

The Euro-Gulf Monitor

16 - 23 September 2025

by Matthew Robinson

5 Top Points

1. **GCC defence cooperation:** Following the Gulf leaders meeting in Doha, they announced that the GCC Joint Defence Council would convene and take 'all measures' to activate the bloc's defence pact. The Council's Doha session (18 September) produced five pledges: shared intelligence and satellite data, an early-warning network, updated defence plans, joint military exercises, and mutual support, encapsulated in the promise that 'an attack on one is an attack on all.'
2. **Saudi-Pakistan defence pact:** Saudi Crown Prince Mohammed bin Salman signed a landmark 'Strategic Mutual Defence Agreement' with Pakistan. The deal formalises decades of military cooperation and effectively extends Pakistan's deterrent (as a nuclear-armed state) to Saudi Arabia.
3. **Qatar targets critical minerals:** the Qatar Investment Authority agreed a 500 million USD private placement for circa 4% of Canada's Ivanhoe Mines, backing copper supply for the energy transition and further diversifying QIA's portfolio beyond hydrocarbons.
4. **UAE economy accelerates:** The UAE Central Bank raised its growth outlook, forecasting GDP expansion of 4.9% in 2025. This revision reflects higher oil production and continued non-hydrocarbon growth.
5. **EU details sanctions proposals on Israel:** the European Commission proposed suspending parts of the EU-Israel free-trade agreement (affecting 5.8 billion EUR of Israeli exports) and sanctioning two far-right Israeli ministers along with violent settler leaders.

'Round and About the Gulf'

Kingdom of Bahrain

Tuesday, 16 September - Majid Al-Futtaim (Carrefour's regional franchisee) closed Bahrain's last Carrefour hypermarkets and announced they will be relaunched under its new HyperMax brand. The company said this decision was made in mid-September and that HyperMax stores (already launched in Kuwait, Oman and Jordan) will replace the existing Carrefour outlets.

Wednesday, 17 September - Bahrain Bourse listed new Government short-term Islamic Ijara Sukuk alongside a short-term Government Ijara-Murabaha Sukuk, issued by the Central Bank of Bahrain on the Kingdom's behalf. Listing notices were posted (17-18 September), adding tradable Islamic paper to the secondary market and supporting liquidity in Bahrain's sukuk segment.

State of Kuwait

Wednesday, 17 September - The Central Bank of Kuwait cut its discount rate by 25 bps to 3.75%, (effective 18 September), citing global conditions and the needs of the local economy. The move, in line with regional easing after the US Federal Reserve cut, aims to support credit conditions while maintaining the dinar's basket-peg framework.

Monday, 22 September - Oil Minister Tariq Al-Roumi said Kuwait's crude production capacity has reached 3.2 million bpd, the highest in over a decade. He added that actual output is set to edge higher from October in line with OPEC+ settings, as inventories fall below the five-year average and the market moves toward balance.

Sultanate of Oman

Wednesday, 17 September - Sultan Haitham bin Tariq ordered a major expansion of Oman's job-creation programme. The cabinet announced that the Tawteen employment platform's budget will double to 250 million USD. The move is intended to accelerate private-sector hiring of Omani nationals, by expanding the database of registered employers and job-seeking Omanis on the platform.

State of Qatar

Tuesday, 16 September - QatarEnergy signed an EPC contract with Samsung C&T to build the 2 GW Dukhan Solar Power Plant about 80 km west of Doha (one of the world's largest PV projects) scheduled in two phases to reach full capacity by mid-2029, materially lifting Qatar's renewable power on the grid.

Wednesday, 17 September - The Qatar Investment Authority (QIA) announced a 500 million USD investment in Ivanhoe Mines, a Canadian copper producer. Under the deal, QIA will acquire about 4% of Ivanhoe's shares, providing capital for Ivanhoe's critical-minerals projects in Africa. QIA's CEO said the investment supports the global transition to clean energy and advanced technologies.

Kingdom of Saudi Arabia

Wednesday, 17 September - Saudi Arabia signed a 'Strategic Mutual Defence Agreement' with Pakistan. In Riyadh, Crown Prince Mohammed bin Salman and Pakistan's Prime Minister Shehbaz Sharif signed the pact, declaring that any aggression against one country would be treated as aggression against both. The move cements a decades-old security partnership, effectively giving Saudi Arabia the protection of Pakistan's large military and nuclear deterrent.

United Arab Emirates

Thursday, 18 September - The UAE Central Bank projected 2025 economic growth at 4.9% (up from 4.4%). This revision reflects higher oil production (within OPEC+ quotas) and continued non-hydrocarbon growth (non-oil GDP was 77% of UAE output in Q1). The improved outlook follows a strong Q1 performance (3.9% year-on-year growth) in which manufacturing, finance, construction and real estate led non-oil growth.

Sunday, 21 September - Economy Minister Abdulla bin Touq Al Marri launched a national campaign branding the UAE 'the Startup Capital of the World'. He said the UAE aims to grow its company count from 1.2 million today to over two million by 2031, and to incubate 10 new 'unicorn' companies (high-value startups) in that period.

EU Corner

Further to the earlier indications the EU would do so, the European Commission President Ursula von der Leyen formally proposed sweeping measures against Israel's cabinet (17 September). These included suspending trade concessions for 5.8 billion EUR of Israeli exports and imposing EU

sanctions on two Israeli ministers (Itamar Ben-Gvir and Bezalel Smotrich) as well as extremist settler activists.

EU High Representative for Foreign Affairs, Kaja Kallas said most EU foreign ministers favoured moving 'quickly' on the Commission's new measures regarding Israel, with Council-level discussions slated for October. She reiterated the EU's priorities of immediate humanitarian access in Gaza, release of hostages, and progress toward a two-state solution, and noted limited time to resolve the Iran 'snapback' track while remaining open to diplomacy.

Key Official Visits & Contacts

Tuesday, 22 September (New York) - at the UN General Assembly, President Emmanuel Macron announced that France recognises the State of Palestine, urging an immediate ceasefire and a credible two-state path.

Wednesday, 17 September (Brussels) - Saudi Arabia's Minister of Economy and Planning Faisal bin Ibrahim held a series of high-level meetings with EU officials. In Brussels he met European Parliament Vice-President Pina Picierno, European Commissioner for the Mediterranean Dubravka Suica, and EU Special Representative for the Gulf Luigi Di Maio. He also met with European Commissioner for Economy and Productivity Valdis Dombrovskis (16 September), with the talks focused on strengthening Saudi-EU economic and investment ties, particularly in renewables and Visio 2030 projects, and deepening bilateral cooperation on trade and infrastructure.