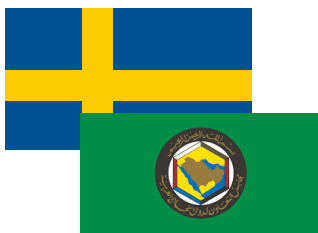




Gulf Research Center
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Sweden - GCC Relations



1. Key Domestic Developments

Sweden is a constitutional monarchy and a parliamentary democracy. The ceremonial head of state is King Carl XVI Gustaf, who has been reigning since 1973 and is the longest-reigning monarch in Swedish history, while executive power lies with the government led by the Prime Minister, currently Ulf Kristersson of the Moderate Party. Following the September 2022 general elections, Kristersson formed a minority coalition government with the Christian Democrats and Liberals, formalized through the Tidö Agreement. Sweden's largest rightwing party, the anti-immigration Sweden Democrats, decided not to become a formal member of the coalition but is backing the government in parliament.

In April 2025, Johan Pehrson, leader of the Liberal Party since 2022, announced his resignation to rejuvenate the party ahead of the 2026 elections. Pehrson, who is also the education minister, announced that he would step down from that role as well, but did not specify when. The Liberal Party, which is the smallest of the three parties that formed the right-of-center government, has been facing challenges due to internal divisions over the association with the Sweden Democrats. Support for the Liberal Party decreased to 2.8% in April 2025, compared to the 4.6% of the vote it won in the 2022 election. In March 2025, the polling average of Prime Minister Kristersson's coalition party was neck and neck with the Sweden Democrats, both polling at 19%, while the Social Democratic Party maintained a clear lead at an average of 34%.

Sweden has been greatly scrutinized following the 2022 riots, which were sparked by a Danish-Swedish politician seen burning copies of the Holy Quran. The incident resulted in widespread unrest across several cities. The situation was at the forefront, provoking national debates over the limits of free speech. Following the burnings, numerous countries summoned the respective Swedish ambassadors in their 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." Additionally, there have been efforts from the Swedish side to regulate events. Sweden's Justice Minister asserted that the government is looking into amending its protest laws.

The Swedish economy is in a protracted recession, but recovery is expected to begin in 2025. Following a period of economic stagnation, Sweden's economy began to recover in late 2024. The European Commission projects GDP growth of 1.8% in 2025, up from 0.3% in 2024. Inflation has moderated since its peak in 2023. The government has, however, revised its 2025 inflation forecast to 2.5%, up from the previously estimated 2.0%. The Riksbank, Sweden's central bank, has responded by maintaining its policy rate at 2.25% as of March 2025, balancing between supporting economic growth and containing inflation. Unemployment remains elevated, with the European Commission projecting a rate of 8.4% in 2025. However, the labor market is expected to gradually improve as the economy recovers.

Key Swedish Economic and Social Data

- GDP: 585 billion USD (2023)
- GDP per capita: 55,516.84 USD (2023)
- Annual Growth Rate: -0.3% annual change (2023)
- Inflation: 1.3% (February 2025)
- Population: 10.54 million (2023)
- Unemployment Rate: 8.5% (March 2025)
- Credit Rating: Standard & Poor's credit rating for Sweden stands at AAA with stable outlook. Moody's credit rating for Sweden was last set at Aaa with stable outlook. DBRS' credit rating for Sweden was last reported at AAA with stable outlook.



2. Sweden's Foreign Policy

Sweden's foreign policy emphasizes multilateralism, the rule of law, gender equality, and conflict prevention. Its international organizations and partnerships include the EU, the UN, and NATO. Sweden is also part of the Nordic region, which 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 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 (NORDEN), the presidency lasts one year and rotates between the five Nordic countries. Sweden held the presidency of the Nordic Council of Ministers in 2024. The basis of Sweden's presidency agenda was a safer, greener, and freer Nordic region, with a particular focus on improving integration and freedom of movement across borders.

Sweden became NATO's newest member in March 2024, marking a significant milestone in its security and defense strategy, formally ending more than two centuries of military non-alignment. This strategic realignment was primarily prompted by security concerns following Russia's 2022 invasion of Ukraine. 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. Sweden's NATO membership, following that of Finland, has enhanced overall collective security in the Baltic Sea region.

Key Foreign Policy Initiatives

- In March 2024, Sweden formally joined NATO, following ratification by all member states. Sweden has since participated in joint NATO exercises in the Baltic region and committed to increasing defense spending to meet the 2% of GDP target by 2026.
- In December 2023, Sweden and the United States signed a Defense Cooperation Agreement (DCA), which entered into force in August 2024. According to the Swedish government, the DCA enables more seamless cooperation by regulating the conditions for United States forces to operate in Sweden. This involves issues such as the legal status of United States military personnel, access to deployment areas, pre-positioning of military materiel, and tax and customs regulations.
- Sweden remains a strong and consistent supporter of Ukraine, providing military, humanitarian, and civil support. Since February 2022, Sweden has contributed approximately EUR 8.4 billion to various initiatives that support Ukraine.
- In October 2014, Sweden was the first EU member in Western Europe to recognize the state of Palestine.

3. Sweden-GCC Fact Sheet

Sweden's Trade with the GCC, 2023

Country	Exports	Imports	Total Trade
Saudi Arabia	\$1.67B	\$340M	\$2.01B
United Arab Emirates	\$1.41B	\$119M	\$1.53B
Oman	\$50.6M	\$9.54M	\$60.14M
Qatar	\$386M	\$185M	\$571M
Kuwait	\$145M	\$173M	\$318M
Bahrain	\$65.8M	\$15.8M	\$81.6M
GCC	\$3.73B	\$842.34M	\$4.57B

Source: The Observatory of Economic Complexity (OEC)

Establishment of Diplomatic Relationships

- Sweden established diplomatic relations with each of the GCC member states. Today, political and security relations between the two sides encompass a variety of points of contact, both bilaterally and within the EU.

Key Research Centers and Think Tanks

- Swedish Institute of International Affairs (UI) – <https://www.ui.se/>
- Stockholm International Peace Research Institute (SIPRI) – <https://www.sipri.org/>
- Swedish Defense Research Agency (FOI) – <https://www.foi.se/>

Selected Key Regional Experts

- Rouzbeh Parsi, Swedish Institute of International Affairs (UI)
- Karin Aggestam, Lund University

4. Key Developments in Sweden-GCC Relations

In recent years, Sweden-GCC relations have steadily deepened across trade, education, environmental technologies, and conflict mediation. The EU-GCC Strategic Partnership has provided additional avenues for engagement. Sweden has consistently supported EU-led dialogues with the Gulf, especially in the areas of renewable energy, trade liberalization, and regional security. 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 terms of diplomacy, Sweden's longstanding support for a two-state solution to the Israeli-Palestinian conflict remains a defining element of its Middle East policy. Sweden recognized the State of Palestine in 2014, positioning itself as an early European advocate for Palestinian statehood. It has also contributed to humanitarian aid and UNRWA funding. Sweden has participated in various mediation efforts in the Gulf, which align with the GCC's increased role in regional

and international de-escalation efforts, such as 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.

Bilateral trade between the GCC and Sweden has seen consistent growth, with both imports and exports increasing over time. 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. Sweden's green technologies and circular economy expertise are increasingly relevant for GCC states pursuing economic diversification. The private sector has spearheaded partnerships in smart infrastructure, water management, and clean energy. In education, Swedish universities have seen growing GCC student interest, and discussions continue on institutional partnerships, particularly in the health and engineering sectors.





GCC-Sweden Relations:

- In September 2024, the first joint ministerial meeting between the GCC states and Northern European countries was held on the sidelines of the 79th session of the United Nations General Assembly in New York. H.E. Jasem AlBudaiwi, Secretary-General of the GCC, emphasized the importance of the discussions, stating “this meeting establishes a regular and open platform for discussing political, security, economic, and cultural issues of mutual interest, marking an important step toward enhancing coordination and cooperation between both sides in various fields.” The Secretary General also highlighted the “escalating tensions resulting from the stalled peace process, the Israeli war on Gaza, the deteriorating situation in the West Bank and Lebanon, and disturbances in the Red Sea, in addition to threats posed by the proliferation of ballistic missiles,” and emphasized that “these challenges pose a significant risk to security and peace, not only in the region but globally, calling on like-minded countries to unite efforts to confront them through respect for international law and humanitarian principles.”
- In February 2024, GCC Secretary-General AlBudaiwi, 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.

Oman-Sweden Relations:

- In June 2024, Iran and Sweden completed an Omani-brokered prisoner swap involving the release of a former Iranian official in exchange for a European Union diplomat and another Swedish-Iranian citizen.

- In June 2024, Oman and Sweden explored ways to enhance bilateral relations during a political talk held at the general Diwan of the Foreign Ministry. The two sides also discussed the repercussions of Israel’s war on Gaza.

Qatar-Sweden Relations:

- In May 2025, Qatar and Sweden conducted the fourth round of political consultations. Discussions covered bilateral relations, regional issues, and avenues for further cooperation.
- In October 2024, H.E. Tobias Billström, Sweden’s Foreign Minister, met with H.E. Nadia bint Ahmad Al Sheebi, Qatar’s Ambassador to Sweden. They discussed cooperation relations between the two countries.
- 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, 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 May 2024, H.E. Lolwah bint Rashid Al Khater, Minister of State for International Cooperation, met with H.E. Tobias Billström, Sweden’s Foreign Minister, in Stockholm. Discussions focused on bilateral relations, developments in Gaza, and cooperation in aid.



H.E. Al Khater also met with H.E. Diana Janse, Sweden's State Secretary for International Development Cooperation. Topics included development cooperation, Gaza, Sudan, Afghanistan, and Ukraine.

- In March 2024, H.E. Dr. Ahmed bin Hassan Al Hammadi, Secretary-General of Qatar's Ministry of Foreign Affairs, met with H.E. Kenneth G. Forslund, First Deputy Speaker of the Swedish Parliament. Discussions included bilateral cooperation, developments in Gaza, and regional security. Qatar reiterated its support for an immediate ceasefire in Gaza and humanitarian aid delivery. Sweden also praised Qatar's mediation efforts and humanitarian role.
- In February 2024, Qatar and Sweden held the third round of political consultations in Stockholm. Discussions focused on bilateral relations, regional developments, and cooperation in various fields.
- In January 2024, H.E. Andreas Norlén, Speaker of the Swedish Parliament, met with H.E. Nadia bint Ahmad Al Sheebi, Ambassador of Qatar to Sweden. They discussed bilateral cooperation relations between the two countries.

Saudi Arabia-Sweden Relations:

- In January 2025, H.E. Ambassador Enass Al-Shahwan, Saudi Ambassador to Sweden and Iceland, met with Gunilla Carlsson, Chairman of the Swedish International Development Cooperation Agency and Former Minister for International Development Cooperation. They discussed both nations' significant roles in humanitarian assistance and explored opportunities for sharing experiences and best practices in the field.
- In November 2024, H.R.H. Prince Khalid bin Salman, Saudi Minister of Defense, met with H.E. Johan Stuart, Minister of State at the Swedish Prime Minister's Office, in Riyadh. The meeting focused on bolstering

cooperation between Saudi Arabia and Sweden, particularly in the defense and security sectors.

- In March 2024, over 30 Swedish government officials convened in Riyadh for Sweden's annual regional ambassadors meeting. The selection of Riyadh as the host city was attributed to the Kingdom's dynamic developments and strategic importance. "Essentially, we chose Riyadh this year because there is so much happening in the Kingdom," Sweden's State Secretary for Foreign Affairs, H.E. Jan Knutsson, explained. The meeting aimed to discuss regional developments and share experiences among Swedish diplomats. Following the event, H.E. Adel Al-Jubeir, Saudi Arabia's Minister of State for Foreign Affairs and Climate Affairs Envoy, met with the Swedish ambassadors to the Middle East and North Africa region at the Ministry of Foreign Affairs in Riyadh. Discussions focused on enhancing bilateral cooperation and reviewing Saudi Arabia's efforts to maintain regional security and stability. The parties also addressed developments in Gaza and the importance of supporting efforts to halt military escalations.
- 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 H.E. Mr. Billström in October 2023 to discuss ties and prospects for enhanced cooperation.

United Arab Emirates-Sweden Relations:

- In March 2025, H.M. King Carl XVI Gustaf of Sweden, accompanied by H.R.H. Victoria Ingrid Alice Désirée, Crown Princess of Sweden, received H.H. Sheikh Abdullah bin Zayed Al Nahyan, the UAE's Deputy Prime Minister and Minister of Foreign Affairs, during his official visit to Stockholm. The meeting underscored the strong bilateral relations between the UAE and Sweden and the mutual commitment to enhancing cooperation across



various sectors, including the economy, trade, renewable energy, technology, education, and advanced technologies. During his official visit to Stockholm, H.H. Sheikh Abdullah bin Zayed Al Nahyan also met with H.E. Maria Malmer Stenergard, Sweden's Minister of Foreign Affairs. The two sides signed a Memorandum of Understanding to establish a framework for regular political consultations between the UAE and Sweden. The MoU aims to facilitate dialogue on bilateral relations and regional and international issues of mutual interest. H.H. Sheikh Abdullah bin Zayed Al Nahyan also met with Benjamin Dousa, Sweden's Minister for International Development Cooperation and Foreign Trade, and discussed strengthening bilateral relations and exploring economic and trade cooperation avenues.

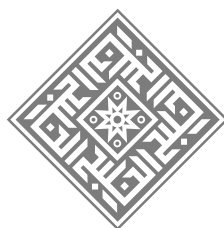
- In November 2024, the UAE and Sweden signed two bilateral agreements in Abu Dhabi to enhance cooperation in judicial and legal matters. The agreements pertain to the extradition of criminals and mutual legal assistance in criminal matters.

5. Supporting Documents

GRC Commentary & Analysis

- GCC-NB8 Relations – [December 2024](#)
- GCC-Sweden Relations – [September 2024](#)
- GCC-NB8 Relations – [July 2023](#)





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