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The Russia-Ukraine War and the Impact on the Persian Gulf States

Kristian Coates Ulrichsen

The Russia-Ukraine war has had a variable impact on security dynamics in the Persian Gulf region, encompassing Iran, the six members of the Gulf Cooperation Council (the “Arab Gulf” states—Bahrain, Kuwait, Oman, Qatar, Saudi Arabia, and the United Arab Emirates, or UAE), and Yemen, the seventh state on the Arabian Peninsula. Record or near-record oil and gas revenues have returned budgets in Arab Gulf states to surplus after years of deficits after oil prices crashed in 2014. Europe’s pivot away from Russian energy has restated the Arab Gulf states’ centrality in energy security considerations and lessened, for the moment at least, pressures that had been building before 2022 around climate action and the energy transition. Conversely, it has become more difficult for Arab Gulf states to balance international relationships in an era of growing great-power competition and strategic rivalry, while Iran’s supply of drones to Russia has awakened concerns about their potential use on battlefields closer to home.

This essay has three sections. It begins with an overview of regional reactions to the Russian invasion of Ukraine and the first year of the war. Political responses were far from uniform and largely ran along existing fault lines rooted in different calculations of strategic, security, and defense interests. A second section examines how the Russia-Ukraine war has changed the ways that states in the Persian Gulf and Arabian Peninsula view questions of regional interest. Here, again, there is no regionwide consensus, and one impact of the conflict has been to reinforce divergent policy trajectories. The essay ends with a final section that looks ahead to assess how the war may affect perceptions of (in)security and conflict in key regional states moving forward.

Diverging Reactions

The Russia-Ukraine war has exacerbated economic divisions within the Middle East and widened the already-significant gaps between energy-rich and energy-poor states in the region. Prior to Russia’s full-scale invasion of Ukraine in February 2022, numerous states were heavily reliant on

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agricultural imports from Russia and/or Ukraine. These included Sudan, Lebanon, Yemen, Libya, and Syria, all countries whose resilience had been weakened by internal conflict (and exacerbated by regional geopolitical competition) in the decade that followed the Arab Spring upheaval of 2011.¹ Higher food and commodity prices placed significant strain on societies, which faced cost-of-living increases, and on governments, which struggled to meet the rising cost of imports eating into foreign reserves and piling pressure on currencies.² In addition to the abovementioned conflict-afflicted states, Egypt and Turkey have also faced severe economic pressures arising from the disruptive impact of the war in Ukraine.³

In the Persian Gulf and Arabian Peninsula subregion of the Middle East, the Russia-Ukraine war began against the backdrop of four contextual factors. The first was the recent conclusion of the longest and deepest fracture ever seen in intra-Arab Gulf politics, as Saudi Arabia, Bahrain, the UAE, and Egypt placed Qatar under political and economic blockade from June 2017 until January 2021 on the pretext that Qatar was too close to Iran and supported extremist groups in the region, allegations Doha denied and that were never substantiated.⁴ The second was the impact of the chaotic U.S. withdrawal from Afghanistan in August 2021, which served to reinforce perceptions in several Arab Gulf capitals of the apparent unreliability of the United States as a security partner.⁵ The third was the ongoing Saudi-led military intervention in Yemen against the Houthis, which entered its seventh year in 2022.⁶ The fourth was the breakdown in talks

¹ Caitlin Walsh, “The Impact of Russia’s Invasion of Ukraine in the Middle East and North Africa,” testimony before the House Foreign Affairs Middle East, North Africa, and Global Counterterrorism Subcommittee, May 18, 2022 ~ <https://www.csis.org/analysis/impact-russias-invasion-ukraine-middle-east-and-north-africa>.

² Jihad Azour, Jeta Menkulasi, and Rodrigo Garcia-Verdu, “Middle East and North Africa’s Commodity Importers Hit by Higher Prices,” International Monetary Fund, IMF Blog, May 24, 2022 ~ <https://www.imf.org/en/Blogs/Articles/2022/05/24/blog-mena-commodity-importers-hit-by-higher-prices>.

³ Michaël Tanchum, “The Russia-Ukraine War Has Turned Egypt’s Food Crisis into an Existential Threat to the Economy,” Middle East Institute, March 3, 2022 ~ <https://www.mei.edu/publications/russia-ukraine-war-has-turned-egypts-food-crisis-existential-threat-economy>; and M. Murat Kubilay, “The Ukraine War Has Upended Turkey’s Plans to Stabilize the Economy,” Middle East Institute, March 23, 2022 ~ <https://www.mei.edu/publications/ukraine-war-has-upended-turkeys-plans-stabilize-economy>.

⁴ Patrick Theros and Dania Thafer, “What the Al-Ula Summit Has (and Has Not) Accomplished,” Gulf International Forum, January 11, 2021 ~ <https://gulfiif.org/what-the-al-ula-gcc-summit-has-and-has-not-accomplished>.

⁵ Mohammad Barhouma, “The Reverberation of the American Withdrawal from Afghanistan in the Arabian Gulf,” Carnegie Endowment for International Peace, September 17, 2021 ~ <https://carnegieendowment.org/sada/85367>.

⁶ Aziz El Yaakoubi, “How to End a War You Didn’t Win’: Yemen’s Houthi Seek Saudi Concessions,” Reuters, March 19, 2021 ~ <https://www.reuters.com/article/us-yemen-security-usa/how-to-end-a-war-you-didnt-win-yemens-houthi-seek-saudi-concessions-idUSKBN2BB1NF>.

between Iranian and P5+1 negotiators to revive the Joint Comprehensive Plan of Action (JCPOA) following the Trump administration's unilateral withdrawal in 2018 and Iran's subsequent decision to end compliance with key terms of the agreement it had signed in 2015.⁷

At a macro level, an immediate impact of the buildup to and aftermath of the Russian invasion of Ukraine was a sustained rise in oil and gas prices that returned budgets in Arab Gulf states to surplus in 2022 after years of deficits. This was especially the case in the four major energy producers—Saudi Arabia, Kuwait, the UAE (oil), and Qatar (gas)—but high prices throughout 2022 also provided relief from what had been mounting fiscal pressures on the far smaller producers of Oman and Bahrain as well.⁸ For Saudi Arabia, the primarily Western-led attempt to isolate Russia had the practical effect of ending Mohammed bin Salman's own diplomatic isolation after fallout from the 2018 assassination of Saudi columnist Jamal Khashoggi. The U.S. intelligence community assessed that the crown prince and de facto leader of Saudi Arabia had approved the operation to capture or kill Khashoggi, and President Joe Biden had taken office determined to deal only with his father, King Salman.⁹ However, in July 2022, Biden met Mohammed bin Salman in Jeddah in an attempt to secure an increase in oil production to bring prices down, and multiple European leaders also engaged directly with the crown prince for the same reason.¹⁰

Arab Gulf states' stances toward the February 2022 invasion fell along a spectrum that ranged from Qatar aligning most with Ukraine (and the United States' position on the war) and Saudi Arabia, Bahrain, and the UAE leaning more closely toward Russia, with Kuwait and Oman falling in between. These three "blocs" mirrored those that emerged during the Qatar blockade and suggest that, for the Qatari leadership, the sight of a larger power threatening and ultimately invading a far smaller neighbor

⁷ Riccardo Alcaro, "Four Scenarios for the Iran Nuclear Deal," Istituto Affari Internazionali (IAI), IAI Commentaries, November 29, 2021 ~ <https://www.iai.it/en/publicazioni/four-scenarios-iran-nuclear-deal>.

⁸ Li-Chen Sim, "The Gulf States: Beneficiaries of the Russia-Europe Energy War?" Middle East Institute, January 12, 2023 ~ <https://www.mei.edu/publications/gulf-states-beneficiaries-russia-europe-energy-war>.

⁹ Office of the Director of National Intelligence, "[Redacted] Assessing the Saudi Government's Role in the Killing of Jamal Khashoggi," February 11, 2021 ~ <https://www.dni.gov/files/ODNI/documents/assessments/Assessment-Saudi-Gov-Role-in-JK-Death-20210226v2.pdf>; and Natasha Turak, "Biden's Snub of Saudi Crown Prince Mohammed bin Salman Is a 'Warning' Signaling a Relationship Downgrade," CNBC, February 17, 2021 ~ <https://www.cnbc.com/2021/02/17/bidens-snub-of-saudi-crown-prince-mohammed-bin-salman-is-a-warning.html>.

¹⁰ Emile Hokayem, "Fraught Relations: Saudi Ambition and American Anger," *Survival* 64, no. 6 (2022): 7–22.

had deep resonance. Kuwaiti officials were also vocal in calling out the invasion, prompted by their own memories of occupation by Iraq in 1990 and their liberation by a multinational coalition led by the United States in 1991.¹¹ In contrast, Mohammed bin Salman and his Emirati counterpart, President Sheikh Mohammed bin Zayed Al Nahyan, maintained regular contact with Russian president Vladimir Putin and adopted policies, within OPEC+ and by providing a haven for Russian capital flight from Europe, that were seen by many to favor the Russian position and undermine Western-led pressure.¹²

Evolving Considerations

A little more than six months separated the fall of Kabul to resurgent Taliban forces on August 15, 2021, and Russia's full-scale invasion of Ukraine on February 24, 2022. The Biden administration's close coordination of policy (and intelligence) with allies and partners should have come as a relief to Arab Gulf states after their concern at the manner of the U.S. departure from Afghanistan. Leaders in regional capitals had, for different reasons, begun to question the reliability of the United States as a long-term security partner during the Obama and Trump years and now also the Biden administration. However, their policy responses to the newfound uncertainty over U.S. "staying power" in the Middle East differed markedly and have affected their decision-making vis-à-vis the Russia-Ukraine war.

The leadership in Qatar was shocked by Donald Trump's initial backing of the Saudi- and Emirati-led blockade in June 2017. Its response was to invest heavily in repairing and strengthening the bilateral relationship with the United States at every level. Policymakers in Doha worked with U.S. officials to facilitate the withdrawal from Afghanistan, and in January 2022 Biden designated Qatar a "major non-NATO ally."¹³ For Saudi

¹¹ Kristian Coates Ulrichsen, "What the Russian Invasion of Ukraine Means for Small States," *Doha News*, March 12, 2022 ~ <https://dohanews.co/what-the-russian-invasion-of-ukraine-means-for-small-states>.

¹² OPEC+ is a coalition of the thirteen members of the Organization of Petroleum Exporting Countries (OPEC) and eleven non-OPEC oil-exporting states (including Russia). Summer Said et al., "Saudi Arabia Defied U.S. Warnings Ahead of OPEC+ Production Cut," *Wall Street Journal*, October 11, 2022 ~ <https://www.wsj.com/articles/saudi-arabia-defied-u-s-warnings-ahead-of-opec-production-cut-11665504230>; and Sam Fleming et al., "West Presses UAE to Clamp Down on Suspected Russia Sanctions Busting," *Financial Times*, March 1, 2023 ~ <https://www.ft.com/content/fca1878e-9198-4500-b888-24b17043c507>.

¹³ R. Clarke Cooper, "As Qatar Becomes a Non-NATO Ally, Greater Responsibility Conveys with the Status," Atlantic Council, March 3, 2022 ~ <https://www.atlanticcouncil.org/blogs/menasource/as-qatar-becomes-a-non-nato-ally-greater-responsibility-conveys-with-the-status>.

Arabia and the UAE, their moment of reckoning came in 2019 when the Trump administration chose not to respond to attacks on maritime and energy targets in the two countries that many attributed, though without conclusive proof, to Iran or Iranian-linked groups.¹⁴ However, the response in Riyadh and Abu Dhabi was not to redouble ties with the United States, as Doha had done, but to diversify their defense and security relationships to avoid over-reliance on any one partner. This diversification has included building closer ties with China and Russia, including technology transfers and coordination in the production of arms such as drones.¹⁵

Notwithstanding the spectrum of views described above, it is notable that none of the Arab Gulf states, even Qatar with its closer U.S. alignment, have formally picked sides in the Russia-Ukraine war. As with much of the global South, it has become clear that states across the Middle East do not feel that Ukraine is “their war” and do not share the view of many in Washington and European capitals that the collective defense of Ukraine is “an international order defining event, a generational moment in which international alliances and norms are being reshaped.”¹⁶ Arab Gulf leaders have refused to get drawn into the era of great-power competition and strategic rivalry; unlike the Iraqi invasion of Kuwait, this is not an issue that is deemed to pose a direct threat to their political or security interests. Instead, when they have engaged, they have done so in pursuit of narrow and carefully defined objectives.

Instances of Arab Gulf states’ engagement with Russia and Ukraine since February 2022 underscore how officials in those states are acting to project (and protect) their own interests first and foremost in ways that sometimes belie their often-described role as integral U.S. security partners in the Middle East. Qatar and Russia, together with Iran, are members of the Gas Exporting Countries Forum, which held a leaders’ summit in Doha in February 2022, just two days before Russian forces invaded Ukraine.¹⁷

¹⁴ Steve Holland and Rania El-Gamal, “Trump Says He Does Not Want War after Attack on Saudi Oil Facilities,” Reuters, September 16, 2019 ~ <https://www.reuters.com/article/us-saudi-aramco/trump-says-he-does-not-want-war-after-attack-on-saudi-oil-facilities-idUSKBN1W10X8>.

¹⁵ Gordon Lubold and Warren Strobel, “Secret Chinese Port Project in Persian Gulf Rattles U.S. Relations with U.A.E.,” *Wall Street Journal*, November 19, 2021 ~ <https://www.wsj.com/articles/us-china-uae-military-11637274224>; and Agnes Helou, “Chinese and Saudi Firms Create Joint Venture to Make Military Drones in the Kingdom,” *Defense News*, March 9, 2022 ~ <https://www.defensenews.com/unmanned/2022/03/09/chinese-and-saudi-firms-create-joint-venture-to-make-military-drones-in-the-kingdom>.

¹⁶ Marc Lynch, “Saudi Oil Cuts and American International Order,” Abu Aardvark’s MENA Academy, October 9, 2022 ~ <https://abuaardvark.substack.com/p/saudi-oil-cuts-and-american-international>.

¹⁷ Qatar, moreover, hosts the headquarters of the Gas Exporting Countries Forum. See Gas Exporting Countries Forum, “Contact Us” ~ <https://www.gecf.org/contact.aspx>.

At the meeting, Qatari officials committed to working with all partners to maintain balance in global gas markets, an issue that the Qatari emir, Sheikh Tamim bin Hamad Al Thani, had discussed with President Biden.¹⁸ Qatari and Russian officials also engaged in dialogue on issue-specific areas of mutual interest, notably Iran, to minimize any fallout or cycle of escalation after the Vienna negotiations to revive the JCPOA initially stalled and then later broke down altogether.¹⁹

Saudi and Emirati officials have also engaged in the Russia-Ukraine war in specific and limited ways to advance their own perceived interests. Saudi coordination with Russia of oil output levels within OPEC+ caused backlash in the United States but was designed with considerations of regime security in mind, as the kingdom remains reliant on higher oil prices and revenues to fund its Vision 2030 and related “giga-projects.”²⁰ Mohammed bin Salman and Mohammed bin Zayed additionally claimed credit for mediating several prisoner swaps involving Russia, Ukraine, and the United States, which gave substance to their claims that maintaining ties and balancing relationships with all parties can and do produce tangible outcomes.²¹ Their involvement in mediation and in balancing diplomatic relationships is another indication that the role of the Arab Gulf states in the multipolar environment of the 2020s will be quite distinct from the Cold War era. Although then these states were part of the non-Communist bloc, they now have far greater agency as “middle” and regional powers in economic, political, and energy affairs.

Looking Ahead

Moving forward, there are several key takeaways from the first year of the Russia-Ukraine war that resonate with political leaders and security considerations in the Middle East. The first is the speed with which Russian

¹⁸ Colm Quinn, “Biden Hosts Qatari Leader to Talk Gas Supplies, Afghanistan,” *Foreign Policy*, Morning Brief, January 31, 2022 ~ <https://foreignpolicy.com/2022/01/31/qatar-white-house-ukraine-gas-afghanistan>.

¹⁹ Annmarie Hordern, “Qatar’s Foreign Minister to Visit Moscow over Iran, Ukraine,” Bloomberg, March 12, 2022 ~ <https://www.bloomberg.com/news/articles/2022-03-13/qatar-s-foreign-minister-to-visit-moscow-over-iran-ukraine>; and Hanna Notte, “Don’t Expect Any More Russian Help on the Iran Nuclear Deal,” War on the Rocks, November 3, 2022 ~ <https://warontherocks.com/2022/11/dont-expect-any-more-russian-help-on-the-iran-nuclear-deal>.

²⁰ Summer Said and Dion Nissenbaum, “Before OPEC+ Production Cut, Saudis Heard Objections from a Top Ally, the U.A.E.,” *Wall Street Journal*, November 1, 2022 ~ <https://www.wsj.com/articles/before-opec-production-cut-saudis-heard-objections-from-a-top-ally-the-u-a-e-11667335415>.

²¹ Bennett Neuhoff, “Saudi Prisoner Diplomacy During the Ukraine War,” Washington Institute, December 20, 2022 ~ <https://www.washingtoninstitute.org/policy-analysis/saudi-prisoner-diplomacy-during-ukraine-war>.

business elites and Russian capital were targeted by Western sanctions, including in jurisdictions, such as the United Kingdom, which hitherto had embraced them.²² London has long been a haven for investors and sovereign wealth funds from the Middle East, due in part to its historical links with the region, and the rapid targeting of sanctions against Russia has raised awareness of the possibility that the same measures directed against Russia could conceivably be used against Middle Eastern investors in the future. Although this is not (yet) deemed a critical or imminent threat to economic resilience and business interests, it is a trend that decision-makers in regional capitals are watching.

A second takeaway that is being followed closely by regional leaders is that the security relationship between Iran and Russia warrants observation, especially any sign that it may lead to a deeper strategic agreement or military partnership.²³ Iran's transfer of armed drones to Russia and their use on the battlefield against civilian and military targets in Ukraine, including infrastructure, have caused alarm in Arab Gulf circles. Memories are still raw over the precision missile and drone strikes against Saudi oil infrastructure in September 2019 that temporarily knocked out half the kingdom's oil production and were likely backed by Iran. The possibility that Iranian-made weapons systems may gain operational and combat experience and/or technical and financial expertise from the Russian arms sector is an issue under close review in the region. Already, one effect of the closer Russia-Iran security partnership is the reactivation of a working group on defense cooperation between the United States and the Gulf Cooperation Council that began during the Obama administration but fell into abeyance during the Trump presidency. Officials from the United States and Arab Gulf states met in Riyadh in February 2023, and while the working group does not signify any "picking sides" over the Russia-Ukraine war, it does illustrate how a secondary impact of the war is being tracked.²⁴

The final takeaway is that while it may become more difficult to balance competing relationships in a more polarized world, states in the Middle East will resist any pressure to throw their support decisively

²² Max Colchester and Alistair MacDonald, "Sanctions Threaten U.K.'s Position as Playground for Russian Oligarchs," *Wall Street Journal*, February 23, 2022 \approx <https://www.wsj.com/articles/sanctions-threaten-u-k-s-position-as-playground-for-russian-oligarchs-11645623038>.

²³ Dion Nissenbaum and Warren Strobel, "Moscow, Tehran Advance Plans for Iranian-Designed Drone Facility in Russia," *Wall Street Journal*, February 5, 2023 \approx <https://www.wsj.com/articles/moscow-tehran-advance-plans-for-iranian-designed-drone-facility-in-russia-11675609087>.

²⁴ Barak Ravid, "Senior U.S. Delegation in Saudi Arabia for Talks with GCC," *Axios*, February 15, 2023 \approx <https://www.axios.com/2023/02/15/senior-us-delegation-saudi-arabia-talks-gcc-iran>.

behind any one side and will continue to project their own interests if and when they do engage in international affairs. Ties with long-established security and defense partners, such as the United States, will continue along issue-specific and transactional lines but may not be regarded as exclusive of developing other relationships. Leaders in the Middle East do not regard geopolitical rivalry involving Russia, China, or the United States to be in their interest and will seek to stay out of any confrontation that may occur and minimize the regional overspill. To the extent that any global uncertainty is likely to keep oil prices at elevated levels, the region's energy producers will accrue economic leverage and reinforce their self-perception as influential middle powers. ◆