



# The case against a UK Free Trade Agreement with the Gulf Cooperation Council

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## Introduction

The UK has been negotiating a Free Trade Agreement with the Gulf Cooperation Council (GCC) since June 2022. The GCC is a regional bloc of six countries: Bahrain, Kuwait, Oman, Qatar, Saudi Arabia and the United Arab Emirates (UAE).

Upon taking office, Keir Starmer's Labour government has chosen to continue the active trade negotiations with the GCC inherited from the previous administration, presenting a trade deal as key to

unlocking economic growth. The Business and Trade Secretary Jonathan Reynolds has already visited the Gulf twice, and according to [some reports](#) a deal could be signed very soon.

However, entering into a trade deal with the GCC would fly in the face of public opinion, offer few projected benefits, and send a worrying message about the priorities of the UK's trade policy when it comes to human rights and climate.



UK Business and Trade Secretary, Jonathan Reynolds meets the Saudi Minister of Commerce, Majid bin Abdullah Al-kassabi to boost trade and investment with the Gulf. September 2024. Credit: UK Department for Business and Trade.

## Public opinion is firmly against a UK-GCC trade deal

New polling from the Trade Justice Movement, in partnership with Yonder, shows that only 21% of the UK public is in support of trade talks with the GCC.

This extremely low level of public support no doubt reflects concerns relating to the human rights record of GCC countries. In the same poll, 68% of people agreed the UK should not sign trade agreements with countries with poor human rights records. Furthermore, “respect for human rights” was the second most important factor for the public when selecting an appealing trading partner for the UK.<sup>1</sup> This is consistent with the findings of the government’s own polling from 2020.<sup>2</sup>

These concerns are well-founded. The GCC includes some of the most repressive regimes in the world. According to the [House of Lords Library](#):

“The six GCC states are widely considered by many governments and human rights organisations to limit civil, political, economic, social and cultural rights set out in core international agreements that together form the basis of international human rights law. For example, all six states limit press and religious freedom, place limits on political participation and retain the death penalty, while all GCC members except Bahrain criminalise same-sex relationships.”

On workers’ rights, the situation is similarly bleak. Five of the six GCC countries are rated by [the ITUC Global Rights Index](#) as having “no guarantee of rights”, the worst category. The *kafala* sponsorship system, prevalent across the region, gives employers disproportionate powers over migrant workers, preventing them from leaving the country or changing jobs without the permission of their employers. As

well as being morally outrageous, the *kafala* system gives GCC countries lower production costs for goods, meaning GCC businesses hold an edge over UK competitors. This competitive advantage will be more pronounced if the UK enters into freer trade with the GCC.

## A UK-GCC deal won’t deliver for human rights or climate

The government inherited a series of negotiating objectives for the GCC talks from the previous government, and has given [little indication](#) that it plans to reappraise them.

This means there is scant chance a UK-GCC deal will contain provisions which could positively influence human rights in the Gulf region. The GCC has already warned the UK not to push for a deal with decent social and environmental provisions; [the Trade Minister of the UAE said](#) the UK must “tone down” standard human and workers’ rights provisions “if they want more market access and more business opportunities.”

Concerns about the likely lack of meaningful human rights protections are the reason organisations such as [Human Rights Watch](#) and the [Trades Union Congress](#) have opposed a UK-GCC deal.

Similar concerns exist when it comes to climate action. The UK is aiming to take the lead on climate action, with ambitious new emissions reduction targets. A trade deal with the GCC would undermine that ambition. According to the UK Government’s own projections a UK-GCC trade deal would lead to greater per person carbon dioxide emissions in both the UK and the GCC.<sup>3</sup>

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<sup>1</sup> Trade Justice Movement (2024) ‘Exploring public attitudes to trade policy: Findings of TJM and Yonder polling’. Available at: <https://www.tjm.org.uk/resources/reports/exploring-public-attitudes-to-trade-policy>

<sup>2</sup> Department for International Trade (2022) ‘Public Attitudes to Trade Tracker Wave 4’, Figure 28. Available at: <https://assets.publishing.service.gov.uk/media/62163abcd3bf7f4f0981a1ba/dit-public-attitudes-to-trade-tracker-wave4-main-report.pdf>

<sup>3</sup> Department for International Trade (2022) ‘UK-Gulf Cooperation Council Free Trade Agreement: The UK’s Strategic Approach’, pp.72-72. Available at: <https://assets.publishing.service.gov.uk/media/62b2d8408fa8f5356eccc4c0/uk-gcc-fta-the-uks-strategic-approach.pdf>

GCC countries have historically been unengaged with international efforts to combat change. Action taken to date by the UAE and Saudi Arabia is 'critically insufficient' according to Climate Action Tracker.<sup>4</sup> Meanwhile, all six GCC countries are in the top ten counties for carbon dioxide emissions per capita.<sup>5</sup>

Climate change should be at the heart of every trade deal the UK makes, but an agreement with the GCC will inevitably conflict with the UK's climate ambitions.

## There are few benefits of a deal with the GCC

The UK Government clearly sees striking new Free Trade Agreements as an integral part of its economic growth mission. [The Business and Trade Secretary has said](#) negotiators will be "laser-focused on creating new opportunities for UK firms so they can support jobs across the country and deliver the growth we desperately need".

But it doesn't add up. According to [the UK Government's own estimates](#), a UK-GCC deal would deliver a tiny 0.06 - 0.11% boost to UK GDP by 2035. This is a smaller percentage increase than the estimated increase in UK greenhouse gas emissions resulting from a GCC deal. The notion that a deal is necessary to unlock investment is undermined by the fact the UK already holds separate investment treaties with five of the six GCC countries.

## What does it say about the UK's approach to global trade?

The UK is in the process of formulating a Trade Strategy, to be released in Spring 2025. This is an opportunity to begin a new chapter of UK trade policy. Around the world, trade policy is increasingly being used to strengthen climate action, establish strong social and environmental standards, and support greater corporate accountability in supply chains.

Through the Trade Strategy, the UK should announce to the world how its trade policy will promote its values on the global stage. Signing what will undoubtedly be a low-standards agreement with the GCC would send the opposite signal, and could also set a low bar which the Trade Strategy will be obliged to meet. The International Trade Committee [rebuked](#) the previous government for undertaking these negotiations without them having been underpinned by a comprehensive trade strategy, expressing concern about the ambiguous position of human rights, labour rights and climate concerns in the negotiations. By continuing these negotiations ahead of the publication of its trade strategy, this government is compounding this error.

The Trade Justice Movement is a network of nearly 60 organisations, including trade unions, environmental groups and justice campaigns, who push for trade policy that works for people and planet.

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<sup>4</sup> Climate Action Tracker (2024) Available at: <https://climateactiontracker.org/countries/c-approach.pdf>

<sup>5</sup> Our World in Data (2024) 'Per capita Co2 emissions'.

Available at: <https://ourworldindata.org/grapher/co-emissions-per-capita?tab=table>