RUDN Journal of Economics
Вестник Российского университета дружбы народов. Серия: Экономика
ISSN 2313-2329 (Print); ISSN 2408-8986 (Online)
2025 Vol. 33 No. 2 243–257
http://journals.rudn.ru/economics

DOI: 10.22363/2313-2329-2025-33-2-243-257
EDN: CHLXGM
UDC 339.727

Research article / Научная статья

Gulf Cooperation Council countries' investment strategies in Africa

Andrey N. Surkov[1] ✉, **Jami B. Chiniev**[2]

[1]*RUDN University, Moscow, Russian Federation*
[2]*International monetary fund, Resident Representative Office of the IMF in the Republic of Tajikistan, Dushanbe, Tajikistan*
✉ surkov_an@pfur.ru

Abstract. Competition for the markets of African countries is becoming more active over the recent years, not only among the traditional partners, the United States and China, but also among the countries that are members of the Gulf Cooperation Council (GCC). The study examines the historical roots of the economic ties of MENA countries, where a leading role played by trade routes the spread of Islam, migration flows, and the oil factor. Since 2020, an active phase of GCC countries' capital expansion in African states has begun due to increasing competition for resources and growing food security threats. The purpose of the study is to examine the investment model of the GCC member countries in Africa, taking into account the mutual interests of the countries. The authors used a retrospective and comparative assessment of investment activity based on specific examples of investments from the GCC countries. The study covers more than 17 bilateral and multilateral projects in critical sectors, including traditional and renewable energy, infrastructure, mining, agriculture. The study identifies key trends in economic cooperation that demonstrate the features of the current investment model of the GCC countries, where the key role is played by the UAE and Saudi Arabia. The authors concluded that these investments establish long-term economic ties between the Middle East and Africa. Thus, investor countries use investment mechanisms to ensure access to strategic resources, particularly through the restructuring of the host country's debt. Driven by economic interests in increasing the sales of their products, Saudi Arabia and the UAE purchase ports to expand their transport and logistics potential and compete for the formation of international transport corridors. Food security challenges shape the investment interests of GCC countries in the agricultural sector of Africa's fertile lands, such as Sudan and Ethiopia. Investments in renewable energy projects in Africa reflect the GCC countries' interest in testing and adapting advanced technologies in hot desert climates, allowing them to assess their efficiency and scalability potential for further implementation in their own national energy systems. Thus, the study answers the question of what strategic and economic interests the GCC countries pursue through the investment expansion strategy in African countries.

Keywords: investment, Gulf Cooperation Council, Africa, economic diversification, infrastructure, renewable energy sources, food security

Authors' contribution. Surkov A.N. — development of the structure and content, conducting research, text writing; Chiniev J.B. — conducting research, selection of sources, text editing.

Acknowledgements. This research has been supported by the RUDN University Scientific Projects Grant System, project № 060509-0-0-000.

Conflicts of interest. The authors declare that there is no conflict of interest.

Article history: received 20 December 2024; revised 10 February 2025; accepted 11 March 2025.

For citation: Surkov, A.N., & Chiniev, J.B. (2025). Gulf Cooperation Council countries' investment strategies in Africa. *RUDN Journal of Economics, 33*(2), 243–257. https://doi.org/10.22363/2313-2329-2025-33-2-243-257

Инвестиционные стратегии стран Совета сотрудничества арабских государств Персидского залива в Африке

А.Н. Сурков[1] ✉, Д.Б. Чиниев[2]

[1]*Российский университет дружбы народов, Москва, Российская Федерация*

[2]*Постоянное Представительство МВФ в Республике Таджикистан, Душанбе, Таджикистан*

✉ surkov_an@pfur.ru

Аннотация. Конкуренция за рынки африканских стран с каждым годом становится все более активной не только среди традиционных стран партнеров, США и Китая, но и среди стран, входящих в Совет сотрудничества арабских государств Персидского залива (ССАГПЗ). Рассмотрены исторические корни экономических взаимосвязей стран Ближнего Востока и Северной Африки, где ведущую роль сыграли торговые маршруты, распространение религии ислама, миграционные потоки и нефтяной фактор. С 2020 г. в связи с усилением конкуренции за ресурсы и ростом продовольственных угроз началась активная фаза экспансии капитала стран ССАГПЗ в странах Африки. Цель исследования — рассмотрение инвестиционной модели стран-членов ССАГПЗ в Африке с учетом их взаимных интересов. Авторы использовали ретроспективную и сравнительную оценку инвестиционной активности на основе конкретных примеров инвестиций стран ССАГПЗ. Исследование охватывает более 17 двусторонних и многосторонних проектов в важнейших секторах, включая традиционную и возобновляемую энергетику, инфраструктуру, горнодобывающую промышленность, сельское хозяйство и продовольственную безопасность. В исследовании определены ключевые тенденции в экономическом сотрудничестве, которые демонстрируют особенности текущей инвестиционной модели стран ССАГПЗ, где ключевую роль играют ОАЭ и Саудовская Аравия. Авторы пришли к выводу, что эти инвестиции устанавливают долгосрочные экономические связи между Ближним Востоком и Африкой. Так, страны-инвесторы используют инвестиционные механизмы для обеспечения доступа к стратегическим ресурсам, в частности реструктуризацию долгов принимающей стороны. Движимые экономическими интересами увеличения сбыта своей продукции, Саудовская Аравия и ОАЭ покупают порты для наращивания транспортно-логистического потенциала и конкуренции за формирование международных транспортных коридоров. Проблемы продовольственной безопасности формируют инвестиционные интересы стран GCC в сельскохозяйственном секторе плодородных земель Африки, таких как Судан и Эфиопия. Инвестиции в проекты возобновляемых источников энергии в Африке отражают интересы стран ССАГПЗ в тестировании и адаптации передовых технологий в условиях жаркого пустынного климата, что позволяет оценить их эффективность и потенциал масштабирования для дальнейшего внедрения в собственных национальных энергетических системах. Таким образом, исследование отвечает на вопрос, какие стратегические и экономические интересы реализуют страны ССАГПЗ с помощью стратегии экспансии инвестиций в странах Африки.

Ключевые слова: инвестиции, Совет сотрудничества стран Персидского залива, Африка, диверсификация экономики, инфраструктура, возобновляемые источники энергии, продовольственная безопасность

Вклад авторов. Сурков А.Н. — разработка структуры и содержания, проведение исследований, написание текста; Чиниев Ж.Б. — проведение исследований, подбор источников, редактирование текста.

Благодарности. Исследование выполнено в рамках проекта № 060509-0-000 системы грантовой поддержки РУДН.

Заявление о конфликте интересов. Авторы заявляют об отсутствии конфликта интересов.

История статьи: поступила в редакцию 20 декабря 2024 г.; доработана после рецензирования 10 февраля 2025 г.; принята к публикации 11 марта 2025 г.

Для цитирования: *Surkov A.N., Chiniev J.B.* Gulf cooperation council countries' investment strategies in Africa // Вестник Российского университета дружбы народов. Серия: Экономика. 2025. Т. 33. № 2. С. 243–257. https://doi.org/10.22363/2313-2329-2025-33-2-243-257

Introduction

Economic cooperation between the Gulf Cooperation Council (GCC) countries (Bahrain, Kuwait, Oman, Qatar, Saudi Arabia, and the United Arab Emirates (UAE)) and African countries highlights a growing interest in developing projects across Africa. This collaboration spans a wide range of sectors, including energy, agriculture, logistics and mining. The significance of the African direction for Gulf countries extends beyond economic considerations, reflecting their ambition to strengthen their economic and political influence on the world economy. Facing challenges related to economic diversification model, the GCC economies are increasingly turning to Africa as a source of critical resources, a market for exports, and a strategic partner.

At the same time, growing competition for African resources from countries such as China, the United States, and the European Union further enhances the region's appeal (Moyo, Jha, Yeros, 2019; Diarra, Girinsky, 2024). **This study aims** to explore the key aspects of the GCC countries investment strategies, including their impact on economic and social stability in Africa, as well as the mutual benefits arising from investment cooperation with Angola, Djibouti, DR Congo, Egypt, Ethiopia, Kenya, Morocco, Mozambique, Namibia, Sudan, Tanzania, Tunis, Uganda and Zambia.

Literature review

The position and role of the GCC states in international economic relations are increasingly becoming a subject of academic research. Despite extensive media coverage, there remains a lack of in-depth scholarly studies on the global economic implications of this transformation.

Non-hydrocarbon activities, inflation stabilization, and the importance of fiscal consolidation, economic diversification, and financial market stability in the face of geo-economic challenges have been widely highlighted at the level of the international Organization[1,2].

The development of the investment policies of GCC countries abroad is largely conditioned by the economic consequences of food and water shortages, as well as declining agricultural productivity and global competition for natural resources (Krylov, Fedorchenko, 2022). One key area of focus is the growing international investment activity of these states, particularly through sovereign wealth funds, state investment corporations, and government-controlled enterprises (Momani, Legrenzi, 2016). The investment of oil revenues by GCC states has evolved significantly, reflecting both domestic needs and international ambitions. These states have utilized their oil wealth to develop infrastructure, enhance education, and provide healthcare, while also redirecting funds towards foreign investments to gain geopolitical influence. This multifaceted approach is evident in n several key areas. Economic diversification efforts are underway, as seen in Kuwait's strategies to mitigate risks associated with oil price volatility (Alibrahim, 2024). Gulf states have increasingly invested in poorer regions, particularly in the Middle East and Africa, with significant financial flows aimed at securing political influence and economic returns (Krane, 2023).

South-South investment reflects the increasing financial and economic cooperation among developing countries, offering an alternative globalization model that challenges Western dominance. In this context, the expanding economic ties between the Gulf Cooperation Council countries and African countries exemplify this trend (Barrowclough, 2022).

[1] International Monetary Fund. Middle East and Central Asia Dept. (2024). Gulf Cooperation Council: Pursuing Visions Amid Geopolitical Turbulence Economic Prospects and Policy Challenges for the GCC Countries. Policy Papers, 2024. Retrieved February 23, 2025, from https://www.imf.org/en/Search#q=Gulf%20Cooperation%20Council%3A%20Pursuing%20Visions%20Amid%20Geopolitical%20Turbulence%20Economic%20Prospects%20and%20Policy%20Challenges%20for%20the%20GCC%20Countries&sort=relevancy

[2] International Monetary Fund. (2024). Regional economic outlook: Middle East and Central Asia, October 2024. IMF. Retrieved February 23, 2025, from https://www.imf.org/en/Publications/REO/MECA/Issues/2024/10/24/regional-economic-outlook-middle-east-central-asia-october-2024

However, the investments in Africa, particularly in natural resources, have raised concerns from the theoretical perspective of ecological imperialism and Ecologically Unequal Exchange (EUE) theory. Scholars argue that foreign investment regimes, rooted in Africa's colonial past, continue to reproduce a neocolonial structure in which African political and economic systems are subordinated to the needs of core economies (Frame, 2014; Dembele, 2023).

This framework suggests that GCC states' investment engagements in Africa may not only be driven by economic diversification but also by the broader logic of capital accumulation, where resource extraction serves external economic interests.

Research methods

The study employs a comprehensive methodological approach that integrates both qualitative and quantitative analysis. At its core, the research is based on a retrospective analysis of the economic interactions between the GCC states and African countries, allowing for the identification of key development trends. A comparative analysis of investment activity has been conducted, taking into account geographical and sectoral specificities. Additionally, an in-depth examination of specific investment projects has been utilized to reflect the unique characteristics of engagement across various economic sectors. As supplementary methods, the study incorporates secondary data analysis, including reports from international organizations, think tanks, and specialized research publications.

A retrospective of the economic relations between the GCC countries and Africa

The history of relations between the Gulf countries and African states spans several centuries. As early as the 4th century AD, Arab merchants established trade routes connecting the Arabian Peninsula and North Africa with West Africa. Evidence of these connections can be found in the medieval city-state of Great Zimbabwe, where archaeologists discovered Arab coins dating back to 900 AD (Baluga, 2005). Moreover, The Greater Horn of Africa, separated from the Arabian Peninsula by the Gulf of Aden and the Red Sea, has long been perceived by Arabs as a neighboring territory (Bataya, 2019).

Historically, the interest of the Gulf states in North Africa has been primarily linked to supporting Muslim charitable organizations, while in East Africa, their focus has been on acquiring or leasing agricultural land. The Gulf countries face significant challenges in ensuring food security due to the harsh climatic conditions of the Arabian Peninsula. For instance, in the largest Arab country in the Gulf by land area, the Kingdom of Saudi Arabia (KSA), only 2% of the land is suitable for agriculture. As a result, cooperation with African countries has historically been one of the first strategies to address food security concerns. Since 2000, KSA has officially abandoned its policy of "self-sufficiency" in several food products and has started leasing over 405,000 hectares of arable land in Sudan (Fig. 1) and 10,000 hectares in Mauritania. Additionally, since 2009, KSA has leased 10,000 hectares of land in Ethiopia. All of these land leases were signed at least for a 60-year period and are primarily used to cultivate wheat and grains for the Kingdom.

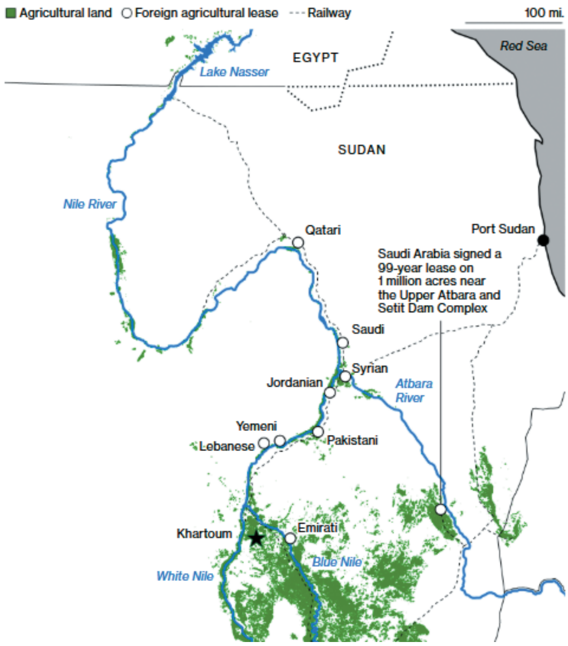

Figure 1. The locations of major foreign agricultural farms in Sudan, including GCC projects

Source: Schwartzstein P. One of Africa's most fertile lands is struggling to feed its own people. Bloomberg. Retrieved February 23, 2025, from URL: https://www.bloomberg.com/features/2019-sudan-nile-land-farming

If we consider the whole of Africa as a continent and a set of markets, then first of all fierce competition in the African market is for the emitted critically important metals: rare earths, materials with high electrical conductivity and other important components of the modern technological structure. And countries such as the United States, the EU, and China are the main buyers, investors, and holders of quotas for the exploration, production, and processing of these minerals. And China accounts for more than 80% of the world's production of rare earths (Kondratiev, 2023).

The growing interest in Africa from GCC countries is related to the need to increase the resource base for economic diversification and industrial development in Arab countries, and as a result, the UAE has become the fourth largest investor in infrastructure projects in Africa after China, Europe and the United States. From 2012 to 2022, the UAE invested more than $60 billion in African projects. Other major Arab investors among the Gulf states are Saudi Arabia, Qatar and Kuwait[3].

[3] Africa Horizons 2023/24. Knight Frank. Retrieved February 23, 2025, from https://www.knightfrank.com/publications/africa-horizons-202324-10427.aspx

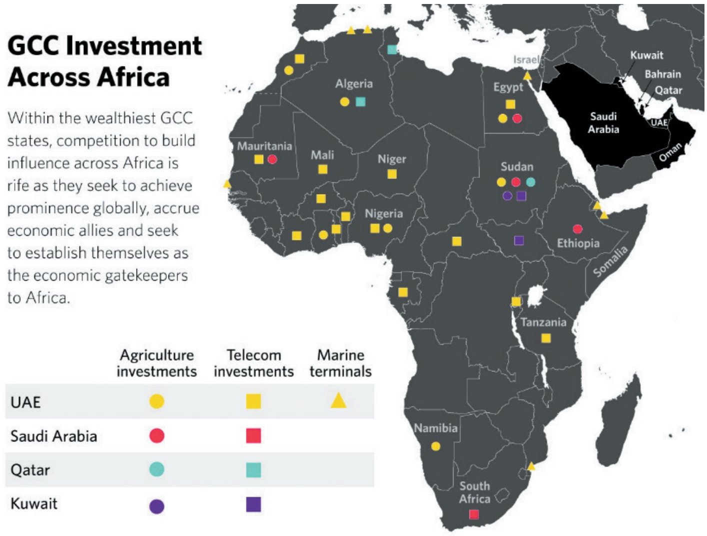

Figure 2. The map of GCC investment projects across Africa, 2018

Source: Why the GCC states think Africa is worth fighting over. Stratfor. Retrieved February 23, 2025, from URL: https://worldview.stratfor.com/article /why-gcc-states-think-africa-worth-fighting-over

It is also important for African countries that foreign investors do not just extract and sell resources, as the colonialists once did. They want to see investors who will participate in the national development of the country and invest in other important areas, such as agriculture, healthcare and energy. In November 2013, an Arab-African summit was organized in Kuwait to demonstrate interest in mutually beneficial cooperation, which was attended by representatives of 71 countries and institutions, 34 heads of State, seven vice Presidents and three Prime ministers. The summit was the largest of its kind and its purpose was to strengthen and coordinate cooperation on current and new Arab-African projects. Beyond investments and agreements with Arab countries in Africa — primarily Egypt, Sudan, Algeria, Tunisia, and Morocco — the Gulf states have also expanded their engagement with resource-rich African countries, such as South Africa, Zambia, Nigeria, and the Democratic Republic of the Congo[4] — and those with strategic geographic locations, such as Djibouti, Kenya, and Ethiopia.

Investment Landscape of the GCC States in Africa

In recent years, the GCC states have significantly increased their economic presence in Africa, and the inflow of foreign direct investment reached $100 billion over the period 2012–2022[5]. The main drivers of this process were the

[4] DR Congo to start new exploration for green metals: President. Al Mayadeen. Retrieved February 23, 2025, from https://english.almayadeen.net/news/environment/dr-congo-to-start-new-exploration-for-green-metals:-presiden

[5] Rising Gulf Investments in Africa Unlocking Opportunities and Navigating Challenges. Afreximbank Research. Retrieved February 23, 2025, from URL: https://www.afreximbank.com/reports/rising-gulf-investments-in-africa-unlocking-opportunities-and-navigating-challenges/

diversification of the Gulf economies, the pursuit of food security and the strengthening of geopolitical positions. As shown in Figure 3, in 2022, investments by the GCC, a regional intergovernmental political and economic union that includes Bahrain, Kuwait, Oman, Qatar, Saudi Arabia, and the UAE, exceeded \$35 billion in Africa in 2022. According to Knight Frank LLP, in 2024, the UAE will become the largest investor in African projects, with total investments exceeding \$59 billion[6].

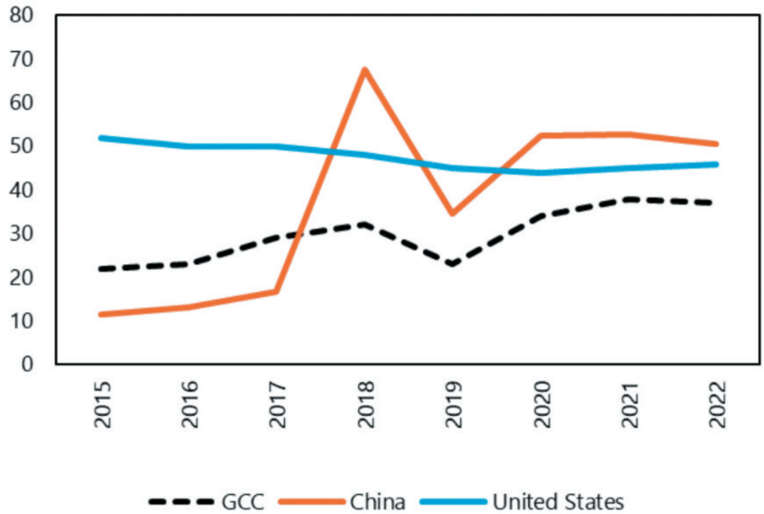

Figure 3. Dynamics of Africa's investments inflow from GCC, China and the US, 2015–2022, billion dollars

Source: Rising Gulf Investments in Africa Unlocking Opportunities and Navigating Challenges. Afreximbank Research. Retrieved February 23, 2025, from https://www.afreximbank.com/reports/rising-gulf-investments-in-africa-unlocking-opportunities-and-navigating-challenges/

The key sectors attracting Arab investment flows in Africa include mining, energy, infrastructure, and agriculture.

Mining Sector. One of the key sectors attracting Gulf investments is mining, which plays a vital role in securing critical raw materials for global industries, particularly in the development of "green" technologies (Andronova, Haabazoka, Kasonde, 2024). In 2023, the United Arab Emirates invested in the Mopani copper mine located in Zambia. Copper plays a crucial role in the production of a wide range of goods, particularly in supporting "green" technologies, such as electric motors and electrical equipment. International Resources Holding, a holding company backed by the Sheikh of Abu Dhabi, agreed to invest \$1.1 billion in the Mopani mine, which had been inactive and considered unprofitable since 2021[7]. However, with UAE investments, the mine is expected to resume operations and unlock its long-term potential. Furthermore, copper remains a critical resource,

[6] Knight Frank. Africa Horizons 2023/24. Retrieved February 23, 2025, from https://www.knightfrank.com/publications/africa-horizons-202324-10427.aspx

[7] Abu Dhabi's IRH to Invest \$1.1 Billion in Mopani Copper Mine. Bloomberg. Retrieved February 23, 2025, from https://www.bloomberg.com/news/articles/2023-12-22/abu-dhabi-s-irh-will-invest-1-1-billion-in-mopani-copper-deal

and the UAE is set to continue securing access to essential materials needed for economic diversification.

At the start of 2025, the Saudi and Zambian governments signed a memorandum of understanding on mutual cooperation in the development and exploration of new mineral deposits. As part of this agreement, the Saudi company Manara Minerals, a joint venture of Saudi Arabian Mining Company (Ma'aden) and Saudi Arabian State Investment Fund, has entered the advanced stages of acquiring a minority stake in First Quantum Minerals Ltd's copper-nickel assets, which is one of the leading mining companies in Zambia. The state will have a stake of 15 to 20% in the project, and the total investment will be around $2 billion[8]. This Saudi Arabian investment is a strategic move to acquire access to major mineral resources and is also a method through which to pay off existing debts incurred by First Quantum Minerals for unpaid customs duties. For First Quantum Minerals, this sale will be a chance to pay off existing debts and continue operating. On its own, Saudi Arabia views this investment as an important step towards diversifying its economy as well as gaining access to key minerals. It is also interesting to note that in December 2024, Saudi Arabia and Zambia agreed to re-schedule Zambia's debts, including $2.2 billion to France and $4.1 billion to China[9].

In December 2022, the Democratic Republic of Congo (DRC) awarded Abu Dhabi-based Primero Gold DRCSA a 25-year gold mining monopoly[10]. Under the terms of the deal, the Primera Group acquired a majority share and exclusive rights in the exportation of hand-made gold at a preferential rate of 0.25% tax. The company has also been awarded exclusive export rights for coltan, tin, tantalum, and tungsten at 3.5% above the above. Afterwards, gold exports from DRC to UAE increased 100-fold by 2023 to $208 million, accounting for 15% of DRC's total gold exports. The mission of DRC in enhancing relations with UAE is to address smuggling issues in the country's eastern regions, which have been heightened by militias since 2021 and slow the development of the mining sector in resource-abundant regions The UAE has also provided training and military equipment to the Congolese army in exchange for gaining access to the country's mineral resources[11].

Gulf countries are not merely short-term investors, but rather long-term stakeholders in Africa's mining sector, aligning their strategies with global trends in mineral demand. In addition, you can reverse the dual approach — economic

[8] Zambia and Saudi Arabia Sign Mou of Cooperation in Mineral Resources. Zambian observer. Retrieved February 23, 2025, from https://zambianobserver.com/zambia-and-saudi-arabia-sign-mou-of-cooperation-in-mineral-resources/

[9] Saudi Arabia to invest $500M in African development. AGBI. Retrieved February 23, 2025, from https://www.agbi.com/development/2023/11/saudi-arabia-to-invest-500m-in-african-development

[10] UAE-DRC 25-year gold deal 'monopoly, troubling; jeopardizes fairness'. Al Mayadeen. Retrieved February 23, 2025, from https://english.almayadeen.net/news/economics/uae-drc-25-year-gold-deal-a-monopoly-troubling-jeopardizes-f

[11] Congo to buy out UAE partner in gold venture as shipments slump. Bloomberg. Retrieved February 23, 2025, from https://www.bloomberg.com/news/articles/2024-06-12/congo-to-buy-out-uae-partner-in-gold-venture-as-shipments-slump

investment coupled with geopolitical and financial support — indicates a new model of foreign economic policy, where resource acquisition is paired with debt relief, infrastructure development, and security assistance. This deepening engagement points to the emergence of the Gulf-Africa economic corridor, where Africa's natural resources and the GCC' capital-rich economies create mutually beneficial trade and investment partnerships.

The energy sector. One of the most prominent sectors attracting GCC investment in Africa is energy, particularly renewable energy. Between 2019 and 2023, companies from the UAE announced plans to invest $110 billion in Africa, with approximately $72 billion allocated specifically for renewable energy projects[12]. For instance, Masdar (Abu Dhabi Future Energy Company) has been at the forefront of the UAE's renewable energy expansion in Africa. In 2023, Masdar signed agreements with three African countries (Angola, Uganda, and Zambia) to develop 5 GW of renewable energy capacity in total, with each project valued at over $10 billion[13].

In 2023, the Saudi company ACWA Power, the world's largest privately-owned desalination and green hydrogen company, signed an agreement to launch a major green hydrogen project in Tunisia. Green hydrogen refers to hydrogen produced using renewable energy sources. The project is set for gradual implementation until 2050 and includes the development of 12 GW of renewable energy capacity, storage systems, transmission lines, desalination plants, electrolyzers, and infrastructure to connect to the "South Corridor-2" — a hydrogen pipeline that will link Tunisia with Italy, Austria, and Germany. For Saudi Arabia, each phase of the project, along with the final completion of the hydrogen pipeline, serves as a strategic rehearsal for its own large-scale green hydrogen production initiative — NEOM Green Hydrogen, which is being developed in parallel with the Tunisian project.

In Morocco, GCC states are involved in the development of the 400 MW Noor Midelt solar power plant, a hybrid solar energy project that combines two energy generation technologies: concentrated solar power and photovoltaic systems[14]. The French company EDF Renewables won the tender for the project's implementation. Since 2017, EDF Renewables has been leading green energy projects in Egypt, Saudi Arabia, and the UAE. Meanwhile, the African Development Bank notes that the project is largely financed through grants from Qatar and Saudi Arabia[15]. For Saudi Arabia and Qatar, this project represents an opportunity to gain experience

[12] UAE is now largest investor in new African business projects. Sputnik. Retrieved February 23, 2025, from https://en.sputniknews.africa/20241225/uae-is-now-largest-investor-in-new-african-business-projects-meida-1069884893.html

[13] Masdar to Develop 5 GW of Renewable Energy Projects to Advance Africa's Clean Energy Objectives. Masder. Retrieved February 24, 2025, from https://masdar.ae/en/news/newsroom/masdar-to-develop-5-gw-of-renewable-energy-projects

[14] Masdar and EDF Group conclude shareholder agreement to establish energy services company. Masdar. Retrieved February 23, 2025, from https://masdar.ae/en/news/newsroom/masdar-and-edf-group-conclude-shareholder-agreement-to-establish-energy-services-company.

[15] Noor Midelt Solar Complex Project — Phase I: Project Appraisal Report. African Development Bank. Retrieved February 23, 2025, from https://www.afdb.org/en/documents/document/morocco-noor-midelt-solar-complex-project-phase-i-noorm-i-and-noorm-ii-solar-plants-appraisal-report-109576

and technological expertise in developing such hybrid energy systems. Additionally, it allows them to test the financial viability of the model without depleting their own valuable resources in the process.

Qatar is actively expanding its presence in Africa by developing joint projects in the conventional energy sector. Since 2019, QatarEnergy company has been developing two oil and gas fields in Namibia, holding more than a 30% stake in each joint venture. Additionally, in 2023, QatarEnergy acquired a 40% stake in an offshore development project in Mauritania, with 50% remaining with Shell and 10% held by Mauritania. QatarEnergy's key competitive advantage lies in its expertise in offshore gas extraction, as it operates the world's largest offshore gas field, North Field (North Dome), which is located in Qatar and developed by QatarEnergy.

The UAE is also investing in fossil fuels. In May, Abu Dhabi National Oil Company (ADNOC) acquired a 10% stake in the Rovuma gas basin in Mozambique, purchasing a portion of the concession from the Portuguese energy company Galp for approximately $650 million[16]. This concession is shared among several stakeholders: South Korea's Kogas (10%), Italy's Eni (50%), China's CNPC (20%), and the remaining share belongs to Mozambique's national oil company ENH[17]. Under the terms of the agreement, ADNOC secures a 10% stake in the Coral South plant — the world's second-largest and third-of-its-kind offshore LNG facility — as well as a stake in the Rovuma LNG terminal, which is part of Mozambique's broader LNG infrastructure. For both Mozambique and the UAE, this marks their first contract of this kind, highlighting a new phase of energy cooperation between the two countries.

Egypt also plays a key role in the energy strategy of GCC countries. In 2021, a project was announced to interconnect the electricity grids of Egypt and Saudi Arabia, involving the construction of high-capacity transmission lines aimed at transforming Egypt into a regional energy hub[18]. The project, valued at $1.8 billion, will be implemented within the framework of economic and political agreements between Egypt and Saudi Arabia. This initiative reflects a strategic effort to enhance energy distribution stability, laying the groundwork for expanded cooperation in the energy sector.

Despite their strong push for renewable energy, GCC states are simultaneously expanding their presence in Africa's fossil fuel sector, reflecting a balanced energy strategy that acknowledges the continued global demand for oil and gas. Gulf investors accelerate green energy projects, they are also locking in long-term fossil fuel contracts, ensuring their energy dominance through a diversified investment portfolio.

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Infrastructure. In 2023, the Emirati company Dubai Port World — one of the world's largest port operators — secured port concessions in Tanzania — port Dar es Salaam and the Democratic Republic of the Congo — Banana port[19]. These agreements, each spanning 30 years, aim to modernize port facilities and integrate them into DP World's existing global logistics network. Notably, 51% of the Dar es Salaam port company is owned by Rusatom Cargo, a subsidiary of Russia's state corporation Rosatom, which is involved in the development of container logistics under the Northern Sea Route project. This highlights broader international interest in Africa's logistics sector, positioning key ports as critical nodes for global trade expansion and supply chain optimization[20].

Saudi Arabia has been actively strengthening its economic and trade relations with Kenya, referring to the country as "the gateway to Africa." The Kingdom has been investing in port and trade cooperation since 2011, when the Saudi Fund for Development (SFD) approved a $61 million loan for the construction of a 146 km road between Nuno and Modogashe cities[21]. Moreover, Saudi Arabia is one of Kenya's main oil suppliers, but the global shift towards renewable energy sources has led to a focus on reducing pollution from fossil fuels. For more than eight years, Saudi Arabia has been implementing large-scale renewable energy projects and is an expert in developing these energy programs[22]. Since 2019, the Saudi Fund for Development has been investing in Kenya's infrastructure, and it also plays a role in the "Big Four" initiative, which focuses on food security, affordable housing, job creation in the manufacturing sector, and accessible healthcare for Kenya[23].

Mainly Saudi Arabia is also interested in a presence in Djibouti. So, in July 2024, Ajyal Petroleum and Energy Company, a subsidiary of Al Dossary Group, one of Saudi Arabia's largest construction conglomerates, began construction of a new oil refinery in Djibouti Damerjog International Park. This project is part of Saudi Logistics City, a 120,000-square-meter free economic zone within Djibouti's port, secured under a 92-year concession[24]. The Port Free Zone is envisioned as a key industrial and export platform, facilitating Saudi goods' distribution deeper into Africa. Djibouti itself holds significant potential as a port hub and is already integrated into China's

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Belt and Road Initiative as a transshipment center for Chinese goods. Additionally, Djibouti's strategic location near the Bab el-Mandeb Strait, a critical global maritime chokepoint connecting the Red Sea, the Gulf of Aden, and the Indian Ocean, enhances its importance for international trade and logistics. Saudi Arabia aims to leverage Djibouti's position to strengthen its penetration into African markets, further solidifying its role as a regional trade and logistics powerhouse.

All these projects support the idea of the Middle East/Africa corridor in their own way[25]. This is especially noticeable in comparison with the formation of the Chinese "Belt and Road Initiative" strategy, which, among other things, is aimed at developing countries with advantageous export opportunities.

Agricultural sector. Food security forms an important aspect of the economic policy of the Gulf Cooperation Council countries. As a result of the agricultural prospects of the area, Saudi Arabia and Al Qudra Agricultural of the United Arab Emirates have made significant investments in farm projects located in Kenya and South Africa, for the purpose of making regular food supplies available to the Gulf countries. UAE is now the largest investor in African projects, particularly environmentally friendly projects, following the drop in Western investments. UAE companies have invested declaration of $110 billion in Africa between 2019 and 2023, of which $72 billion was for sustainable agriculture technology and renewable energy technologies[26].

Over the past 10 years, Al Qudra Agricultural has been acquiring farmland in Sudan (see fig. 1), securing agricultural production for the UAE. By 2024, the company owns 136.8 million hectares of arable land, reinforcing its long-term strategy for stable food supply chains. These investments integrate sustainable farming technologies, enhancing Africa's agricultural productivity while contributing to improved food security across the continent.

Thus, traditional cooperation between GCC countries and Africa continues and is developing, taking into account trends in sustainable land use. This cooperation benefits everyone: GCC countries receive food, and African countries gain access to technologies that are not available on fertile land.

Conclusion

The investment strategy pursued by Gulf Cooperation Council countries in Africa is a multi-faceted program that aims to establish long-term benefits for both investors and African countries. By focusing on the priority economic sectors, GCC countries leverage their significant financial reserves and strategic partnerships to secure strategic assets, expand commercial footholds, and promote regional economic balance. The investment policy model is summarized in table.

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Investment Strategy Model of GCC Countries in Africa

Sector of outward investment	Economic interests of investors	Implementation mechanism
Mining industry	ensuring access to strategic metals and critical minerals	acquisition of assets, long-term contracts, debt restructuring in exchange for resources
Energy	development of renewable and traditional energy, ensuring energy security	investments in solar and hydrogen energy, oil and gas extraction, energy grid development
Infrastructure	control of key logistics hubs and ports to expand trade routes	acquisition of ports and economic zones, development of transport corridors, participation in logistics projects
Agriculture	ensuring food security and developing sustainable agriculture	purchase of farmland, implementation of agricultural technologies, development of food supply chains

Source: complied by A.N. Surkov.

In the view of African countries, cooperation with Arab counterparts holds out the prospect of speeding up the development of its strategic sectors of energy, agriculture, and transportation. In addition, the cooperation emphasizes technology transfer and human resource development that could be a decisive element in propel Africa's long-term growth as well as enhancing its future competitiveness.

Africa is not only a source of raw materials but also an emerging strategic economic partner for the GCC countries, with the promise of win-win relationships. Moreover, the GCC countries can serve as a model for diversifying oil revenues and investing them in promising economic sectors in Africa. This assertion is particularly applicable to oil-supplying countries like Nigeria, which is famed for having one of the largest economies in Africa and the most populous. The increasing involvement of the UAE and Saudi Arabia in the African mining sector is more than just the procurement of resources; it is a comprehensive strategy aimed at economic restructuring as well as enhancement of global hegemony. Through the establishment of long-term mining contracts and tying them to debt rescheduling programs, the Gulf states are placing themselves as key players in the global mineral supply chain, thus aiding in the stability of the region. Furthermore, African infrastructure development gives the states the ability to play a stronger role in this geopolitically significant region at the global stage.

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Bio notes / Сведения об авторах

Andrey N. Surkov, Phd student of International economic relations department, assistant of the Department of Regional Economics and Geography of the Faculty of Economics, RUDN University, 6 Miklukho-Maklaya st., Moscow, 117198, Russian Federation. ORCID: 0009-0002-5732-6581. SPIN-code: 1034-2608. E-mail: surkov_an@pfur.ru

Сурков Андрей Николаевич, ассистент кафедры региональной экономики и географии, аспирант кафедры международных экономических отношений, экономический факультет, Российский университет дружбы народов, Российская Федерация, 117198, Москва, Россия, ул. Миклухо-Маклая, д. 6. ORCID: 0009-0002-5732-6581. SPIN-код: 1034-2608. E-mail: surkov_an@pfur.ru

Jami B. Chiniev, Ph.D. in Economic Science, Economist, International monetary fund, Resident Representative Office of the IMF in the Republic of Tajikistan, 38 Rudaki Avenue, bldg. 1, Dushanbe, 734000, Tajikistan. ORCID: 0009-0002-8854-7555. SPIN-code: 6043-6061. E-mail: JChiniev@imf.org

Чиниев Джами Бадридинович, кандидат экономических наук, экономист, Постоянное Представительство МВФ в Республике Таджикистан, Таджикистан, Душанбе, 734000, Проспект Рудаки, д. 38/1. ORCID: 0009-0002-8854-7555. SPIN-код: 6043-6061. E-mail: JChiniev@imf.org