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# Developing Cooperation between the GCC and ASEAN

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December 2023



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## Developing Cooperation between the GCC and ASEAN

In an era characterized by globalization and interconnectivity, regional partnerships have emerged as pivotal drivers of economic growth, political stability, and cultural exchange. The relationship between the Gulf Cooperation Council (GCC) and the Association of Southeast Asian Nations (ASEAN) is one such partnership that underscores the relevance and importance of more comprehensive cross-regional collaboration. This piece briefly delves into the dynamics of current GCC-ASEAN relations, highlighting the evolution of this partnership, its economic implications, diplomatic engagements, and its role in shaping the geopolitical landscape. Commonalities between ASEAN and the GCC include their strategic locations, economic advancement, promotion of international peace and stability, development of their cultures, and international investment partnerships.

The history of GCC-ASEAN relations dates back to March 1986 when the 18th session of the GCC Ministerial Council decided to initiate contacts with ASEAN. The Council approved the opening of economic dialogues and discussions on ways to enhance cooperation between them at the time. The first formal contact between ASEAN and the GCC subsequently took place in 1990, when the former Foreign Minister of Oman, Yousuf Bin Alawi, as Chairman of the Council of Ministers of the GCC, expressed the GCC's desire to establish formal relations with ASEAN. In the same year, foreign ministers from both groups met at the sidelines of the UN General Assembly in New York and agreed to hold annual meetings there.

It would, however, take until the 2007 United Nations General Assembly (UNGA) in New York for the first ASEAN-GCC Foreign Ministers' Meeting to actually take place, followed by the first ASEAN-GCC Ministerial Meeting convened in June 2009 in Manama, Bahrain. Much of the delay can be attributed to the fact that the importance of strengthening economic and political ties with Asia emerged only gradually within the GCC given their close security ties with the United States and the West.

The Ministerial meeting in June 2009 adopted the ASEAN-GCC Joint Vision, in which both sides agreed to commence a study and make recommendations on the future of ASEAN-GCC relations in topics such as free-trade area, economic cooperation and development, culture, education, and information. As part of the meeting in Manama, both sides signed a Memorandum of Understanding between the ASEAN Secretariat and the GCC Secretariat outlining the development of their institutional ties.

In June 2010, during the Strategic Dialogue's second ministerial conference in Singapore, an action plan encompassing both cultural and economic domains was adopted by both parties. Six specialized working groups were formed in commerce, economics, education, energy, tourism, culture, media, agriculture investment, and food security. The third ministerial meeting between the ASEAN and the GCC held in Manama in November 2013 underscored the importance of respecting the principles of sovereignty and non-interference, grounded in good neighborliness and compliance with international law, the United Nations, and ASEAN charters.



A fourth meeting scheduled for 2017 never materialized as the year coincided with the division within the GCC due to the Qatar diplomatic crisis. In addition, no significant or concrete progress has been made since the previous GCC-ASEAN workshop held in Singapore.

In September 2019, a discussion session was conducted at the United Nations headquarters in New York, involving the GCC and ASEAN countries on the sidelines of the 74th session of the UNGA. The session reiterated the importance of free and open trade, commitment to the rule of law, and the multilateral trading system based on the rules of the World Trade Organization (WTO). At this time, the Treaty of Amity and Cooperation in Southeast Asia (TAC) was adopted to improve ties between the GCC and ASEAN nations. In addition to the commitment to create guidelines for peaceful coexistence and friendly cooperation, the session witnessed an agreement to collaborate to achieve the aims of the Sustainable Development Goals (SDGs). Overall, the two sides underscored their readiness to promote new avenues for economic and developmental growth, including exploring key economic partnership priorities, namely, strengthening regional market integration sustainability and decarbonization, digital transformation, and inclusivity, including Micro, Small and Medium Enterprises (MSMEs), public-private sector engagement, and people-to-people ties.

On July 12, 2023, Saudi Arabia became the 51st country to sign the Treaty of Amity and Cooperation (TAC) with ASEAN. The accession signing ceremony was held on the sidelines of Jakarta's 56th ASEAN Foreign Ministers Meeting (AMM). Indonesian Foreign Minister Retno Marsudi, on behalf of ASEAN, expressed her [appreciation](#) to the Kingdom, stating that “the accession shows Saudi's strong commitment to adhere to the ASEAN values and principles as embodied in the TAC.” Through the TAC, the Kingdom is committed to cooperating and contributing towards peace and stability in Southeast Asia. “We welcome Saudi Arabia to the ASEAN Family. Together, we must be a positive force for peace, stability, and prosperity in the Indo-Pacific region,” stated the Indonesian Foreign Minister. Outside of Saudi Arabia, other GCC states that have signed the treaty include Bahrain on November 2019, Oman and Qatar on August 2022, and Kuwait on September 2023.

Given the development of ties to date, it must be stated that overall progress in GCC-ASEAN relations has been limited. One factor is that up until recently, GCC and ASEAN have prioritized their relations with partners such as the US, the European Union, and Japan when it comes to politics, security, trade, and investment. Another reason is that both organizations have had to contend with numerous unresolved issues with countries within and outside their respective regions, such as the situation in Myanmar and the South China Sea issue for ASEAN, the Yemen crisis, and relations with Iran for the GCC. In light of pressing matters and a volatile regional security environment, GCC-ASEAN ties did not stand at the forefront. Under these circumstances, the initiative to hold the first GCC-ASEAN Summit in 2023 at the heads of state level marked the highest degree of cooperation since 1990.



([ASEAN](#), 2023).

The meeting, which took place on October 20, 2023 in Riyadh highlighted a shared objective to connect the two dynamic regions and expand on the bloc-to-bloc connection. That the summit took place is largely attributed to the fact that the GCC, in particular, has been rapidly focusing on strengthening its economic ties with Asia in recent times.

The summit demonstrates the two regional groups' political will to move beyond bilateral ties and forge more substantial strategic alignment between their respective regions. A new five-year Framework of Cooperation 2024-2028 was adopted in order to elevate relations through a wide range of practical cooperation. This includes specific targets in fields such as food security, renewable energy, innovation, adaptation to climate change, and combating terrorism and violent extremism. There was agreement that the role of the private sector in developing relations between the member states of the two blocs needed to be enhanced. This requires more capabilities, including bilateral and collective framework agreements that facilitate investments and joint projects. Better coordination between the Federation of the GCC Chambers and the ASEAN Business and Advisory Council (ASEAN-BAC) is seen as necessary to support increased economic diversification in both blocs by facilitating the discovery and exploration of new business opportunities and promoting wider economic exchanges.



### Economic Implications & Strategic Collaborations

At the same time, it must be acknowledged that GCC-ASEAN ties remain in a state of infancy. Bilateral trade between ASEAN and GCC countries has only increased marginally from \$77.9 billion in 2010 to \$85.2 billion in 2021. GCC exports to ASEAN countries constitute 9% of its total exports while GCC imports from ASEAN amount to a mere 6% of total GCC imports. Similarly, during the past twenty years, investments of the GCC in the ASEAN countries represented only 4% of the total foreign investment directed to the ASEAN countries, with a value of up to \$75 billion, with the investment of the ASEAN countries in the GCC representing 3.4% of the total foreign direct investments to GCC countries, with a value of \$24.8 billion. GCC exports to ASEAN have primarily consisted of crude oil and synthetic polymers. Efforts to pursue formal economic agreements to promote trade and investment only led to the conclusion of a free trade agreement (FTA) with Singapore in 2008.

With the GCC and ASEAN countries witnessing high rates of economic growth in 2022 (7.3% and 5.7% respectively), HRH Crown Prince Mohammed bin Salman emphasized during the opening of the GCC-ASEAN summit the need to increase overall volumes. GCC-ASEAN relations are thus expected to become increasingly important over the next decade due to the expansion of the middle class and favorable growth prospects in the ASEAN region.

**Figure 4: The role of the GCC in ASEAN's key sectors**

Sector	Role of the GCC
Agriculture and food	Market, investor
Financial services and fintech	Investor, advisor, market
Transport and logistics	Market, supplier, advisor
Retail and e-commerce (excluding food)	Market, supplier, investor
Healthcare	Market, supplier
Industry and energy	Advisor, supplier, market
Professional services and marketing	Market, investor, advisor

Source: Economist Impact analysis

([The Economist Group](#), 2021).

The outlook for stronger trade and investment links is encouraging. The UAE and Indonesia have been in talks to boost bilateral trade with the UAE committed to investing US\$10bn in Indonesia's sovereign wealth fund. New strategic areas that can be explored include food and high-growth industries like financial services, e-commerce, and logistics.

The ultimate goal would be the establishment of a GCC-ASEAN Free Trade Zone. Such a move would realize the market access opportunities and support the development of a closer and deeper



trade and investment relationship between the two blocs. This would include enhancing trade and investment flows by creating mutually beneficial opportunities for joint investments. Exploring cooperation on key economic partnership priorities is another area, namely strengthening regional market integration, sustainability, and business-to-business relations between both regions.

The GCC-Singapore FTA offers a model for such an agreement. Signed in 2008, the GCC-Singapore FTA came into effect in 2013 and resulted in an increase in trade worth over US\$43 billion over the last six years. This could set the stage for other ASEAN nations to do the same, opening the door for potential regional framework agreements on trade, investment, technology, and economic cooperation. Malaysian Prime Minister Anwar Ibrahim has already proposed that the two blocs begin negotiations for an FTA. In addition, shorter-term bilateral agreements could be pursued to allow for more targeted and focused programs for specific countries.

Digital economy and clean energy are two critical areas for further cooperation, as evidenced by the Joint Statement from the GCC-ASEAN Summit and the GCC-ASEAN Framework of Cooperation from 2024 to 2028. Cooperation in these fields includes ways to explore combined efforts in energy and clean low-carbon energy technologies, including technology developments for energy efficiency, renewable energy, and alternative sources of clean energy, as well as the promotion of effective energy efficiency practices and conservation measures. Both documents, which act as a roadmap for the ASEAN-GCC partnership, offer a structured and calculated approach to cooperation that could lead to more benefits for the two blocs.

### Geopolitical Implications

The ASEAN-GCC Summit also serves as a framework for broader geopolitical ties as both areas look beyond their historical allies. Growing geopolitical tensions—notably between China and the US—are vital concerns for both ASEAN and the GCC states. ASEAN member states occupy an important strategic location between the countries of the Arabian Gulf, the Indian Ocean countries of Southeast China, and the China Sea. The Strait of Malacca, located between Indonesia and Malaysia, is considered the second most important venue for oil trade after the Strait of Hormuz, which also gives great importance to the logistics of sea traffic and maritime security. This was stressed in the final statement of the summit, where both regions recognized the importance of oceans and seas as critical factors in driving the growth and prosperity of the region and reaffirmed the importance of maintaining and promoting peace, stability, and maritime safety and security.

The meeting in October also established a road map for GCC-ASEAN cooperation amid the backdrop of the Gaza crisis and an increasingly uncertain regional security environment. Both blocs [condemned](#) all attacks against civilians and called for a durable ceasefire and for all concerned parties to ensure the most effective and efficient access to humanitarian aid, relief supplies, and other necessities and essential services. During the summit, leaders agreed to support the initiatives of Saudi Arabia, the European Union, and the League of Arab States to revive the Middle East peace process in cooperation with Egypt and Jordan and resolve the dispute between Israel and its neighbors under international law.



Amid their efforts to become transcontinental economic powers, GCC nations have therefore prioritized expanding trade and diplomatic ties with Asian countries. This is also part and parcel of the effort of the GCC states to diversify their partnerships and focus on the dynamic partnerships emerging in the East as part of the emerging world order.

### **Conclusion**

The convergence of the GCC's and ASEAN's interests presents opportunities for strategic cooperation in the international arena. The confluence of viewpoints on multilateralism, sustainable development, and free trade provides a foundation for cooperative advocacy on the international stage. Both sides would need to take preventive measures to prevent bloc-to-bloc relations from reverting to the tepid state they were in for the previous 30 years. Malaysia's commitment to host the next ASEAN-GCC Summit in 2025 is a positive signal that the era of previous inertia has been set aside.

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