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The GCC and the Eurasian Economic Union: Filling Untapped Cooperation Areas

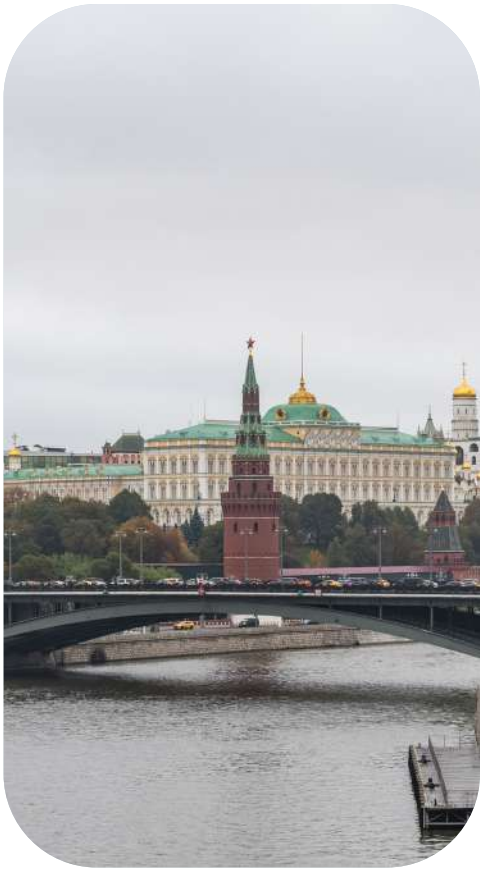
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Introduction

Relations between the Gulf Cooperation Council (GCC) and the Eurasian Economic Union (EAEU) have never been advanced enough institutionally. Their ties have been mostly bilateral--and they largely remain so--with Russia maintaining the most developed political and commercial contacts with the Gulf monarchies. Kazakhstan is gradually expanding its economic engagement with the UAE, Saudi Arabia, and Qatar while Armenia, Belarus, and Kyrgyzstan occupy more peripheral positions. A key question therefore is whether the members of the EAEU and the GCC will move beyond country-specific, bilateral interactions into a broader, more ambitious, and long-term cooperation given the immensity of untapped areas of cooperation ranging from agriculture, trade, and connectivity to security, the nuclear sphere, and education. The present developments indicate that a change might indeed be forthcoming boosted by the war in Ukraine and the economic diversification that both EAEU and GCC states are pursuing.



Persisting bilateralism

The EAEU, comprising Russia, Kyrgyzstan, Armenia, Belarus, and Kazakhstan, provides the regional framework for preferential trade in goods with the GCC. At the same time, bilateral agreements between the members of the two blocs mostly address investment protection, market access for service providers, and related commercial issues.

So far, the signed agreements between the members of the two blocs highlight an important structural characteristic: GCC-EAEU cooperation is developing primarily through individual Gulf states rather than through a comprehensive agreement between the two organizations. For instance, the Russia-GCC Strategic Dialogue, established in 2011, held its eighth ministerial meeting in Russia in September 2025 and largely focused on expanding cooperation and implementing the Russia-GCC Joint Action Plan for 2023-2028.

Another example is the UAE-EAEU agreement that establishes concrete trade arrangements between the EAEU as an economic organization and an individual GCC member. According to the official program of the 2025 Eurasian Economic Forum, the UAE accounted for more than 75% of the EAEU's total trade with Gulf countries in 2024. On October 6, 2026, the UAE-EAEU Economic Partnership Agreement officially entered into force, following its signature in Minsk on June 27, 2025. The

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agreement covers preferential market access for more than 86% of tariff lines, representing approximately 96% of existing bilateral merchandise trade by value. UAE-EAEU non-oil trade reached $33.6 billion in 2025, compared with $29 billion in 2024.

Saudi Arabia represents a different model of engagement. Riyadh's relationship with the EAEU is shaped by cooperation with Russia and Kazakhstan, particularly in energy, agriculture, industrial development, and logistics. Saudi Arabia and Russia remain important partners within OPEC+. On October 4, 2026, Saudi Arabia, Russia, Kazakhstan, Kuwait, and Oman participated in a ministerial meeting that reaffirmed cooperation on oil-market stability and maintained the agreed production levels for November. Although OPEC+ operates independently of the EAEU, this cooperation establishes an important foundation for economic ties. Saudi imports from Russia reached $3.3 billion in 2025. Mineral fuels and petroleum products accounted for $2.03 billion, cereals for $560 million, and meat products for approximately $264 million. Saudi exports to Russia stood at a minuscule $73 million.

The figures demonstrate the substantial opportunities that Russian agricultural and energy exports enjoy in the Saudi market, but also the limited penetration of Saudi manufactured goods into Russia. This also means that Saudi Arabia's approach is likely to remain selective, placing greater emphasis on commercially attractive projects and established political partnerships than on an extensive institutional relationship with the EAEU. Indeed, Riyadh has an interest in expanding economic ties with the wider Eurasian region, especially where EAEU countries support the Kingdom's ambitious Vision 2030. However, neither the idea of a comprehensive trade agreement with the EAEU nor interest in Saudi Arabia's foreign economic policy, have yet attracted much attention..

Kazakhstan's Increasingly Important Role

Kazakhstan is emerging as the EAEU's second major actor in expanding cooperation with the Gulf. For Gulf investors, the sheer size of Kazakhstan offers multiple opportunities especially in renewable energy, minerals, transport infrastructure, agriculture, and industrial production. For Astana, GCC capital can help diversify investment sources and reduce excessive dependence on Russia, China, and Western partners.

Kazakhstan's partnership with the UAE illustrates this calculus. In June 2026, UAE's Masdar began construction on a 1-gigawatt wind farm in



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Kazakhstan's Zhambyl region, combining renewable generation with battery storage. The investment is valued at approximately $1.4 billion. Another important development involves logistics. In May 2025, AD Ports Group announced agreements to expand its Kazakhstan operations, including plans for the Sarzha Multifunctional Marine Terminal at Kuryk Port on the Caspian Sea and additional shipping capacity.

These initiatives demonstrate that Gulf investment in Eurasia is moving beyond financial participation toward infrastructure and productive assets; Kazakhstan also illustrates the limitations of bloc-level integration. The trend is further evident in Astana's relations with Saudi Arabia. In June 2026, the two countries inked a memorandum of understanding to expand strategic cooperation in the mining and mineral resources sector. In August, Kazakhstan's Ministry of Energy and Saudi Arabian SNF SA agreed to develop production of polymer products and oil and gas industry equipment in Kazakhstan – the planned investment is $100 million.

All of this is built on earlier efforts. In 2023 Saudi ACWA Power signed a major renewable development deal with the Kazakhstan, envisaging the construction of a 1GW wind energy and battery storage facility. This engagement is propped up by high-level strategic dialogue as was the case in early 2026 when Astana and Riyadh reached intergovernmental agreements on the promotion and mutual protection of investments and the establishment of a bilateral coordination council.



Favorable wider context

The potential for alignment between the GCC and the EAEU is primarily driven by the wider geopolitical context. The war in Ukraine and the ensuing sanctions imposed by Western countries on Russia pushed the latter and other EAEU countries to diversify their trade and investment relations. This produced greater cooperation with the Global South where the GCC plays an important role.

One of the key constraints hampering the EAEU's commercial expansion to the south is its geography. The union is separated from the GCC, ASEAN, the Mediterranean world, India, and Africa by a ring of countries beset with instability. From Afghanistan to Iran, to Iraq and Syria the belt prevents the EAEU from forming close ties with wealthier regions.

This explains Russia's and the broader EAEU's push to develop new trade corridors to the south. Some initiatives predate the war in Ukraine;

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others are just being established. The International North-South Transport Corridor occupies a central place in the EAEU's calculations. With its three branches, two eastern and western routes are envisaged to pass Iran and Pakistan, and end in the Indian Ocean. The Iran corridor is especially important for the EAEU because it could allow Russia to link with the GCC. The latter's geographic position also allows Russia to look further into the south toward the eastern parts of the African continent.

The EAEU and GCC countries are also increasingly driven by the idea that foreign policy should be transactional. Relatedly, they are also driven by multi-alignment or multi-vector foreign policy. The GCC and the EAEU also seem to be in favor of the idea that the world has entered a multipolar era which will allow greater room to maneuver in economic and diplomatic realms.

The emphasis on strengthening bilateral relations with the EAEU will likely increase among the GCC countries. Disenchantment with the United States has grown over the course of the war against Iran. Though Russia and the EAEU are in no position to serve as a powerful security player in the Gulf region, the GCC's interest in engaging the EAEU will increase.

There are other limits as well that preclude closer relations. Beyond obvious geographic constraints, purely geopolitical issues emerge. Russia's military campaign in Ukraine put the GCC in an uncomfortable position. The Gulf countries have had to maneuver to remain neutral in the conflict. At the same time, Russia's close ties (especially in the military realm) with Iran have served as an additional pressure point for EAEU-GCC relations.

For the EAEU countries and Russia in particular, the GCC is important because of its substantial investment resources. Gulf sovereign wealth funds, development institutions, and private companies are seeking commercially viable investments outside traditional Western markets. From its side, the EAEU can offer expertise in metallurgy, engineering, chemicals, agricultural equipment, and selected advanced technologies. Gulf countries can provide investment, industrial zones, logistics, and access to international markets. Joint ventures could focus on agricultural machinery, petrochemical processing, fertilizer production, building materials, and selected transport equipment.



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Constraints

The most significant long-term constraint on GCC-EAEU relations is the sanctions regime imposed by the Western countries on Russia and partially Belarus. Although the GCC states have avoided joining anti-Russian financial and trade measures, their financial systems, international businesses, and sovereign investment institutions remain closely integrated with Western markets and they are therefore cautious of any potential exposure to Western primary or secondary sanctions. A recent example highlights the dilemma. In July 2026, the European Union's 21st sanctions package targeted additional third-country institutions and entities, including companies located in the UAE, Kazakhstan, and Kyrgyzstan that the EU identified as facilitating sanctions circumvention or supporting Russia's military-industrial supply chains. The result is a structural contradiction: while commercial opportunities encourage greater GCC-EAEU cooperation, Western sanctions increase the costs of participating in that integration. This makes it unlikely that the UAE or other Gulf states will support economic arrangements that seriously jeopardize their access to Western financial markets.

Another obstacle concerns the differences between the two organizations' economic integration structures. Both the GCC and EAEU are customs unions, but their levels of regulatory harmonization, institutional practices, and commercial priorities differ. The GCC maintains a common external customs framework, with a standard tariff of 5% on most foreign goods, subject to exemptions. Its members have nevertheless increasingly pursued individual international economic agreements. The EAEU also faces internal barriers. Despite its common customs territory, problems with border procedures, product certification, technical standards, and administrative implementation persist. These problems prove burdensome for smaller Gulf exporters unfamiliar with Eurasian regulations.

No less important are geopolitical limits. The GCC and EAEU often do not share similar strategic objectives. Russia increasingly presents Eurasian economic integration as part of a broader effort to diversify international partnerships and reduce its vulnerability to Western economic pressure. The GCC states, however, generally approach the relationship through a more pragmatic framework. They seek profitable trade, reliable supplies, access to investment opportunities, and diversified partnerships. The Gulf states' key objective is thus to integrate Eurasian partnerships without abandoning cooperation with the West.



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This difference is particularly evident in Saudi Arabia and the UAE, which maintain important political, security, financial, and technological relationships with the United States and European countries such as France and the United Kingdom. The GCC states also prefer a balanced approach to the war in Ukraine by expanding military and economic ties with Kyiv. Moreover, there are also differences among the EAEU members. Kazakhstan pursues a multi-vector foreign policy, Armenia has sought greater engagement with the EU and the United States, and Kyrgyzstan has its own economic priorities. These countries do not necessarily share Moscow's preference for interpreting cooperation with the Gulf as an element of geopolitical realignment.

An additional element of divergence is Iran. The war in/around Iran in 2026, as well as the escalation around the Houthis in Yemen, has underscored how vulnerable the economic and security situation in the Gulf region can be. This complicates EAEU-GCC efforts to develop transport routes connecting Russia and Central Asia with Gulf markets through Iran. The Arab states and Russia approach Iran from different angles. For the GCC, conflict in the Middle East is a long-term problem pushing them to seek Moscow's support to influence Tehran's thinking. For Russia, however, the Iran war distracts the West from what is happenening in Ukraine and overextends US military power.



Recommendations

These are the areas for potential expansion of bilateral relations between the two blocs:

- To promote bilateral trade, substantial negotiations about the reduction of existing trade barriers between the EAEU and the GCC are highly advisable. Lower tariffs and simplified customs procedures can improve access for agricultural products, processed foods, machinery, chemicals, metals, and manufactured goods. For EAEU exporters, the agreement offers access to the UAE's domestic market and international distribution networks. Emirati companies can benefit from preferential entry into the EAEU's common customs territory.

- There is also a shortage of laboratories for quality control of agricultural products and difficulties in obtaining "halal" certification. Furthermore, businesses across the EAEU still lack knowledge on how to enter the Gulf region. This is particularly true for EAEU businesses which still have to acquire special knowledge on how business ethic

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works in the Gulf region, what the local populations prefer, and how Russia, Belarussian, or Kazakh businesses ought to evolve to adjust better to the demands of Gulf states.

- What both sides recognize is that there are major prospects for developing cooperation in energy and agriculture. Russia, Belarus, and to a certain extent, Kazakhstan, are strong players when it comes to developing agriculture. The Gulf monarchies remain dependent on agricultural imports because of their limited arable land, water scarcity, and challenging climatic conditions. Russia and Kazakhstan, by contrast, are important grain producers and exporters. This creates a relatively durable form of economic complementarity. Cooperation could expand through long-term grain supply contracts, agricultural storage facilities, refrigerated transport, food-processing investments, and the development of agricultural logistics terminals. The UAE and Saudi Arabia are especially well positioned to develop such partnerships, including financing agricultural production and storage facilities in Kazakhstan.

- There is likewise untapped potential cooperation in IT and AI development, though Russian companies would hardly be able to compete with Chinese and US companies. But given the GCC's search for alternatives and their willingness to balance dependence on American and Chinese technologies, cooperation with Russian, Belarussian, or Kazakh companies could indeed be beneficial. Relatedly, there is also potential for nuclear energy cooperation especially given Russian state-owned corporation Rosatom's active engagement across the Middle East. Space exploration represents another domain, while the healthcare and pharmaceutical sectors remain under-researched spheres.

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