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# How Trump's Policies Are Pushing Latin America Toward the Gulf

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## How Trump's Policies Are Pushing Latin America Toward the Gulf

The resurgence of Donald Trump's assertive foreign policy, particularly with regard to immigration, trade, and regional diplomacy, has placed a strain on the bilateral relations between the United States and key Latin American states. Faced with a revived and more unilateralist posture from Washington, these countries have increasingly sought to diversify their partnerships, looking toward regions traditionally peripheral to their foreign policy considerations. Leading among these emerging relationships is a growing alignment with the Gulf Cooperation Council (GCC), whose member states are actively expanding their global presence through trade, diplomacy, and investment. This commentary explores how the deterioration of U.S.–Latin America relations under the Trump administration has accelerated a broader geopolitical realignment toward the Gulf states, shaped by mutual economic interests, aligned diplomatic positions, and a shared commitment to a more multipolar and balanced global order.

### From Containment to Confrontation: Strained Bilateralism under Trump

Donald Trump's approach to Latin America has been characterized by transactionalism and coercion. His administration's emphasis on unilateral migration enforcement, economic protectionism, and disregard for multilateral norms has undermined traditional diplomatic relationships across the region. The threat to impose escalating tariffs on all Mexican exports—beginning at 5% and potentially rising to 25%—unless the Mexican government curtailed undocumented migration to the United States reflected a coercive use of economic tools to advance domestic political objectives. In response, Mexico was compelled to deploy security forces to its southern border with Guatemala, a key transit point for Central American migrants, and to expand the Migrant Protection Protocols (“Remain in Mexico”), effectively outsourcing U.S. immigration enforcement at the expense of its own domestic sovereignty.

Elsewhere, Trump's erratic trade posture manifested itself in the abrupt re-imposition of steel and aluminum tariffs on Brazil and Argentina, with both countries already in precarious economic positions. The justification—accusations of currency manipulation and harm to U.S. agriculture—appeared both opportunistic and misaligned with the broader tenets of hemispheric cooperation. Even Brazil's then-president Jair Bolsonaro, a self-declared Trump ally, was taken aback by the move, which signaled Washington's willingness to undermine regional partners when politically expedient.

More recently, diplomatic tensions have been exacerbated by the Trump administration's refusal to honor provisions of the 1944 U.S.-Mexico water treaty. In March 2025, for the first time in the treaty's history, the United States denied Mexico's request for emergency water deliveries to Tijuana, citing Mexico's failure to meet its obligations. While framed as a response to resource scarcity, the decision was widely interpreted as part of a broader pattern of diplomatic hardball, further eroding trust in the bilateral relationship.

These cumulative actions have reinforced perceptions across Latin America that the United States has become an increasingly unpredictable partner, whose commitment to regional stability is frequently subordinated to domestic political imperatives. Consequently, the region's leading economies have accelerated efforts to recalibrate their foreign relations and reduce overdependence on Washington.



## **Latin America's Engagement with the Gulf: A Diversification in Practice**

Against this backdrop of frustration with the United States, the Gulf region has emerged as an increasingly appealing partner for Latin America. The GCC's combination of vast sovereign wealth, ambitious economic diversification agendas, and an expanding diplomatic footprint coincides with Latin America's need for alternative capital sources, trade routes, and political alliances.

### **Mexico: Reframing Diplomacy through Economic Opportunity**

Mexico's outreach to the GCC has been particularly visible since 2022, when then-Foreign Minister Marcelo Ebrard embarked on a ten-day tour of the Middle East. His agenda, spanning Riyadh, Doha, and Dubai, centered on repositioning Mexico as a gateway economy with access to North and South America, bolstered by institutional stability and a reformed trade framework under the United States-Mexico-Canada Agreement (USMCA). In Saudi Arabia, the Mexico-Saudi Arabia Business Forum generated interest in Mexican sectors ranging from tourism and infrastructure to agribusiness and energy. Ebrard's framing of Mexico as a strategic investment hub in an era of global realignment resonated with Gulf investors seeking to hedge against geopolitical volatility elsewhere.

This momentum has since translated into concrete outcomes. By 2023, non-oil trade between Mexico and the UAE had risen by over 20%, reaching \$2.6 billion. Delegations between the two countries have explored collaborative ventures in agriculture, advanced manufacturing, and port logistics. Moreover, QatarEnergy has reportedly entered negotiations to expand its presence in Mexico's energy landscape, particularly in the liquefied natural gas and petrochemical sectors. For Mexico, the GCC represents a financial lifeline and a long-term partner in diversifying both its export markets and diplomatic alliances.

### **Brazil: Forging a Bilateral Nexus of Industrial and Food Security**

Under President Luiz Inácio Lula da Silva, Brazil has embraced a more assertive and multilateral foreign policy posture, and the country's engagement with the GCC has been a critical dimension of this pivot. Lula's state visit to Saudi Arabia in 2023 marked a turning point, signaling Brasília's interest in a reciprocal investment relationship. While Brazilian exports of halal meat and iron ore have long dominated trade flows with the Gulf, the new wave of cooperation goes beyond commodity exchange.

Notable developments include the Saudi Public Investment Fund's \$2.5 billion acquisition of a 10% stake in Vale's base metals division, which positions the Kingdom within Brazil's critical mineral sector and a partnership between aerospace firm Embraer and Saudi entities to explore local aircraft assembly. The UAE has also intensified its Brazil engagement, most visibly through Abu Dhabi's Mubadala fund, which committed \$2.45 billion to develop a green diesel and sustainable aviation fuel plant in Bahia. "These deals and investments not only advance Brazil's



clean energy transition and reinforce the GCC's push to become a global hub for green technology and industrial diversification, but also represent a deeper industrial entanglement between the two regions.

### **Argentina: Financial Necessity Meets Diplomatic Recalibration**

Argentina's economic fragility has made it particularly receptive to GCC courtship. In 2023, as Buenos Aires faced a critical IMF repayment deadline, Qatar provided a \$775 million loan using its Special Drawing Rights (SDRs), an IMF-issued reserve asset that can be exchanged for usable currency or lent to other nations. This act of financial diplomacy represented a pivotal moment for Argentina, which had grown weary of conditional Western financing.

Simultaneously, Saudi Arabia's Fund for Development announced a \$500 million infrastructure package, financing energy transmission projects linked to Argentina's Vaca Muerta shale formation. The potential for collaboration in lithium extraction, particularly with Saudi delegations visiting Argentina's northwest mining regions, suggests a future in which the Gulf plays a decisive role in Latin America's clean energy supply chains.

Argentina's evolving relationships with the UAE and Qatar also extend to agribusiness, logistics, and sovereign wealth collaboration. In this context, the GCC has emerged not just as an emergency funder, but as a partner aligned with Argentina's longer-term development priorities.

### **Aligned Diplomatic Positions: From Gaza to Global Affairs**

While economic complementarity plays a central role in the deepening ties between Latin America and the GCC, shared political values are increasingly prominent. A notable example is the coordinated stance during the 2023 Gaza conflict. Brazil, holding a temporary seat on the UN Security Council, introduced a resolution calling for humanitarian pauses in Gaza, a move supported by the UAE but vetoed by the United States. Lula's framing of Israeli actions as akin to "genocide" reflected both domestic sentiment and a broader commitment to international humanitarian norms.

Mexico and Argentina echoed similar positions, calling for restraint, humanitarian access, and a renewed commitment to a two-state solution. These positions were in harmony with longstanding Gulf positions on the Israel-Palestine conflict and signaled an emergent Global South alignment grounded in international law and sovereign equality.

Beyond Gaza, this alignment extends to voting coordination in multilateral organizations, joint advocacy for a multipolar global order, and mutual support in bids for international leadership posts. The shared emphasis on sovereignty, non-intervention, and development financing without political conditions situates Latin America and the Gulf as natural collaborators in reshaping global governance institutions.

### **Toward a Multipolar Global South**

The cumulative impact of Trump-era policies, which range from coercive trade maneuvers to punitive migration enforcement and diplomatic antagonism, has compelled leading Latin



American states to reassess their priorities. What seems to emerge is a pragmatic pivot toward the Gulf, driven by economic realism, diplomatic like-mindedness, and a shared desire to construct a more equitable global order.

Mexico, Brazil, and Argentina are not abandoning the United States; rather, they are broadening their diplomatic toolkits, positioning themselves as autonomous actors capable of engaging across a multipolar world. For the GCC, Latin America offers resources, markets, and partnerships aligned with their post-oil economic ambitions. For Latin America, the Gulf represents capital, strategic leverage, and a mirror in the Global South, one that understands the costs of dependency and the value of self-determined development.

In this evolving order, the Latin America--GCC relationship may emerge as a key feature of 21st-century South-South diplomacy--fluid, transactional, and potentially becoming more institutionalized over time. While the Trump years have disrupted traditional alignments, they may have also opened the space for new and possibly transformative interregional connections.

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