

















## **GCC-Lithuania Relations**

The relationship between the Gulf Cooperation Council (GCC) and Lithuania can be characterized as being in a state of growth and development. While the GCC states have historically been focused more on Western European states, due to the developed economic ties and their role as key allies, Lithuania has been determined to squarely anchor itself in the EU and NATO as well as engage with regional organizations such as the Baltic Assembly and the Nordic-Baltic Eight (NB8).

However, the growing significance of the GCC in global affairs, particularly in the areas of trade, investment, and energy, has prompted Lithuania to look beyond its immediate borders and reassess its approach to the Gulf region. Despite the geographical distance and differing political structures, both parties have recognized the mutual benefits of cooperation and have endeavored to strengthen ties across various sectors.

## Political & Security Cooperation

Lithuania has close bilateral relations with the Gulf states, with diplomatic relations reaching 30 years with all GCC countries. Diplomatic relations between the GCC and Lithuania have expanded in recent years, with both sides seeking to deepen their respective political dialogue and cooperation. Moreover, the Embassy of Lithuania in Abu Dhabi was established in 2019.

High-level visits, diplomatic exchanges, and participation in international forums have provided platforms for constructive engagement and the exchange of views on regional and global issues. Additionally, both parties have supported multilateral frameworks

and initiatives promoting peace, stability, and sustainable development.

While both sides have begun to develop a positive and constructive dialogue in meetings, the changing geopolitical landscape underlined the importance of increased engagement in order for both sides to understand one another better. 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 an excellent example. Engagement between Lithuania and the GCC states may also foster at this level, given that the EU and the GCC have also agreed to broaden their cooperation regarding a structured political and security dialogue.

Security and defense cooperation between the GCC and Lithuania represent an emerging dimension to their relationship, driven by shared concerns about regional stability and global security challenges. The GCC states have been actively involved in efforts to counter terrorism, combat extremism, and promote peace and stability in the Middle East and beyond.

Lithuania, as a member of NATO and a contributor to international peacekeeping missions, shares a common interest in addressing security threats and upholding the principles of collective security. Exchange of expertise, joint training exercises, and collaboration on defense technology are areas that hold promise for deeper engagement between the GCC and Lithuania in the realm of security and defense.



## Economic Cooperation

Economic cooperation forms a cornerstone of GCC-Lithuania relations. Table 1 below shows Lithuania's trade data with the GCC countries in 2022.

Table 1: Lithuania's Trade with the GCC, 2022 (USD)

	Exports	Imports	Total Trade
Saudi Arabia	\$172M	\$1.95B	\$2.12B
United Arab Emirates	\$173M	\$33.2M	\$206.2M
Oman	\$4.57M	\$4.62M	\$9.19M
Qatar	\$15.1M	\$15.3M	\$30.4M
Kuwait	\$26.1M	\$34.2M	\$60.3M
Bahrain	\$5.15M	\$3.44M	\$8.59M
GCC	\$395.92 M	\$2.04B	\$2.44B

Source: The Observatory of Economic Complexity (OEC)

With its strategic location in the Baltic region and robust economy, Lithuania presents lucrative opportunities for Gulf investors. The GCC countries, on the other hand, offer significant market potential and investment avenues for Lithuanian businesses. Bilateral trade has seen steady growth, particularly in the energy, technology, and agriculture sectors. Efforts to enhance economic collaboration through trade agreements and investment initiatives have further solidified ties between the two parties.

Lithuania has specifically developed ties with Oman, the United Arab Emirates, and Saudi Arabia. Regarding Oman, at the 27th session of the Joint GCC-EU Ministerial Council in Muscat in October 2023, Lithuania's Foreign Minister, H.E. Gabrielius Landsbergis, explained, "We are very close partners. We

have a very close diplomatic and political relationship with Oman. During the meeting with [Foreign Minister] Sayyid Badr Hamad Al Busaidi...we discussed how to build on this relationship, which we currently have. We need to engage more on trade and investments as we already have a high level of trust between the two countries."



H.H. Prince Faisal bin Farhan, Saudi Arabia's Foreign Minister, and H.E. Gabrielius Landsbergis, Lithuania's Foreign Minister, on the sidelines of the 27th session of the Joint GCC-EU Ministerial Council in Muscat in October 2023.

Source: Arab News

As a result of the meeting, Oman and Lithuania signed an MoU in the tourism sector. Lithuania, which has direct flights between Dubai and Vilnius, now hopes to establish direct flights with Muscat to boost tourism between the two countries. The Foreign Minister also stated that there is room for Oman and Lithuania to collaborate in infrastructure, energy, port facilities, logistics, agriculture, cybersecurity, e-governance, information technology, and communications.

Previously, in May 2023, the Embassy of the Sultanate of Oman in the United Kingdom, in cooperation with the Oman Chamber of Commerce and Industry (OCCI), organized the Omani-Lithuanian Business Forum in Muscat to enhance economic and commercial cooperation between the two countries. The



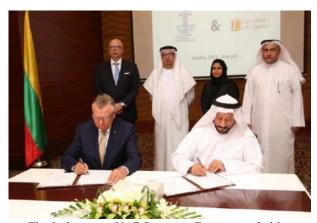
forum also sought to increase business bases on both sides, promote experience sharing, and enhance trade and investment ties between the two nations.

In terms of ties with the United Arab Emirates, H.E. Ramūnas Davidonis, Ambassador of Lithuania to the UAE has stated:

"In 2022, bilateral trade between Lithuania and the UAE grew by 124 per cent...which makes the UAE our number one market in the Gulf. Exports from Lithuania amounted to 163 million euros, with an annual growth of 136 per cent. Meanwhile, imports of Emirati origin to Lithuania increased by 39 per cent. Over the last few years, bilateral trade scope has been dominated mainly by machinery, mechanical appliances and electronics, furniture, transport, minerals, optics, dairy, and other food products. For Lithuania and the UAE, core sectors for future growth are scientific cooperation, research and development of new technologies and innovation. technologies, space biotechnology, and medical technology, not to forget FinTech and ICT."

In May 2023, the Lithuanian-UAE Business Forum was held in Sharjah, UAE. This led to the Association of Lithuanian Chambers of Commerce, Industry and Crafts (LPPARA) signing an MoU with the Federation of UAE Chambers of Commerce and Industry on the establishment of a joint Lithuanian-UAE Business Council. According to the Vice-Chairman of the Federation of UAE Chambers of Commerce and Industry and Chairman of the Sharjah Chamber of Commerce and Industry, H.E. Abdullah Al Owais: "The UAE-Lithuania Business Forum has provided a vital opportunity to consolidate the bonds of cooperation between our two friendly countries and set the stage for successful partnerships between the private sector and business owners to help them discover the best opportunities that can boost bilateral and fruitful cooperation."

Lithuania has also increased ties with Saudi Arabia. In February 2023, the Federation of Saudi Chambers of Industry and Commerce organized the first Saudi-Lithuanian Business Forum, in Riyadh. Minister of Agriculture Kestutis Navickas, accompanied Ambassador of Lithuania Ramūnas Davidonis. affirmed Lithuania's food industry opportunities and products for the Saudi market. Since then, the relationship between Lithuania and Saudi Arabia has continued to grow.



The Lithuanian-UAE Business Forum was held in Sharjah, UAE, May 2023.

Source: Ministry of Foreign Affairs of the Republic of Lithuania

Despite being less established, ties between Lithuania and Qatar, Bahrain, and Kuwait are also developing. Trade relations between the Baltic country and the Gulf states are growing, albeit at a slower rate. In particular, Lithuania has turned to Kuwait for oil supply, and in 2012, Kuwait Petroleum International, a company under the national Kuwait Petroleum Corporation, inaugurated a diesel service station in Lithuania near its border with Poland. The Russian invasion of Ukraine underlined Lithuania's dependency on energy imports. Lithuania, which imported around 75 percent of



its crude oil from Russia in 2019, was highly dependent on Russian oil. Since May 2022, however, Lithuania has been fully independent from Russian oil, gas, and electricity. This may be a factor that can tie the Baltic state closer to the Gulf region.



Source: Al Jazeera

## Conclusion

Looking ahead, there are several avenues for further enhancing GCC-Lithuania relations. Strengthening economic ties through increased trade, investment, and joint ventures can unlock new opportunities for growth and prosperity. Deepening diplomatic engagements and collaboration on regional and global challenges can foster greater stability and security.

Furthermore, investing in cultural exchanges and educational programs can nurture longterm bonds of friendship and understanding between the peoples of the GCC and Lithuania. challenges remain, shared While the commitment to mutual benefit and common goals provides a solid foundation for further collaboration. By capitalizing on opportunities and addressing critical areas of interest, both parties can continue to strengthen their partnership and unlock the full potential of GCC-Lithuania relations.

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