



## GCC-Latvia Relations

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While diplomatic ties between the GCC states and Latvia were established in the 1990s and 2000s, they have not yet been effectively developed. However, the geopolitical changes, including the Ukraine crisis, have led the Baltic state to take a closer look towards the Gulf, and develop their relationship with the GCC states in both security and economic fields.

The GCC countries' national vision programs to diversify their economy provide opportunities for Latvia. In addition, Latvia's close relations with the EU and NATO play a role in strengthening ties with multilateral frameworks.

### Political Cooperation

[Diplomatic relations](#) between Latvia and the Kingdom of Saudi Arabia were established on March 21, 2003. Since then, there have been various visits between the two countries.

In November 2019, for instance, Edgars Rinkēvičs, Latvia's Foreign Minister, visited the Kingdom, where he had various meetings, including with [H.E. Mr. Mohammed bin Abdullah Al-Jadaan](#), the Saudi Arabia's Minister of Finance, that resulted in a Double Taxation Avoidance Agreement (DTAA) between the two governments to avoid double taxation on income taxes, capital tax, and prevention of tax evasion.



Source: [Ministry of Finance of the Kingdom of Saudi Arabia](#)

Kuwait and Latvia signed a [similar agreement](#) in 2009 and [various accords](#) in 2017 to promote bilateral cooperation between the two countries. Similarly, in September 2017, Latvia and Oman signed a MoU on the sidelines of the 72nd session of the United Nations General Assembly in New York on [bilateral political consultations](#).

Additionally, Qatar and Latvia, who established relations in [December 1996](#), signed an MoU to hold political consultations between the foreign ministries of both countries and held the first round in [2019](#), co-chaired by H.E. Secretary General of the Ministry of Foreign Affairs Dr. Ahmed bin Hassan Al Hammadi, while Latvia's side was chaired by H.E. State Secretary of Latvia's Ministry of Foreign Affairs Andris Pelss.

Most notably, H.H. Prince Faisal bin Farhan Al Saud, Minister of Foreign Affairs of Saudi Arabia, visited Latvia for the first time in August 2020. The [Foreign Minister](#) met with



the Minister of Foreign Affairs, Edgars Rinkēvičs; the President of Latvia, Egils Levits; and the Prime Minister, Krišjānis Kariņš, where they discussed the bilateral relations between Latvia and Saudi Arabia, including ways to enhance economic cooperation, particularly in ICT, and the state of affairs in the Middle East, including the Middle East peace process.

Following the meeting, [Latvia's Prime Minister tweeted](#): “It was a pleasure to discuss matters of bilateral relations with [H.H. Prince Faisal bin Farhan Al Saud] who is visiting today. We see the highest potential for economic cooperation in the areas of ICT, pharmaceuticals and food production.” The two officials met again in November 2023 on the sidelines of the [Union for the Mediterranean Regional Forum in Barcelona](#), where they discussed “the latest developments in Gaza, international efforts to provide humanitarian and medical aid, and the need to agree a ceasefire to protect civilians and prevent the situation from worsening.”



Source: [Ministry of Foreign Affairs of the Republic of Latvia](#)

Diplomatic relations between Latvia and the UAE, established on September 18, 1995, have grown extensively. In 2020, the UAE and Latvia held the [third round of political consultations](#) between the two countries, which

were chaired by H.E. Khalifa Shaheen Al Murar, Assistant Minister for Political Affairs of the Ministry of Foreign Affairs of the UAE, and H.E. Mr. Andris Pelšs, State Secretary of the Ministry of Foreign Affairs the Republic of Latvia.

According to the [Latvian Ministry of Foreign Affairs](#), “The State Secretary confirmed Latvia’s interest in the further development of relations between Latvia and the UAE in the areas such as trade, air transport, tourism, information and communication technologies, culture, education and health. The diplomats also discussed options for expanding the legal framework for bilateral cooperation.”

While the historical connection between the GCC and Latvia might therefore not be as deeply rooted as other bilateral relationships, recent developments have paved the way for enhanced political collaboration and dialogue as well as economic, and cultural/educational cooperation.

What remains missing are consistent high-level visits between the two sides that could result in even closer ties and not be limited simply to economic cooperation. Aside from the framework of GCC-EU cooperation, one avenue of dialogue that could further enhance political consultations is the regular participation in high-level conferences.

A good opportunity here is Latvia’s renowned Riga Conference, which is held annually and brings together experts, policymakers, academics, and foreign and security policy practitioners to discuss and address critical issues. In the 2023 conference, however, there





was little mention of the GCC and Latvia’s relation and cooperation with the member states. Highlighting and utilizing these relations in venues such as this can serve as a valuable platform to address common issues of concern and areas of potential collaboration in various sectors, such as technology, investments, and trade.

### Security Cooperation


Within the realm of security ties, maritime security is the key component to collaboration between Latvia and the GCC states. Latvia is a member of NATO and the European Union, and Latvia itself plays a role in enhancing maritime security in the Baltic Sea, protecting commercial vessels, and maintaining the freedom of navigation in the region.

In [December 2022](#), Latvia joined the International Maritime Coalition in the Middle East as the 11th member to deter attacks on commercial shipping in the region, this bringing its own experiences to the table and to a different geographical arena.

After the January 22 attacks, Latvia released a [joint statement](#) with the US, UK, and twenty-one other countries condemned the Houthi attacks on the Red Sea. Latvia has also released a [joint statement](#) with twenty-five other European countries warning Israel against taking military action in Rafah and calling for an “immediate humanitarian pause that would lead to a sustainable ceasefire, the unconditional release of all hostages and the provision of humanitarian assistance.”

While the direct threat perception between the two sides still differs and requires more dialogue to increase understanding, attacks on international shipping lines in the Red Sea have continued to escalate, thus underling that providing comprehensive maritime security to the Gulf region is in the interests of the broader global community due to the Gulf’s pivotal role in maritime trade, particularly in the field of energy supplies.

According to the [U.S. Energy Information Administration](#), “Total oil shipments via these routes accounted for about 12% of total seaborne-traded oil in the first half of 2023, and liquefied natural gas (LNG) shipments accounted for about 8% of worldwide LNG trade.”

Volume of crude oil, condensate, and petroleum products transported through the Suez Canal, SUMED pipeline, and Bab el-Mandeb Strait (2018–1H23) 

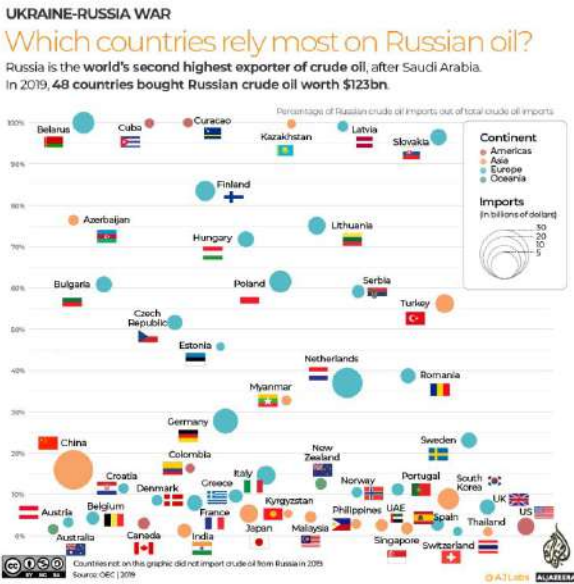
	2018	2019	2020	2021	2022	1H23
<b>Total oil flows through Suez Canal and SUMED pipeline</b>	6.4	6.2	5.3	5.1	7.2	9.2
crude oil and condensate	3.4	3.1	2.6	2.2	3.6	4.9
petroleum products	3.0	3.1	2.6	2.9	3.6	4.3
<b>LNG flows through Suez Canal (billion cubic feet per day)</b>	3.3	4.1	3.7	4.5	4.5	4.1
<b>Total oil flows through Bab el-Mandeb Strait</b>	6.1	5.9	5.0	4.9	7.1	8.8
crude oil and condensate	3.0	2.7	2.2	1.9	3.3	4.5
petroleum products	3.1	3.2	2.8	3.1	3.8	4.4
<b>LNG flows through Bab el-Mandeb Strait (billion cubic feet per day)</b>	3.1	3.9	3.7	4.5	4.5	4.1

Source: [U.S. Energy Information Administration](#)

From a Gulf perspective, the prospects for closer naval collaboration between Latvia and the GCC can be explored, especially given that GCC member states are developing their naval capabilities and enhancing their experience in coastal and naval protection. This includes the area of Coast Guard cooperation. Moreover, intelligence sharing and information collaboration are essential for safer maritime security in the region.



Energy security is another crucial aspect of GCC-Latvia relations. The Ukraine crisis has further underlined Latvia's dependency on energy imports, another factor that ties the Baltic State closer to the Gulf region. Latvia, which imports more than [99 percent](#) of its crude oil from Russia, is among the most dependent countries on Russian oil.



Source: [Al Jazeera](#)

As a result of the crisis in Ukraine, much attention in the EU was directed to crisis management, energy efficiency, and energy savings. Therefore, Latvia, alongside the other Baltic countries (Lithuania and Estonia), announced that they would disconnect from the Russian power grid and join the EU system instead by February 2025.

The three prime ministers released a joint declaration [stating](#): “The fact that the Baltic States still remain a part of the BRELL electricity system, managed from Russia, is a threat to the Baltic States’ energy security.”

Within the wider EU framework, this could lead to enhanced GCC-EU cooperation on energy.

Outside of traditional energy imports and exports, the issue of climate change and the energy transition is an area which could foster wider GCC-Latvia ties. 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 Baltic state could 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. Renewable energy production and technological development are other areas to consider.

### Economic Cooperation

Economic ties remain the cornerstone of GCC-Latvian relations and continue to increase, especially as the GCC countries continue to diversify their economies. Over the years, Latvia and the GCC states have strengthened their economic ties through bilateral visits, trade delegations, and participation in international forums.

These efforts have contributed to the gradual expansion of economic cooperation and the exploration of new opportunities for collaboration. While the volume of trade between Latvia and the GCC states is less substantial than that of some other trading partners, there is potential for expansion, particularly in non-traditional sectors such as technology, healthcare, and renewable energy.



Table 1 below shows the trade data between Latvia and the GCC states in 2021.

Table 1: Latvia's Trade with the GCC, 2021 (USD)

	Exports	Imports	Total Trade
Saudi Arabia	\$85.2M	\$983K	\$86.2M
United Arab Emirates	\$68.6M	\$25.5M	\$93.8M
Oman	\$6.79M	\$455K	\$7.25M
Qatar	\$7.36M	\$34.4K	\$7.39M
Kuwait	\$6.1M	\$684K	\$6.78M
Bahrain	\$1.39M	\$656K	\$2.05M
GCC	\$175.4M	\$28.0M	\$203.5M

Source: The Observatory of Economic Complexity (OEC)

For Latvia, the Gulf states, which are undergoing transformations under their respective national visions, possess significant economic potential including the prospects for increasing trade relations between the two sides. For instance, the Federation of Saudi Chambers and the Investment and Development Agency of Latvia signed an agreement in [June 2023](#) to establish a joint economic committee, which will focus on a range of industries, including the food, commerce, finance, investment, tourism, logistics, transportation, and technology.

At the end of the [Saudi-Latvian Business Forum](#), held in Riyadh, Ilze Indriksone, Latvia's minister for economics, reiterated that "The establishment of the joint economic committee will not only be the execution of this

specific bilateral agreement (signed in Riyadh) but will also develop different connections not only between the businesses but also between ministries." Similarly, Latvia signed a [six-track economic cooperation program](#) to bolster ties with the UAE in trade and investment, innovation and advanced technology, transportation and logistics, agriculture, food, education, and science.



Source: [Ministry of Economy & Planning of Saudi Arabia](#)

Continuing and deepening cooperation in the transport sector, particularly in the railway sector, is another key opportunity. Within the context of the proposed GCC railway system that aims to connect all six GCC member states, Latvia could provide expertise from its experience in Rail Baltica, for example, in improving interoperability, both on the technical and legal aspects. Latvia's expertise in IT and innovation can also complement the GCC states' vision for economic diversification and knowledge-based growth.

Despite the potential for economic cooperation, several challenges must be addressed to enhance the partnership between Latvia and the GCC states.



One of the primary challenges is the distance between the two regions, which can result in logistical complexities and increased transportation costs. Furthermore, differences in business practices, cultural norms, and regulatory frameworks can pose challenges for companies seeking to engage in cross-border activities. Language barriers and limited awareness about each other's markets can also hinder exploring trade and investment opportunities.

Additionally, geopolitical developments and global economic uncertainties can impact the stability and predictability of economic cooperation between Latvia and the GCC states. Both parties need to address these challenges through proactive measures, such as cultural exchange programs, business matchmaking events, and establishing direct air and sea connectivity. One positive development here is the addition of direct flights from Dubai to Latvia via [flydubai](#).

Moreover, enhancing mutual understanding and trust and aligning regulatory standards and procedures can contribute to overcoming these challenges and fostering a conducive environment for economic cooperation.

## Conclusion

In conclusion, the relations between the GCC states and Latvia continue and broaden as both sides seek to strengthen their economic, political, and cultural ties. The future prospects of GCC-Latvia relations appear promising, with opportunities for further collaboration and partnership. In addition to maritime security and economic relations, the two sides can explore new avenues of cooperation in technology, innovation, healthcare, and education.

Additionally, enhancing connectivity through direct flights, tourism promotion, and academic exchanges can strengthen the ties between the GCC and Latvia. By building on the existing areas of collaboration and exploring new avenues of engagement, the GCC and Latvia can continue to foster a dynamic relationship that benefits their respective societies and contributes to regional and global stability.

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