

Will Trump's Visit to the Gulf Be More than Just Fanfare?

by Clemens Chay

US president Donald Trump's choice of Saudi Arabia, the United Arab Emirates (UAE) and Qatar as his preferred destinations early in his second term is a testament to their importance to his administration's foreign policy. Mirroring his first foreign visit to Saudi Arabia in his first term, Trump's travel plans since his return to the Oval Office have only been slightly altered by the death of Pope Francis, and have extended to two other neighbouring Gulf Cooperation Council (GCC) countries.

The ability of Gulf leaderships to deal with Trump hinges on two aspects: first, the personalist rule in the Gulf monarchies which resonates with how Trump wields power; and second, the willingness to employ economic statecraft to navigate the president's "America First" trade policy¹ – even to the extent of appealing to Trump's

vanity. By extension, these traits translate into an apparent policy edge when it comes to bargaining, particularly when GCC diplomacy in various theatres has been conducted in line with America's interest. Yet, the need for regional stability to pursue economic agendas at home means that discussions on conflict management, or the lack thereof, will likely surface when Air Force One lands in the region.

Dangling the economic carrot (with caveats)

Deals have already been streaming in anticipation of Trump's visit to the region, even with GCC countries that are not part of his Middle East trip. Trump Organization, the family company, struck an agreement with government-owned Qatari Diar on 30 April on a luxury golf resort project, which will also involve Saudi real estate developer Dar Global.² Such an arrangement is a

¹ White House, *America First Trade Policy Memorandum*, 20 January 2025, <https://www.whitehouse.gov/presidential-actions/2025/01/america-first-trade-policy>.

² Nassima Babassa, "Qatari Diar, Dar Global Partner to Launch Trump-branded Golf and

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clear reversal of Trump's pledge during his first term to forswear foreign deals, particularly those including foreign governments.³ Family business aside, the president will claim a win for US manufactured goods, if Doha's purchase of Boeing widebody jets⁴ is finalised. Elsewhere, Kuwait looks set to land Patriot missile systems equipment and support services, following approval by the US State Department.⁵ In the global order reeling from the protective tariffs enacted by Trump, these deals are aimed at pandering to POTUS' baser instincts – "addressing unfair and unbalanced trade", as stated in the White House Memorandum.⁶

To be clear, the new US tariff policy will not upend relations with the Gulf countries, although currying favour with Trump will help strengthen their negotiating position. As noted by economists, the United States is not a major export market for the GCC.⁷ While

international capital is withdrawn from American assets, Gulf investors are reportedly "piling [...] into the US hydrocarbon sector", and there is also a proliferation of joint ventures between US oil majors and Gulf national oil companies that will provide "useful insulation from US policy volatility".⁸ Nonetheless, the 10 per cent baseline tariff confronted by Gulf countries, while low in relative terms, may produce an "inflationary spillover" and has already led to the tumbling of the region's stock markets.⁹

Thus, any meeting with POTUS will involve some form of barter and, with oil prices experiencing the largest monthly drop since 2021,¹⁰ Gulf states will be hoping to mitigate any sustained price decline in order to balance their books amid recession fears.¹¹

Expectations from the biggest movers

Arguably, the biggest Gulf movers – as far as Washington is concerned – are Saudi Arabia and the UAE. Prior

Villa Project in Qatar", in *Doha News*, 30 April 2025, <https://dohanews.co/?p=194945>.

³ Josh Dawsey and Darren Samuelsohn, "Trump Drops 'No New Deals' Pledge", in *Politico*, 11 January 2017, <https://www.politico.com/story/2017/01/trump-business-ties-conflicts-233468>.

⁴ "Qatar Airways Set to Order about 100 Widebody Jets from Boeing, Bloomberg News Reports", in *Reuters*, 6 May 2025, <https://www.reuters.com/business/aerospace-defense/qatar-airways-set-order-about-100-widebody-jets-boeing-bloomberg-news-reports-2025-05-06>.

⁵ "US Approves \$425 Million Patriot Equipment and Support Sale to Kuwait, Pentagon Says", in *Reuters*, 1 May 2025, <https://www.reuters.com/world/us-approves-425-million-patriot-equipment-support-sale-kuwait-pentagon-says-2025-05-01>.

⁶ White House, *America First Trade Policy*, cit.

⁷ Natasha Turak, "The Oil-Rich Gulf States Are Better-Positioned to Weather the Tariff Storm – But Crashing Crude Prices Could Spell Trouble",

in *CNBC*, 9 April 2025, <https://www.cnn.com/2025/04/09/oil-rich-gulf-states-face-both-advantages-and-trouble-as-tariffs-hit.html>.

⁸ Jim Krane, "US Policy and Gulf Arab Interests: More Clash, Less Harmony", in *ACW Policy Analyses*, 6 May 2025, <https://arabcenterdc.org/?p=30282>.

⁹ Robert Mogielnicki, "Gulf Economies and the Tariff Storm", in *AGSIW Blog*, 21 April 2025, <https://wp.me/p9W40X-d7C>.

¹⁰ Nicole Jao, "Oil Settles Lower, Posts Steepest Monthly Decline since 2021", in *Reuters*, 30 April 2025, <https://www.reuters.com/markets/commodities/oil-prices-fall-trade-war-concerns-dampen-demand-outlook-2025-04-30>.

¹¹ Spencer Kimball, "U.S. Crude Oil Closes below \$60 per Barrel as Selloff Continues on Fears of Full-Blown Trade War", in *NBC*, 8 April 2025, <https://www.nbcdfw.com/news/3811302>.

to the last US presidential elections, UAE president Mohammed bin Zayed met with tech CEOs on the sidelines of the UN Summit of the Future. His iteration of Abu Dhabi's commitment to artificial intelligence (AI) was swiftly followed by the announcements of a key engineering centre launched by Microsoft and approval of BlackRock's commercial licence to operate – all in the Emirati capital. But what made the headlines was the White House visit in March by UAE national security advisor, Tahnoon bin Zayed, accompanied by a kicker: a 10-year, 1.4 trillion US dollars investment framework in AI infrastructure, semiconductors, energy, and US manufacturing. The UAE is expected to sustain this momentum to reach the targets of its own National AI Strategy.¹²

Saudi Arabia is expected to match similar levels of investments in the US economy, after the kingdom's 600 billion US dollars pledge earlier in January during a call between Crown Prince Mohammed bin Salman and Trump. Riyadh's own AI ambitions are reflected by its 33 existing data centres and 42 more facilities underway.¹³

¹² UAE, *UAE National Strategy for Artificial Intelligence 2031*, 2018, <https://u.ae/en/about-the-uae/strategies-initiatives-and-awards/strategies-plans-and-visions/government-services-and-digital-transformation/uae-strategy-for-artificial-intelligence>.

¹³ "Saudi Arabia Colocation Data Center Portfolio Analysis Report 2025: White-Floor Space, IT Load Capacity, Retail Pricing, Wholesale Pricing, Key Locations 2024-2028", in *Globe Newswire*, 19 March 2025, <https://www.globenewswire.com/news-release/2025/03/19/3045631/0/en/Saudi-Arabia-Colocation-Data-Center-Portfolio-Analysis-Report-2025-White-Floor-Space-IT-Load-Capacity-Retail-Pricing-Wholesale-Pricing-Key-Locations-2024-2028.html>.

Coupled with the Public Investment Fund's (PIF) – the kingdom's sovereign wealth fund – raised ownership in US equities (up to 26.7 billion US dollars in Q3 2024),¹⁴ the expanded Saudi presence in the US tech sector (with investments in Lucid Group, Uber, and Electronic Arts) echoes the recent remarks by the Saudi investment minister, Khalid Al-Falih that "there's really no true competitor to the U.S." in innovation and financial markets.¹⁵

Beyond the hype, however, US interlocutors highlight that the Gulf states will have to confront the "strategic choice" of choosing between the US and China in sectors deemed areas of national security (such as tech), where so far, the GCC states have tried to hedge their bets.

Regional stability in sight

Behind the string of deals lined up for Trump's visit lies the deep concern among Gulf states for regional stability. The US president is due to meet the heads of state of all six GCC countries in the Saudi capital. While arms transactions have been a major feature in US-Gulf relations – with a 3.5 billion US dollars missile sale to Riyadh arranged¹⁶ – Gulf leaders will look to

¹⁴ "A Look at PIF's US Holdings in Q3 2024", in *Argaam*, 14 November 2024, <https://www.argaam.com/en/article/articledetail/id/1769576>.

¹⁵ "Saudi Investment Minister: US Unmatched in Innovation, Financial Markets", in *Zawya*, 7 May 2025, <https://www.zawya.com/en/business/investment/saudi-investment-minister-us-unmatched-in-innovation-financial-markets-efvilzhg>.

¹⁶ Jon Gambrell, "US Gives Initial Approval for \$3.5 Billion Missile Sale to Saudi Arabia before Trump's Planned Visit", in *AP News*, 3 May 2025, <https://apnews.com/>

make good on Trump's promise to deliver peace in the Middle East.

Not only has the geopolitical landscape shifted since Trump's first term, the Gulf states have also improved their own diplomatic standing. Serving as intermediaries in various conflict theatres, they have both drawn global attention and signalled their usefulness to Washington: Qatar as mediator in the Israel-Hamas war, Saudi Arabia as facilitator of Russia-Ukraine talks, and more recently, the UAE by helping to negotiate the release of 410 prisoners of war with Moscow and Kyiv, on top of its quiet mediation between Israel and Syria to reduce tensions.

Two regional files will likely be raised during US-GCC meetings. First, the direction of ongoing US-Iran talks, which affects Tehran's nuclear programme and in turn implicates interactions with its Gulf Arab neighbours. Unlike in Trump's first term when Gulf leaders supported the US withdrawal from the Iran nuclear deal, they will now hope for some limits placed on Tehran's pathway to a nuclear weapon but, simultaneously, some breathing space – financial or otherwise – for the Islamic Republic. The GCC countries have, for several years, engaged in rapprochement with Iran, which has reaped benefits – the most important of which is avoiding the crosshairs of proxies.¹⁷ Trump's threat of military action in the absence of a deal, compounded by his provocative plans to rename the Persian Gulf, may

unsettle the Gulf countries which also hosts US bases – possible targets in any Iranian retaliation.

Second, post-war Gaza plans will be discussed as individual Gulf states have varying relationships with Israel and Palestinian entities, although Arab leaders did agree on an Egyptian reconstruction plan for Gaza in March as a counterproposal to Trump's outlandish "Riviera" vision.¹⁸ Overall, however, Gulf concerns with their American counterparts will be zeroed in on unchallenged Israeli military power – with Saudi Arabia previously calling for punitive economic measures against Israel¹⁹ – and the role of Hamas in Gaza's reconstruction.

Familiarity with a strongman-dealmaker

The Gulf leaders will have significant belief in their ability to handle what many deem an erratic US president when welcoming him to their region. There is equally some appreciation in Trump's ability to arm-twist parties into submission, particularly when it is applied to regional adversaries – with the Houthis being the latest.²⁰ However,

¹⁸ Andrew Mills et al., "Arab States Adopt Egyptian Alternative to Trump's 'Gaza Riviera'", in *Reuters*, 5 March 2025, <https://www.reuters.com/world/middle-east/arab-summit-focus-egypts-alternative-trumps-gaza-riviera-2025-03-04>.

¹⁹ "Arab, Muslim Leaders Slam Israel, but Differ on Response", in *France24*, 11 November 2023, <https://www.france24.com/en/live-news/20231111-gaza-in-spotlight-as-arab-muslim-blocs-meet-in-saudi>.

²⁰ Jack Detsch and Felicia Schwartz, "Trump Announces US Will Stop Bombing Houthis", in *Politico*, 6 May 2025, <https://www.politico.com/news/2025/05/06/trump-us-stop-bombing-houthis-00330884>.

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¹⁷ Clemens Chay, "Regional Realignment in the Gulf", in *MEI Insights*, No. 316 (4 March 2025), <https://mei.nus.edu.sg/?p=38771>.

Gulf reservations remain over Trump's "peace through strength" policy, and hopes of security guarantees will be communicated as the US begins to develop its 2025 National Security Strategy.²¹

As Emile Hokayem wrote, "conflating access with leverage" could prove costly for the Gulf.²² As far as access goes, the Gulf Arabs will seek to avoid a repeat of former US president Barack Obama's approach in securing the previous nuclear agreement (also known as the JCPOA), when their exclusion from the negotiation proceedings resulted in a bout of jitters.²³ Current circumstances, however, have replaced Gulf scepticism during the Obama administration with a sense of assuredness. Not only have Iran's proxies – particularly Hamas and Hezbollah – been severely degraded, the GCC-Iran détente reflects the GCC's ability to instil some form of cold peace with a longtime rival. To that end, they will seek to communicate – and convince – the Trump administration that the regional formula should not be focused narrowly on driving Iran into a corner.

The challenge lies in finding the sweet spot between US national interests and the GCC's regional vision for peace,

of which the former's "red line", as US special envoy Steve Witkoff describes, still means dismantlement, as opposed to Iran's continued insistence on enriching uranium.²⁴ This is where leverage remains grey.

Regardless, Gulf leaders will bank on Trump's desire to burnish his credentials as a dealmaker to increase their own political capital. Already they have manoeuvred, as the newly appointed Palestinian vice president was recently received in Riyadh, while rumours have circulated over possible American recognition of a Palestinian state. Yet, not only has the US ambassador to Israel Mike Huckabee quashed this hearsay,²⁵ any pathway towards a solution to the protracted Israeli-Palestinian conflict still requires a reformed Palestinian leadership and, by extension, clarity over the future role of Hamas. For the Gulf, any further normalisation with Israel since the Abraham Accords may be difficult to achieve without upsetting the regional equation – and the Arab street. A possible civil nuclear cooperation deal between the US and Saudi Arabia – without being contingent on normalisation – could well be the biggest takeaway from the president's visit.

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²¹ US Department of Defense, *Statement on the Development of the 2025 National Defense Strategy*, 2 May 2025, <https://www.defense.gov/News/Releases/Release/Article/4172735/>.

²² Emile Hokayem, "Diplomatic Dilemmas as Gulf States Prepare to Greet Trump", in *Financial Times*, 1 May 2025, <https://www.iiss.org/online-analysis/commentary/2025/05/diplomatic-dilemmas-as-gulf-states-prepare-to-greet-trump>.

²³ International Crisis Group, "A Time for Talks: Toward Dialogue between the Gulf Arab States and Iran", in *Crisis Group Middle East Reports*, No. 226, 24 August 2021, <https://www.crisisgroup.org/node/17280>.

²⁴ Jennifer Hansler, "US Warns that if Sunday Iran Talks Aren't Productive, 'They Won't Continue'", in *CNN*, 9 May 2025, <https://edition.cnn.com/2025/05/09/politics/witkoff-iran-talks-warning>.

²⁵ "US Amb. Huckabee Denies 'Nonsense' Report that Trump Could Recognize Palestinian State", in *All Israel News*, 10 May 2025, <https://allisrael.com/us-amb-huckabee-denies-nonsense-report-that-trump-could-recognize-palestinian-state>.

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