are potential areas of growth that will also bridge the gaps in understanding between the two countries. Tourists from the Nordic countries traveling to the GCC are expected to generate an estimated \$810 million in travel and tourism revenue by 2024, and Nordic outbound tourism figures to the GCC will increase 23% from 2018 to 2024, according to a recent [report](#) by Colliers International Research. According to the [report](#), the UAE will witness the highest growth, with total tourism projected to reach \$718 million by 2024, a 36% increase from 2018. Saudi Arabia is expected to have the second largest increase, followed by Bahrain,

reaching \$86.7 million and \$53 million, respectively, by 2024.

Recommendations for the Way Forward

Moving forward, Sweden and the GCC states should manage the differences in perceptions between the two sides by increasing dialogue and communication. There is a need to enable avenues of cooperation at the mid-level, parallel to the high ministerial level of cooperation. This includes partnerships among think tanks, universities, R&D centers, business-to-business forums, government-to-government cooperation, research collaboration, and training and exchange programs to address mutual challenges.

The two regions should also make cooperation on innovation and knowledge transfer an essential aspect of their relationship. Promoting tourism is another avenue to enhance knowledge about the respective regions and improve public perspectives.

On the education front, student exchange programs, vocational training, summer programs, and language programs to provide both GCC and Swedish students with opportunities and experiences that will benefit them professionally and positively shape their attitudes towards the respective regions should be given greater attention.

The relationship between the GCC and Sweden is multifaceted, marked by numerous economic, technological, and cultural exchanges. The outlook for GCC-Sweden relations is therefore promising, with opportunities in technology and innovation poised to take center stage.

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