Eurasian Development Bank

Trade and Investment Cooperation between Central Asia and the GCC Countries

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SUMMARY

Businesses in the GCC countries[1] are recognizing significant opportunities in Central Asia, a region undergoing rapid development with a growing economy, rising household incomes, and increasing consumer and investment demand. The rapid expansion of trade and investment between the two regions confirms Central Asia's growing importance to the GCC countries.

The United Arab Emirates (UAE) is spearheading trade and investment cooperation with Central Asia.

Trade

1. **Mutual trade between Central Asia and the GCC countries** has increased substantially, rising from $1 billion in 2020 to **$3.9 billion in 2025.** The GCC countries' share of the region's foreign trade has increased from 0.7% to 1.7%.
2. **The UAE accounts for approximately 94% of trade between the two regions**, while Uzbekistan and Turkmenistan together account for around 85% of the same total. Exports from the GCC countries to Central Asia account for approximately 70% of trade between the two regions, primarily vehicles, machinery, equipment and electronics.
3. **The additional trade potential is estimated at $4.9 billion by 2030,** representing a 25% increase on the 2025 trade volume. The development of transport routes, a reduction in logistics costs, and trade liberalisation, including under the EAEU–UAE Agreement, which entered into force in October 2026, will help the two regions realise this potential.

Investment

4. **According to the EDB Monitoring of Mutual Investment (MMI) investment stock by GCC countries in Central Asia have increased 3.4-fold** - from $9.1 billion in 2020 to $31.1 billion by mid-2026. Turkmenistan is the leader in this field, with FDI value of $14.4 billion, while Uzbekistan recorded the fastest growth, with a more than 25-fold increase to $11.3 billion. In Kazakhstan, investment stock reached $5.3 billion.
5. **Investment in the electric power sector is increasing**, with the share of investments growing from 2% to 34%, and the FDI stock reaching $10.5 billion. The primary catalyst for this growth is the implementation of large-scale solar and wind energy projects, predominantly in Uzbekistan.
6. **The UAE is the leading investor among the GCC countries, with a substantial investment portfolio of $20.6 billion -** accounting for 66% of the total. Meanwhile, Saudi Arabia and Qatar are increasing their presence rapidly, with investments of $6.5 billion and $3.1 billion respectively.
7. **Trade and investment ties are set to continue expanding** due to economic growth in Central Asia, the international expansion of businesses from GCC countries, and the strengthening of economic cooperation within the Islamic world.

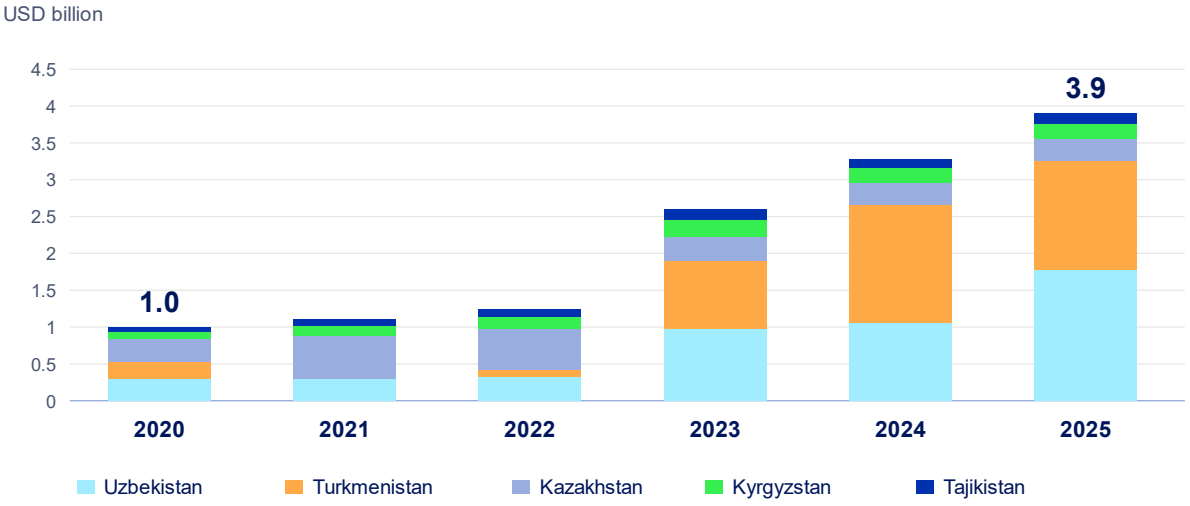
[1] Six countries in the Arabian Peninsula: Bahrain, Kuwait, Oman, Qatar, Saudi Arabia and the United Arab Emirates

TRADE

General Information

Trade in goods between Central Asia and the GCC countries has increased considerably in recent years. Between 2020 and 2025, trade volume grew almost *fourfold, from $1 billion to $3.9 billion*. Meanwhile, the GCC countries' share of Central Asia's foreign trade increased from **0.7% to 1.7%.** Despite the relatively modest volumes, the Gulf is emerging as **a priority for trade development in the region**.

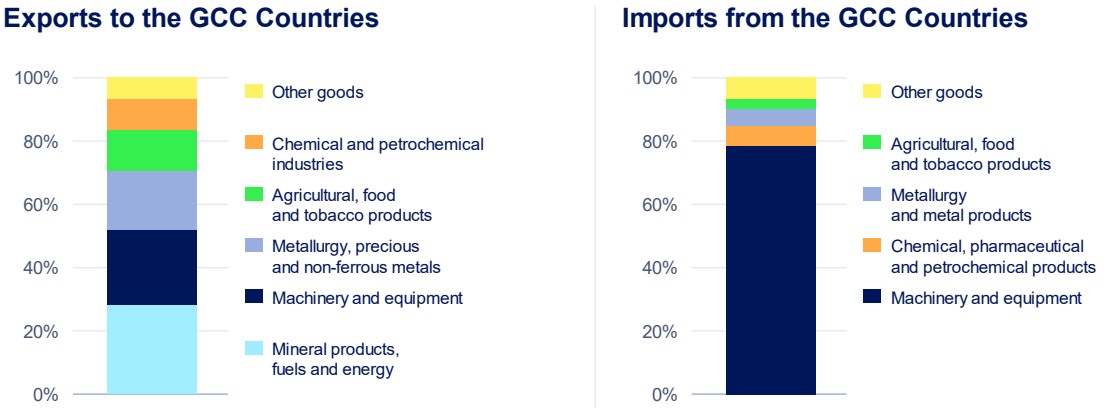
Figure 1. Trade in goods between Central Asia and the GCC countries, USD billion



Source: EDB calculations based on national statistics from Central Asian countries. The trade figures for Turkmenistan are based on data reported by its trading partners.

Mutual trade remains **structurally asymmetrical**: approximately **70% of trade volume consists of shipments from the GCC countries to Central Asia**, primarily machinery and equipment, vehicles, electronics, and pharmaceutical and chemical products. Central Asia as a whole is a net importer, although some of the shipments from the UAE are re-exports, reflecting the Emirates' role as a major international trade and logistics hub.

Figure 2. Central Asia's exports to and imports from the GCC Countries, % of total



Source: EDB calculations based on official statistics from Central Asian countries. The trade figures for Turkmenistan are based on data reported by its trading partners.

Trade is also geographically concentrated. In 2025, for example, **Uzbekistan and Turkmenistan accounted for around 85% of Central Asia's total trade** with the GCC countries. In 2024, Turkmenistan was the GCC countries' largest trading partner in Central Asia, with trade amounting to around $1.7 billion. However, Uzbekistan overtook it the following year, with trade amounting to $1.75 billion.

Country Profiles

Uzbekistan has become the largest trading partner of the GCC countries in Central Asia. Between 2020 and 2025, the value of trade rose almost sevenfold, **reaching $1.75 billion**, which is approximately 45% of the total trade between the regions. Uzbekistan's trade with the GCC countries is more balanced than that of most other Central Asian countries. In 2025, exports totalled $860 million, while imports amounted to $890 million. Uzbekistan's exports are dominated by precious metals, mineral products, and agricultural goods, while its imports mainly consist of electronics, machinery and equipment, aircraft, and pharmaceutical and chemical products.

Turkmenistan's trade with the GCC countries increased **eightfold between 2020 and 2025, rising from $0.2 billion to $1.6 billion**. The UAE was the primary importer, with almost 90% of its imports consisting of machinery and equipment, electrical equipment, and vehicles. Turkmenistan's exports to the GCC countries are lower than its imports from them, consisting primarily of fuel and energy products, chemicals, and agro-industrial goods. The UAE plays a significant role in Turkmenistan's trade as a major re-export hub.

In 2025, **Kazakhstan's trade with GCC countries was worth just over $300 million.** At the same time, Kazakhstan's exports to the GCC countries have become more diverse. As well as metallurgical products, shipments of agricultural goods, including meat and other food products, chemicals, and certain types of equipment, have increased. The country's imports are dominated by pharmaceutical and chemical products, as well as machinery and equipment for the oil and gas industry. Given the size of the economy and growing investment ties, **there is significant potential for further trade expansion**.

Kyrgyzstan recorded one of the fastest increases in trade with the GCC countries in Central Asia. Between 2020 and 2025, trade volume rose approximately **ninefold - from $20 million to $185 million**. Kyrgyz exports are the primary driving force, although a substantial proportion of them are **re-exports**: in 2025, 80–87% of shipments to the UAE consisted of electronics, primarily mobile phones. Concurrently, exports of food, legumes, metals, and specific industrial goods are experiencing growth. The country's imports are dominated by automobiles, perfumes and cosmetics, and textiles.

Tajikistan's trade with the GCC countries **increased by more than fivefold** between 2020 and 2025, **from $20 million to $107 million**. The country's imports are dominated by automobiles, machinery and equipment, electronics, and chemical products. Exports are notably lower and primarily consist of metals and agricultural products. Trade volume is growing steadily, with imports playing a dominant role in the trade structure.

Trade with the GCC countries is characterised by an even **higher concentration**. In 2025, **the UAE accounted** for approximately **94% of trade with Central Asia**, totalling $3.67 billion. **Saudi Arabia is the second-largest contributor**, with a value of approximately **$225 million, representing 6%** of the total. At present, trade relations with Qatar, Oman, Kuwait and Bahrain remain restricted. The UAE's dominance in this field stems not only from the size of its domestic market but also from the country's role as a major international trade, logistics, and re-export hub.

Trade Potential

The potential for further trade expansion remains significant. According to estimates based on data from the UNCTAD-WTO International Trade Centre, the additional trade potential between Central Asia and the GCC countries is estimated at **$4.9 billion by 2030**, which is equivalent to **125% of the 2025 trade volume.**

High transportation and logistics costs remain a key constraint on trade development. The absence of direct access to seaports in Central Asia, coupled with the necessity to utilise complex multimodal shipping routes, results in increased transportation costs and extended transit times. This, in turn, has a detrimental effect on the competitiveness of export and import goods. Additional barriers include the underdevelopment of high-quality logistics and warehousing infrastructure, limited access to trade finance, and shortcomings in mechanisms for the mutual recognition of standards.

The Economic Partnership Agreement between the EAEU and the UAE, which entered into force **on October 6, 2026**, opens up new opportunities by providing for the elimination or reduction of tariffs on more than **85%** of **the product range**. For Kazakhstan and Kyrgyzstan, this agreement will expand access to the UAE market, primarily for agricultural products, foodstuffs, petroleum products, metallurgical products, machinery, and equipment. The agreement may contribute to **the diversification of** these countries' **exports** and help reduce the existing trade imbalance.

DP World, a global leader in container shipping and port services headquartered in the UAE, commenced construction in October 2026 on a substantial dry port near Tashkent (Uzbekistan), anticipating significant potential for trade growth. The project will comprise Class A warehouses with a capacity of 63,000 km, as well as container yards with a throughput capacity of 150,000 twenty-foot equivalent units (TEUs) per year.

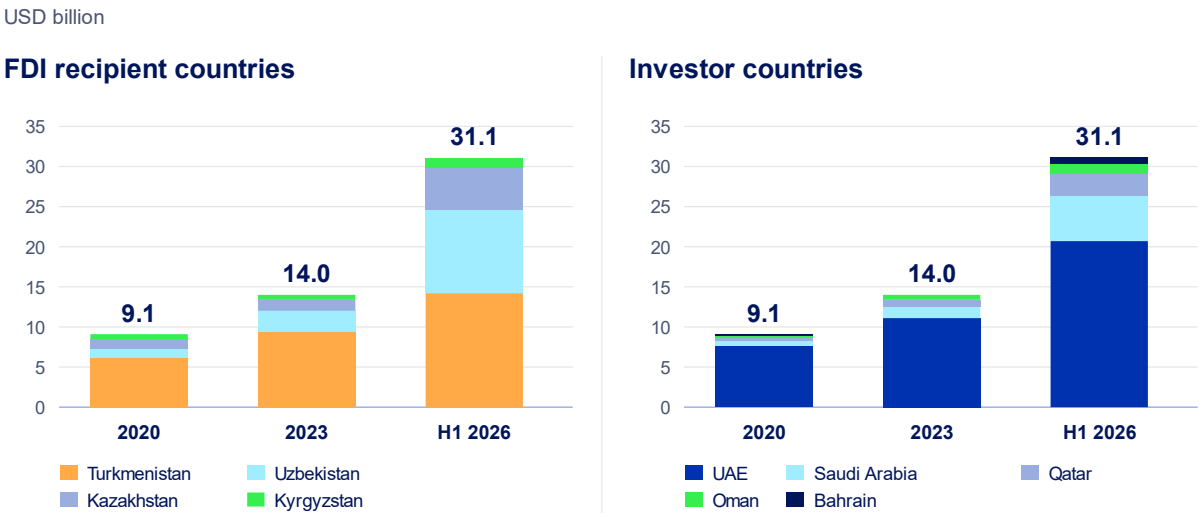
INVESTMENT COOPERATION

General Information

There has been **a rapid increase in investment cooperation** between the GCC countries and Central Asia. According to the EDB's Monitoring of Mutual Investment (MMI), from 2020 through the first half of 2026, the volume of mutual investments stock increased 3**.4-fold - from $9.1 billion to $31.1 billion**.

Investment is focused primarily on **Turkmenistan, Uzbekistan, and Kazakhstan**, though the distribution of capital among these countries is gradually shifting. **Turkmenistan** remains the leader in this field, with **investment stock rising from $7.3 billion to $14.4 billion**. FDI growth from GCC countries is particularly strong in **Uzbekistan**, where the figure increased by more than **25-fold—from $0.4 billion to $11.3 billion**. In **Kazakhstan**, investments rose **from $1.3 billion to $5.3 billion**, primarily over the past two years.

Figure 3. GCC countries' foreign direct investment stock in Central Asia by host and countries-investors, USD billion

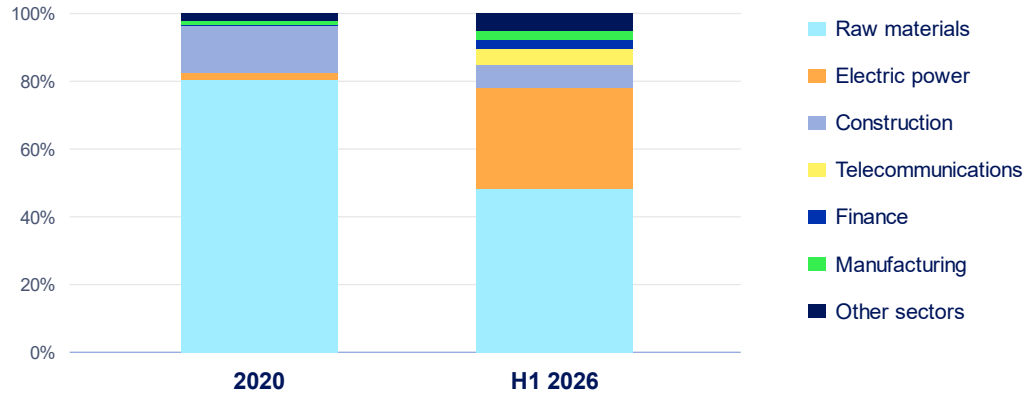


Source: EDB MMI database.

The UAE continues to dominate as the largest investor among the GCC countries, with a total portfolio of $20.6 billion, accounting for 66% as of mid-2026. Concurrently, **Saudi Arabia and Qatar** are experiencing **significant growth** in their FDI stock, with cumulative volume reaching **$6.5 billion and $3.1 billion, respectively**. By comparison, in 2021, Saudi Arabia's FDI stock amounted to only $0.3 billion. Consequently, the geographic scope of investors is gradually expanding, reflecting the GCC countries' growing interest in Central Asia.

This growth in investment is accompanied by **significant changes in the sectoral structure**. The **electric power sector** saw a significant increase in **its share, rising from 2% to 34%**, while the total volume of investments reached **$10.5 billion**. The commodities sector maintains its position as the leader, with a 49% share, though its overall weight has decreased from 82% in 2020. Consequently, the investment portfolio is undergoing a gradual diversification process, driven by the outpacing growth of investments in the electric power sector and other non-commodity sectors.

Figure 4. Gulf countries' FDI stock in Central Asia by sector, end-2020 and end-June 2026, % of total



Source: EDB MMI database.

Country Profiles

UAE

The UAE has the longest history of large-scale investment activity among the GCC countries. **Turkmenistan** remains the largest recipient, with two oil and gas projects forming the basis of these investments. The first is the development of the Jaitun and Jigalybeg offshore fields by Dragon Oil since 2000, with a total investment of approximately **$10 billion**. Secondly, in 2025, XRG (ADNOC) acquired a 38% stake in Offshore Gas Block I under a production-sharing agreement with PETRONAS and Turkmen companies. As a result, Turkmenistan—primarily its oil and gas sector—accounts for about **70%** of **the UAE's investment portfolio** in Central Asia.

Since the early 2020s, the UAE has been actively expanding its investments in **the electric power sector**, primarily in renewable energy projects. Over the period under review, cumulative investments in the sector grew from **$140 million to $3.85 billion**. The EDB's MMI database lists more than **20 energy projects** at various stages of implementation, primarily solar and wind power plants.

The majority of Emirati investment in the electric power sector is focused on **Uzbekistan**, where large-scale renewable energy projects are being developed **with the participation of Masdar and other investors**. Among the largest are a 500-MW wind power plant in Zarafshan, the Sherabad solar power plant in the Surkhandarya Region with Masdar's participation, and a solar power plant project in the Namangan Region with Tepelen Group's participation. A number of other solar and wind power generation projects are also under development, including energy storage systems.

By mid-2026, **FDI stock** from the United Arab Emirates **in Kazakhstan** had reached **$1.9 billion**. The most significant completed project to date has been the Abu Dhabi Plaza development in Astana, which has firmly established the construction sector as a major player in the industry's investment landscape. Concurrently, the UAE is expanding its presence in the electric power sector. In June 2026, construction commenced on a 1-GW wind power plant in the Zhambyl Region, with Masdar participating in the project, which is valued at approximately $1.4 billion.

Cumulative investments in the **food industry** have now exceeded **$200 million**. Among the new projects is the construction of a sugar factory in the Almaty Region, with the participation of Al Khaleej Sugar. Another project is the Biolife Proprevit complex for the production of functional dairy products and non-alcoholic beverages in the Akmola Region, with the participation of the Emirati company EXIM FINANCE.

Saudi Arabia

Saudi Arabia is the second-largest investor among GCC countries in Central Asia, with cumulative investments reaching **$6.46 billion** by mid-2026, marking a significant increase of approximately **20 times the level recorded in 2021**. The portfolio is predominantly focused on **Uzbekistan**, with ACWA Power representing over **95% of the FDI**. The EDB's FDI database includes 12 projects, primarily in the electric power sector. Among the largest are the Karakalpakstan Wind and Kungrad 1, 2, 3 Wind power plants in Karakalpakstan, as well as solar power plants in the Tashkent, Samarkand, and Syr Darya regions. Additionally, data centre and cable manufacturing projects are underway in Tashkent. Among the new initiatives are Vision Invest's participation in the construction of the new Tashkent airport and a planned wind power project in the Zhetysu Region of Kazakhstan.

Qatar

Qatar is also actively increasing its investments in Central Asia: by mid-2026, the total volume reached **$3.1 billion**, having roughly doubled over the course of a year and a half. **Kazakhstan** remains the primary recipient, accounting for approximately **90% of Qatar's FDI portfolio**, with the remainder going primarily to Uzbekistan. In comparison to Saudi Arabia's investments, Qatar's investment stock demonstrate **a more diversified sectoral structure**, with 36% allocated to telecommunications, 17% to finance, 16% to manufacturing, and 11% each to electric power, transportation, and logistics.

Among the most significant investment project in Kazakhstan is **Power International Holding**'s acquisition of the wireless carrier **Mobile Telecom-Service** (Tele2 and Altel) for approximately $1.1 billion, as well as the purchase of Bereke Bank by Qatar's Lesha Bank. In Uzbekistan, investments are focused primarily on the electric power sector, including a thermal power plant project in the Surkhandarya region involving Nebras Power.

Oman

Oman is gradually expanding its investment presence in Central Asia. By mid-2026, FDI stock had reached **$924 million**, more than doubling over five years. **Kazakhstan** remains the primary recipient**, accounting for approximately 70% of the portfolio**. The sectoral structure is dominated by **the raw materials sector (60%)**, with transportation and logistics, manufacturing, and commercial real estate also represented.

Key projects in Kazakhstan include **Maaden International Investment**'s approximately 30% stake in **Solidcore Resources**, as well as Oman Oil Company's 20% stake in the Dunga oil and gas project. In Uzbekistan, investments are primarily facilitated through the joint UzOman platform, which encompasses commercial real estate, logistics infrastructure, and the financial sector.

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