



DIALOGUE SNAPSHOT

# Envisioning Economic Integration: The Gulf and Central Asia

August 2025

# Envisioning Economic Integration: The Gulf and Central Asia

---

## Executive Summary

In November 2024, the Bourse & Bazaar Foundation and the Hollings Center for International Dialogue convened a high-level dialogue conference in Istanbul to examine the growing strategic relationship between the Gulf Cooperation Council (GCC) countries and Central Asia. As both regions undergo rapid political and economic transitions, participants explored how deepening interregional ties could support mutual development objectives and offer alternative frameworks for cooperation in an increasingly fragmented global order. The workshop gathered scholars, policymakers, and private sector experts from across both regions and the United States, emphasizing the potential for pragmatic, cross-sector partnerships in areas such as trade, energy, infrastructure, food and water security, and institutional reform.

Both regions are moving away from traditional security-driven diplomacy toward geoeconomic strategies focused on connectivity, diversification, and resilience. Gulf countries, led by long-term national visions seek investment and influence beyond their immediate neighborhood. Meanwhile, Central Asian states—particularly Uzbekistan and Kazakhstan—pursue reforms aimed at liberalizing their economies, increasing transparency, and balancing relationships with global powers. The United States, while not a primary actor in the Gulf–Central Asia relationship, was viewed as having a vested interest in supporting improved connectivity between the regions, especially in ways that reduce reliance on Russian and Chinese corridors. Participants stressed that the coming Trump administration may respond more favorably to commercially framed, outcome-driven proposals with a clear economic rationale.

Despite this convergence of interest, structural challenges persist. Participants underscored a shared need for more institutionalized mechanisms to sustain cooperation, including research networks, chambers of commerce, and issue-specific working groups. They also highlighted the importance of moving beyond state-centric engagement to include the private sector, civil society, and media in shaping public understanding and political buy-in. As high-level summits and investment agreements proliferate, participants cautioned against symbolic diplomacy and urged a focus on measurable impact, local

engagement, and sector-specific coordination. The dialogue concluded with strong consensus to support deeper and more sustainable Gulf–Central Asia cooperation.

## Regions in Transition

Participants relayed a picture of two regions undergoing significant transitions in their economies and geopolitical significance. They noted the Gulf’s commitment to long-term strategic planning through national development visions—such as Saudi Arabia’s Vision 2030 and the UAE’s “Principles of the 50.” These initiatives prioritize economic diversification, foreign investment, and human security, signaling a broader shift from a purely geopolitical lens to one focused on sustainable economic growth. While geopolitics remains a key factor, Gulf states are increasingly complementing traditional security strategies with forward-looking economic blueprints. This shift reflects a recognition of the need to build resilient, diversified economies that can withstand external shocks and reduce dependence on oil revenues. Participants highlighted that this transformation is also driven by demographic pressures and technological advancements, requiring investments in education, innovation, and infrastructure. At the same time, the Gulf’s expanding global partnerships and strategic outreach—including comprehensive partnership agreements and increased diplomatic engagement—demonstrate a pragmatic approach to navigating complex regional dynamics.

Meanwhile, Central Asia undergoes its own transformations, driven by leadership transitions and domestic reforms. Since 2016, countries like Uzbekistan have opened up their economies, expanded regional cooperation, and worked to reduce dependency on any single global power. These shifts have revitalized intra-regional collaboration and created new entry points for international engagement. Central Asian states continue to pursue a “multi-vector” foreign policy, balancing relationships with Russia, China, the United States, and the European Union. For a region historically shaped by asymmetric partnerships, this balancing act is both a strategic necessity and a sign of growing confidence in international affairs. Participants highlighted efforts to build institutional capacity, improve governance, and foster greater transparency to attract foreign investment and support entrepreneurship. However, challenges remain, including border trade barriers, customs inefficiencies, and corruption, which require targeted cooperation and investment. The emergence of new economic opportunities and partnerships, including Gulf sovereign wealth fund investments, signals a dynamic shift towards a more interconnected and resilient Central Asia. Renewed emphasis on regional integration,





**Aerial photo of Dubai International Airport. Participants cited the increase in the use of air links between the GCC and Central Asia as important to increased economic activity. Source: [Shutterstock](#).**

digitalization of trade processes, and development of strategic industries further underscores the region's ambition to assert greater agency in global affairs while managing complex external relationships.

Against this backdrop, Gulf-Central Asia relations have gained momentum. High-level summits and diplomatic platforms—such as the inaugural GCC-C5 Summit in Jeddah and a summit in Samarkand—signal a shared intent to institutionalize cooperation. These efforts are especially important in sectors like infrastructure, energy, and trade. However, questions remain as to whether this wave of economic diplomacy can endure amid ongoing regional instability and intensifying global rivalries.

The growing cooperation between the GCC and Central Asia holds strategic importance for the United States. As Washington seeks to promote regional stability, counterbalance the influence of rivals (such as China, Russia, and Iran) and support energy diversification and security, deeper ties between these two regions align with key U.S. interests. Central Asia's

energy resources and geographic positioning, combined with the GCC's financial power and global connectivity, create opportunities for enhanced trade, infrastructure development, and security collaboration. U.S. support for this partnership can help foster resilient, sovereign, and interconnected states that contribute to a multipolar balance favorable to international norms and economic openness. Participants with knowledge of Washington policy discussions observed that the Trump administration would likely prioritize business-driven engagement, particularly where it could undercut Chinese influence. Central Asia's integration with Gulf markets was viewed as potentially aligning with this pragmatic approach.

## **Barriers and Challenges to Strategic Engagement**

A central theme running through the conversations was the dual challenge of addressing immediate security concerns while advancing long-term geoeconomic goals. Despite ongoing conflicts in parts of both regions—such as Yemen, Gaza, Lebanon, Syria, and Afghanistan—governments in the Gulf and Central Asia are increasingly prioritizing cross-border infrastructure, investment, and cooperation. This tension between conflict and connectivity underscores the pragmatism that defines much of the current regional policymaking.

Furthermore, in today's multipolar landscape, both regions must navigate increasingly complex relationships with major powers. China's Belt and Road Initiative (BRI) continues to be a central driver of infrastructure development in Central Asia and an influential factor in the Gulf's investment calculus. While the BRI provides tangible benefits, such as railways and logistics hubs, concerns persist in both regions about overreliance on Chinese capital and influence. Russia's role, especially in Central Asia, remains anchored in historical, economic, and security linkages, although its position is growingly contested. Western involvement, particularly from the U.S. and EU, was seen as either declining or too narrowly focused on development and governance issues to compete with more commercially oriented actors.

Connectivity emerged as a recurring theme throughout the dialogue. Poor infrastructure, limited air and rail links, and outdated customs procedures continue to hamper trade between the two regions. A lack of digitalization at border crossings further add to costs and inefficiencies. Gulf investments in both physical and digital infrastructure—particularly

in logistics, internet access, and special economic zones—could dramatically improve the business environment and reduce friction in cross-regional trade.

## **Possibilities for Improved GCC-Central Asia Cooperation**

Amid these external influences, Gulf-Central Asia ties offer a form of strategic diversification. Central Asian governments welcome Gulf capital and technology as alternatives to Russian and Chinese dominance, while Gulf states see untapped potential in Central Asia's markets, energy resources, and youth population. Economic complementarity—rather than political alignment—is the primary driver of engagement. Participants identified several concrete pathways for deepening cooperation.

Improving logistics through new transport corridors, particularly north-south routes was seen as essential to reducing costs and integrating Central Asia more effectively into global markets. The region's landlocked geography has long hindered trade, and Gulf investment could provide the capital needed to develop alternative corridors beyond Russian or Chinese control. However, geopolitical risks, such as sanctions on Iran and instability in Afghanistan, present significant obstacles. Participants highlighted the growing role of air and sea connectivity in enhancing trade and mobility. It was noted that the Gulf is becoming increasingly accessible for Central Asian citizens through new air links, facilitating greater business and people-to-people exchange. At the same time, maritime corridors—such as Kazakhstan's use of Abu Dhabi Ports to route oil exports through Azerbaijan—illustrate how the Gulf can serve as a strategic logistical partner for Central Asia. These developments reflect a broader push to create multi-modal transport systems that can offer more flexible and resilient alternatives to traditional trade routes.

Energy cooperation emerged as a high-potential sector. Gulf sovereign wealth funds are already investing in renewable energy projects across Central Asia. Companies like Masdar and ACWA Power are spearheading efforts in solar and wind energy, although current projects often focus on large-scale infrastructure rather than decentralized energy solutions that could spur local development. Discussions also touched upon potential nuclear energy cooperation and the role Gulf investors could play to support Central Asian countries transition away from coal-heavy energy systems. Still, key challenges remain, including the need for subsidy reforms and public acceptance, as populations in both regions are accustomed to heavily subsidized energy prices.





**Market in Samarkand, Uzbekistan.** Participants noted that agricultural trade is of great interest to both Central Asian and GCC nations. Source: [Shutterstock](#).

The conversation on energy expanded beyond commercial interests to include geopolitical and social dimensions. While the development of renewable resources increase, fossil fuels continue to dominate in both regions. Gulf producers, seeking to maximize fossil fuel exports, have invested in renewables to reduce domestic fossil fuel consumption. For Central Asia, the shift entails more painful transitions—particularly in coal-dependent economies—and requires notable international investments, subsidy reforms, and public support. At the same time, energy cooperation is also tied to broader strategic calculations, including the impact of sanctions, the shaping of regional trade routes, and divergent roles in climate negotiations, where the Gulf Cooperation Council (GCC) and Central Asia often engage in different blocs.

Beyond energy, the workshop emphasized the importance of digital innovation and human capital development. Gulf states are actively cultivating tech ecosystems, and Central Asia's youthful, educated population could be a valuable partner in this transformation. Labor mobility was recognized as another area of potential collaboration.

As more Central Asians seek employment outside of Russia, the Gulf offers a viable and attractive alternative. Structured labor agreements—similar to those some Central Asian states have with Korea and Poland—could help formalize migration flows, foster skill development, and mitigate the negative development impacts often associated with unregulated migration. However, the risk of brain drain is real. Gulf investment in regional innovation hubs, combined with vocational training programs and bilateral labor agreements, could help retain talent while creating structured pathways for migration and reintegration.

Participants also discussed sector-specific opportunities in tourism, agriculture, and digital finance. Central Asia's growing appeal as a tourism destination—especially during the Gulf's hot summer months—presents a soft entry point for cultural diplomacy and commercial exchange. Similarly, Central Asia's vast agricultural resources and pressing need for hydraulic infrastructure align well with the Gulf's long-term food security objectives. In agriculture, participants noted that Kazakhstan and Uzbekistan are already supplying various food products to Gulf markets, and that the Gulf's investments in food security abroad could be expanded to support agribusiness development and irrigation infrastructure in Central Asia. Several attendees highlighted Kazakhstan's increasing interest in desalination and agricultural modernization, pointing to opportunities for cooperation with Gulf states that possess advanced water management expertise. On digital finance, it was observed that Central Asia's young, tech-savvy population and expanding mobile phone penetration present a significant opportunity for fintech collaboration. Gulf-based investors and tech companies could find promising partners in the region's emerging digital ecosystems, especially if accompanied by support for regulatory harmonization and cross-border digital payment systems.

The discussions also included institutional frameworks. While investment-led strategies currently dominate engagement, participants stressed the importance of involving the private sector and strengthening regulatory systems to build more durable economic linkages. One suggested proposal included the creation of a dedicated GCC–C5 platform or secretariat to coordinate efforts, harmonize standards, and oversee cooperation across trade, energy, labor, and digital policy.

Structural asymmetries between the GCC and Central Asia continue to pose challenges to deeper integration. The GCC operates as a relatively cohesive bloc with shared regulations, whereas Central Asia remains fragmented by overlapping trade agreements and divergent



domestic policies. Some participants advocated for bloc-to-bloc negotiations modeled on GCC–EU dialogues, while others saw more potential in bilateral arrangements tailored to the specific needs of individual Central Asian states. Free Trade Agreements (FTAs) were seen as both promising and complex, requiring alignment on tariffs, investment protections, customs procedures, and competition rules.

## **Conclusion: Toward a Sustained Interregional Partnership**

The dialogue underscored the growing strategic relevance of the Gulf–Central Asia relationship at a time of global uncertainty and regional transformation. As both regions pursue ambitious development agendas, their convergence offers not only a path toward mutual economic benefit, but also an opportunity to redefine their roles in an emerging multipolar order. Participants highlighted a shared emphasis on economic resilience, diversification, and connectivity—both physical and institutional—as the core pillars of future cooperation.

While the Gulf states are moving beyond oil-centric models through national visions such as Saudi Arabia’s Vision 2030 and the UAE’s Principles of the 50, Central Asian governments are advancing reform agendas aimed at greater openness, institutional capacity, and regional integration. These transitions, though distinct in origin and pace, converge in their demand for sustainable, pragmatic partnerships. The dialogue illuminated how Gulf investments in renewable energy, logistics, infrastructure, and technology can support Central Asia’s development needs, while Central Asia provides the Gulf with access to critical minerals, agricultural resources, and geopolitical positioning.

Crucially, participants emphasized that these partnerships must extend beyond state-to-state summits. Engaging chambers of commerce, think tanks, investors, and civil society remains essential to building durable networks that persist beyond diplomatic ceremonies. There was also consensus around the value of “mini-lateral” cooperation—focused, issue-based partnerships that cut across traditional geographic or institutional boundaries and offer more agile forms of engagement. Participants identified energy, water, and food security as priority sectors for such collaboration.

Finally, the United States—though not a primary actor in this bilateral relationship—was seen as having a strategic interest in supporting Gulf–Central Asia integration, particularly in light of U.S.–China–Russia competition. Participants noted that a business-first,

outcomes-driven framing could help align U.S. engagement with regional cooperation efforts, especially under a potential Trump administration.

Comprehensively, the dialogue revealed a shared recognition: while geopolitics will continue to shape external constraints, the future of Gulf–Central Asia relations will be determined by the ability of actors in both regions to institutionalize cooperation, demonstrate tangible benefits, and build partnerships that extend beyond any single summit or administration. The task now is to maintain momentum and invest in the connective tissue—physical, institutional, and intellectual—that can sustain this emerging interregional architecture.

Cover Photo: Source: [Shutterstock](#).



The Hollings Center for International Dialogue is a non-profit, non-governmental organization dedicated to fostering dialogue between the United States and countries with predominantly Muslim populations around the world. In pursuit of its mission, the Hollings Center convenes dialogue conferences that generate new thinking on important international issues and deepen channels of communication across opinion leaders and experts. The Hollings Center is headquartered in Washington, D.C. and maintains a representative office in Istanbul, Türkiye.

To learn more about the Hollings Center's mission, history and funding:  
<http://www.hollingscenter.org/about/mission-and-approach>  
[info@hollingscenter.org](mailto:info@hollingscenter.org)