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# Russia - GCC Relations



## Key Domestic Developments

In 2025, Russia is facing a complex set of economic, political, and social pressures, largely shaped by its ongoing war in Ukraine and within the broader geopolitical context. Domestically, the economy is under considerable strain, with inflation reaching 9.5% and the Central Bank raising interest rates to 21%—the highest in decades—in an effort to stabilize prices. This has sparked criticism from business leaders who argue the measures are stifling economic growth. The federal budget remains heavily burdened by defense expenditures, prompting the government to raise taxes and tap further into the National Wealth Fund, which has already been depleted by approximately 66%. Compounding the situation, Russia has downgraded its 2025 oil and gas revenue forecast by 15%, reflecting vulnerability to global energy market fluctuations.

On the political front, the Kremlin continues to consolidate control in tandem with its wartime posture, intensifying efforts to suppress dissent and reinforce regime stability. In a notable move, President Putin extended the mandate of Elvira Nabiullina—Russia’s long-serving Central Bank chief and a key architect of its economic response to sanctions—through 2027. Her reappointment comes despite mounting criticism from within the ruling elite, particularly over tight monetary policy and its perceived drag on economic growth. By retaining her, Putin signals that technocratic loyalty and macroeconomic discipline remain central to his governance strategy, even at the cost of alienating factions within his inner circle. This decision underscores the balancing act within the regime and may hint at underlying tensions or emerging fissures masked by the Kremlin’s outward show of unity.

New legislation has tightened digital communications, banning foreign messaging apps across sensitive sectors, while preparations are underway for major regional and municipal elections in September 2025. The State Duma may cancel all by-elections ahead of regular

votes, further centralizing authority. Meanwhile, Moscow is deepening its strategic partnerships abroad, most notably with Iran, through a sweeping 20-year agreement that spans military, economic, and cultural cooperation. Yet, on the home front, the country faces a shrinking labor force due to military mobilization and emigration, as well as environmental concerns, such as wildfires in Zabaykalsky Krai. These developments underscore a Russia that remains focused on sustaining its wartime footing and asserting its international role, while grappling with mounting internal pressures.

## Key Economic and Social Data

- **GDP (Nominal):** Projected at \$2.13 trillion for 2025, reflecting modest growth amid global economic headwinds
- **GDP per Capita (Nominal):** Estimated at \$15,077, indicating a slight increase from 2024
- **Annual GDP Growth Rate:** Forecast at 1.5%, a downward revision from earlier projections, due to factors like declining oil revenues and tightening global financial conditions
- **Inflation Rate:** Official forecasts estimate inflation at 4.5% to 5% for 2025
- **Unemployment Rate:** As of November 2024, the unemployment rate stood at a record low of 2.3%, largely due to labor shortages exacerbated by military mobilization.
- **Population:** 143.8 million (2023)
- **Credit Rating:** As of 2024, Russia holds a BBB long-term and A-3 short-term unsolicited foreign and local currency sovereign credit rating, with a transfer and convertibility assessment of ‘BBB+’

## Russia’s Foreign Policy

In 2025, Russia’s foreign and domestic policies remain fundamentally shaped by the war in Ukraine, which continues to serve as the central battleground for Moscow’s effort to reassert itself



as a global power and challenge the Western-led international order. The Kremlin’s key objective is to secure a strategic victory—either through battlefield gains or political concessions—that would validate its broader vision of a multipolar world and undermine Western unity. Despite heavy losses and mounting international sanctions, President Vladimir Putin remains committed to sustaining the war effort, framing it as an existential struggle against NATO encroachment and Western hegemony. A core component of Putin’s strategy is political endurance: betting on war fatigue in the West and counting on a more favorable international environment.

This wartime posture has shaped every other dimension of Russia’s foreign policy. Moscow has doubled down on alliances beyond the Western bloc, most notably with Iran, now cemented through a 20-year strategic partnership covering defense, energy, and trade, and with India, where it seeks to deepen economic and technological ties. Africa remains a major focus of diplomatic outreach, with Russia offering security cooperation and a narrative of anti-colonial solidarity to expand its influence on the continent.

Regionally, Russia continues to champion Eurasian integration, aligning infrastructure and trade projects with China’s Belt and Road Initiative, while also pressing for deeper institutional cooperation within the BRICS and Shanghai Cooperation Organization (SCO). These platforms are seen as critical for counterbalancing Western institutions and promoting alternative norms of global governance.

Security remains a top concern for Russia, especially in light of ongoing tensions with the West. In response to perceived external threats, Russia has updated its nuclear doctrine, indicating its readiness to employ nuclear weapons if necessary to protect its sovereignty. This move underscores the Kremlin’s determination to assert its military capabilities. Furthermore, Russia’s foreign policy is focused on fostering greater Eurasian integration through infrastructure

development projects and alignment with China’s Belt and Road Initiative in order to position itself as a central player in this region. Together, these priorities illustrate Russia’s ongoing efforts to navigate a complex international environment with an aspiration to reshape the global order in its favor.

**Russia Trade in Goods with GCC Countries (US Dollars) (2023)**

Country	Exports	Imports	Balance of Trade
Bahrain	1.27 million	8.56 million	9.83
Kuwait	1.03 million	59.63 million	60.66
Oman	22.01 million	490.02 million	512.03
Qatar	6.95 million	11.26 million	18.21
Saudi Arabia	8.84 million	3.7 billion	12.54
United Arab Emirates	4.49 billion	6.45 billion	10.94

*Establishment of Diplomatic Relationships*

Iran - GCC Diplomatic Relations: Bahrain (1972 reaffirmed post-independence), Kuwait (1964), Oman (1973), Qatar (1971), Saudi Arabia (1929 early recognition, re-established 1991), United Arab Emirates (1971)

*Key Research Centers and Think Tanks*

- [\*Russian International Affairs Council \(RIAC\)\*](#)
- [\*Carnegie Russia Eurasia Center \(formerly Carnegie Moscow Center\)\*](#)
- [\*Valdai Discussion Club\*](#)
- [\*Institute of World Economy and International Relations \(IMEMO\), Russian Academy of Sciences\*](#)
- [\*Russian Institute for Strategic Studies \(RISS\)\*](#)
- [\*Moscow State Institute of International Relations \(MGIMO University\) – Research Centers\*](#)

### Selected Key Regional Experts

- Dr. Nikolay Kozhanov, Gulf Studies Center, Qatar University
- Dr. Marianna Belenkaya, Middle East analyst and journalist, Kommersant
- Dr. Leonid Issaev, HSE University (Moscow)
- Dr. Mark Katz, George Mason University (USA)
- Dr. Vasily Kuznetsov, Institute of Oriental Studies, Russian Academy of Sciences

### Key Recent Literature

- [\*The Growing Autonomy for GCC States' Foreign Policy: A Neoclassical Realist Perspective\*](#)
- [\*The United States, Russia, and the Gulf Cooperation Council Countries: A New Regional Order in the Middle East?\*](#)
- [\*Russia's Great Energy Game in the Middle East\*](#)
- [\*Impact of the Russo-Ukrainian War on Energy Flows from the Arab Gulf States\*](#)
- [\*China and Russia in the Gulf: A Cacophony of Influence and Interest\*](#)
- [\*The GCC-SCO Relationship Dynamics\*](#)
- [\*Ukraine Talks Show Saudi Arabia is Now a Major Diplomatic Player\*](#)
- [\*Saudi Arabia's Crown Prince Wins Points for Hosting Russia-US Talks\*](#)

### Key Developments in Russia-GCC Relations

Russia's engagement with the Gulf Cooperation Council (GCC) states in 2025 is defined by pragmatic, issue-based cooperation rather than strategic alignment. While official rhetoric highlights partnership and dialogue, the relationship is mainly transactional, shaped by mutual convenience. For Moscow, ties with the Gulf provide an important diplomatic and economic outlet amid ongoing Western sanctions and

isolation. The region offers potential avenues for investment, arms sales, and diplomatic relevance. Despite underlying geopolitical divergences, particularly Russia's deepening relationship with Iran, both sides have found common ground in areas such as energy coordination and investment. As a result, Russia-GCC relations have entered a phase of cautious but purposeful engagement, driven by shared interests rather than long-term strategic convergence.

For the GCC states, the priority is maintaining open channels with all major powers while safeguarding their own strategic autonomy. Engagement with Russia allows Gulf countries to hedge against overdependence on the West, manage energy coordination through OPEC+, and maintain a degree of influence in discussions on regional crises like Syria or Iran. However, there is limited trust and no deep convergence of long-term interests. The relationship, while stable, is cautious, anchored in calculated diplomacy and issue-based cooperation rather than any genuine strategic partnership.

Diplomatic engagement has occurred within the convening of the 7th Russia-GCC Strategic Dialogue in Riyadh in September 2024, where officials reaffirmed their commitment to implementing the Joint Action Plan for 2023–2027. The plan aims to strengthen cooperation across areas, including regional security, trade, cultural exchange, and sustainable development. The dialogue also underscored a shared emphasis on multilateral diplomacy and conflict de-escalation, with Russia positioning itself as a counterbalance to Western influence in the region.







In parallel, Saudi Arabia and the United Arab Emirates (UAE) have both expanded their diplomatic roles in the ongoing Russia-Ukraine conflict. Saudi Arabia has hosted confidential discussions between Russian and U.S. officials, signaling its growing ambitions as a neutral mediator and global diplomatic actor. Similarly, the UAE has played a behind-the-scenes role in facilitating prisoner exchanges between Russia and Ukraine, while maintaining ties with both sides.

Energy cooperation remains a central pillar of Russia-GCC engagement, particularly through the OPEC+ framework, where Saudi Arabia and Russia coordinate on oil production levels. While the alliance no longer exerts the same level of influence over global markets as it once did, it remains an important tool for managing price stability and aligning producer interests amid a more fragmented and uncertain energy landscape. Beyond hydrocarbons, economic relations have broadened with Russia's trade with the UAE rising to nearly \$10 billion in 2024, driven by investment flows, financial sector cooperation, and a 30% increase in bilateral agricultural trade. The UAE's sovereign wealth fund acquired a stake in the Moscow Stock Exchange, and both countries signed a double taxation avoidance agreement to facilitate smoother commercial engagement.

These developments have unfolded alongside growing Gulf interest in multipolar partnerships. The UAE officially joined the BRICS grouping in January 2024, while both Saudi Arabia and the UAE are exploring closer ties with the Russia-backed Eurasian Economic Union (EAEU), including potential free trade agreements. In support of this realignment, Russia has announced its intention to negotiate visa-free travel agreements with several Gulf countries, including Saudi Arabia, to encourage greater tourism, cultural exchange, and business mobility.

Overall, Russia-GCC relations are entering a phase of pragmatic engagement. While geopolitical divergences persist—not the least of which is Russia's deepening ties with Iran—the Gulf

states and Moscow are finding common ground to cooperate, especially as far as energy policy and investments are concerned.

### Russia-Bahrain

- Bahrain has been designated as the guest country at the St. Petersburg International Economic Forum (SPIEF) 2025, scheduled for June 18–21. The forum is expected to facilitate discussions on joint projects in energy, high technology, logistics, and tourism, aiming to elevate cooperation to a new level.
- Russian metals company, Nornickel, announced plans to establish a platinum group metals (PGMs) refinery in Bahrain. This initiative was confirmed by Russian Deputy Prime Minister Alexander Novak.
- In September 2024, Bahrain took part in the “Eco Altai: Thread of Nature” International Forum, with a focus on promoting bilateral projects in tourism and addressing food security issues.
- In May 2024, King Hamad bin Isa Al Khalifa of Bahrain undertook a two-day official visit to Russia. Discussions centered on bilateral cooperation and regional issues, with King Hamad expressing Bahrain's interest in improving relations with Iran.
- The Third Meeting of the Russia-Bahrain Intergovernmental Commission on Trade, Economic, Scientific, and Technological Cooperation was held in Manama on February 5-6, 2024, which focused on strengthening economic ties and exploring new areas of collaboration.



### Russia-Kuwait

- In February 2025, a Russian security delegation visited Kuwait to participate in joint exercises with Kuwait's Special Forces, indicating a commitment to regular security cooperation.
- In October 2024, Kuwait's Foreign Minister, Abdullah Al-Yahya, met with Russian Foreign Minister Sergey Lavrov in Moscow, focusing on enhancing cooperation in areas such as food security, energy, and investment.



### Russia-Oman

- On April 21–22, 2025, His Majesty Sultan Haitham bin Tarik undertook a two-day state visit to Russia. During this visit, Sultan Haitham met with Russian President Vladimir Putin to discuss enhancing cooperation in trade, energy, culture, and regional diplomacy. A high-ranking Omani delegation accompanied the Sultan, including key ministers and officials. As part of the visit, a visa waiver agreement was signed to abolish visa requirements for holders of ordinary passports from both countries, facilitating easier travel and promoting tourism and business exchanges.
- On August 12–18, 2024, Oman participated in the 10th International Military-Technical Forum (Army-2024) in Russia. The Omani delegation, led by Rear Admiral Ali bin Abdullah al Shidi, Commandant of the National Defence College, received briefings on defense and strategic industries, artificial

intelligence technologies, and various military equipment.



### Russia-Qatar

- On April 17, 2025, Emir Sheikh Tamim bin Hamad Al Thani conducted a state visit to Moscow, meeting with President Vladimir Putin at the Kremlin. The leaders discussed a range of topics, including bilateral trade, energy cooperation, and regional conflicts such as the situations in Gaza and Syria. President Putin highlighted Qatar as a priority partner in the Middle East, acknowledging its mediating role in facilitating the reunification of Ukrainian children with their families.
- During the Emir's visit, Russia and Qatar agreed to each contribute an additional €1 billion to their joint investment fund, effectively expanding it by €2 billion. This fund, initially established in 2014 between the Russian Direct Investment Fund (RDIF) and the Qatar Investment Authority (QIA), aims to bolster investments in sectors such as technology, healthcare, and minerals.
- Coinciding with the Emir's visit, a high-level Qatari-Russian Business Forum was held in Moscow on April 17, 2025. The forum focused on enhancing cooperation in tourism, urban development, and investment opportunities. Discussions emphasized the potential for joint ventures in healthcare, infrastructure, and smart city initiatives.



- On February 26, 2025, Russian Foreign Minister Sergey Lavrov visited Doha, where he was received by Emir Sheikh Tamim bin Hamad Al Thani. The visit underscored the commitment of both nations to strengthen ties and collaborate on regional and international issues.
- On September 9, 2024, Doha hosted the 7th Joint Ministerial Meeting of the Strategic Dialogue between the Gulf Cooperation Council (GCC) and the Russian Federation. The meeting, chaired by Qatari Prime Minister and Foreign Minister Sheikh Mohammed bin Abdulrahman Al Thani and attended by Russian Foreign Minister Sergey Lavrov, focused on enhancing cooperation in various fields and addressing regional and global security challenges.
- On the sidelines of the Shanghai Cooperation Organization (SCO) summit in Astana, Kazakhstan, in July 2024, Qatari Emir Sheikh Tamim bin Hamad Al Thani met with Russian President Vladimir Putin. The leaders discussed bilateral relations and regional issues, reaffirming their commitment to strengthening ties.
- In March 2024, the 5th Session of the Russia-Qatar Intergovernmental Commission on Trade, Economic, and Technical Cooperation was held in Doha. The meeting, co-chaired by Russian First Deputy Prime Minister Denis Manturov and Qatari Prime Minister and Foreign Minister Sheikh Mohammed bin Abdulrahman Al Thani, focused on enhancing cooperation in trade, investment, finance, transportation, digital technologies, and humanitarian projects.



### Russia-Saudi Arabia

- On April 20, 2025, Saudi Minister of Municipalities and Housing, H.E. Majid Al-Hogail visited Russia to enhance cooperation in urban planning and municipal development. The discussions focused on sharing expertise and exploring joint projects in the realm of future city planning.
- In March 2025, a strategic alliance was formed between the Russian law firm United Advocates Federation and Saudi-based Opulence Capital Advisory. This partnership aims to facilitate over \$20 billion in bilateral trade and investment, strengthening economic ties between the two nations.
- On February 18, 2025, Saudi Arabia hosted a U.S.-Russia summit in Riyadh, where U.S. Secretary of State Marco Rubio and Russian Foreign Minister Sergey Lavrov led their respective delegations. The discussions focused on initiating negotiations to end the war in Ukraine and restoring diplomatic relations between the U.S. and Russia.
- On February 16, 2025, Russian Finance Minister Anton Siluanov visited Saudi Arabia to participate in the AIUla Conference for Emerging Market Economies. This visit preceded the U.S.-Russia summit held in Riyadh, highlighting Saudi Arabia's role as a mediator in international diplomacy.
- On December 5, 2024, Saudi Arabia and Russia participated in a virtual meeting on the





sidelines of the 38th OPEC and non-OPEC Ministerial Meeting (ONOMM). The meeting reaffirmed the commitment to market stability and reviewed the global market conditions and outlook.

- On October 24, 2024, Saudi Foreign Minister Prince Faisal bin Farhan led the Kingdom's delegation at the BRICS Plus 2024 Summit in Kazan, Russia. Prince Faisal reaffirmed Saudi Arabia's commitment to expanding partnerships with BRICS nations.
- On September 9, 2024, Saudi Crown Prince Mohammed bin Salman met with Russian Foreign Minister Sergei Lavrov during Lavrov's official visit to Saudi Arabia. The discussions focused on enhancing bilateral relations and regional cooperation.
- On February 4–8, 2024, Russia significantly expanded its presence at the World Defense Show 2024 in Riyadh, showcasing advanced military technologies, including armored vehicles and UAVs, through Rosoboronexport. This move underscored the growing defense collaboration between the two nations.



### Russia-UAE

- Russia and the UAE have agreed to create a joint working group on the development of mutual tourism. The first meeting to discuss key directions for cooperation was held on May 15, 2025, in Kazan.
- On April 30, 2025, UAE Deputy Prime Minister and Minister of Interior Sheikh

Saif bin Zayed Al Nahyan met with Russian President Vladimir Putin in Moscow. The two leaders reviewed bilateral initiatives in security and law enforcement, including the launch of the UAE-Russia Strategic Police Dialogue and expanded cooperation in child protection training. They reaffirmed their shared commitment to strengthening peace and international solidarity.

- On October 20–21, 2024, President Sheikh Mohammed bin Zayed Al Nahyan met with Russian President Vladimir Putin in Moscow. Discussions included the Middle East situation and the Ukraine conflict, with the UAE expressing readiness to support peace efforts.
- On October 18, 2024, UAE President Sheikh Mohammed bin Zayed Al Nahyan attended the BRICS summit in Kazan, Russia, marking the UAE's participation following its accession to the organization in January 2024.
- On October 1, 2024, Dubai hosted the UAE-Russia Investment Forum, bringing together business leaders and investors to explore opportunities for economic collaboration amid evolving geopolitical landscapes.
- From July 8–11, 2024, the UAE participated as a Partner Country at INNOPROM-2024, an international industrial trade fair held in Yekaterinburg, Russia, focusing on strengthening bilateral relations in investment, industry, and trade.
- On February 21–25, 2024, Abu Dhabi hosted the inaugural "Made in Russia" festival-fair at Yas Bay Waterfront, organized by the Russian Export Centre with support from the Abu Dhabi Chamber of Commerce and Industry, aiming to boost economic and cultural ties.
- On January 14, 2024, Russian Foreign Minister Sergey Lavrov met with UAE Ambassador Mohammed Al Jaber in Moscow to discuss bilateral cooperation and regional issues.



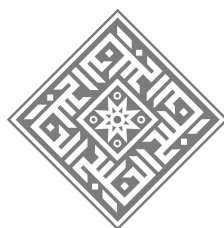


- [The Ukraine War and Europe's Energy Crisis: An Opportunity for GCC Energy Producers](#), Abdullah Almutabagani
- The Syrian Crisis and Russia's Approach to the Gulf, Alexander Shumilin
- Russian and CIS Relations with the Gulf Region: Current Trends in Political and Economic Dynamics, Marat Terterov

### GRC Supporting Documents

- [How Saudi Arabia is Shaping Ukraine-Russia Talks](#), Amnah Mosly
- [Russia in the Middle East: Managed Decline or Repositioning?](#), Emil Avdaliani
- [Iran and Russia Align to Build a New Order](#), Emil Avdaliani
- [Eurasian Powers Are Benefiting from the War in Gaza](#), Emil Avdaliani
- [Russia – Saudi Relations: Two Years Post Ukraine Crisis](#), Layla Ali
- [Partners in Defiance: Russia and Iran Move Closer to Alliance](#), Emil Avdaliani





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