



GCC-Central Asia Relations: Developing Regional Cooperation

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GCC-CIS Relations: Developing Regional Cooperation

The relationship between the Gulf Cooperation Council (GCC) and the Commonwealth of Independent States (CIS) is shaped by geopolitical, economic, and strategic interests. Central Asia is situated along crucial geopolitical crossroads. Located between Europe and Asia, it straddles two major energy-consuming markets. For millennia, the region has been one of the main avenues for East-West trade. Currently, billions of dollars are being spent to link the region to the global economy, including new and updated railways, roads, pipelines, and fiber optic cables connecting Central Asia to East Asia, Europe, and South Asia. There is a potential for new connections with the Middle East, too.

Central Asian countries are also strategically important because they have become a source of competition between the world's major powers, particularly Russia, China, the European Union, and the United States of America. Russia is the most prominent player in the region because of its geographical, historical, and cultural relations within the former Soviet Union. Apart from those mentioned above, other powers such as Iran, India, Pakistan, and Turkey must also be considered actors with a significant role to play in Central Asia.

Understandably, the GCC wants to strengthen its ties with Central Asia as well (and vice versa). For the countries of the CIS, maintaining relations with the global superpowers has been a constant balancing act—the more engaged they are with outside actors, the less vulnerable they feel when dealing with significant regional powers, such as Russia, China, and Iran. Developing relations with Gulf countries in this context strengthens the understanding of multi-vectoral foreign policy in the Central Asian states. Based on similar values, some common interests, and historical ties between the GCC and Central Asian countries, both regional blocs have begun to stress the importance of strengthening political and strategic relations between them at the collective and bilateral levels and to proceed with increased political coordination to contribute to greater regional and international security and stability.

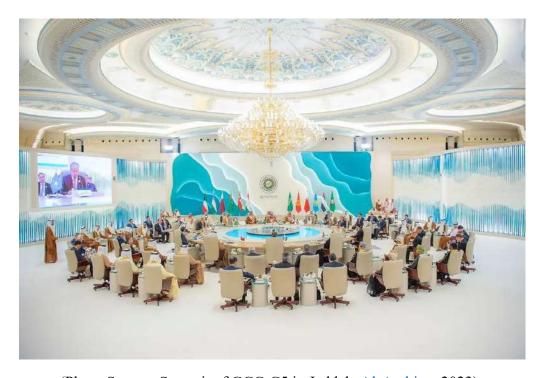
GCC-C5 Summit & Enhancing Cooperation

The leaders' summit held in Jeddah, Saudi Arabia, on July 19, 2023, attended by all five Central Asian presidents - Kazakhstan, Turkmenistan, Tajikistan, Uzbekistan, and Kyrgyzstan - was the first-ever meeting between the GCC countries and the Central Asia nations. In welcoming the delegates, Saudi Arabia's Crown Prince and Prime Minister, Mohammed bin Salman stressed that "the challenges confronting our world demand collective action" referring specifically to the need to address challenges affecting energy security and global food supply chains. The joint statement issued by the GCC-C5 summit affirmed the call by both sides for greater synergy in the Organisation of Islamic Cooperation (OIC) to secure reliable food supply chains for countries in need.

The GCC-C5 Summit in July 2023 occurred after significant engagement at the head-of-state level between both sides. These included talks between the Presidents of Kazakhstan and the UAE in Abu Dhabi in 2022, the Presidents of Kyrgyzstan and Tajikistan in Qatar, and the Saudi Crown

Prince and the President of Uzbekistan in Jeddah starting in 2022. Notably, the first visit to Kyrgyzstan by an Arab leader was that of Qatari Emir Tamim bin Hamad Al Thani in June 2023.

Similarly, the first GCC-Central Asia Strategic Dialogue meeting held on September 7, 2022 in Riyadh at the level of foreign ministers led to the adoption of a 2023-2027 Joint Action Plan for Strategic Dialogue and Cooperation. This entails strengthening partnerships in new horizons, including political and security dialogue, economic and investment cooperation, enhancing communication between peoples and sharing best practices and knowledge across all domains, including media, sports, tourism, youth affairs, culture, education, and tourism.



(Photo Source: Summit of GCC-C5 in Jeddah, Al-Arabiya, 2023)

Economic, Energy & Trade Relations

Economic and trade relations have been at the forefront of GCC-CIS ties. In terms of trade, the value of exchange between the GCC and Central Asian countries <u>amounted</u> to \$3.1 billion in 2021, about 0.27% of the total value of the GCC merchandise trade. GCC exports to Central Asia amounted to \$2.06 billion in 2021, while imports amounted to \$1.04 billion. The primary goods imported from Central Asia were copper, gold, other precious metals, iron, and steel. Given these figures, there would appear to be significant room for growth in the economic relationship between the two sides.

The World Bank expects economic development in Central Asia to increase moderately in 2024. Countries like Kazakhstan and Uzbekistan have tried to modernize their economies, fight

corruption, and partially privatize many state-owned enterprises. The region is also attracting record amounts of foreign direct investment.

Both regions have shown interest in enhancing trade exchanges, investment flows, and economic cooperation. Central Asian governments have prioritized energy, especially renewable energy, in their expanding bilateral ties with the GCC countries, who have expressed a particular interest in investing in the Central Asian region's energy sector. The state-owned ACWA Power of Saudi Arabia has already committed to investing US\$13.5 billion in the clean energy sectors of Kazakhstan and Uzbekistan. Masdar, the state-owned renewable energy company of the UAE has made significant investments in Uzbekistan's wind and solar energy industries, resulting in a combined yearly output capacity of around one gigawatt (Uzbekistan wants to produce 7 gigawatt of electricity annually from solar power). Masdar and W Solar Investment, based in Abu Dhabi, are also looking into hydropower initiatives in Tajikistan.



(Photo Source: ORF, 2023)

Aside from renewable energy, the Central Asian region provides promising markets for gas and energy, drawing investments from the Gulf Cooperation Council in new and old power facilities. In June 2023, UAE-based utilities company TAQA announced US\$3 billion in planned investments in gas-powered facilities and infrastructure development, and Qatar agreed to invest US\$12 billion in Uzbekistan's gas business. Gas reserves in Central Asia and the Caucasus account for 35% of the total global amount, with significant discoveries occurring in Turkmenistan and Kazakhstan. Tajikistan also has critical water resources which could be a basis for ties with the GCC states in terms of irrigated agriculture and producing energy through hydropower generation. By making sure the land-use, energy, and water nexus approaches are in line to accomplish cross-sectoral, transboundary, and regional collaboration, both regions aim to enhance economic growth and well-being.

Geo-Strategic Importance

On the geostrategic level, the policies of the Central Asian countries have been affected by the developments in Afghanistan and the Ukraine crisis. A power vacuum has emerged in Central Asia as a result of the US withdrawal from Afghanistan and the Taliban's subsequent rise to power there, as well as Russia's engagement in the conflict in Ukraine. In light of such current geopolitical and geoeconomic issues, the countries of Central Asia are attempting to establish more avenues of collaboration. Consequently, the popularity of meetings in the form of 5+1 has proliferated. This includes Central Asia plus China on May 19, 2023, plus the European Union on June 2, 2023, plus the GCC states in July 2023, plus the U.S. on September 19, 2023, and plus Japan to be held in August 2024. Such meetings indicate increased attention and competition between influential powers to increase their influence in Central Asia.

Iran considers itself an important player in Central Asia, emphasizing its geostrategic advantages, such as control over transit routes that could provide Central Asian countries with alternative options for exporting their natural resources, bypassing Russia. Equally for Turkey, the region has always been strategically important, and Ankara emphasizes the cultural, ethnic, and linguistic commonality with the region's nations.

The GCC-C5 summit thus came at a time when the competition for Central Asia is in full gear. In terms of overall geopolitics, part of the GCC countries' rising interest in Central Asia is an effort to contain their regional counterparts, such as Iran, given it is a naturally occurring geographical hub connecting the region to the Indian Ocean and the Gulf, sharing half of its borders with Central Asian states.

A particular challenge facing both sides is the fact that current global geopolitical contestations have strengthened terror organizations and triggered the emergence of affiliates such as the Islamic State Khorasan Province (ISKP) in Eurasia and the Middle East. Emboldened after the Taliban takeover of Afghanistan, ISKP launched rocket attacks on Central Asian countries from the Af-Pak region. Recently, Tajikistan state security detained nine people for suspected contact with the persons who committed the terrorist attack at Crocus City Hall in Moscow on March 22. The determination to support regional and global efforts to combat terrorism and extremism and their funding sources is therefore one of the high priorities for both regions and is also mentioned in the joint statement from the summit meeting. Both sides equally voiced concerns over acts of violence against Muslim minorities and Islamic symbols, as well as the increasing language of racism and Islamophobia.

Conclusion

Looking ahead, there are several ways that the GCC members can enhance relations with Central Asian countries. Foremost, the GCC could appoint a special envoy for Central Asia, serve as the region's primary intermediary for the Gulf states, and develop relationships and cooperation across Central Asia. In addition, the GCC and CIS states could prioritize interconnectivity between the two regions and connect markets in the South Caucasus and Central Asia using the Middle Corridor.

GRC Commentary & Analysis

The next GCC-C5 Summit will take place in 2025 in Samarkand, Uzbekistan. Not only is it essential that the next gathering be held in Central Asia, but the choice of Samarkand is also historically and symbolically significant as one of the most important sites on the Silk Routes traversing Central Asia to strengthen the growing parallels on diverse fronts.

As both regions continue to recognize Central Asia's growing importance, collaborative efforts have the potential to profoundly impact the GCC and CIS's shared goals and interests. Overall, the relationship between the GCC and CIS countries is multifaceted and bound to intensify in terms of economic cooperation, energy security, security collaboration, and cultural exchange. Strengthening and nurturing this relationship can unlock numerous opportunities for both regions and contribute to their socio-economic development and regional integration.

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