

GCC Unification: What Does it Mean?



2021 has already seen some big events in just a short space of time, but for the Middle East there is no bigger reason to celebrate than the announcement of renewed relations between the GCC member states and Egypt after three years. But what exactly has happened, what does it mean for the countries involved and what will the repercussions be for our political and economic futures?

What Happened?

In the first week of January the leaders of Saudi Arabia, Kuwait, Bahrain, Oman, Egypt and the United Arab Emirates met for the **annual Gulf Cooperation Council (GCC) summit in the ancient city of Al-Ula** alongside the leader of Qatar. This historic development signalled the end of the diplomatic blockage that began in 2017. This renewed alliance was intended to help strengthen regional unity in a time of global crisis and broaden the GCC's collective potential for regrowth and prosperity. Following the signing of the Al Ula agreement, Saudi Arabia, Kuwait, Bahrain, Egypt and the UAE quickly worked to re-open their borders with Qatar and it is expected that further agreements concerning transport, trade and corporation will follow in the coming months.

Diplomatic Stability

Many companies, both here in the UAE and in Qatar, will be bolstered by the idea of how this unification will aid in their economic growth. Whilst this is understandable, especially as we work together to recover from the impact of the Covid-19 pandemic, the diplomatic and

security elements cannot be understated and will themselves affect future economic prosperity in the region. Reconciliation between these nations is a signal that the GCC is a competitive player on the international geopolitical stage. At a time when another major geo-alliance, the European Union, appears to be fracturing, the GCC's unity, wealth and proactive response to Covid-19 have positioned it as a voice to be reckoned with in global affairs. As a further boon to international perception and investment, the diplomatic allegiance of the GCC represents stability and security. The GCC, as a whole, makes a formidable alliance, especially in terms of its combined influence, military capabilities and economic power within and beyond the Middle East.

Economic Impacts

As the UAE government welcomes the start of further bilateral talks to strengthen ties with Qatar, there is already much excitement about the economic impact of renewed collaboration. Indeed, UAE Minister of State for Foreign Affairs Dr Anwar Gargash said "We want to do this faster rather than slower" and signalled that discussions on reopening trade links, embassies and travel connections would be a top priority. The region's top airlines Etihad, Emirates and Qatar Airways welcomed the news as they look towards a post-pandemic uptake in air travel. These moves are, of course, vital in a period where economic recovery is paramount. This was underlined by International Relations expert **Samuel Ramani** who said, "*A de-escalation of tensions between Qatar, Saudi Arabia, Bahrain and the UAE will enhance the GCC's ability to address the long-term economic consequences of the Covid-19 pandemic and facilitate collaboration on economic diversification strategies*". Collaboration and diplomatic stability between the UAE and Qatar, not to mention the wider GCC, will provide far greater opportunities for investment, regionally and internationally, and facilitate effective forms of economic diversification which is vital for future economic security.

If you have questions about how the reestablishment of relations with Qatar might affect you or your business or find out about regional relocation or the latest immigration updates, EER has extensive experience in the region and can offer you expert advice. Get in touch [via CRG](#).

לנזקקים במידע או בפעילות באזור, אנא פנו למשרדנו ונשמח לסייע ולחברכם לעמיתינו במפרץ

