



GCC-NB8 Relations

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Introduction

In July 2004, the Gulf Research Center (GRC) established a dedicated research program on relations between the member states of the Gulf Cooperation Council (GCC), which include Saudi Arabia, United Arab Emirates, Bahrain, Kuwait, Qatar, and Oman, and the European Union (EU) to provide a framework for understanding, researching, and analyzing the growing and increasingly diversifying ties between these two regions.

As part of the GCC-EU Research Program, the GRC launched the GCC-NB8 subprogram to increase the cooperation and understanding of the Gulf's relations with the Nordic-Baltic Eight (NB8), defined as a regional cooperation that includes Denmark, Estonia, Finland, Iceland, Latvia, Lithuania, Norway, and Sweden. The objective and idea behind this focus was to explore in more detail the status of GCC-NB8 relations and the potential for future growth and cooperation.

While NB8 states are considered a key part of Europe and thus important to the GCC states, little attention has been paid to enhancing cooperation between the two regions directly. Additionally, despite the recent growth of bilateral relations, there continues to be significant room for enhanced cooperation between the two regions, both bilaterally and multilaterally.

In the first phase, the GRC produced an introductory paper in July 2023 that provided a general overview of [GCC-NB8 Relations](#) with the Gulf and outlined the relevant political, security, economic, cultural, and environmental issues and questions the research project aims to pursue. The paper looked at the following research questions:

Political cooperation:

- What are the key issues?
- What are the key priority areas to focus on?
- What are the views in terms of moving forward?

Security cooperation:

- How can dialogue on regional security be improved?
- How can the NB8 contribute to de-escalation in the region?
- How can both regions increase collaboration on security issues (counterterrorism, intelligence sharing, cyber security)?

Economic cooperation:

- What current trends are impacting economic ties?
- How can joint investment opportunities be capitalized on?
- What are the primary areas to focus on?

Cultural cooperation:

- What is the current status of cultural ties?
- How can student mobility be enhanced?
- What are the steps in promoting exchange programs?

Environmental cooperation:

- What are the key environmental issues?
- How can regional cooperation be enhanced?
- What is the most promising way forward?



In the second phase, the GRC released individual papers focused on the bilateral relationship between the GCC and each of the eight Nordic and Baltic states, providing a thorough overview of the current status of relations and what prospects are for the future of [GCC-Denmark Relations](#), [GCC-Estonia Relations](#), [GCC-Finland Relations](#), [GCC-Iceland Relations](#), [GCC-Latvia Relations](#), [GCC-Lithuania Relations](#), [GCC-Norway Relations](#), and [GCC-Sweden Relations](#).

In conjunction with the research work, the GRC also hosted several webinars on the topic with officials and think tank community members. This paper is a synopsis of the project, outlining the significant findings of the research and providing relevant policy recommendations.

Political Cooperation

As the NB8 expands to partner formats, such as NB8+USA and UK+NB8, the focus can now also be on expanding GCC+NB8. Already, the GCC, both as a bloc and through its member states, is strengthening relations with Europe through the European Union (EU), particularly following the EU's Joint Communication on a "Strategic Partnership with the Gulf," which was approved by the EU Council of Ministers in June 2022. Many of the initiatives outlined in the document are finding their way toward implementation, signaling both parties' commitments to strengthening their overall relationship.

Outside of the more traditional GCC-EU framework, the GCC states are also strengthening their ties through sub-regional approaches, including with the Nordic and Baltic states. This was evidenced by the first joint ministerial meeting held on the sidelines of the 79th session of the United Nations General Assembly in New York.

H.E. Jasem Mohamed Albudaiwi, Secretary General of the GCC, [emphasized](#) the importance of the discussions, stating that the meeting "reflects the mutual desire to expand relations and enhance strategic cooperation between the GCC states and the Scandinavian countries in order to address current political, economic, and security challenges."

In terms of political cooperation, the current priority lies in setting up consistent high-level institutional mechanisms in GCC-NB8 format, which would allow for more regular political exchange between the two regions in order to better explore potential areas of cooperation.

This is especially timely as all the GCC countries have been emphasizing the importance of mediating differences through negotiations, diplomacy, and dialogue. This has come to the forefront through 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. The recent Global Alliance for the Implementation of the Two-State Solution is another relevant example.

The NB8 and GCC countries have already increased their diplomatic visits and political dialogue on several topics of shared concern, which has paved the way for overcoming outdated misconceptions. The NB8 and the GCC have started developing constructive dialogue on various issues, including human rights, paving the way for a relationship whereby old perspectives are overcome through engagement and partnership.

The GCC and NB8 states can also cooperate in mediating conflicts. Already, Denmark, for instance, benefited from the Gulf's mediation efforts following the release of one Danish citizen in Iran after Oman's mediation intervention.



In addition, 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.

Given the recent developments, the most immediate priority and the one that requires attention within the GCC-NB8 format is ending the war in Gaza. Of the eight Nordic and Baltic states, three have recognized the State of Palestine, including Iceland, the first Nordic country to recognize Palestine in 2011, followed by Sweden in 2014, and, most recently, Norway in 2024. Norway's proactive involvement in Palestine is seen very positively in this regard, including the joint meeting hosted with Saudi Arabia in Brussels at the end of November 2024 on a coordinated approach to the recognition of Palestine, ending the war in Gaza, and taking the necessary steps to implement a two-state solution. The remaining NB8 countries recognizing Palestine as a state would be seen as the next step in reaching this goal.

Another area of cooperation is better exchange on promoting stability in other parts of the Middle East. Norway, in particular, has played an active role in this regard. In a [statement](#) made in May 2022 by Norway's then Minister of Foreign Affairs, H.E. Anniken Huitfeldt, she stated that "The Middle East and North Africa region is part of our broader neighborhood. Not just in geographical terms..." and that the region is a crucial component of Norway's foreign policy, particularly as the Nordic country develops its Middle East policy.

She also elaborated that in Yemen, Norway allocated NOK 225 million (over 21 million USD) in humanitarian aid in 2022, supported the efforts of the UN Special Envoy to

encourage talks between the Yemeni government and the Houthis, and coordinated with regional actors, such as Saudi Arabia, to facilitate peace in Yemen. In Syria, the former Foreign Minister [stated](#) that "support for the Syria crisis was Norway's largest single humanitarian effort in 2021" and that the Nordic country continues to work with its regional allies to resolve the issues in Syria. The potential for deeper engagement between the GCC and the NB8 countries in promoting regional stability is thus a promising avenue for future collaboration.

Security Cooperation

Outside of the political realm, hard security issues require direct attention with maritime security and countering terrorism and extremism standing in the forefront. Denmark currently plays a significant role in maritime security in the region by being an active contributor to the European naval operation AGENOR in the Strait of Hormuz, which aims to ensure the free movement of ships in the Strait of Hormuz, the Arabian Sea, the Arabian Gulf, and the Gulf of Oman. The three Baltic states (Estonia, Latvia, and Lithuania) have also joined the US-led multinational maritime security initiative known as The International Maritime Security Construct (IMSC), which was formed in July 2019 to ensure the safety and security of shipping and maritime trade in critical waterways, particularly in the Arabian Gulf, the Strait of Hormuz, the Bab el-Mandeb, and the Gulf of Oman.

Still, given the increase in attacks in the area, the NB8 and the GCC nations should explore deeper naval cooperation, particularly as the GCC members are strengthening their naval forces and expanding their maritime and coastal defense expertise. In order to improve cooperation between the GCC and NB8 and achieve safer maritime security and stability for both parties, intelligence exchange and



information cooperation would be an important dimension to focus on.

The recent addition of Sweden and Finland to the NATO alliance also opens areas for collaboration. All NB8 members are now members of NATO and this is an opportunity to push forward wider GCC-NATO cooperation. NATO itself has undertaken a review of its policies in the Southern Neighbourhood, thus acknowledging the need for an adjustment in its approach. NATO's decision to increase its cooperation in the region began at the NATO Vilnius Summit in July 2023.

In [May 2024](#), an independent group of experts appointed by the NATO Secretary General led the first phase of this reflection process and produced a [report](#) that stated “Overall, NATO must listen harder, better and more actively to partners, and invest in skills and people to do this” through “strengthening of NATO's political dialogue *about* and *with* the region, through the language of partnerships, concrete cooperative solutions to shared interests and concerns, and a sustainable long-term commitment.”

Consequently, NATO's Southern Neighbourhood Action Plan for a stronger, more strategic and result-oriented approach towards the region was adopted at the NATO Washington Summit in July 2024, and the Secretary General appointed Javier Colomina as his Special Representative for the Southern Neighbourhood, making it the first time that NATO dedicates a focal point for its work on and with the South.

Here, the NB8 can improve GCC-NATO relations by enhancing thematic conversation through high-level political and security dialogue. There are a wide range of topics to be discussed: the ongoing issues in Iran, Sudan, Lebanon, Yemen, and Syria, the war in Palestine, maritime security in the Red Sea as

the Gulf continues to be threatened by piracy and attacks on the region's waters between the Suez Canal and the Strait of Hormuz, climate change and security, as well as nonproliferation, combatting terrorism and extremism, cybersecurity, stable global energy markets, and water and food security.

One common issue is cybersecurity, which has become all the more critical with the rise of emerging technologies. As the GCC countries are keen on investing in AI, they require more comprehensive digital capabilities, cloud computing, protocols for connections and transfers, and training expertise to protect the region against cyberattacks. The NB8 states, with their prominent expertise in the field, can play a significant role in better knowledge-sharing, joint projects, training, and mechanisms for monitoring the progress of ongoing initiatives in the cyber domain.

Economic Cooperation

In addition to the individual papers mentioned previously, the GRC also published a trade report on [GCC-NB8 Relations](#), which outlines the FDI flow between the NB8 countries and Saudi Arabia, the Bilateral Investment Treaties (BITs), and the NB8 states' trade with the GCC countries. The report shows that, in 2023, Saudi Arabia was the first-ranking partner for the NB8 countries within the GCC, making up 47.5% of the GCC states' total trade with the NB8 countries. The United Arab Emirates ranked second, making up 29.1% of total trade. The trade report outlines the top trade products between the two regions including iron exports to GCC countries and petroleum imports for the NB8.

Table 1 shows the NB8-GCC Trade Relations in 2023.



Table 1: NB8-GCC Trade Relations, 2023
(Million USD)

Countries	Export	Import	Total Trade	Trade Balance
Sweden	2788.80	830.85	3619.66	1957.95
Denmark	1590.08	425.79	2015.87	1164.29
Finland	808.75	211.07	1019.82	597.67
Norway	802.84	483.17	1286.01	319.68
Lithuania	411.41	2287.40	2698.80	-1875.99
Latvia	134.46	9.58	144.04	124.87
Estonia	104.78	92.24	207.54	12.54
Iceland	8.90	259.08	267.98	-250.18
Total	6650.02	4599.19	11259.73	2050.82

Source: UN Comtrade

While economic relations between the GCC states and the Nordic and Baltic countries are developed, the research shows that there is definitely some untapped potential for more substantial growth between the two sides. The technology and innovation sectors, for example, present two areas with promising opportunities, especially with the launch of the respective national visions of the Gulf countries.

The Nordic sovereign wealth funds are another interesting area to explore given their ability to initiate investments in the many opportunities existing in the GCC states in line with their strategic vision program and a determination to diversify their economy. One issue discussed was that while there is an investment flow going from the Nordic and Baltic countries into Saudi Arabia, there is not so much going the other way.

The Nordic Investment Bank (NIB) can play a significant role here. The NIB, which was established on December 4, 1975, expanded its membership to cover the Baltic states on January 1, 2005. The NIB has already established cooperation with various international financial institutions such as the

Asian Development Bank, African Development Bank, Council of Europe Development Bank, European Bank for Reconstruction and Development, European Investment Bank, and Inter-American Development Bank. Expanding to establish cooperation with the Islamic Development Bank could increase investment flows between the two regions.

Another key step towards enhancing economic relations is the establishment of a Free Trade Agreement (FTA) between the EU and the GCC. This agreement could significantly boost economic relations between the two regions, providing a structured framework for trade and investment. The EU members of the NB8 could put their weight behind current efforts within the GCC-EU Strategic Partnership to re-ignite FTA talks between the two sides. Another way to increase economic ties is to enhance collaboration with the respective Trade Councils and Business Councils, especially by hosting Investment Forums.

Environmental Cooperation

Energy and environmental cooperation are considered another important dimension of GCC-NB8 relations. Similar to the GCC states, the NB8 countries have been keen on diversifying their energy sources and have looked to the GCC countries as potential partners in renewable energy. The Nordic and Baltic countries' expertise in renewable energy and sustainable technologies presents opportunities for cooperation with GCC countries to achieve their environmental and energy goals. The NB8 states also have the opportunity to link the EU Green Deal to the Middle East Green Initiative for mutual support in policy implementation.

What is important here to reflect on is that cooperation on energy should be broader than just high ministerial levels; the GCC and NB8



should therefore also develop areas of cooperation at the mid-level. The Nordic Energy Research institution launched the Joint Baltic-Nordic Energy Research Programme to promote energy research and analysis in the Nordic and Baltic countries. Through the joint program, the GCC and NB8 countries should develop partnerships among think tanks, universities, R&D centers, business-to-business forums, and enhance government-to-government cooperation, research collaboration, and training and exchange programs to address ways to enhance environmental cooperation.

Social and Cultural Cooperation

Outside of the higher political and security domain, the areas of education and culture are seen as critical in order to foster lasting societal partnerships. This is therefore a core area of collaboration between the GCC and NB8 states. Three specific recommendations can be made here. First, the GCC and NB8 states should develop language and cultural programs to facilitate cultural exchange. These initiatives would help bridge the linguistic and cultural gaps between the two regions.

Second, universities in both regions should organize student organizations to host events and activities that celebrate cultural diversity on campuses. These events would facilitate cultural interchange, including lectures, food festivals, and cultural performances.

Third, cultural events, exhibitions, and seminars that foster intercultural dialogue and strengthen cultural links should be arranged more frequently by the embassies in both

regions. Promoting tourism between the regions is another avenue of collaboration, given that there is a focus on luxury and eco-tourism. Taken together, these steps can manage the existing difference in public perception of the Gulf countries in the Nordic states and vice versa.

Conclusion

In conclusion, GCC-NB8 relations present a number of opportunities for both regions to enhance cooperation across various political, security, economic, cultural, and environmental dimensions. The establishment of the GCC-NB8 subprogram by the Gulf Research Center has laid a solid foundation for further engagement and understanding between the Gulf Cooperation Council states and the Nordic-Baltic Eight. Through ongoing research, discussions, and high-level meetings, both regions can identify and address key issues, capitalize on joint investment opportunities, and promote cultural exchanges.

The evolving geopolitical landscape necessitates a strengthened partnership, especially in light of global challenges that require collaborative responses. The GCC's commitment to dialogue and diplomacy, particularly in regional security, aligns with the NB8's strategic interests. Looking ahead, prioritizing regular high-level exchanges and joint initiatives will be crucial in realizing the shared aspirations of the GCC and NB8, ultimately fostering a resilient and prosperous partnership that can address contemporary challenges and promote mutual benefits for both regions.

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