



# Gulf-Latin America Geoeconomic Realignment Promotes South-South Cooperation

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## **Summary**

- Within the broader framework of reigning narratives like the multipolar world, South-South cooperation, rise of transregionalism, economic diversification, etc., this Insight assesses the strategic depth of nascent Gulf-Latin America relations.
- It explores the evolving geopolitical corridors between the two regions and their diplomatic and economic synergies, including issues revolving around scaling of investments, signing trade deals, guaranteeing food security, sowing the seeds for energy transition, tapping opportunities in tech and critical minerals projects, and pushing supply-chain and connectivity ventures, among others.
- After prioritising Asia, the Gulf countries' rationale is to widen their outreach to new markets in Latin America and Africa, thus tapping into investable projects and supply-chain resilience. Latin America's capital needs and resource endowments align with the Gulf's capital, hubs and long-horizon planning.
- The Insight, a collaborative effort by three think tanks in the United Arab Emirates (UAE) and Brazil, frames Gulf activity through three overlapping roles and engagement models – commercial exchange, strategic positioning and financial intermediation – supported by Gulf hubs (notably the UAE) that facilitate trade, deal-making and offshore capital.

- The trade logic of agro-industry complementarity supports this engagement. Trade has risen markedly since 2016. Latin America exports commodities (gold, meat, iron ore, cereals, sugar, coffee) while the Gulf supplies inputs and energy-linked products (fertilisers, polymers, aluminium, ammonia, oil). The mutual benefit is ‘reciprocal resilience’: while fertiliser and ammonia bolster Latin agriculture, agro-industry exports bolster the Gulf’s food security.
- Investment is also growing but is concentrated. The UAE has led Gulf investment, especially in logistics and transport, with DP World being a prominent player. Saudi Arabia is scaling exposure via the PIF in mining, infrastructure concessions and industrial cooperation. Qatar is selective but strategic in energy and agribusiness.
- Connectivity has become an important instrument, with ports, corridors and hubs serving as strategic assets and enablers. This has embedded Gulf firms in key nodes, linking Latin production to Gulf re-export platforms serving Asia and Africa (e.g., investments in Peru, Ecuador and Dominican Republic, and support for bioceanic corridors).
- The partnership is also expanding beyond commodity flows into ‘future’ sectors – critical minerals, renewables, biofuels, digitisation, and innovation. Emphasis on technology transfer, workforce training and processing capacity signals a move from transactional trade to integrated, value-adding supply chains.
- There is new evidence of defence-industrial cooperation as well. The UAE has signed new partnerships and acquired stakes in Brazilian defence firms. This reflects diversification away from a single security architecture while building the Gulf’s credentials as a defence manufacturer and exporter. This also helps Brazil gain investment, jobs and collaboration in advanced systems.
- High-level visits and more embassies, trade offices and agreements (investment, taxation, aviation, education, and culture) have widened diplomatic contacts and soft power. This has deepened institutional ties and facilitated Qatar’s mediation and sports diplomacy, as well as UAE–Brazil cultural linkages, reinforcing trust and relationship solidity.
- The Insight concludes that Latin America is a consequential partner in an emerging global order, but its ties with the Gulf countries remain below potential. To tap the latent potential, it recommends exploring the following pragmatic steps:
  - » convene Gulf–Latin America finance and commerce conclaves;
  - » link food security to corridors, ports and renewable biofuels;
  - » train Latin port officials; share special economic zone practices and DP World platforms;
  - » build trilaterals: Gulf-US-Mexico and Gulf-China–Brazil tracks, via corridor templates;
  - » use the Gulf’s Africa footprint to open African food markets for Latin exports;
  - » expand Comprehensive Economic Partnership Agreements (CEPAs) and coordinate among existing CEPA signatories in Latin America;
  - » integrate Latin American markets into Gulf tech, AI and e-commerce, as well as scale agri-tech collaboration;
  - » support Portuguese-Spanish models and data centre build-outs;
  - » twin energy and tech projects by developing a rare-earth ‘REM Corridor’;
  - » deepen education and think-tank links; and
  - » stay pragmatic and depoliticised, while diversifying partners.

## The Issue

After shifting attention from the West to Asia during the first two decades of this century, the Gulf countries have substantially expanded their engagement in Africa and started sowing collaborative seeds in Latin America over the last decade. Both are interesting because the factors responsible for the growth of Asian economies in the last three decades are also likely to facilitate growth in these two continents over the next few decades. For the UAE, Africa seems to be the gateway to Latin America. DP World investments in West African ports are directed at markets across the Atlantic in South America through ports in Callao and Paita in Peru, Posorja in Ecuador, Santos in Brazil, and Caucedo in the Dominican Republic.<sup>1</sup>

It may also be argued that the factors that furthered Gulf-Asia ties could also promote Gulf-Africa and Gulf-Latin America relations. Since some of the Gulf's principal partners in Asia are also among the important players in Africa, there is also potential for a fruitful Gulf-Asia-Africa trilateral cooperative framework, which could be replicated in Latin America as well. Equally, an ambitious outlook could be to stitch together a Gulf-Asia-Africa-Latin America quadrilateral, with the Gulf countries, especially the United Arab Emirates (UAE), at the core.

This Insight primarily focuses on Gulf-Latin America ties, with some comparisons to Gulf-Africa ties because of the sectoral overlaps. Along with Africa, the Gulf countries – particularly Saudi Arabia, the UAE and Qatar – are exploring uncharted terrains and focusing on Latin America as well. As part of their diversification of economic and diplomatic strategies, they have made tactical investments to enhance collaboration in a wide array of sectors in faraway continents – logistics, port development, food security, renewable energy, defence, technology, and critical minerals, among others.

These forays reflect the Gulf countries' ambition to spread their wings in opportunistic and new territories, boosting their own economic growth while contributing to the development of other regions, thus spreading their influence around the globe. Most of the Gulf's engagement with Latin America fits into three overlapping categories. The first is commercial, the second is strategic and the third is financial. These roles were "traditionally played by global centres such as London or Zurich, in which Dubai (for example) has become an attractive jurisdiction...to trade, do business and park offshore money".<sup>2</sup>

In this backdrop, the Insight focuses on the reasons for Latin America becoming attractive for the Gulf countries, the sectors that are witnessing collaboration, the results so far, the existing challenges, and prospects for the future, and ends with some policy recommendations on how to maintain and further the momentum. It also highlights some of the changing dynamics of the Gulf countries' interactions in Latin America, which include diplomatic and defence collaboration.

## Building Business Bridges

Over the last decade, Gulf countries have made modest business and investment inroads in Latin America despite the challenge of geography. Given the current momentum, it is possible that, like with Africa, this engagement will accelerate. Some of the factors responsible for growth in Gulf-Asia and Gulf-Africa ties apply here as well – the Gulf's penchant for diversification and search for new markets, especially in the agriculture, logistics and mining sectors; Latin American countries' relatively healthy economic growth and their search for new partners in Asia and Africa; and the complementarity between the capital-rich Gulf and infrastructure-deficient Latin America.

While the craze for football is a common cultural thread, between 20 and 30 million Latin Americans are of Arab descent, mostly from the Levant. Over the last six decades, until 2020, at least 11 Latin American presidents were of Lebanese, Palestinian or Syrian descent – Carlos Menem being the most notable after serving as president of Argentina between 1989 and 1999. Ecuador has had three presidents of Arab origin; El Salvador, Brazil and Honduras have had two each; and Colombia and Paraguay have had one each.<sup>3</sup> Despite this Arab link, it is surprising that Gulf-Latin America engagement remained uninfluenced in the economic domain until recently.

Beginning with initiatives such as the South America-Arab Countries (ASPA) forum in Brazil in 2005, followed by its next iteration in Peru in 2012, some of the members of the Organization of Petroleum Exporting Countries (OPEC)

from the two regions began seeing eye to eye on non-oil issues as well. From a state of “the Arab world doesn’t know Latin America and Latin America doesn’t know the Arab world,” Mubadala, the Abu Dhabi state investment company, made a big splash in 2012 by acquiring a \$2 billion stake in Brazil’s EBX energy, mining and logistics group.<sup>4</sup>

Gulf-Latin America trade has experienced significant growth since 2016. Imports from Latin America have increased substantially, from \$9.6 billion in 2016 to \$15.4 billion in 2020. They comprised gold, meat, iron ore, cereals, sugar, and coffee. The imported iron ore is used to make aluminium products, which are exported to Latin America. Gulf countries exported fertilisers, plastic polymers, aluminium, ammonia, and oil to Latin America with annual values ranging between \$2.5 and \$3.5 billion.<sup>5</sup> The total Gulf-Latin America in 2023 was \$29 billion.<sup>6</sup>

Brazil is the main trade partner, accounting for 62% of Gulf exports and 50% of imports. Mexico accounts for 12% of Gulf exports and 15% of imports, and Argentina is at 11% for both exports and imports. Fertilisers and ammonia exported from the Gulf countries are used to support the main agricultural sector in Latin America. Herein lies the pillar of a symbiotic relationship in the agrobusiness sector, with the Gulf region supplying fertilisers to Latin America in return for food security.

Over the last decade, the UAE has made most of the Gulf region’s investments in the continent. It accounted for 77% or \$4 billion of Gulf investments between 2016 and 2022. Saudi Arabia accounted for 22%, followed by Qatar with 1%. Half of the investments were in the logistics, distribution and transportation sectors, with DP World accounting for a large share.<sup>7</sup> In 2023, Saudi Arabia’s Public Investment Fund (PIF) formed a multi-billion-dollar partnership with Patria Investments for a transport project in Brazil. It secured a 30-year concession for the capacity extension and operation of a new toll road project as part of a \$1.2 billion capital expenditure investment.<sup>8</sup>

On the other hand, foreign direct investment from Latin America to the Gulf during the same period was about \$500 million, 85% of which was from Brazil and 13% was from Argentina, and a substantial part of it was in the meat industry.<sup>9</sup>

The UAE’s business promotion organisations, like Dubai Chambers, have representative offices in Argentina, Brazil, Mexico, and Panama to support companies in finding business opportunities in Latin America. It is also focusing on promoting tourism and trade, especially in countries like Colombia. With a foundation of mutual interest in sustainable development and economic growth, this strategy is set to enrich both regions with enhanced trade, innovation and tech-driven industries. Latin America’s rich deposits of critical minerals also make a strong combination for creating robust supply chains.<sup>10</sup>

These, combined with Latin America’s young and promising workforce, distinct and independent political vision and unique geographical location connecting the two largest oceans in the world, will also create jobs and boost economic growth amid shifting global demands. Beyond trade and investment, non-traditional strategic sectors are becoming a key focus of the partnership, such as the establishment of joint platforms for knowledge production, as well as cooperation in the fields of defence technologies, space, digitisation, and scientific innovation.

While the average GDP growth for the continent is 2%, countries such as Nicaragua, Honduras and Costa Rica are tipped to grow between 3% and 4%. With the desire to increase its GDP from about \$500 billion in 2024 to about \$800 billion by 2031, the UAE is pursuing an active economic diplomacy agenda, including exploring the potential for opening new missions in Latin America.

The UAE also signed Comprehensive Economic Partnership Agreements (CEPAs) with Colombia in 2024, Chile and Costa Rica in 2025 and Ecuador in 2026.<sup>11</sup> These agreements reduce tariffs, streamline customs procedures and foster investments in key sectors. More CEPAs are being explored, including with Peru, the Mercosur bloc (comprising Argentina, Brazil, Paraguay, Uruguay, and Bolivia) and the 15 CARICOM member countries.

Another overlap between the UAE and Latin America is BRICS, which includes Brazil as a core member. The UAE officially became a full member of BRICS in 2024, a membership which aligns with its vision to enhance its role as a global trade hub and strengthens its collaborative agenda with developing nations. Saudi Arabia, which was also invited to join the grouping, has chosen to remain an ‘invited country’ to ensure that its engagement with the US is not undermined.

A series of UAE-Brazil agreements concluded at the G20 Summit in Rio de Janeiro in 2024 opens new avenues. The two countries agreed to establish a joint mechanism to promote UAE investments in strategic sectors in Brazil and to work jointly in Africa. At the Summit, it was also agreed that a Saudi-Brazilian Coordination Council would be set up. The Saudi PIF announced a \$15 billion investment in various projects in Brazil. The Kingdom is particularly interested in the mining, food processing, agriculture, transport, health care, entertainment, pharmaceuticals, and biotechnology sectors. Brazilian mining giant Vale sold 10% of its base metals unit worth \$2.5 billion in 2024 to Manara Minerals, a joint venture between Saudi Arabian Mining Company (Ma'aden) and PIF. At about the same time, Brazilian aviation company Embraer inked cooperation deals with Saudi Arabia's National Industrial Development Center and AHQ Group to manufacture or assemble its aircraft in Saudi Arabia. The Kingdom is also considering opening an investment office in Brazil.<sup>12</sup>

Furthermore, the Abu Dhabi Investment Group announced plans in 2024 to invest more than \$100 billion in Brazil, focusing on sectors such as infrastructure, clean energy, oil and gas, and agriculture. The cooperation will look at mergers in sectors such as technology and aviation, as well as automotive manufacturing and finance, including the establishment of a dedicated bank. Key investment areas will include restoration of degraded pasture, urban infrastructure, industrial development, and sustainable mobility.<sup>13</sup>

The Abu Dhabi sovereign wealth fund's investment arm, Mubadala Capital, plans to make a substantial investment in biofuels in Brazil. The plan involves the construction of five processing units, each with a price tag of \$2.7 billion and a capacity of 20,000 barrels of biofuel daily. The first of these units is expected to start operating by the end of 2026.<sup>14</sup> The \$13.5 billion investment in biofuels is part of a broader investment strategy for Brazil that may also include setting up a new stock exchange in the country.

At the time of signing the UAE-Ecuador CEPA in March 2026, the two countries announced a cooperation agreement between the UAE Ministry of Investment and Ecuador's Ministry of Production, Foreign Trade, Investments, and Fisheries, to further explore investment opportunities across priority sectors. An investment of about \$3 billion is currently under discussion.<sup>15</sup>

Earlier deals in Latin America include the acquisition by Saudi Arabia's Aramco of Chilean fuel retailer Esmax and a \$500 million investment by the Saudi Fund for Development in an Argentine gas pipeline.<sup>16</sup> There is now an array of large and small Brazilian businesses operating in the Gulf countries in numerous sectors, including food, clothing and cosmetics.

The UAE has also signed agreements with Argentina and Brazil to foster collaboration in the development of strategic minerals projects that are crucial for energy transition. With Brazil in particular, the agreement includes potential investments of up to \$2.45 billion across various sectors, such as research, processing, commercialisation, technology transfer, and workforce training.<sup>17</sup> It is noteworthy that the Gulf countries have included technology transfer as value additions in most of their investment deals in Asia, Africa and Latin America.

Qatar-Latin America trade was \$1 billion in 2023; Doha has made substantial investments in energy, agriculture and infrastructure in the continent. In Brazil, it has invested across the finance, mining and agriculture sectors. QatarEnergy secured a 20% stake in the Agua Marinha offshore oil block in 2022 alongside TotalEnergies and Petronas. In Mexico, QatarEnergy has invested in offshore oil fields, acquiring stakes in multiple exploration blocks in the Campeche Basin, while other Qatari firms are involved in Mexico's luxury tourism sector. In Argentina, it has invested in the Vaca Muerta shale formation, one of the world's largest shale reserves, and has backed the country's agricultural and infrastructure projects, including a \$1 billion investment pledge in 2022.<sup>18</sup>

## Trade Corridors and Logistical Hubs

In the current geopolitical climate, Latin America has emerged as a growth region, attracting renewed interest in trade corridors that connect the Atlantic and Pacific oceans, providing alternative routes to key markets. One of the ideas often repeated by Latin American countries is the importance of the Gulf countries not only as markets for their products but also as 'hubs' that would allow the re-export of Latin American products to other markets of interest that are close to the Gulf, particularly in Asia and Africa.<sup>19</sup> This requires better sea and air connectivity. Currently only

Emirates Airlines flies directly to Buenos Aires, Rio de Janeiro, Bogota, and Mexico City, and Qatar Airways flies to Buenos Aires, Sao Paulo and Lima.

Development of ports is another avenue to meet this end, and it is being pursued robustly. As part of its connectivity agenda, the UAE is bolstering Latin American port capacity and efficiency. DP World has made investments in developing ports in Peru (\$400 million) and Ecuador (\$140 million). These expansions come amidst an increasingly complex global supply chain landscape, as countries seek ways to mitigate risks and enhance resilience. Situated on the West Coast of South America, these two countries are pivotal to DP World's global strategy, serving as key gateways to international trade. Providing a green twist, the Peru port expansion also includes state-of-the-art electric-powered equipment and an electric charging station for trucks, thus promoting sustainable logistics solutions.<sup>20</sup>

The UAE, through its growing investments, has played a significant role in supporting initiatives such as the Capricorn Bioceanic Corridor from Brazil, across Paraguay and Argentina, to Chile.<sup>21</sup> Facilitating better connectivity between Latin America and Asia, it is expected to be ready by 2027 and would help reduce operating costs by 40% and travel time of cargo by 15 days.

Further, governments on both sides are now exploring public-private partnerships and international collaboration to accelerate the development of more corridors, realising well that smart infrastructure development, with environmental priorities, is a cornerstone of economic growth. DP World has demonstrated this balance through its operations in the Dominican Republic, where it has integrated port operations with free trade zones to create a logistics hub. DP World handles more than 60% of the Dominican Republic's market share in the redistribution of cargo to the Caribbean, the US, Central America, and South America. The company also committed a \$760 million investment in 2025 to build a transshipment hub.<sup>22</sup>

## **New Joint Venture – Defence Industry Cooperation**

In the past, defence industry activities between the two regions were rare. In 2001, Chile bought a Bell-412 helicopter from Bahrain, while in 2006 Mexico purchased MILAN anti-tank missiles from Qatar, both of which were second-hand purchases.<sup>23</sup>

In a new foray, Brazil is emerging as a key Latin American security partner and a promising supplier for the UAE's defence industry and arms exports. In 2024, Abu Dhabi-based EDGE signed an investment deal with the Management and Operational Centre of the Amazon Protection System (CENSIPAM) and Sistemas Integrados de Alto Teor Tecnológico (SIATT). This points to the UAE's delicate balancing act of diversifying ties with emerging powers while reducing, yet continuing, its reliance on US security architecture. EDGE's investments promise technology transfer, job creation and collaboration in cutting-edge sectors like innovative missile systems and secure communications platforms. This mutually beneficial dynamic enhances Brazil's defence capabilities while solidifying the UAE's influence in Latin America.

EDGE Group, established in 2019, is a defence conglomerate of over 35 entities specialising in advanced military and civilian technologies. It has actively pursued targeted investment and collaboration with Brazilian defence firms. It opened its first Latin American office in Brasilia and acquired a 50% stake in SIATT in September 2023. The National Surface Anti-Ship Missile is central to this collaboration. Under a September 2024 agreement, EDGE and SIATT aim to complete the projectile project before the end of 2026, including extending the range of the anti-ship missile that was part of the 2023 deal. In May 2024, EDGE also secured a 51% stake in Condor, the Brazilian leader in non-lethal defence and security technologies.

Beyond signifying economic opportunity, the UAE's acquisitions underline an ambition to become a global defence equipment manufacturing hub and a credible exporter of advanced military solutions. From EDGE's perspective, Latin America is an attractive and safer investment than other emerging markets, partly due to its relative insulation from global instability and conflicts. SIATT has also secured Brazilian army authorisation to advance anti-tank guided missiles with UAE investment. The MAX 1.2 AC, designed to neutralise modern armoured threats, is production-ready, pending investment in supply chain logistics and manufacturing lines.<sup>24</sup> These initiatives showcase EDGE's

commitment to enhancing its advanced weapons portfolio and global role. They also feed well into its Africa playbook where defence and economic investments are leveraged to expand influence.

Saudi Arabia Military Industries (SAMI), established in May 2017 as part of the Public Investment Fund (PIF), is also viewing Brazil as a relevant partner, having signed a cooperation agreement with Embraer on the C-390 Millennium military transport aircraft.

## Soft Power and Diplomatic Engagement

Geopolitically, Gulf leaders view Latin America as a way to diversify their relationships beyond traditional Western partners. They want to build influence in the Global South and position themselves as middle powers with a wider network of alliances. Latin America fits this strategy and offers diplomatic weight, large markets and new spaces for political cooperation. Their approach blends investment, political outreach and soft power, and increasingly relies on high-level visits and formal engagement between top authorities from both regions.

For the Gulf states, Latin America also represents a strategic space to expand their global influence beyond traditional alliances. As Saudi Arabia, the UAE and Qatar position themselves as global middle powers, Latin America's diversity and geopolitical weight make it an attractive diplomatic partner. The region's support in international organisations, including the UN, G20 and specialised agencies, adds further incentive for deeper engagement.

This diplomatic push has been accompanied by a sharp increase in official visits. From the Gulf to Latin America, UAE leaders travelled to Brazil, Argentina, Colombia, and Chile, signing cooperation agreements on investment, energy and logistics. Saudi Arabia has sent senior delegations, including the foreign minister and economy ministers, to Brazil, Mexico and Peru to build long-term ties. Qatar's emir and foreign minister have visited Brazil and other Latin American nations to strengthen relations in finance, security and food supply.

The exchanges have also intensified in the other direction. Latin American presidents and senior ministers are visiting Gulf states more frequently than ever. Brazil's president travelled to the UAE, Qatar and Saudi Arabia to negotiate partnerships in renewable energy, infrastructure and agriculture. The presidents of Uruguay, Paraguay and Ecuador have visited the Gulf to attract investment and expand trade. Colombia, Chile and Mexico have also sent foreign ministers, finance ministers and trade delegations to Riyadh, Abu Dhabi and Doha. These visits demonstrate that interest is mutual and expanding.

Alongside the growing frequency of visits, diplomatic presence is also increasing. Gulf states are opening new embassies and trade offices across Latin America, while more Latin American countries are establishing embassies in Saudi Arabia, the UAE and Qatar. This expansion supports regular communication and lays institutional foundations for long-term cooperation.

The high-level visits often result in formal agreements. These include investment-protection treaties, double-taxation accords, food security partnerships, aviation agreements, and memoranda of understanding on culture, education, technology, and renewable energy. Such agreements reduce uncertainty, encourage long-term investment and strengthen trust between governments.

In addition, Qatar's mediation efforts have extended to Latin America. It facilitated discussions between the US and Venezuela, leading to the Barbados Agreement in October 2023. This agreement set terms for the presidential election in Venezuela in 2024 in return for Washington easing sanctions on Venezuela's oil sector, a lifeline to the country's economy. The agreement was reportedly the product of extensive behind-the-scenes diplomacy in Doha. Qatar has also been involved in the longstanding border dispute between Venezuela and Guyana over the oil-rich Essequibo region.

To complement official diplomacy, Gulf states use soft power tools. They promote cultural exchanges, academic programmes and tourism links, and they invite Latin American participation in major events such as Expo Dubai, Qatar's World Cup and global investment forums. These initiatives make the Gulf more familiar and attractive to Latin American leaders and businesses.

The Gulf countries have realised that for multi-dimensional relationships to evolve further, they must look beyond business and security. In the realm of cultural and sports diplomacy (other than football), the UAE has become the official gateway for Brazilian Jiu Jitsu to the whole world. Abu Dhabi is now one of the most important centres of this sport, rivalling even Brazil and the United States.

The UAE has become a major stop for the Jiu-Jitsu pro tour or the host of the World Professional Jiu-Jitsu Championship and has offered clear organisational and funding avenues to create an institutional structure that has professionalised the sport globally. Jiu Jitsu is now taught at UAE public schools, integrated into physical education curricula and seen as not merely a sport, but a character-building activity. In the process, it has become a soft power diplomacy tool, carving a new national identity and creating a community-level link between the UAE and Brazil.<sup>25</sup>

Qatar has been actively engaged in sports diplomacy as well, using football as a bridge to strengthen its ties with Latin America. In 2018, as part of its preparations for the 2022 FIFA World Cup, Qatar sponsored several football tournaments. In 2024, Qatar's Aspire Academy launched a football development workshop in Argentina.

Both regions also see each other as part of a broader realignment of the Global South. They share goals like economic diversification, balanced foreign policy and expanded cooperation beyond traditional Western partners. This creates a natural foundation for sustained diplomatic engagement.

Taken together, the Gulf's approach to Latin America is strategic, long term and anchored in an unprecedented wave of high-level visits from both sides. These exchanges, paired with expanding embassies, institutional agreements and soft power initiatives, are transforming the relationship into a deeper political and economic partnership.

## Food Security as a Core Pillar

Food security remains a strategic priority for Gulf countries, driven by water scarcity, limited agricultural land and increasing exposure to global supply chain risks. In this context, Latin America has become an indispensable partner, offering vast natural resources, reliable production capacity and sophisticated agricultural systems. In a world where food systems are increasingly strained, cooperation between Gulf and Latin American agricultural powerhouses is no longer optional.

Countries such as Brazil, Argentina, Uruguay, and Paraguay now play a central role in the Gulf's efforts to secure diversified and resilient food supply chains. These Southern Cone nations are among the world's leading producers of grains, proteins and animal feed, and their ability to sustain large-scale, high-quality production aligns directly with the Gulf's food import needs. Their growing importance to Gulf food security stems from more than trade volumes; it reflects the unique capacity of Latin America to deliver consistent supplies amid geopolitical tensions, climate volatility and disruptions in traditional supply routes.

### Some of the deals in this sector include:

- Abu Dhabi's plans to be part of 400,000 square kilometres of the food chain in Brazil using advanced technologies to optimise supply chains and reduce waste.
- Brazilian investor BRF, a food processing company, has a 26% stake in Saudi Arabia's Addoha Poultry Company for \$84 million and a \$160 million food factory in Abu Dhabi. BRF is also the biggest exporter to the Gulf. Since Brazil is the largest producer and exporter of halal meat to the world, the share of meat products in its exports to the region is considerable.
- Doha has a 12% stake in Adecoagro, a major agribusiness firm operating in Brazil, Argentina and Uruguay, and owns 40% of a joint venture with BRF.

Deepening collaboration between the two regions has become essential not only for ensuring stable provision for the Gulf but also for expanding food availability to other regions facing rising food insecurity, including Africa. The combination of Latin America's production scale and the Gulf's capital, logistics expertise and strategic geographical position creates an opportunity to develop integrated supply chains that can serve broader global needs. Joint investments in infrastructure, storage, transportation corridors, and agrotechnology can significantly increase the efficiency and reach of these supply networks.

For Latin America, partnerships with the Gulf bring advantages such as sustainable investment flows, diversification of export markets and opportunities for technological modernisation. For the Gulf, collaboration secures access to reliable, diversified food sources while positioning the region as a logistical and financial hub for global food distribution.

## **Strategic Asset Acquisition**

Gulf countries increasingly view Latin America as a region full of untapped potential and long-term strategic opportunities. They see it as an undervalued frontier where major assets in agriculture, minerals, logistics, and energy can still be acquired at attractive prices compared with more saturated markets in Europe, North America or Asia. For the sovereign wealth funds of Saudi Arabia, the UAE and Qatar, Latin America represents a rare combination of scale, resources and growth potential.

These countries also view Latin America as a natural complement to their national development plans. The region's strengths align directly with the Gulf's priorities: abundant food production for countries that import most of their food; massive reserves of critical minerals that support the Gulf's ambitions in electric vehicles and clean technologies; and exceptional potential for renewable energy, including solar, wind, hydro, and future clean-hydrogen projects. Because of these complementarities, the Gulf sees Latin America as a region that can support its economic transformation for decades ahead.

Another key factor is the Gulf's desire to control full supply chains rather than simply trading commodities. Investing in Latin America allows them to secure upstream assets like farmland and mines, midstream processing facilities and downstream logistics, ports and export terminals. This gives them greater stability in food supplies, mineral access and energy flows – critical issues as global competition intensifies.

Gulf investors also increasingly see Latin America as a hedge against global volatility. Oil markets fluctuate, geopolitical tensions rise and climate risks grow. By investing in resilient sectors such as agriculture, green energy and logistics in Latin America, they create a more balanced and secure global portfolio.

There is also a new wave of South-South cooperation emerging, and Gulf countries want to be at the centre of it. Latin America is now part of their global expansion strategy as they deploy growing volumes of capital worldwide. At the same time, several Latin American countries have become more open to foreign investment and more stable in regulatory terms, which increases confidence and reduces perceived risk.

Finally, Gulf leaders see opportunities created by China's strong presence in the region. Instead of competing directly, they believe they can complement China's financing and construction capacity by focusing on operations, strategic assets, logistics, and long-term investment partnerships.

## **Gulf-Brazil Connect**

Brazil plays a central and strategic role in this context because it is the main gateway for Gulf countries into Latin America. As the region's largest economy, Brazil offers the scale and market depth that Gulf sovereign wealth funds and companies seek, especially in sectors such as agriculture, energy, logistics, and infrastructure.

Its role is further strengthened by its position as a founding member of the BRICS. With the UAE now joining the group, Brazil and the UAE share a powerful multilateral platform that deepens political coordination, facilitates investment flows and expands strategic cooperation. This shared membership brings Brazil even closer to the Gulf region and reinforces its importance as a partner in global governance and economic realignment.

Brazil also offers major opportunities in infrastructure. The country faces significant investment needs in ports, railways, sanitation, and energy transmission, sectors where Gulf sovereign wealth funds traditionally seek long-term, stable returns.

Geopolitically, Brazil carries significant weight as a leader of the Global South and a G20 member, apart from the expanded BRICS framework. Existing investments by the UAE, Saudi Arabia and Qatar in Brazilian aviation, agriculture, logistics, and renewable energy add to this foundation, creating trust and encouraging deeper engagement.

For all these reasons, Brazil remains the most strategically important partner for the Gulf in Latin America, offering economic scale, natural resources, political influence, and long-term investment opportunities that align with the Gulf's broader economic and geopolitical ambitions.

## Conclusion and Recommendations

Latin American countries are more than 'bit' players or spheres of influence. In an increasingly multipolar world, they are fast becoming players of consequence. Despite the ideal platform for a synergetic future and the absence of conflicts or tensions between the Gulf and Latin American countries, current relations are far from optimal. There is an urgent need to address the challenges that are impeding the robust growth of their relationship. In a world where the effectiveness of the current international order is being questioned, the developing bridge between them, while also bringing in either Asia or Africa or both into the fold, presents a model for a new type of South-South partnership. Based on pragmatism, rather than polarisation or diktats, this interaction could emerge as a pivotal feature of a new global order taking shape outside traditional pathways – one rooted in South-South cooperation.

The Gulf countries' growing presence in Latin America reflects a clear and calculated shift in their economic and foreign policies. Once reliant primarily on oil exports, they are now using their sovereign wealth funds to build a diversified global portfolio that includes stakes in the emerging markets of Latin America. By investing in energy, infrastructure and natural resources, they are developing non-oil economies, securing critical supply chains, expanding soft power across the Global South, and building long-term alliances outside their traditional spheres of influence.

Such involvement, however, is not without risks, especially political instability, leading to frequent change of governments and corruption.

Notwithstanding these issues, there is no doubt that the role of the Gulf countries in Latin America has been more positive than negative. With an eye on sustainability, resource security and global influence, the Gulf countries have leveraged and will continue to leverage their strengths to enhance their impact in the region. Thus, while Gulf-Asia ties are rooted in the present, the Gulf-Latin America ties are rooted in the future.

To meet this objective, the following recommendations could be considered.

- To further investments and projects, the Gulf countries could organise a conclave of banks, bankers and financial institutions on one side, and chambers of commerce and industry of various countries on the other.
- Link food security with corridor and connectivity projects (rail, road and port development), like the UAE-India 'farm-to-port' project. The Gulf's food security could also be linked with Latin America's renewable energy and biofuel security.
- Since DP World is viewed as having shared its professional expertise with the Chilean ports industry and helped them perform better, Latin American port entities and officials could be invited to the Gulf countries to learn more about port operations and special economic zones. DP World can also connect Latin American ports with its DP World Digital Trade Platforms, thus encouraging wider connection to operational and governance ecosystems across the world.
- Gulf countries could consider trilateral partnerships – with the US and Mexico (on aluminium exports from the Gulf, for example) on one track, and China and Brazil (in the Gulf's energy and infrastructure projects) on the other. A good template to follow is the Capricorn Bioceanic Corridor.
- Latin American countries are eying Africa as a potential food products market. The Gulf's well-entrenched position in Africa will help it serve as a bridge.
- Given the new US tariffs, the UAE should attempt to push ahead with finalising and signing CEPAs with the remaining Latin American countries. It is also worth exploring the formulation of collaborative plans among Latin American countries that have already signed CEPAs.

- The Latin American digital landscape is transforming at an impressive pace. With a population of 650 million and 80% internet penetration, Latin America is primed for online commerce. It is an opportune time to factor in some of these countries and their markets in the Gulf's tech, AI and e-commerce plans. Agro-tech is a sunrise industry waiting to be tapped.
- The Gulf could help Latin American countries develop their local software language models, especially in Portuguese and Spanish, as well as facilitate building data centres as part of its efforts to promote South-South cooperation.
- Equally, there is scope to explore twinning between energy and tech projects, since the former powers the latter, and the Gulf countries are focusing on both. The UAE should develop – in partnership with Latin American, African, European and Asian partners – a 'rare earth minerals (REM) corridor' that involves mining, processing, distribution, and governance of rare earth minerals.
- The Gulf diplomatic missions could offer key ministries in Latin American countries with policy planning advice. For example, Mexico needs to triple its energy production over the next 15 years, but there is no evident policy plan yet. The Gulf countries are disruptors and catalysts in the economic diversification domain (tourism, logistics, food processing). These opportunities could benefit both sides.
- Enhance the Gulf countries' soft power by investing in the development of video games, e-sports and music programmes, as well as mainstream sports like football.
- Promote links with educational institutions and think tanks; share the Gulf's best practices in research and innovation and provide scholarships to youth to study in the Gulf. Transferring knowledge and expertise is sometimes more important than trade.
- Gulf countries should try and stay out of politics and focus on economic dynamics. They should use the region's soft and structural power – capital, influence, knowledge, efficiency, planning, infrastructure, and skilled workforce.
- Diversify partners in the continent because this diversifies opportunities and risks.

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