



**Gulf Research Center**  
Knowledge for All

# GCC-NB8 Relations



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## GCC-NB8 Relations

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 in July 2004 to provide a framework for understanding, researching, and analyzing the growing and increasingly diversifying ties between these two critical regions.

As part of its research endeavor, the GRC is launching a project 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. Even though the NB8 are considered an important part of Europe and thus also highly relevant for the Gulf, little attention has been paid to enhancing cooperation between the two regions. The GRC aims to fill this gap in order to increase engagement between the Nordic-Baltic and the Gulf countries.

In the first phase, the GRC will produce an introductory paper which will provide a general overview of NB8 relations with the Gulf outlining the relevant issues and questions the research project aims to pursue. The GRC will then release eight subsequent papers 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. In the final stage of the project, the GRC will produce a comprehensive wrap-up synopsis of the project, outlining the major findings of the research and providing policy recommendations.

This initial research paper will provide an overview of current GCC-NB8 relations and lay out potential areas of political, security, economic, cultural, and environmental cooperation. The paper will look 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 maintain 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 the 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?



## The Nordic Region

The Nordic region consists of the five sovereign states: Denmark, Finland, Iceland, Norway, and Sweden, and the three autonomous territories connected to these states: the Faroe Islands, Greenland (Denmark), and Åland (Finland). The Nordic countries have had close cooperation, both formally and informally. The formal Nordic cooperation, also referred to as institutionalized, was formed after the Helsingfors Agreement (also known as the Helsinki Treaty), which came into force on July 1, 1962, and has been revised on several occasions. It takes place both in the Nordic Council and in the Nordic Council of Ministers (Ministry of Foreign Affairs of Denmark, 2023).

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The Nordic Council, established in 1952, acts as the parliamentarians’ forum for cooperation, while the Nordic Council of Ministers, established in 1971, acts as the governmental forum. In the Nordic Council of Ministers (also known as

NORDEN), the presidency lasts one year and rotates between the five Nordic countries. The annual budget of the Nordic Council of Ministers is approximately EUR 130 million, of which each of the Nordic countries contributes to the budget based on their respective GDP figures (Ministry of Foreign Affairs of Finland, 2023). The Secretariat for Nordic Cooperation in the Ministry of Foreign Affairs coordinates intergovernmental cooperation.



Source: [Nordic Co-operation](#)

In August 2019, the Nordic Prime Ministers published a vision for the Nordic cooperation to become “the world’s most sustainable and integrated region in 2030.” To meet this goal, the Nordic region is pursuing three priorities: a green Nordic region, a competitive Nordic region, and a socially sustainable Nordic region (Ministry of Foreign Affairs of Finland, 2023). Currently, Iceland holds the presidency for the 2023 term. Iceland’s Prime Minister, Katrín Jakobsdóttir, presented the program for the Icelandic Presidency of the Nordic Council of Ministers with the headline: “The Nordic Region - A Force for Peace” (Government of Iceland, 2023). Iceland’s presidency will focus on the three priority areas of the Nordic Council of Ministers’ Vision 2030.

Outside of the Nordic Council of Ministers, the Nordic countries also have informal collaboration (without a formal council formation), such as regular meetings between the embassies of five Nordic countries and their missions abroad

on foreign policy (the so-called N5 format), defense policy, and development cooperation (Ministry of Foreign Affairs of Denmark, 2023). The Nordic countries also cooperate on foreign and security in the Nordic Defence Cooperation (NORDEF), finance and investments in the Nordic Investment Bank (NIB) alongside the Baltic states, environment, climate change, and green transition in the Nordic Environment Finance Corporation (NEFCO), development in the Nordic Development Fund (NDF), culture in the Nordic Culture Point, and health in the Nordic Institute for Advanced Education in Occupational Health (NIVA).

### The Baltic Region

The Baltic region consists of three states: Estonia, Latvia, and Lithuania. The governments and parliaments of the three countries cooperate closely with each other. The Baltic Council of Ministers (BCM) acts as the forum for intergovernmental cooperation (Ministry of Foreign Affairs of Estonia, 2023). Once a year, the BCM convenes in the format of the Prime Ministers' Council. Additionally, at least once a year, the prime ministers hold informal meetings. The BCM has established five committees of senior officials on the issues of defense, energy, environment, internal affairs, and transport.

In addition, parliamentary cooperation takes place through the Baltic Assembly (BA), which was established on November 8, 1991. Twelve to sixteen lawmakers from each of the Baltic states are represented in the BA, which has five standing committees: the Economics, Energy, and Innovations Committee; the Education, Science, and Culture Committee; the Natural Resources and Environment Committee; the Legal Affairs, and Security Committee; and the Welfare Committee. The Baltic Assembly's chairmanship, which coincides with the BCM's chairmanship, lasts one year. In 2023, Estonia assumed the presidency in the Baltic Assembly and the Baltic Council of Ministers.



*Chairs of the National Delegations of the 36th Session of the Baltic Assembly in Tallinn, November 2017*

Source: [Riigikogu](#)

The Baltic states are also members of the EU and NATO, where joint activities focus on foreign and security policy, defense cooperation, energy, and transport. Additionally, the three states work together in other regional cooperation formats, such as the Three Seas Initiative (3SI). The 3SI is an initiative aimed at developing cooperation on transport, energy, and digital issues to increase the economic growth and resilience of states between the Adriatic Sea, the Baltic Sea, and the Black Sea. To support the implementation of the 3SI, the Three Seas Initiative Investment Fund was created to provide economic support to the political initiative.

### Nordic-Baltic Cooperation (NB8)

The Nordic-Baltic Cooperation (NB8) is a regional cooperation format established in 1992 to unite the five Nordic countries and the three Baltic states. On the political level, the annual meetings of Prime Ministers and Foreign Ministers have served as the main format of cooperation since 1993. Latvia currently holds the presidency for the 2023 term with the following priorities for cooperation: strengthening a rules-based international order, strengthening military security and deterrence, and strengthening resilience (Ministry of Foreign Affairs of Latvia, January 2023).



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*Meeting of the NB8 State Secretaries in Riga, March 2023*

Source: [LSM.lv](https://lsm.lv)

The NB8 countries also have parliamentary cooperation between the Nordic Council and the Baltic Assembly. According to the Decision on Priorities of Cooperation between the Baltic Assembly and the Nordic Council 2022-2023, the priorities of the NB8 are:

- Comprehensive foreign and security policy, including cybersecurity and increased resilience of the societies of the Baltic and Nordic states to disinformation, fake news and propaganda of authoritarian regimes
- Awareness of the dangers to democracy and supporting democratic transitions,

especially in the Eastern Partnership countries

- Support for Ukraine in repairing the damage of war
- Energy security and sustainability of the Baltic and Nordic states
- Transport, energy and infrastructure interconnectivity and digital interoperability
- Climate change mitigation and sustainable, and circular, resource-efficient economies in the Baltic-Nordic region
- Exchange of information and best practices to mitigate the impact of the COVID-19 crisis and prepare for possible cross-border crises in the future
- Education mobility and mutual recognition of higher education diplomas in the Baltic-Nordic region
- Work to restore the basis for multilateral cooperation based on trust, respect for international law, democracy and the rule-of-law in order to be able to tackle existential threats to humanity like weapons of mass destruction, climate change, loss of biodiversity and unsustainable development” (Baltic Assembly, April 2022).

### GCC-NB8 Cooperation

Despite the growth of bilateral relations in recent years, there continues to be a need for an enhanced partnership between the GCC and NB8 states. With the recent expansion of the NB8 to international partnerships such as NB8+USA and UK+NB8, the focus can now also be placed on GCC+NB8. The shift in the geopolitical landscape, highlighted by the effects of the COVID-19 pandemic and the crisis in Ukraine, offers potential for greater collaboration as the convergence of interests between the Gulf and the Nordic-Baltic states has never been so high, specifically on the issues of security and defense, trade and investment, culture and education, and environment and energy.

### Political Cooperation

While both regions have begun to develop a positive and constructive dialogue in meetings between the GCC Secretary-General and the Nordic and Baltic ambassadors, the changing geopolitical landscape stresses the need for increased engagement and visibility between the NB8 and Gulf states in order for both regions to better understand one another. The release of the EU's Joint Communication on a "Strategic Partnership with the Gulf" and its subsequent approval by the EU Council of Ministers in June 2022 is a good example of this. As part of the EU, the NB8 states (with the exception of Iceland and Norway) can now push for the implementation of the document to promote a more structured framework around which to conceptualize and deepen mutual ties. One opportunity for the GCC and NB8 states to elevate and develop cooperation between the two regions is the GCC-European joint ministerial meeting, which will be held next October in the Sultanate of Oman. In addition, a regular GCC-NB8 format should be considered allowing for more regular political exchange between the two sides and providing a platform on which all areas of cooperation can be considered.



*H.H. Prince Faisal bin Farhan, Minister of Foreign Affairs of Saudi Arabia, and H.E. Josep Borrell, High Representative of the European Union for Foreign Affairs and Security Policy, at the 26th EU-GCC Joint Council and Ministerial Meeting, February 2022*

Source: [Journal Général de l'Europe](#)

### Security Cooperation

While EU Commission President Ursula von der Leyen clearly stated at the 2022 Manama Dialogue that Gulf security is also European security, the same holds true for the NB8 countries. In terms of maritime security, the Gulf continues to be threatened by piracy and tanker attacks on the region's waters between the Suez Canal and the Strait of Hormuz. These attacks directly affect the global economy, maritime safety, and transportation, given the Gulf's pivotal role in maritime trade, particularly in the field of energy supplies. Thus, providing comprehensive maritime security to the Gulf region is in the interests of both the Nordic and Baltic states. Given their own long coastline, maritime security is a key challenge to all NB8 countries as demonstrated by the explosion in the North Stream pipeline in 2022. Both the GCC states and the NB8 countries suffer from human trafficking. In the Baltic Sea, the issue of refugee flows as a result of the Ukraine crisis has emerged as an additional issue. Therefore, both regions would benefit from closer naval collaboration, especially given that GCC member states are developing their naval capabilities and enhancing their experience in coastal and naval protection. Moreover, both the GCC and the NB8 should put an emphasis on intelligence sharing and information collaboration in order to lead to safer maritime security.



A related topic is cyber security, which has become a widespread issue with the rise of emerging technologies. As the GCC countries are keen on investing in AI, they would require



more comprehensive digital capabilities, cloud computing, protocols for connections and transfers, and training expertise to protect the region against cyberattacks. This includes a wide range of problems, such as deep fakes, digital manipulations, hacking, drone attacks, and ransom demands. The proliferation at very high speeds in the digital domain also empowers non-state actors, individuals, and some states, possibly leading to a more conflictual and unstable international environment. Thus, the NB8, particularly Estonia, could play a more prominent role, especially given their expertise in the field.

In addition, the NB8 can play a significant role when it comes to better knowledge-sharing, joint projects, training, and mechanisms for monitoring the progress of ongoing initiatives in the cyber domain. For instance, the Nordic Council of Ministers Office in Estonia co-hosts the annual Cyber Battle of Nordic-Baltics, an event that aims to raise awareness of young people and educational institutions on cyber security. A similar event can be held with the GCC states' respective authorities (Saudi Arabia's National Cybersecurity Authority, for example) to improve the cyber security skills in the region and thus make it more stable and secure.

In terms of traditional security issues, the main policy recommendations here include organizing annual GCC-NB8 naval exercises, improving civilian and military capabilities in research and development, conducting dedicated training programs to boost security skills, creating a digital innovation hub between the GCC and the NB8 to provide additional integration into the global digital ecosystem, and strengthening the dialogue on the issue of emerging technologies in order to comprehend better both the more immediate, as well as the medium- to long-term security implications.

The NB8 also has a lot to offer on softer security themes, such as strengthening cooperation in humanitarian assistance and facilitating ongoing peace talks in areas with conflict. The increasing global humanitarian crisis calls for an urgent push for stronger global partnerships and more strategic cooperation between the GCC and the NB8. The Gulf countries are already significant contributors and donors, representing 12% of international humanitarian aid and 60% of aid for non-OECD countries before the COVID-19 pandemic (between 2013-2017). There now needs to be more dialogue beyond the financial dimension to lead to better coordination of aid.

Table 1: GCC-NB8 Trade Relations, 2021 (Million USD)

	Export	Import	Total Trade	Trade Balance	GCC share in Country Export (%)	GCC share in Country Import (%)
Sweden	2732.94	293.89	3026.84	2439.05	1.44	0.16
Denmark	1252.31	219.82	1472.14	1032.49	1.00	0.18
Finland	628.29	86.27	714.56	542.02	0.77	0.10
Norway	611.65	193.21	804.86	418.45	0.38	0.19
Iceland	2.43	11.03	13.46	-8.60	0.04	0.14
Lithuania	217.82	50.23	268.05	167.59	0.54	0.11
Estonia	200.82	48.48	249.30	152.34	0.90	0.20
Latvia	129.41	18.15	147.56	111.26	0.67	0.08
Total	5775.68	921.08	6696.76	4854.61	0.67	0.15

Source: UN Comtrade

Therefore, the two regions should initiate more dialogue on aid effectiveness, trust-building, and knowledge sharing to determine what is important to each side and how to make assistance available. This will allow the GCC and NB8 states to develop a better understanding of each other's approaches through regular dialogue, shared lessons and experiences, and joint work on research projects.

### Economic Cooperation

The economic history between the NB8 states and the GCC states dates back many years, but with the launch of the respective visions of the Gulf states, there is a renewed focus on increasing trade relations between the two regions. Table 1 above shows the GCC-NB8 Trade Relations in 2021.

The NB8 should take advantage of the positive investment climate in the Gulf region. For the GCC states, investment priorities include small & medium enterprises (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, and the further expansion of a free trade zone, which all contribute to economic diversification for the GCC. Moreover, there are additional opportunities in four areas of potentially greater joint investments between the GCC and the NB8: the oil and gas sector; renewable energy, given the fact that GCC demand in this sector is growing; digital technology, including fin-tech industries; and agriculture and food industries where GCC countries are increasing their investment due to recent regional and global developments.

Another important issue for both regions is increasing their awareness of the changing regional setting where economic uncertainties are becoming more prevalent by broadening the cooperation and enhancing overall economic ties outside of traditional areas and instead seeking partnership opportunities in the wider Middle East and Africa. Here, the Nordic Investment

Bank (NIB) can play a significant role. The NIB, which was established on December 4, 1975, between Denmark, Finland, Iceland, Norway, and Sweden, expanded its membership to cover the Baltic states (Estonia, Latvia, and Lithuania) 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, Inter-American Development Bank, as well as the IBRD, IDA, and IFC within the World Bank Group. This would make it the perfect opportunity to establish cooperation with the Islamic Development Bank.

Table 2: NIB Country Shares

Member Country	Rating*	Authorized capital	Country's Share
Denmark	Aaa/ AAA	1,763,074,493.79€	21.1%
Estonia	A1/ AA-	76,651,259.81€	0.9%
Finland	Aa1/ AA+	1,482,690,785.19€	17.7%
Iceland	A2/A	79,132,913.42€	0.9%
Latvia	A3/A+	111,830,807.21€	1.3%
Lithuania	A2/A+	163,231,714.80€	2.0%
Norway	Aaa/ AAA	1,799,704,941.30€	21.5%
Sweden	Aaa/ AAA	2,892,527,558.59€	34.6%
Total		8,368,844,474.11€	100.0%

\*Credit ratings by Moody's and Standard & Poor's as of 15 February 2021

Source: Nordic Investment Bank, 2023

Continuing and deepening cooperation in the transport sector, particularly in railway and aviation, is another topic of importance, given the importance of connectivity in the Gulf region due to its strategic location between Europe, Asia, and Africa. Specifically on the topic of railways, there are various areas of cooperation, particularly with the proposal of the GCC railway system that





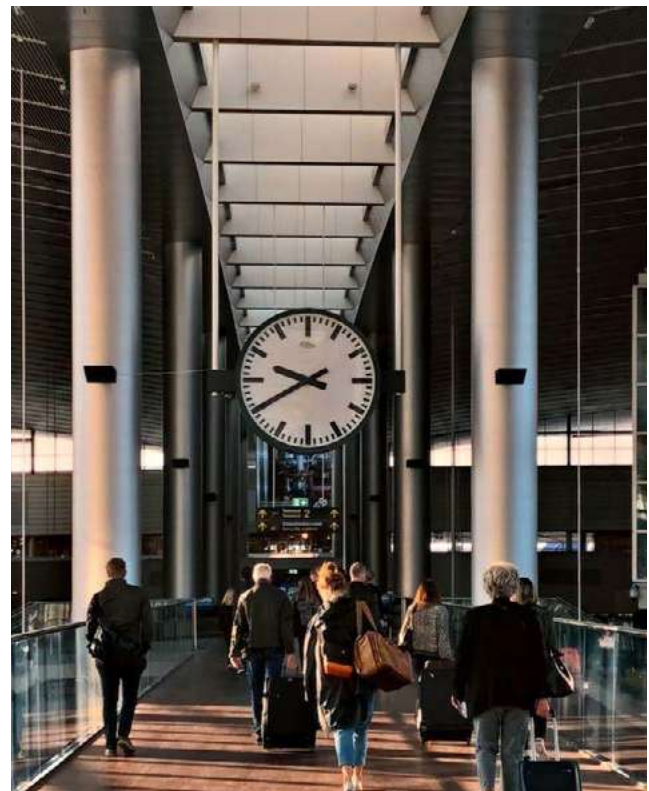
aims to connect all six GCC member states. For instance, the Baltic states can provide expertise through its Rail Baltica. Aviation also plays a key role as it serves as either connecting hubs to other parts of the world (such as in the UAE and Qatar) or as origin-to-destination markets (such as in Saudi Arabia and Oman).

Consequently, 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 (Bridge, January 2020). 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 (Bridge, January 2020).

### *Cultural Cooperation*

Both the GCC and the NB8 states have placed a significant focus on education as they allocate an extensive education budget to improving their education sectors. The GCC states, for instance, allocate 20-25% of their total government expenditure to education budgets. However, there are gaps in understanding between the two regions that can be filled through increased interaction and education. Traditionally, most students from the GCC opt to study in English-speaking countries like the UK, the United States, and Australia. To remove the concern about language barriers and promote education and youth mobility, the NB8 should offer and market more programs in English in order to encourage students to study in the region. Here, Nordplus, the Nordic Council of Ministers' central program in the area of lifelong learning for the NB8 states, can play a prominent role. The Nordplus program, which aims to contribute to the establishment of a Nordic-Baltic educational region, can partner with the GCC to develop exchange programs, vocational training, summer

programs, and language programs to provide both GCC and NB8 students with opportunities and experiences that will benefit them professionally, as well as positively shape their attitudes towards the region. The GCC and NB8 should also utilize digital and online programs to increase broader participation, particularly among youth, in both regions. There should also be a push for students from the NB8 countries to come to the Gulf region and learn more about the GCC since people-to-people contact not only benefits students and staff but is crucial in tackling emerging global challenges.



Source: [Nordregio](#)

### *Environmental Cooperation*

The Ukraine crisis has further underlined the Nordic and Baltic dependency on energy imports, another factor that now ties the eight countries closer to the Gulf region. In Europe as a whole, the impact of the Ukraine crisis and the COVID-19 pandemic directed attention to crisis management, energy efficiency, and energy savings, which are essential fronts in the climate

discussion. In the Gulf region, climate action is gaining unprecedented momentum, with net-zero policies, emission reduction targets, institutional frameworks, and governance strategies all witnessing significant progress. The NB8 states should take advantage of the momentum in the Gulf region and expand cooperation in terms of stabilizing oil markets, cooperation in hydrogen development, and achieving increases in energy supplies and energy efficiency. Specifically, the Nordic and Baltic need to be greatly involved in the next COP 28 discussion in the UAE.

This should not be specific to only the high ministerial level. Instead, the GCC and NB8 should develop avenues of cooperation at the mid-level as well. The Nordic Energy Research 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, government-to-government

cooperation, research collaboration, and training and exchange programs to address ways to enhance environmental cooperation.

On the issue of environmental sustainability, the GCC and NB8 should foster closer cooperation on circular economy, sustainable water management and food security, and biodiversity. While there are many initiatives on a national and regional level, there are few policies on a regional-to-regional basis. The EU Green Deal, for example, should be linked to the Middle East Green Initiative to support each other in policy implementation and enhance dialogue mechanisms.

### Conclusion

In conclusion, there are various potential areas of cooperation in terms of political, security, economic, cultural, and environmental cooperation. Following this overview paper is a series of eight papers on the bilateral relationship between the GCC and each of the eight Nordic and Baltic states. The first of these papers will examine GCC-Denmark relations.



*President of the European Council, Charles Michel, and COP28 President-Designate and UAE Special Envoy for Energy and Climate Change, Dr. Sultan Ahmed Al Jaber, in Brussels, June 2023*



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