

THE FIRST GCC-CENTRAL ASIA SUMMIT: FOSTERING COLLABORATION AND ECONOMIC INTEGRATION

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August 2, 2023

(Views expressed in the brief are those of the author, and do not represent those of ISSI)



The first-ever summit between the Gulf Cooperation Council (GCC) countries and the five Central Asian states (Kazakhstan, Kyrgyzstan, Tajikistan, Turkmenistan, and Uzbekistan) took place in Jeddah on July 19, 2023. The event marked a significant milestone in the development of relations between these two regions, opening up new avenues for cooperation and exchange of experiences. The GCC-CAS summit represents another significant geopolitical rallying point in the region, which include the recent Saudi-Iran rapprochement and the inclusion of Saudi Arabia as a Dialogue Partner of the Shanghai Cooperation Organization (SCO), earlier this year.

The summit brought together officials from the six GCC and the five Central Asian countries, also known as the C5 bloc. The Summit saw the participation of the presidents of Kazakhstan, Kyrgyz Republic, Tajikistan, Turkmenistan, and Uzbekistan. Representing the GCC side were the Emir of Qatar, Sheikh Tamim bin Hamad Al-Thani, the Crown Prince of Kuwait, Sheikh Meshal Al-Ahmad Al-Jaber Al-Sabah, and the Vice President of the UAE, Sheikh Mohammed bin Rashid. The rulers of Oman and Bahrain were represented by Sayyid Asaad bin Tariq Al-Said and Sheikh Nasser bin Hamad Al-Khalifa, respectively.

The leaders engaged in discussions to strengthen their bilateral relations across diverse sectors, including trade, economy, culture, and humanitarian affairs, as well as streamlining investment projects. The GCC Secretary-General for Arab States, Jassem Mohamed Albudaiwi, regarded the

summit as a cornerstone in the foundation of their relations, signifying rapprochement, partnership, and numerous opportunities for cooperation and knowledge exchange.



The joint statement issued at the conclusion of the summit emphasized the importance of enhancing strategic and political dialogue among the participating countries. The leaders highlighted the need to foster new partnerships in political and security dialogues, economic and investment cooperation, and promoting people-to-people communication. They also welcomed Saudi Arabia's decision to host the Gulf and Central Asia Investment Forum later in the year, along with the initiative of Turkmenistan and Kyrgyzstan to host the Investment Forum in 2024. The leaders agreed on developing interconnected transportation routes between the two regions and establishing efficient systems to facilitate the exchange of goods. The next summit is scheduled to be held in Uzbekistan in 2025.¹

The summit is an outcome of the September 2022 meeting in Riyadh, where the foreign ministers from the GCC and C5 bloc launched the GCC-Central Asia Strategic Dialogue.² During this meeting, they agreed to intensify cooperation in various areas, including restoring supply chains disrupted by the pandemic, strengthening food, energy, and water security, developing green energy, addressing environmental challenges, exchanging best practices, and establishing appropriate trade and investment mechanisms.

¹ "GCC-Central Asia Summit Issues Joint Statement," *Saudi Press Agency*, July 19, 2023.
<https://www.spa.gov.sa/en/885fda0640u>

² "Enthusiasm abounds as GCC, Central Asia launch strategic dialogue," *Arab News*, September 9, 2022.
<https://www.arabnews.com/node/2159106>

The GCC countries' growing interest in Central Asia can be attributed to several factors. Firstly, the region is rich in energy resources, particularly oil and natural gas, which appeals to the energy-dependent GCC countries seeking to diversify their energy supplies. Secondly, Central Asia offers economic opportunities through investments in sectors like infrastructure and telecommunications, enabling GCC states to establish economic partnerships and access new markets. Thirdly, Central Asia's strategic location between Europe, Asia, and the Middle East makes it geopolitically significant, allowing the GCC countries to expand their influence and foster regional ties beyond traditional alliances. Fourthly, cooperation in security matters is crucial due to Central Asia's proximity to Afghanistan, China, Russia, and Iran, necessitating joint efforts to combat terrorism and prevent the spread of extremist ideologies. Lastly, shared Islamic heritage and cultural connections between Central Asia and the GCC states contribute to closer diplomatic relations and people-to-people exchanges.

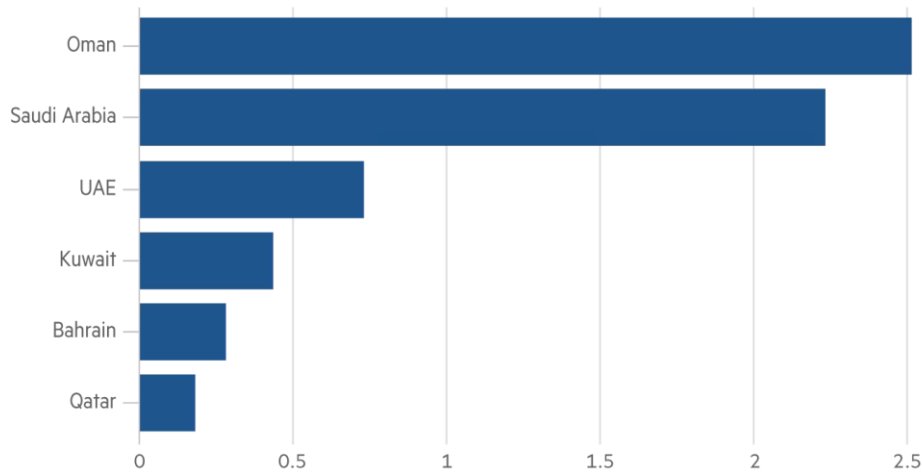
Moreover, the Gulf Arab countries have formulated strategic development plans, with prominent examples including Saudi Arabia's Vision 2030, Oman's Vision 2040, and Bahrain's Economic Vision 2030, among others. On the other hand, Central Asian countries have also adopted their own development visions, such as the National Development Strategy for the period 2018 to 2040 in Kyrgyzstan and Kazakhstan's Strategy 2050, among others. Although the specific objectives and targets may vary, both regions are committed to achieving sustainable economic growth, fostering innovation, and promoting investment in various sectors. The strategic development plans aim to diversify their economies, reduce reliance on specific industries, and enhance competitiveness in the global market. Moreover, there is a strong focus on infrastructure development, human capital investment, and technological advancement in both the Gulf and Central Asian regions.

During the summit, opportunities for cooperation in the fields of energy, oil, and gas with the Gulf countries were highlighted by the President of Kazakhstan, Kassym-Jomart Tokayev, who stated that the Central Asian region is the second-largest in the world in terms of oil and gas resources, following the Arabian Peninsula. In this regard, it was expressed that comprehensive cooperation with OPEC+ and collaboration with major energy companies in the Gulf countries should be deepened.³

³ "President Tokayev Sets Out Priority Areas for Closer Interaction Between Gulf Countries and Central Asia," *The Astana Times*, July 20, 2023.
<https://astanatimes.com/2023/07/president-tokayev-sets-out-priority-areas-for-closer-interaction-between-gulf-countries-and-central-asia/>

Agriculture contributes little to Gulf economies

Output of agriculture, forestry and fisheries in 2019 (% of GDP)



Source: World Bank
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Trade between the GCC and Central Asian countries has been steadily increasing, with a value of \$3.1 billion in 2021. The GCC's exports to Central Asia amounted to \$2.06 billion in the same year, while imports were worth \$1.03 billion.⁴ Moreover, addressing challenges such as food security and agriculture is crucial for the region. The GCC countries import 60% of their food, whereas Central Asian countries are active food exporters. Securing logistics corridors for direct supplies to the Arabian Peninsula and resolving transportation issues are essential steps in ensuring secure food supplies.

In terms of economic engagements, the GCC countries have made significant investments in Central Asia and the Caucasus, particularly in energy-related projects. For instance, Saudi energy company ACWA Power is involved in renewable energy projects utilizing solar and wind energy and building energy storage batteries in Uzbekistan, Azerbaijan, and Kazakhstan. The UAE has invested in a coal plant and a chemical complex in Kazakhstan. Moreover, Dubai Ports World has acquired stakes in special economic zones in Kazakhstan, further fostering economic ties.⁵ Uzbekistan has also secured significant investment agreements worth billions of dollars from Saudi Arabia and the UAE's sovereign wealth fund Mubadala.

⁴ "GCC and Central Asian states share common interests, enjoy historical relations," *Saudi Gazette*, July 19, 2023.

<https://saudigazette.com.sa/article/634338>

⁵ "UAE Steps Up Investment in Central Asia's Wealthiest Economy," *Caspian News*, October 13, 2021.

<https://caspiannews.com/news-detail/uae-steps-up-investment-in-central-asias-wealthiest-economy-2021-10-13-0/>

Historically, the Gulf States have bilaterally pursued investment and commercial ventures in Central Asia. However, with the GCC functioning as a regional platform, a unified approach towards the Central Asian countries is now being sought. The summit provides an opportunity to strengthen the presence of the Gulf countries in Central Asia through a unified mechanism. All in all, the inaugural summit between the GCC and Central Asian countries marks a crucial step in strengthening economic, political, and cultural ties between the two regions and sets the stage for a promising future of increased cooperation and mutual benefits between the GCC and Central Asia.