

Gulf Research Center
Knowledge for All

Iran - GCC Relations



November 2025

Key Domestic Developments

As of November 2025, Iran's domestic landscape remains marked by high degrees of fragility as economic hardship, environmental stress, and political strain converge. Pressures were sharply amplified by the 12-Day War with Israel in June 2025. This conflict exposed some critical weaknesses in the regime's military and strategic frameworks as precision strikes by Israel and the US severely damaged key nuclear and military infrastructure, setting back Iran's nuclear program by years and leading to the loss of senior commanders and personnel.

The government reacted with a dual strategy of repression and a nationalist pivot. Under the justification of national security, the regime launched a campaign of arrests to identify security lapses and tighten internal controls. Simultaneously, Supreme Leader Ali Khamenei and other hardline figures attempted to defuse the growing legitimacy crisis by appealing to a broader sense of Iranian nationalism, even publicly indulging in pre-Islamic and nationalist symbolism. This attempt to foster solidarity was a clear response to the regime's underlying fear of alienating a public already disillusioned by the war's outcome and the worsening domestic situation.

The war accelerated the public debate over Iran's future direction with no fewer than five political groupings, ranging from hardline absolutists to pragmatic conservatives and mainstream reformists, competing to set the national agenda. This internal discord was a direct consequence of the war, which had failed to close the ranks of the political elite as previously assumed, instead highlighting divisions over whether to pursue further confrontation or a path of domestic and international détente.

Economically, the period was marked by continued deterioration. Inflation, currency volatility, and rising fuel and food prices ignited labor unrest, including truck-driver strikes and protests by service-sector workers demanding relief from

deteriorating wages and soaring production costs. At the same time, Iran's mounting water and infrastructure crisis reached alarming levels: major reservoirs supplying Tehran fell to critically low levels, electricity blackouts became more frequent, and officials issued unprecedented warnings that the capital could face population displacement if drought conditions continued to worsen.

Overall, with the government preoccupied with external confrontation and regime preservation, and now consumed by internal political struggles, it has struggled to address escalating domestic vulnerabilities, leaving the country in a state of uncertainty.

Key Economic and Social Data

- **GDP (Nominal):** \$417.98 billion (projected, 2025)
- **GDP per Capita (Nominal):** \$5,855 (forecasted, 2025)
- **Annual GDP Growth Rate:** 0.3% (Revised projection by the IMF, down from an earlier forecast of 3.1%, reflecting the impact of intensified sanctions and declining oil revenues)
- **Inflation Rate:** 33.2% (as reported by the Statistical Center of Iran for April 2025, indicating a persistently high inflation environment)
- **Unemployment Rate:** 7.6%
- **Credit Rating:** B2 (Positive Outlook)





Iran’s Foreign Policy

The period from May to November 2025 marked a profound and involuntary shift in Iran’s foreign policy, driven by the strategic shock of the 12-Day War with Israel in June 2025. The conflict served as a decisive rupture, forcing a re-evaluation of Tehran’s core foreign policy pillars: its nuclear program, its regional “Axis of Resistance,” and its diplomatic engagement with the West. The calculated dual-track strategy of pragmatism and hard-power realism that characterized the first half of the year was abruptly replaced by a more aggressive, hardline posture focused on strategic recovery and renewed confrontation.

One notable foreign policy consequence was the final collapse of the Joint Comprehensive Plan of Action (JCPOA). The war, which saw Israeli and US strikes severely damage Iran’s nuclear infrastructure, effectively ended the possibility of a diplomatic revival. The E3 (France, Germany, and the UK) responded to Iran’s post-war actions by triggering the JCPOA’s snapback mechanism, reinstating international sanctions. In a retaliatory move, Iran officially announced the termination of the JCPOA on October 18, 2025, declaring all restrictions on its nuclear program void. This decision, which followed the cessation of technical and expert-level talks that had been ongoing in Oman and Vienna, has put into question the moderate diplomatic tone pursued by President Pezeshkian’s government earlier in the year.

The war also exposed the inability of the “Axis of Resistance” to act as a unified deterrent. Despite the direct attack on Iranian soil and the severe damage to the Islamic Revolutionary Guard Corps (IRGC), Iran’s key regional proxies, including Hezbollah in Lebanon and the Houthis in Yemen, largely stood idle. This inaction, whether due to Israeli deterrence, internal caution, or a lack of unified command, was widely perceived as a strategic failure for Tehran.

In the aftermath of the conflict, Iran’s foreign policy became overwhelmingly focused on strategic recovery and prioritizing a renewed military deterrent. While the “Look East” policy of deepening strategic partnerships with non-Western powers like Russia and China remained constant, the emphasis shifted from economic integration to military and technological cooperation. The strategic partnership with Russia, formalized in January 2025, gained new urgency as Tehran sought to rapidly replace lost military hardware and upgrade its air defense capabilities. Iran’s actions post-June 2025 confirmed the dominance of the security establishment over the civilian government in foreign policy, underscoring that the regime’s primary focus had narrowed to regime survival, military recovery, and the long-term pursuit of strategic autonomy, despite the economic costs involved.

Iran Trade in Goods with GCC Countries (US Dollars) (2023 - approximately)

| Country | Exports | Imports | Balance of Trade |
|-----------------------------|---------------|---------------|------------------|
| Bahrain | 19.9 billion | 32.4 billion | -12.5 billion |
| Kuwait | 95.5 billion | 63.4 billion | 32.1 billion |
| Oman | 59 billion | 38 billion | 21 billion |
| Qatar | 93.5 billion | 35.2 billion | 58.3 billion |
| Saudi Arabia | 322.2 billion | 211 billion | 111.2 billion |
| United Arab Emirates | 425.2 billion | 347.5 billion | 77.7 billion |

Key Research Centers and Think Tanks

- [Institute for Political and International Studies \(IPIS\)](#)
- [Institute for Iran-Eurasia Studies \(IRAS\)](#)

Selected Key Regional Experts

- *Adnan Tabatabai, Co-Founder and CEO, CARPO*
- *Dr. Kayhan Barzegar, Institute for Middle East Strategic Studies (CMESS)*
- *Dr. Nasser Hadian, University of Tehran*
- *Dr. Sanam Vakil, Chatham House*
- *Dr. Seyed Hossein Mousavian, Princeton University*
- *Dr. Saeed Khatibzadeh, Former Spokesman of the Iranian Foreign Ministry, former Director of the IPIS*

Key Recent Literature

- [The Strategic Outlook for Gulf-Iran Relations](#)
- [Changing GCC Outlook Toward US-Iran Talks](#)
- [To Succeed, the GCC Requires Cooperation with Iran for Regional Security](#)
- [GCC-Iran Rapprochement: Challenges and Opportunities in 2025](#)
- [Running Out of Road: Iran's Strategic Predicament](#)

Key Developments in Iran-GCC Relations

In 2025, Iran-Gulf relations continued on several fronts although there were no meaningful breakthroughs or shifts in policy. HE Jasem Mohamed Albudaiwi, Secretary General of the Gulf Cooperation Council (GCC), met with HE Abbas Araghchi, Foreign Minister of the Islamic Republic of Iran, on September 27, 2025 on the sidelines of the 80th session of the United Nations General Assembly in New York. During the meeting, they discussed the status of bilateral relations between the two sides. This was followed by a telephone conversation between the two on November 17, 2025, during which Iran's Foreign Minister and the GCC Secretary-General discussed the latest regional developments. Both sides noted the growing trajectory of Iran's relations with the GCC member states. They also

emphasized the need for continued consultations and the expansion of cooperation in various fields.

These interactions demonstrate that while the June 2025 war significantly stalled the broader diplomatic momentum and increased strategic caution among GCC states, the channel for high-level dialogue between Iran and the GCC as a body remained open and was utilized in the latter half of 2025. Engagement between Iran and the GCC states in 2025 underscored the enduring divergence in strategic priorities, which continues to hinder meaningful progress on key issues such as regional security. Nevertheless, dialogue and diplomatic contact have persisted bilaterally between Iran and each of the Gulf states.

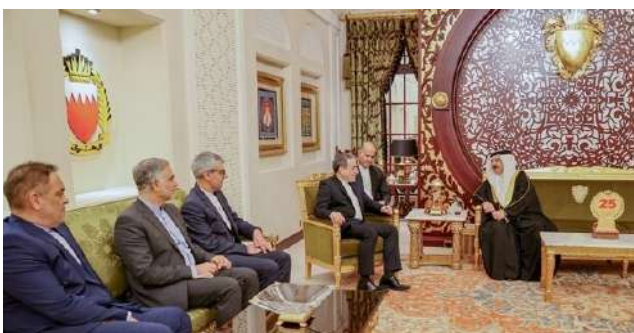


Iran-Bahrain

- In April 2025, Bahrain confirmed ongoing efforts to re-establish diplomatic ties with Iran. Bahrain's Foreign Minister, H.E. Abdullatif bin Rashid Alzayani, stated that preparations for official meetings were underway, emphasizing mutual willingness and a shared understanding that future relations should be based on good neighborly conduct and adherence to international law.
- In October 2024, Iranian Foreign Minister Abbas Araghchi visited Manama and met with King Hamad bin Isa Al Khalifa. This visit marked the first by an Iranian foreign minister to Bahrain since 2010 and was seen as a significant step toward reconciliation.



- In July 2024, FM H.E. Alzayani attended the inauguration of Iran's newly elected President Masoud Pezeshkian, further indicating Bahrain's commitment to improving bilateral relations.
- In June 2024, Bahrain and Iran agreed to initiate talks aimed at restoring diplomatic ties. This agreement followed a meeting between Bahrain's Foreign Minister H.E. Abdullatif bin Rashid Alzayani and Iran's acting Foreign Minister, Ali Bagheri Kani, during the Asian Cooperation Dialogue summit in Tehran.
- In May 2024, Bahrain's King Hamad bin Isa Al Khalifa expressed a willingness to normalize relations with Iran during a meeting with Russian President Vladimir Putin in Moscow. This statement signaled Bahrain's openness to re-engaging with Tehran.



Iran-Kuwait

- Between November 7 and 11, 2025, the 13th Iran-Kuwait Joint Economic Committee Meeting took place in Tehran. The meeting concluded with the signing of a five-point

memorandum of cooperation to expand trade and investment between the two countries and demonstrated that despite the strategic tensions and the impact of the June 2025 war, pragmatic economic engagement between Kuwait and Iran continued and resulted in concrete agreements in the latter part of the year.

- In February 2025, Iranian Foreign Minister Abbas Araghchi and Kuwaiti Foreign Minister H.E. Abdullah Al-Yahya met on the sidelines of the 58th session of the United Nations Human Rights Council and the Conference on Disarmament in Geneva. They discussed enhancing bilateral ties and addressed regional and international developments.
- In March 2025, Kuwaiti Foreign Minister Abdullah H.E. Al-Yahya received a letter from Iranian Foreign Minister Abbas Araghchi, delivered by Iranian Ambassador H.E. Mohammad Totonchi. The letter emphasized the importance of strengthening and developing bilateral relations across various fields.
- On December 16–17, 2024, the Sixth Joint Consular Commission between the Islamic Republic of Iran and the State of Kuwait convened in Tehran. The meeting, co-chaired by officials from both countries, focused on enhancing consular cooperation, addressing issues concerning nationals, and discussing matters such as judicial cooperation, policing, port and maritime affairs, and the transfer of prisoners. The session concluded with the signing of a 21-article document outlining the agreed-upon initiatives.
- On October 22, 2024, Iranian Foreign Minister Abbas Araghchi held talks with Kuwaiti Foreign Minister H.E. Abdullah Ali Al Yahya in Kuwait City. The two sides discussed regional developments and bilateral issues between the two countries.



- In April and May 2025, Oman hosted a series of U.S.-Iran nuclear talks in Muscat involving U.S. and Iranian negotiators including Iranian Foreign Minister Abbas Araghchi and U.S. Special Envoy Steve Witkoff. During these sessions, Iranian Foreign Minister Araghchi also met with Omani Foreign Minister H.E. Sayyid Badr Albusaidi, expressing satisfaction with the strong and long-standing relations between the two countries.
- In January 2025, Iran and Oman signed a memorandum of understanding to eliminate trade tariffs and enhance customs cooperation. This agreement aimed to expand bilateral economic relations and facilitate trade between the two nations. The Oman Chamber of Commerce and Industry (OCCI) hosted a meeting with members of the Omani-Iranian Business Council to strengthen economic and investment relations. The gathering focused on enhancing trade and exploring joint investment opportunities.

Iran-Oman

- On October 29, 2025, Iranian President Masoud Pezeshkian publicly praised Oman’s “wise and peace-seeking” role in the US-Iran mediation efforts, underscoring the continued, albeit discreet, diplomatic channel between the two nations. Between June and November 2025, Oman intensified its diplomatic efforts to defuse the ongoing Iran-Israel conflict. Oman’s Foreign Minister and other officials continued to engage with both sides, with the goal of preventing further escalation and urging a return to negotiations.
- On May 18, 2025, a trilateral meeting was held in Tehran between the foreign ministers of Iran, Oman, and Qatar. The discussions focused on the latest developments in the Iranian-American talks, with Oman playing a mediating role. The ministers welcomed the Qatari initiative to hold this constructive meeting, aiming to support and advance dialogue for regional and international security and stability.



Iran-Qatar

- In November 2025, it was reported that Qatar was preparing to mediate between Tehran and Washington to revive indirect nuclear talks. Previously on October 29, Iran reportedly



sought the aid of Emir Tamim bin Hamad to mediate between Tehran and Western powers to avert the reimposition of UN sanctions.

- On June 24, 2025, Iranian President Masoud Pezeshkian expressed his “regret” to Qatar’s Emir Sheikh Tamim bin Hamad Al Thani over the missile attack on the U.S. base. Before, the Qatari Prime Minister publicly stated that relations with Iran had been “scarred” but should recover, confirming the severity of the incident and the need for diplomatic repair. Qatar was also confirmed to be mediating between Israel and Iran to achieve the ceasefire announced by the U.S. President on June 24.
- On June 23, 2025, Iran launched a missile attack that targeted the U.S. military base at Al-Udeid in Qatar. This was a major crisis point in the bilateral relationship, as it endangered Qatari territory and a key ally’s assets.
- On February 19, 2025, Sheikh Tamim bin Hamad Al Thani met with Iran’s Supreme Leader, Ayatollah Ali Khamenei, and President Masoud Pezeshkian. Discussions focused on strengthening economic ties and addressing regional issues, including the situations in Gaza and Syria.
- On the sidelines of the 4th Tehran Dialogue Forum on May 18, 2025, a closed-door meeting was held between Oman’s Foreign Minister H.E. Sayyid Badr Albusaidi, Iranian Foreign Minister Abbas Araghchi, and Qatari Prime Minister H.E. Sheikh Mohammed bin Abdulrahman Al Thani. The discussions centered on the latest developments in U.S.-Iran talks, with Qatar playing a mediating role.
- On May 6, 2025, Qatar’s Prime Minister and Minister of Foreign Affairs, H.E. Sheikh Mohammed bin Abdulrahman Al Thani, met with Iran’s Minister of Roads and Urban Development, Farzaneh Sadegh, to discuss infrastructure and development projects.
- On December 12, 2024, the 10th meeting of the Iran-Qatar Joint Economic Committee

concluded in Doha, with both nations pledging to enhance bilateral economic ties and increase trade to \$1.0 billion annually. Agreements included conducting regular joint inspections of ports and customs facilities.

- On October 3, 2024, an informal joint ministerial meeting between GCC foreign ministers and the Iranian Foreign Minister Abbas Araghchi was held in Doha, Qatar. The meeting aimed to discuss regional political developments and welcomed positive steps in GCC-Iran relations.
- On October 2, 2024, Iranian President Masoud Pezeshkian visited Doha, Qatar, for official talks with Emir Sheikh Tamim bin Hamad Al Thani. During the visit, both leaders discussed regional developments and signed six cooperation agreements covering economic, cultural, educational, and sports sectors.



Iran-Saudi Arabia

- On November 20, 2025, reports emerged that Iran had asked Saudi Arabia to persuade the US to revive stalled nuclear talks, highlighting Tehran’s anxiety over a possible repeat of the June war and the new role Saudi Arabia is playing as a potential intermediary.
- On July 8, 2025, Iranian Foreign Minister Abbas Araghchi visited Saudi Arabia and held “fruitful” talks with Saudi HRH Crown Prince Mohammed bin Salman in Jeddah. This visit was particularly notable as it was the first by Tehran’s top diplomat to Saudi Arabia after Iran’s 12-Day War with Israel. The meeting



underscored the commitment of both nations to maintain the diplomatic channel established in 2023, even as the regional security environment deteriorated. Analysts noted that the continued rapprochement proved resilient, as improved relations with Iran reduce the perceived risk of regional conflict for Saudi Arabia.



- On May 10, 2025, Iranian Foreign Minister Abbas Araghchi visited Jeddah and met with his Saudi counterpart, Prince Faisal bin Farhan Al Saud. The ministers discussed expanding bilateral relations and addressing regional developments, including the situation in Gaza and ongoing indirect nuclear talks between Iran and the United States. Araghchi emphasized the need for Muslim unity in confronting regional challenges.
- On April 17, 2025, Prince Khalid bin Salman, Saudi Arabia’s Defense Minister, made a landmark visit to Tehran, marking the first by a senior Saudi royal since 1997. During his visit, he met with Iran’s Supreme Leader, Ayatollah Ali Khamenei, President Masoud Pezeshkian, and Chief of Staff of the Armed Forces Major General Mohammad Bagheri. The discussions focused on deepening defense and security cooperation and delivering a message from Saudi Crown Prince Mohammed bin Salman emphasizing the importance of regional collaboration.
- On November 19, 2024, the second meeting of the China-Saudi Arabia-Iran Trilateral Joint Committee was held in Riyadh. The parties

reaffirmed their commitment to the Beijing Agreement and discussed ways to enhance trilateral cooperation.

- On November 10, 2024, Saudi Arabia’s Chief of Staff, General Fayyad al-Ruwaili, visited Tehran and met with his Iranian counterpart, General Mohammad Bagheri. This military engagement aimed to discuss defense cooperation and regional security.
- On October 9, 2024, Iranian Foreign Minister Abbas Araqchi visited Riyadh and met with Saudi Crown Prince Mohammed bin Salman. The talks centered on regional developments and efforts to secure ceasefires in Lebanon and Gaza.
- On October 3, 2024, Iranian President Masoud Pezeshkian met with Saudi Foreign Minister Prince Faisal bin Farhan in Doha. Discussions focused on enhancing bilateral ties and addressing regional issues, including the conflicts in Gaza and Lebanon.





Iran-UAE

- On November 24, 2025, the UAE Ambassador to Iran presented his credentials to President Masoud Pezeshkian. This diplomatic step confirms the full normalization and high-level representation between the two countries despite the recent war.
- On October 22, 2025, Iran’s consul general in Dubai met with heads of the chamber of commerce, and the two countries signed a Memorandum of Understanding (MOU) for expanding economic cooperation in various areas, underscoring that economic ties were prioritized and actively pursued in the post-war period.
- On May 13, 2025, Iran proposed forming a regional uranium enrichment consortium with the UAE and Saudi Arabia to enhance transparency and build trust regarding its nuclear program. The consortium would operate within Iran’s existing facilities, with enrichment levels capped at 3.67%.
- On May 12, 2025, Iranian Foreign Minister Abbas Araghchi visited Abu Dhabi, meeting with UAE Foreign Minister H.E. Sheikh Abdullah bin Zayed Al Nahyan and Vice President Sheikh Mansour bin Zayed Al Nahyan. Discussions focused on strengthening bilateral relations, regional security, and developments in Gaza.
- On February 28, 2025, the UAE and Iran held their first political consultations in Abu Dhabi, co-chaired by UAE Assistant Minister for Political Affairs Lana Nusseibeh and Iranian Deputy Foreign Minister Majid Takht Ravanchi. The talks aimed to address mutual interests and enhance diplomatic ties.
- On December 29, 2024, the Emirati and Iranian foreign ministers held their first in-person meeting since the fall of the Assad regime in Syria. The talks aimed to maintain open communication channels amid significant regional political shifts.

- On April 30, 2024, after a decade-long hiatus, Iran and the UAE convened their Joint Economic Commission in Abu Dhabi. The meeting resulted in the signing of 22 cooperation documents covering sectors such as trade, tourism, transit, banking, technology, energy, port, and aviation relations. Both nations set an ambitious goal of increasing bilateral trade to \$30 billion.

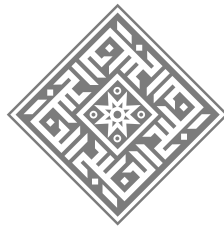


GRC Supporting Documents

- [*Turning Point or Setback? The Future of GCC-Iran Relations*](#), Layla Ali
- [*From Isolation to Engagement: U.S.-Iran Nuclear Talks Resume in Oman*](#), Amnah Mosly
- [*The Strategic Outlook for Gulf-Iran Relations*](#), Layla Ali
- [*Partners in Defiance: Russia and Iran Move Closer to Alliance*](#), Emil Avdaliani
- [*Japan’s Perspective Towards Iran’s Foreign Policy: The Gaza Crisis and Beyond*](#), Kenta Aoki

- [Assessing the Impact of President Pezeshkian's Election on GCC-Iran Relations & What Should GCC States Expect](#), Layla Ali
- [Risks to Rapprochement: The Death of President Raisi, the Israel-Gaza War, and Iranian Regional Policy](#), Robert Mason
- [Iran and Russia Align to Build a New Order](#), Emil Avdaliani
- [Saudi-Iran Rapprochement: One Year On](#), Layla Ali
- [GCC-Iran Environmental Relations: Challenges and Opportunities](#), Dr. Mohamed Abdelraouf
- [Saudi Arabia's Prince Faisal bin Farhan's Visit to Tehran: What This Means for Regional Diplomacy](#), Dr. Abdulaziz Sager
- [A Win for Regional Diplomacy Saudi-Iran Relations have Taken an Important Step, Although Only a Small and Initial One](#), Dr. Christian Koch
- [Thaw in Saudi-Iran Ties and the Way Forward](#), Layla Ali
- [Saudi-Iranian Relations: Regional Implications](#), Layla Ali
- [Prospects for EU-US-GCC Trilateral Cooperation to Counter Iranian Threats](#), Ghassan Shams





Gulf Research Center

Knowledge for All



**Gulf Research Center
Jeddah
(Main office)**

19 Rayat Alitihad Street
P.O. Box 2134
Jeddah 21451
Saudi Arabia
Tel: +966 12 6511999
Fax: +966 12 6531375
Email: info@grc.net



**Gulf Research Center
Riyadh**

Unit FN11A
King Faisal Foundation
North Tower
King Fahd Branch Rd
Al Olaya Riyadh 12212
Saudi Arabia
Tel: +966 112112567
Email: info@grc.net



**Gulf Research Center
Foundation**

Avenue de France 23
1202 Geneva
Switzerland
Tel: +41227162730
Email: info@grc.net



**Gulf Research Centre
Cambridge**

University of Cambridge
Sidgwick Avenue,
Cambridge CB3 9DA
United Kingdom
Tel: +44-1223-760758
Fax: +44-1223-335110



**Gulf Research Center
Foundation Brussels**

4th Floor
Avenue de
Cortenbergh 89
1000 Brussels
Belgium
grcb@grc.net
+32 2 251 41 64



@Gulf_Research Gulfresearchcenter gulfresearchcenter gulfresearchcenter

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