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The United Arab Emirates (UAE): Issues for U.S. Policy

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The United Arab Emirates (UAE): Issues for U.S. Policy

The United Arab Emirates (UAE) is a federation of seven principalities or “emirates.” Its population is nearly 10 million, of which nearly 90% are expatriates from within and outside the region who work in its open economy. The UAE is an important U.S. security partner that hosts U.S. military personnel at UAE military facilities and buys sophisticated U.S. military equipment, including missile defenses and combat aircraft. A January 20, 2021, deal signed with the UAE to allow the country to procure F-35s and Reaper drones was placed under review by the Biden Administration, and finalizing the sale has been delayed over several issues, including the UAE’s ability to keep secure the F-35 and its technology from other large powers, such as the People’s Republic of China (PRC or China), with which the UAE has been expanding relations.

Russia’s February 2022 invasion of Ukraine has affected U.S.-UAE relations. From the outset of the conflict, the UAE has largely resisted “siding” with the United States and European countries and claimed neutrality while quietly benefitting from some of the war’s repercussions—most notably higher global oil prices and Russian capital transfer to Dubai. As a member of the Organization of the Petroleum Exporting Countries (OPEC—when combined with Russia, collectively known as OPEC+), the UAE has come under U.S. and European pressure to increase production quotas in order to stabilize oil prices.

Though the UAE and Iran have normal diplomatic relations and extensive economic ties, Iran looms large as a security issue for the UAE government. UAE leaders reportedly are concerned that a U.S. and Iranian return to full mutual implementation of the 2015 multilateral Iran nuclear deal would not address the UAE’s key concerns about Iran’s regional influence. UAE’s signing of the August 2020 Israel-UAE diplomatic normalization agreement, commonly referred to as the Abraham Accords, represented, in part, the UAE’s intent to work closely with Israel to counter Iran strategically. Since then, Israeli-Emirati trade, military, and diplomatic ties have expanded measurably, and, in May 2022, Israel and the UAE signed a free trade agreement.

Likely in part to try to roll back Iran’s regional reach, in 2015, the UAE joined Saudi Arabia in a military effort to pressure the Iran-backed Zaidi Shia Ansarallah/Houthi movement in Yemen—a campaign that has killed and injured civilians, damaged civilian infrastructure, and generated foreign criticism of the UAE. That criticism contributed to the UAE’s decision in 2019 to remove most of the UAE’s ground forces from the Yemen conflict, although some UAE forces continue to support pro-UAE militia factions there, including Yemenis seeking to reestablish southern Yemen as an independent state. Houthi missile and drone attacks targeted UAE territory in 2022. UAE and Saudi officials backed a ceasefire agreement between the government of Yemen and the Houthis that officially lasted from April to October 2022, and that since has held. Various aspects of the UAE’s involvement in Yemen, including U.S. sales of weapons that the UAE has used there, have been the subject of congressional oversight hearings and some legislation.

The UAE’s human rights record continues to be an issue of concern for some in Congress. The UAE government has increased restrictions on social media usage since the 2011 Arab Spring uprisings. According to the U.S. Department of State, significant human rights issues in the UAE include, among other things, arbitrary arrest and detention, serious restrictions on free expression and media, and substantial interference with the freedom of peaceful assembly and freedom of association.

In November 2023, the UAE is to host the United Nations (U.N.) Climate Change Conference, or COP28, which it may use as an opportunity to boost cooperation with the United States in mitigating the deleterious effects of climate change in the developing world. In November 2022, the UAE and the United States launched their Partnership for Accelerating Clean Energy (PACE) program, a joint commitment to raise \$100 billion in climate change adaptation funds globally. The UAE has pledged to reach carbon neutrality by 2045, though given Russia’s continued invasion of Ukraine and its effect on oil and gas prices, the UAE also may continue increasing its exports of oil and natural gas.

Congress conducts general oversight of U.S.-UAE relations, with particular attention to U.S. arms sales and related security cooperation. Both the House (H.R. 2670) and Senate versions (S. 2226) of the FY2024 National Defense Authorization Act contain provisions that would modify procedures for the processing of Foreign Military Sales (FMS) by giving priority to select U.S. partners, such as the United Arab Emirates, which the bill would define as a “Major Security Partner.”

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Overview

The United Arab Emirates (UAE) is a federation of seven emirates (principalities): Abu Dhabi, the oil-rich federation capital; Dubai, a large commercial hub; and the five smaller and less wealthy emirates of Sharjah, Ajman, Fujayrah, Umm al Qaywayn, and Ra's al Khaymah. Since the late 1960s, the UAE's population has increased from 180,000 to over 9 million. Dubai, with a population of over 3 million, is the largest city and home to multiple expatriate communities from India, Pakistan, Bangladesh, the Philippines, Iran, Egypt, Nepal, Sri Lanka, China, and elsewhere (see **Figure 1**). Expatriates make up nearly 90% of the total UAE population.

Figure 1. UAE at a Glance



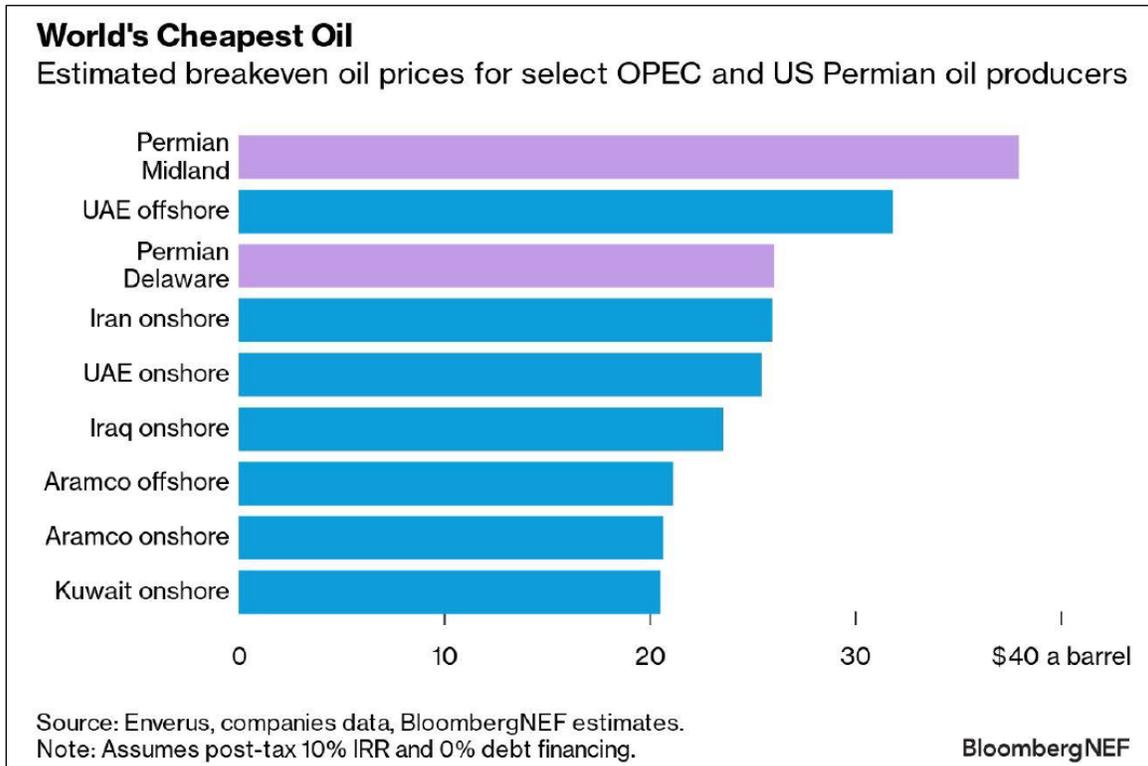
Population	About 9.9 million, of whom about 12% are Emirati citizens.
Religions	Of total population, 76% Muslim; 9% Christian; and 15% other (primarily Buddhist or Hindu).
Population Components	Emirati (citizenry) 11%; South Asian 59% (Indian, Pakistani, Bangladeshi); Egyptian 10%; Filipino 6%; other 13%.
GDP and GDP-related Metrics	GDP Growth Rate: 7.3% (2022) GDP: \$571 billion (2022 est.) Per capita (PPP): \$79,000
Oil Exports	About 3.2 million barrels per day
Sovereign Wealth Assets under Management	About \$1.700 trillion

Sources: Map created by CRS. Facts from CIA, *The World Factbook*; Economist Intelligence Unit; and Global SWF.

The UAE holds 8.9% of the world’s proven oil reserves, and national finances are closely tied to oil export revenues.¹ Oil production in the UAE also has some of the world’s lowest production costs per barrel of oil (see **Figure 2**).² As of September 2023, UAE oil output is 3.2 million barrels per day (mbd).

Having benefitted from decades of oil revenue and having pursued a host of economic diversification and global investment initiatives, the UAE remains one of the wealthiest countries in the world; the International Monetary Fund ranks it sixth globally in Gross Domestic Product (GDP) per capita (current prices).³ With approximately 1 million Emirati citizens out of a total population of nearly 10 million, the UAE’s national wealth not only enables it to provide generous income tax-free benefits and social services to its citizens, but also gives the small country outsized global influence (see below). The Abu Dhabi Investment Authority (ADIA) runs the world’s fourth-largest sovereign wealth fund, with an estimated \$990 billion in assets under management (the UAE has funds that bring total assets under management to over \$1.8 trillion).

Figure 2. UAE Oil Amongst the World’s Cheapest to Produce



Source: Bloomberg.

Historical Background

From the mid-18th to the mid-19th century, the emirates were under the sway of the British and were known as the “Trucial States,” a term derived from a series of maritime truces among the

¹ Organization of the Petroleum Exporting Countries (OPEC), Annual Statistical Bulletin 2022.

² “Five OPEC Giants Are Raising World’s Cheapest Oil Output,” *Bloomberg*, July 21, 2023.

³ See “IMF Data Mapper: United Arab Emirates Datasets; World Economic Outlook, (April 2023); GDP per capita, current prices, purchasing power parity; international dollars per capita,” International Monetary Fund.

several emirates negotiated under British auspices. For over a century and until independence in 1971, the Trucial States functioned as informal British protectorates, with Britain conducting foreign and defense relations on their behalf.⁴

During most of this period, the Trucial States' mostly semi-nomadic population focused on pearl diving, merchandise trade, and date cultivation. Oil exploration in the Trucial States began in the 1930s; the discovery and eventual export of oil in Abu Dhabi in the late 1950s and early 1960s helped transform the emirates politically and economically from a relatively impoverished area dependent on British protection into an independent nation with the Arab world's second largest economy.

When the British government announced its intent to withdraw from bases "East of Suez" in 1968, the Trucial States and other Gulf sheikhdoms (Bahrain and Qatar) began deliberations over possible federation. Internally and prior to independence, the various ruling families of the Trucial States had cooperated with the British in delineating borders amongst themselves and forming a Trucial Council to discuss political matters. Externally, Britain, along with the United States, worked to ensure that larger Gulf powers, such as Saudi Arabia and Iran, would not impede federation, despite their respective claims on territories within the emirates.⁵ After three years of negotiations, Qatar and Bahrain decided to become independent nations. The emirates acquired full independence from Britain on December 1, 1971. Six of them—Abu Dhabi, Dubai, Sharjah, Fujayrah, Ajman, and Umm al Qaywayn—immediately banded together to form the UAE. A seventh, Ra's al Khaymah, joined the federation early in 1972.

In its half-century of independence, the UAE has had three presidents; their domestic and foreign policies have evolved from an early focus on state building, development, and close ties to the West to becoming a more emboldened, global actor that has retained close Western ties while expanding relationships further East. Under the late Sheikh Zayed bin Sultan al Nahyan (president from 1971-2004), Abu Dhabi used its oil wealth to invest heavily in infrastructure development, as well as federal institutions that could bond a society traditionally divided along various tribal, familial, and geographic lines. Nevertheless, strengthening Emirati national identity took time; the federal army was only truly united in 1997 when Dubai disbanded its armed forces.

During the reign of Sheikh Khalifa bin Zayed al Nahyan (president from 2004 to 2022), the UAE focused on diversifying its economy. In Dubai, which has far less oil than Abu Dhabi, UAE Vice President⁶ Sheikh Mohammad bin Rashid al Maktoum transformed the city-state into a global commercial center centered on finance, real estate, shipping, and tourism. While Abu Dhabi and Dubai have long competed commercially and culturally, Abu Dhabi's oil wealth has undergirded the UAE's growth; during the 2008-2009 financial crisis, Dubai's real estate market crashed, and Abu Dhabi lent it \$20 billion in bailout funds, which Dubai is still repaying.

⁴ "Trucial States in 1914," The National Archives, Government of the United Kingdom.

⁵ In 1971, the Shah-led government of Iran seized the Greater and Lesser Tunb islands from the emirate of Ra's al Khaymah and compelled the emirate of Sharjah to share with Iran control of Abu Musa island. In April 1992, the Islamic Republic of Iran took complete control of Abu Musa and placed some military equipment there. When the UAE achieved its independence in 1971, Saudi Arabia continued its unresolved border dispute with Abu Dhabi over the Al Buraymi Oasis, which was ultimately resolved by the 1974 Treaty of Jeddah.

⁶ The emir of Dubai has traditionally served as vice president and prime minister.

UAE President Sheikh Mohammad bin Zayed (MBZ) and Other Key Leaders

The current leader of the UAE is 61-year-old President Sheikh Mohammad bin Zayed al Nahyan (commonly referred to as “MBZ”), who formally assumed the role of president after the 2022 death of his older half-brother Sheikh Khalifa bin Zayed al Nahyan. Since the late Sheikh Khalifa’s stroke in 2014, MBZ had exercised de facto executive authority.

President Sheikh Mohammad bin Zayed al Nahyan is the third son of Zayed bin Sultan al Nahyan, the first President of the UAE. As a young man, MBZ served in several different Emirati military positions before being appointed deputy crown prince of Abu Dhabi in 2003 and crown prince in 2004. Even before becoming de facto ruler of the UAE, MBZ worked to reform the UAE’s military, hiring foreign officers to lead the armed forces, instituting a year of compulsory service for male UAE citizens (which has since been extended to 16 months), and acquiring advanced and customized fighter aircraft from the United States, such as the F-16 Desert Falcon.

As the UAE has become one of the most influential states in the Middle East, MBZ and his predecessors have used Abu Dhabi’s vast oil wealth to diversify the UAE economy, invest globally, and modernize the military with mostly U.S. equipment and training. According to one report, the ruling Al Nahyan family may be the world’s richest, with a reported net worth estimated at \$300 billion.⁷

Since 2014, under MBZ’s long de facto and now de jure leadership, the UAE has used a combination of soft and hard power to assert itself in several parts of the Middle East and Africa—with key goals of keeping secular authoritarian Arab leaders in power, working against Muslim Brotherhood-linked organizations, countering terrorism, and deterring Iran. At times, the UAE’s more aggressive regional posture, foreign military interventions, and behind-the-scenes sponsorship of autocratic leaders have drawn criticism, with some international observers claiming MBZ’s unilateral moves have been destabilizing.⁸ Others have focused on MBZ’s role as a modernizer and a peacemaker, as the UAE’s historic 2020 normalization of diplomatic relations with Israel has brought him widespread praise.⁹

In early 2023, MBZ appointed his eldest son, Sheikh Khaled bin Mohammad bin Zayed al Nahyan, as crown prince of Abu Dhabi. In general, while MBZ is the primary UAE decisionmaker and may be grooming his son to succeed him, he also has distributed power to five other full brothers, collectively referred to as the “Bani Fatima” (children of Fatima, the third and favored wife of UAE founder Sheikh Zayed bin Sultan). Among the Bani Fatima, National Security Advisor Sheikh Tahnoun bin Zayed al Nahyan (TBZ) serves as a deputy ruler of Abu Dhabi. TBZ oversees over a trillion dollars in UAE assets, such as the mega-conglomerate International Holding Company (IHC) and the sovereign wealth fund Abu Dhabi Developmental Holding Company (ADQ).¹⁰ Sheikh Hazza bin Zayed al Nahyan also is a deputy ruler of Abu Dhabi. Another brother, Sheikh Mansour bin Zayed al Nahyan, is UAE vice president and owner of the Manchester City Football Club in the United Kingdom.



Domestic Politics

The UAE’s political system is notably stable. The dynastic rulers of each of the seven emirates exercise power within their respective principalities over “all authorities that are not assigned by the Constitution to the Federation.”¹¹ Per the constitution, the Federal Supreme Council, which comprises the hereditary leaders of all the emirates, has the power to elect a new president upon death or resignation of the sitting ruler.¹² The Council is the highest federal executive and legislative authority in the UAE. Since the founding of the state, the ruler of Abu Dhabi has served as the federation’s president, and the presidential transition in 2022 (like the previous one

⁷ Devon Pendleton, Ben Bartenstein, Farah Elbahrawy, and Nicolas Parasio, “Secretive Gulf Family’s \$300 Billion Fortune Is About More than Oil,” *Bloomberg*, December 6, 2022.

⁸ David Kirkpatrick, “The Most Powerful Arab Ruler Isn’t M.B.S. It’s M.B.Z.,” *New York Times*, June 2, 2019.

⁹ “Sheikh Mohamed bin Zayed receives prestigious US award for the Abraham Accords,” *The National*, November 19, 2021.

¹⁰ Ben Bartenstein, Abeer Abu Omar, Adveith Nair and Farah Elbahrawy, “Gulf Royal’s \$1.5 Trillion Empire Draws Bankers and Billionaires,” *Bloomberg*, September 5, 2023.

¹¹ United Arab Emirates, “The Cabinet (Federal System),” available at <https://uaecabinet.ae/en/federal-system>.

¹² An English language translation of the UAE’s 1996 constitution is available at <https://www.refworld.org/pdfid/48eca8132.pdf>.

in 2004) followed constitutional procedures.¹³ The UAE president has the legal authority to sign laws and issue decrees (in areas assigned to the federation under the constitution), appoint/dismiss cabinet ministers, and conduct the nation's foreign affairs.

The UAE does not have an independent legislative body, though it has provided for some formal popular representation of citizens through a 40-seat advisory Federal National Council (FNC)—a body that can debate laws and review government policies, but not legislate independently. The FNC can summon ministers for questioning, but it is not empowered to remove them. Half of the FNC's seats are appointed; the other half are directly elected by limited suffrage among selected UAE citizens.¹⁴ According to a 2018 presidential decree, Emirati women must hold 50% of the council's seats. In the last FNC election in 2019, seven women were elected, and 13 more were appointed. Upcoming FNC elections are scheduled for October 7, 2023, and will use a hybrid system of remote and electronic voting.¹⁵

The UAE has a dual judicial system with a mix of federal courts and state courts within some individual emirates. Sharia (Islamic law) is the principal source of legislation, though courts may apply civil or sharia law depending on circumstances. According to the constitution, federal law supersedes local law, though each emirate can enact laws not expressly reserved for the federal government, or in areas in which the federal government has not legislated. A Federal Supreme Court, appointed by the UAE leadership, adjudicates disputes between emirates or between an emirate and the UAE federal government. Abu Dhabi and Dubai also have special economic zones with respective separate court systems to settle commercial and civil disputes.

According to the U.S. Department of State report on human rights practices in the UAE during 2022, while the constitution provides for an independent judiciary, “court decisions remained subject to review by the political leadership.... The judiciary consisted largely of contracted foreign nationals subject to potential deportation, further compromising its independence from the government.”¹⁶ Each individual emirate maintains its own police forces, which enforce both local and federal law and are officially subsumed within the Federal Ministry of the Interior.

The Emirati federal government and each individual emirate maintain generous social welfare systems for Emirati citizens. In the UAE, Emirati citizens pay no personal income tax. Education is compulsory and free, even for Emirati students attending public universities. Emirati citizens are entitled to universal health care. The state also maintains a vast subsidy system, particularly for low-income citizens. The UAE's Social Welfare Program provides its citizens with subsidies for housing, unemployment support, food, fuel, water, and electricity. Many citizens who have worked in both the public and private sectors are entitled to pensions upon reaching retirement eligibility.

The UAE's population consists mostly of expatriates, who make up a higher share of the UAE's population than any other GCC state (see **Figure 3**). The federal government has sought to attract and retain skilled foreign labor to help make the economy globally competitive, and has reformed and liberalized some laws in apparent efforts to do so. The UAE faces competition from Saudi Arabia and other Gulf neighbors that similarly seek to be a hub for global commerce. In 2021, the federal government decriminalized premarital sex and cohabitation (“homosexual activities are

¹³ George Sadek, “United Arab Emirates: Supreme Council Elects New President of the Union,” *Global Legal Monitor*, Law Library of Congress, June 9, 2022.

¹⁴ For information on the regulations pertaining to FNC elections, see <https://www.mfnca.gov.ae/en/areas-of-focus/elections/2019/>.

¹⁵ George Sadek, “United Arab Emirates: Remote Voting System to Be Used in Upcoming Federal National Council Elections,” *Global Legal Monitor*, Law Library of Congress, July 31, 2023.

¹⁶ U.S. Department of State, *2022 Country Reports on Human Rights Practices: United Arab Emirates*.

illegal,” per the State Department). The Dubai government also removed the requirement for a license to purchase or consume alcohol. A new federal law on the personal status of non-Muslims allows for civil law to govern marriage, divorce, inheritance, and child custody for non-Muslims.¹⁷ In 2021, the UAE amended its citizenship law, allowing a pathway to citizenship for certain categories of foreigners from select career fields.¹⁸

At the same time, the UAE, like other Gulf Cooperation Council (GCC) countries, has attempted to encourage more of its own citizens to be active participants in the private sector labor force. According to the country’s “Emiratisation” laws, private sector companies with over 50 employees must have at least 3% of their payroll consist of Emirati citizens; noncompliance results in steep fines, though the government has offered to subsidize a portion of its citizens’ salaries from private employers.¹⁹ Despite these efforts, studies indicate that Emirati students lag internationally on key educational performance benchmarks; some contend that “the promise of a public-sector job, regardless of ability, offered little motivation to work hard in school.”²⁰

Human Rights, Women’s Rights, Foreign Labor, and Trafficking in Persons

According to the U.S. Department of State, significant human rights issues in the UAE include, among other things, arbitrary arrest and detention; serious restrictions on free expression and media; substantial interference with the freedom of peaceful assembly and freedom of association; inability of citizens to change their government peacefully in free and fair elections; and serious government restrictions or harassment of domestic and international human rights organizations.²¹ The nongovernmental organization Freedom House classifies the UAE as “not free.”²²

According to the World Economic Forum’s 2023 Global Gender Gap report, the UAE ranks 71st overall in the report’s global gender gap index and first overall in the Middle East and North Africa, ahead of Israel and Bahrain.²³ This score may reflect UAE government attempts to take some steps toward improving gender equality. In the workplace, the UAE has sought to increase

Figure 3. Migrant Population by Percentage in the GCC



Source: *The Economist* and United Nations.

¹⁷ “UAE issues Personal Status Federal Decree- Law for non-Muslims in the country,” Emirates News Agency (WAM) (UAE), December 9, 2022.

¹⁸ “UAE adopts amendments to grant citizenship to investors and other professionals,” Reuters, January 30, 2021.

¹⁹ Rory Reynolds, “Emiratisation explained: What are the new rules and fines?” *The National*, July 12, 2023.

²⁰ “Reinventing the Gulf: A new dawn, a new day,” *The Economist*, February 11, 2023.

²¹ Op.cit., *2022 Country Reports on Human Rights Practices: United Arab Emirates*.

²² See <https://freedomhouse.org/country/united-arab-emirates>.

²³ World Economic Forum, “Global Gender Gap Report 2023,” June 2023.

women's labor force participation (57% as of 2020) by introducing paid parental leave for employees in the private sector.²⁴ The UAE also reformed other legal provisions to prohibit discrimination on the basis of sex and gender, while enacting a domestic violence law permitting women to obtain restraining orders against abusers. Several cabinet shuffles have greatly increased the number of female ministers, and one woman has been speaker of the FNC. The UAE Air Force has several female fighter pilots, and, in 2021, Nora al Matrooshi was named the UAE's first female astronaut.²⁵

Despite some progress on women's rights, some human rights groups assert that many forms of discrimination against women remain legal. According to Human Rights Watch, "laws still provide male guardian authority over women and loopholes allow reduced sentences for men for killing a female relative."²⁶ In 2022, the United Nations Committee on the Elimination of Discrimination against Women (CEDAW) expressed concern about the unequal legal status of Emirati women in marriage, family relations, and divorce.²⁷

Overall, UAE law governing certain personal matters differs for Muslim Emirati citizens and non-Muslim expatriates. For the former, the Personal Status Law, which is based on sharia law, governs policies on marriage, divorce, and child custody. In Abu Dhabi, a federal law²⁸ on the personal status of non-Muslims allows for civil law (secular legal regime) to govern marriage, divorce, inheritance, and child custody for non-Muslims.²⁹

The UAE is a "destination country" for women trafficked from Asia, Africa, and the countries of the former Soviet Union and forced into prostitution. The Department of State's Trafficking in Persons report for 2023, for the 12th year in a row, rated the UAE as "Tier 2," based on the assessment that the UAE "does not fully meet the minimum standards for the elimination of trafficking but is making significant efforts to do so."³⁰ In a 2023 investigative exposé published by the International Consortium of Investigative Journalists and Reuters, journalists concluded that "the UAE is a major destination for sex trafficking, where African women are forced into prostitution by illicit networks operating within the country.... Emirati authorities do little to protect these women, according to anti-trafficking activists, Nigerian authorities and interviews with trafficked women."³¹ In order to better combat human trafficking, in 2007 the UAE established "The National Committee for Combating Human Trafficking"; Dubai also has a police unit tasked solely with assisting victims of trafficking.³²

A significant percentage (89%) of the UAE's expatriate workforce comprises low-paid, unskilled and semi-skilled laborers and domestic workers, predominantly from South Asia. UAE law prohibits all forms of compulsory labor, but enforcement is inconsistent. Foreign laborers have

²⁴ Iva Hamel and Gharam Alkastalani Dexter, "UAE: The sky is the limit for gender reform," World Bank Blogs, March 10, 2021.

²⁵ "The United Arab Emirates has announced its first female astronaut," CNN, April 10, 2021.

²⁶ Human Rights Watch, "UAE: Greater Progress Needed on Women's Rights," March 4, 2021.

²⁷ United Nations, "UN women's rights committee publishes findings on Azerbaijan, Bolivia, Mongolia, Morocco, Namibia, Portugal, Türkiye and United Arab Emirates," July 4, 2022.

²⁸ George Sadek, "United Arab Emirates: Emirate of Abu Dhabi Ratifies Executive Regulation for New Family Law Permitting Civil Marriage," *Global Legal Monitor*, The Law Library, Library of Congress, March 28, 2022.

²⁹ "UAE issues Personal Status Federal Decree- Law for non-Muslims in the country," Emirates News Agency (WAM), December 9, 2022.

³⁰ U.S. Department of State, "2023 Trafficking in Persons Report: United Arab Emirates," June 16, 2023.

³¹ Maggie Michael, "How torture, deception and inaction underpin UAE's thriving sex trafficking industry," Reuters, June 12, 2023.

³² "Minister of Justice sets out UAE's fight against 'heinous' human trafficking," *The National*, July 30, 2023.

sometimes conducted strikes to protest poor working conditions, nonpayment of wages, and cramped housing conditions. Workers still reportedly sometimes have their passports withheld, are denied wages or paid late, and are deported for lodging complaints. The federal government has put in place an electronic salary payment system that applies to companies with more than 100 workers, facilitating timely payment of agreed wages. In 2022, the UAE government issued a federal decree aimed at creating better work conditions for domestic workers.³³

Opposition and Repression of Domestic and Foreign Activists

UAE law prohibits political parties, and there has been no indication of organized public political opposition since the 2011-2013 period of widespread social unrest in the Arab world. The UAE government has asserted that the Muslim Brotherhood and groups affiliated with it are a threat to the stability of the region and the UAE itself.³⁴ In 2014, the UAE named the Muslim Brotherhood as one of 85 “terrorist organizations” (a list that included Al Qaeda and the Islamic State).³⁵ A domestic affiliate of the Brotherhood in the country—the Islah (the Association for Reform and Guidance) organization—has operated openly in the UAE since 1974, attracting followers mostly from the less wealthy and more religiously conservative northern emirates; it has no history of attacks or violence. Despite that record of nonviolence, in 2013, the UAE State Security Court convicted and sentenced dozens of Islamists—many from Islah—who were arrested during the 2011-2013 period for trying to overthrow the government.³⁶ Known collectively as the “UAE94,” some of those convicted in 2013 have completed their sentences but remain in detention.³⁷

Oil and Climate Change

In recognition of its half-century of independence, in 2022 the UAE issued “The Principles of the 50,” in which it envisions a dynamic economic future revolving around the continued development of “human capital.”³⁸ Nevertheless, though the UAE has made strides to reduce its dependence on hydrocarbon exports via economic diversification, the UAE economy and financial picture still fluctuates along with the world energy outlook. Abu Dhabi has 80% of the federation’s proven oil reserves of about 111 billion barrels. According to *The Economist*, the UAE’s state-run oil company, the Abu Dhabi National Oil Company (ADNOC), has enough oil reserves to continue producing at current rates (about 3.2 mbd)³⁹ for over four decades.⁴⁰ Major UAE crude oil export destination markets include Japan, India, China, and South Korea. Expecting continued global oil consumption and seeking additional market share, the UAE has plans to increase crude oil production capacity to 5 mbd by 2030.⁴¹ According to ADNOC Chief

³³ “United Arab Emirates: New Law Regulating Work of Foreign Domestic Workers Adopted,” *Global Legal Monitor*, The Law Library, Library of Congress, January 5, 2023.

³⁴ “UAE and the Muslim Brotherhood: A Story of Rivalry and Hatred,” *Middle East Monitor*, June 15, 2017.

³⁵ “UAE Lists Scores of Groups as ‘Terrorists,’” *Al Jazeera*, November 16, 2014.

³⁶ “UAE jails 61 Islamists in coup plot trial, rights groups protest,” *Reuters*, July 12, 2013.

³⁷ “Over 50 political prisoners held in UAE past their jail terms: activists,” *Reuters*, May 9, 2023.

³⁸ See <https://u.ae/en/about-the-uae/initiatives-of-the-next-50/the-principles-of-the-50>.

³⁹ In addition to large reserves and high daily production, the UAE is one of the few OPEC members that holds spare oil production capacity (about a million bpd), which can be activated within 30 days and sustained over an indefinite period. This spare production capacity provides the UAE, combined with coordinated output decisions with Saudi Arabia and other Gulf producers, with some notable oil market leverage.

⁴⁰ “State-run oil giants will make or break the energy transition,” *The Economist*, July 25, 2022.

⁴¹ U.S. Department of Commerce, “United Arab Emirates - Country Commercial Guide: Oil and Gas,” July 26, 2022.

Executive Sultan Ahmed al Jaber, “We cannot simply unplug from the energy system of today. We cannot just flip a switch.”⁴²

Though the UAE economy remains largely dependent on hydrocarbon exports, the UAE’s “Energy Strategy 2050” aims to develop both renewable energy sources while also making existing hydrocarbon production “greener.”⁴³ The UAE is investing in “green hydrogen” industrial zones, which will produce hydrogen using renewable energy sources. The UAE also is constructing what it claims will be the world’s largest single-site solar plant upon completion, providing 2.1 gigawatts (gw) of power, or enough electricity to power 160,000 households.⁴⁴ The UAE has worked to develop ventures, such as the clean energy and autonomous vehicle showcase project “Masdar City,” that provide jobs and attract tourism and publicity. It also produces nuclear power domestically.⁴⁵

COP28

The UAE is scheduled to host the 28th Conference of the Parties (COP28) to the United Nations Framework Convention on Climate Change (UNFCCC) from November 30 to December 12, 2023. In January 2023, the UAE government appointed Dr. Sultan Ahmed al Jaber as COP28 President-Designate. Sultan al Jaber, as previously noted, is CEO of ADNOC. He also is the Minister of Industry and Technology and the UAE’s Climate Envoy. The host of the annual COP conference chooses the conference’s president, who has significant influence in setting agendas.

While climate activists have criticized the involvement of major oil-producing nations and companies in the conference proceedings, others note that Sultan al Jaber is the founding CEO of the UAE’s renewable energy firm Masdar, in which ADNOC has a 24% stake.⁴⁶ In a January 2023 interview with the Associated Press, John Kerry, U.S. Special Presidential Envoy for Climate, stated, “I think that Dr. Sultan al-Jaber is a terrific choice because he is the head of the company. That company knows it needs to transition ... and the leadership of the UAE is committed to transitioning.”⁴⁷ Notwithstanding, in May 2023, 34 House and Senate lawmakers and nearly 100 members of the European Parliament wrote a letter to President Biden and other world leaders urging, among other things, for U.S. pressure on the UAE to withdraw the appointment of Sultan al Jaber as President-Designate of COP28.⁴⁸

Just weeks prior to the November 2021 COP26, held in Glasgow, United Kingdom, the UAE announced plans to work toward net zero emissions by 2050.⁴⁹ However, that pledge includes

⁴² Yousef Saba, Alex Lawler, and Hadeel Al Sayegh, “Oil Industry Calls for Inclusivity Under Climate Efforts,” Reuters, November 15, 2021.

⁴³ See <https://u.ae/en/about-the-uae/strategies-initiatives-and-awards/strategies-plans-and-visions/environment-and-energy/uae-energy-strategy-2050>.

⁴⁴ “Major UAE solar plant to go online before COP summit: energy firm,” Agence France Presse, January 31, 2023.

⁴⁵ In 2009, the United States and the UAE concluded a peaceful nuclear cooperation agreement—pursuant to Section 123 of the Atomic Energy Act of 1954 (AEA; 42 U.S.C. 2153(b))—committing the UAE to refrain from producing enriched uranium or reprocessing spent nuclear reactor fuel; both processes could produce fissile material for nuclear weapons. This provision is typically not included in peaceful nuclear cooperation agreements. The Korea Electric Power Corporation of South Korea is the prime contractor operating the Barakah Nuclear Energy Plant, which contains four nuclear power reactors and began operating in mid-2020.

⁴⁶ Maha El Dahan and Gloria Dickie, “UAE names oil boss to lead climate summit, worrying activists,” Reuters, January 12, 2023.

⁴⁷ “John Kerry tells AP he backs UAE oil chief overseeing COP28,” Associated Press, January 16, 2023.

⁴⁸ See <https://www.whitehouse.senate.gov/imo/media/doc/2023.05.23%20Whitehouse-Aubry%20Transatlantic%20Letter%20re%20UNFCCC%20Corporate%20Influence.pdf>.

⁴⁹ “UAE launches plan to achieve net zero emissions by 2050,” Reuters, October 7, 2021.

emissions only from domestic sources and energy production and excludes emissions generated by the foreign consumption of UAE hydrocarbon exports. In summer 2023, the UAE released revised National Determined Contribution (NDC) goals under the Paris Agreement for absolute greenhouse gas (GHG) emissions reductions of 19% by 2030 relative to 2019.⁵⁰ As some international climate monitoring organizations have continued to criticize UAE plans to increase overall fossil fuel production,⁵¹ ADNOC has accelerated its goal to achieve a net zero domestic carbon emissions target by 2045 instead of 2050.⁵²

The UAE contributes globally to mitigate the effects of climate change in developing countries. As of May 2022, the UAE government claims that the country “has invested in renewable energy ventures with a total value of \$17 billion across the globe, from the UK to India to Uzbekistan. The UAE provides \$1 billion of aid for renewables to more than 40 countries, with a special focus on island and least-developed nations.”⁵³ In September 2023, at the Africa Climate Summit in Nairobi, Kenya, the UAE pledged \$4.5 billion in clean energy investments in Africa.

On November 1, 2022, the United States and the UAE signed the U.S.-UAE Partnership for Accelerating Clean Energy (PACE), an agreement intended to spur “\$100 billion in financing, investment, and other support and to deploy globally 100 gigawatts of clean energy by 2035.”⁵⁴ In July 2023, the United States and the UAE allocated the first \$20 billion (\$7 billion in private sector cash equity and \$13 billion in U.S. debt financing) of PACE funding for 15 gw of renewable energy projects worldwide.⁵⁵

Foreign Policy and Defense Issues

The UAE has sought to influence regional affairs using its significant financial resources, as well as the expertise and equipment gained in its security partnership with the United States. The United States is arguably the UAE’s most important security partner (see below). U.S. troops are stationed on Emirati soil (at the invitation of the UAE government); the UAE military procures sophisticated U.S. military equipment; and the security partnership has been, since 1994, delineated by a “Defense Cooperation Agreement” that promotes U.S.-UAE interoperability (see below).

However, for the past decade, the UAE government has asserted greater independence from U.S. foreign policy amid the growing influence of other foreign actors (Russia, China, India, Turkey [or Türkiye], and France) in the Middle East and North Africa (MENA) and as UAE officials have bemoaned what they describe as U.S. disengagement from the MENA region.⁵⁶ Though the Biden Administration, like its predecessors, has denied that the United States has reduced its overall security commitment to the region,⁵⁷ U.S. officials have acknowledged that, as the U.S. force presence is strengthened in other regions, the United States is asking its Gulf partners to shoulder more of their own defense. According to Deputy Assistant Secretary of Defense for the

⁵⁰ UAE, Ministry of Climate Change and Environment, *Accelerating Action Towards a Green, Inclusive and Resilient Economy, Third Update of Second Nationally Determined Contribution for the UAE*, July 11, 2023.

⁵¹ “COP host UAE emissions plan ‘insufficient’: analysis,” Agence France Presse, July 20, 2023.

⁵² “UAE oil giant raises climate goal ahead of key UN summit,” Reuters, July 31, 2023.

⁵³ Embassy of the United Arab Emirates, Washington DC, “The UAE: A Leader and Partner for Climate Action.”

⁵⁴ White House, “U.S.-UAE Partnership to Accelerate Transition to Clean Energy (PACE),” fact sheet, November 1, 2022.

⁵⁵ “US, UAE say \$20 billion investment to fund 15gw in new clean energy,” Reuters, January 15, 2023.

⁵⁶ Phil Steward, “In Middle East, U.S. General Hears Concerns about American Commitment,” Reuters, May 13, 2022.

⁵⁷ “State Dept: Narrative that US Leaving MENA ‘wholly incorrect,’” *Al Mayadeen*, June 7, 2022.

Middle East Dana Stroul, “I think it’s a hard moment.... [We are] asking our partners to step up and do more, and that is a shift.”⁵⁸

The UAE, like other GCC states, has appeared to pursue a foreign policy strategy of hedging against its close U.S. relationship by expanding ties to Russia, China, and other countries.⁵⁹ According to statements by Anwar Gargash, a senior advisor to the UAE’s president, “The UAE has no interest in choosing sides between great powers.... Trade relations increasingly look to the East while our primary security and investment relations (are) in the West.”⁶⁰

In addition to its courting of other great powers, the UAE overall has adopted a foreign policy approach that observers have characterized as consisting of “zero problems” toward regional rivals and other foreign powers.⁶¹ In the past year, the UAE has repaired relations with Qatar, Turkey, Iran, and Syria, while, as previously mentioned, expanding ties to Russia, China, and India (see below). At the same time, the UAE has continued to exert influence and pursue national interests in war-torn, politically unstable countries, such as Yemen, Libya, Ethiopia, Somalia, and Sudan (see below).

The UAE’s Domestic Arms Industry

The UAE has coupled its broader diplomatic outreach with a drive toward developing an armaments industry while procuring arms imports from multiple suppliers. In 2019, the Emirati government consolidated several companies and government agencies into the defense conglomerate known as the EDGE group. Since then, EDGE has ventured into various foreign partnerships (including with France, Israel, Brazil, Malaysia, and Serbia) to produce, among other things, unmanned aerial systems, anti-ship missiles, guided and loitering munitions, rifles, cyber security products, and counter-unmanned aerial systems. The UAE is host to several major global arms expositions, such as the Dubai Airshow, IDEX (International Defence Exhibition), and UMEX (Unmanned System Exhibition and Conference), where Emirati weaponry is often displayed. According to the Stockholm International Peace Research Institute (SIPRI), the UAE has reduced arms imports by more than 40% over the past decade and is now the 18th largest global arms exporter globally.⁶²

Russia’s Invasion of Ukraine

Since Russia’s 2022 invasion of Ukraine, the UAE has officially called for “hostilities to end,” stating that international efforts should be focused on achieving a “sustainable peace in Ukraine, in line with the UN Charter, and that respects Ukraine’s sovereignty, independence, and territorial integrity.”⁶³ Unofficially, and in contravention of U.S. and international sanctions, the UAE has benefitted from increased oil and non-oil trade with Russia and inflows of Russian capital into Dubai-based banks and real estate. According to one data-commodity analytics firm, in 2022,

⁵⁸ Vivian Nereim, “An Oil-Rich Ally Tests Its Relationship With the U.S.,” *New York Times*, August 8, 2023.

⁵⁹ Danielle Pletka, “The Qatarization of the Middle East,” *Foreign Policy*, May 4, 2022.

⁶⁰ “UAE won’t take sides in ‘great power’ standoff: senior official,” *Agence France Presse*, November 14, 2022.

⁶¹ Mohammad Barhouma, “The Reshaping of UAE Foreign Policy and Geopolitical Strategy,” *Carnegie Endowment for International Peace*, January 4, 2022.

⁶² Hashem Osseiran, “UAE spends billions on home-grown arms at defence fair,” *Agence France Presse*, February 24, 2023.

⁶³ “UAE Statement at the UN Security Council Meeting on Threats to International Peace and Security,” *Permanent Mission of the United Arab Emirates to the United Nations*, July 31, 2023.

Russian oil exports to the UAE more than tripled to a record 60 million barrels last year.⁶⁴ As discussed below, the U.S. Department of the Treasury has expressed concern over increased Russian-Emirati trade, noting that between July and November of 2022, UAE companies exported over \$18 million worth of goods to U.S.-designated Russian entities.⁶⁵

Emirati leaders have not publicly shied away from embracing closer bilateral ties with Russia. In April 2023, MBZ traveled to Russia to attend the St. Petersburg International Economic Forum (SPIEF), where the UAE was Russia's "guest of honor." According to Anwar Gargash, closer Emirati-Russian ties are a "calculated risk," and as MBZ "meets a lot of Western leaders, it is also important for him to hear from President Putin to be able also to support the international community's collective effort, in order to go beyond the current polarization."⁶⁶

At times, the UAE has acted as an interlocutor between the United States and its rivals. In the case of Russia, the UAE (and Saudi Arabia) claimed to have played a successful role in mediating the release of American citizen and professional basketball player Brittney Griner.⁶⁷ Upon her release by Russian authorities in a prisoner swap, a private Emirati plane flew Griner from Moscow to Bateen Airport (an executive airport) in Abu Dhabi, where she was taken safely into U.S. protection. Afterward, President Biden thanked "the UAE for helping us facilitate Brittney's return, because that's where she landed."⁶⁸ In winter 2023, the UAE also helped broker a prisoner exchange deal between Russia and Ukraine.⁶⁹

China

As the UAE has invested more heavily in various technologies to gradually diversify its economy away from hydrocarbon production, it has expanded commercial ties to the People's Republic of China, a worrisome development for U.S. officials seeking to maintain and expand long-standing U.S.-Emirati defense ties. In August 2022 testimony before the Senate Foreign Relations Committee, U.S. Assistant Secretary of State for Near Eastern Affairs Barbara Leaf stated that the Biden Administration has "concerns with Chinese inroads in the UAE's tech sector."⁷⁰ According to the UAE government, the UAE is China's largest non-oil trading partner in the Middle East and North Africa, with a bilateral trade volume over \$72 billion (2022).⁷¹ Over the past 30 years, total oil and non-oil Emirati-Chinese trade has increased a hundredfold to \$107 billion in 2022 from \$1.15 billion in 1992.⁷²

⁶⁴ Benoit Faucon and Summer Said, "Saudi Arabia, U.A.E. Scoop Up Russian Oil Products at Steep Discounts," *Wall Street Journal*, April 17, 2023.

⁶⁵ U.S. Department of the Treasury, "Remarks by Assistant Secretary Elizabeth Rosenberg for Terrorist Financing and Financial Crimes at the Association of Women in International Trade," March 2, 2023.

⁶⁶ Becky Anderson and Mostafa Salem, "UAE says Russia ties are a 'calculated risk' in an increasingly polarized world," CNN, June 16, 2023.

⁶⁷ WAM News Agency (UAE), "Success of joint Emirati-Saudi mediation regarding release and exchange of prisoners between United States and Russian Federation," December 8, 2022.

⁶⁸ White House, "Remarks by President Biden on the Release of Brittney Griner," December 8, 2022.

⁶⁹ "Dozens of soldiers freed in Russia-Ukraine prisoner swap," Associated Press, February 4, 2023.

⁷⁰ Testimony of Assistant Secretary of State for Near Eastern Affairs Barbara Leaf, U.S. Congress, Senate Committee on Foreign Relations, Subcommittee on Near East, South Asia, Central Asia, and Counterterrorism, *China's Role in the Middle East*, hearings, 117th Cong., 2nd sess., August 4, 2022.

⁷¹ United Arab Emirates, Ministry of Economy, "UAE and China discuss investment opportunities in new economic sectors, trade, transportation & technology," March 19, 2023.

⁷² Sam Dagher, Henry Meyer, and Ben Bartenstein, "Middle Eastern Wealth Flows to China Amid Anxiety About US Ties," *Bloomberg*, July 15, 2023.

The PRC telecom company Huawei provides domestic network services in the UAE. In October 2022, Omar Sultan al Olama, the UAE's Minister of State for Artificial Intelligence, Digital Economy and Remote Work Applications, said in an interview that the UAE is open to using PRC-origin technology, noting, "As long as it makes economic sense, we will use it."⁷³ A month later, National Security Council Coordinator for the Middle East and North Africa Brett McGurk stated at a security conference in Bahrain that "there are certain partnerships with China that would create a ceiling to what we can do."⁷⁴

There is much U.S. concern that as Emirati commercial ties to China continue to accelerate, stronger Emirati-Chinese defense ties will grow stronger. Over the past several years, there have been several Emirati-Chinese defense developments, including the following:

- In November 2021, the Biden Administration reportedly warned the UAE government that Chinese construction of a possible military facility at Khalifa port, where PRC-based company COSCO operates a commercial container terminal, could damage U.S.-UAE ties; construction was subsequently halted.⁷⁵
- In February 2022, the UAE announced plans to purchase 12 light-attack training aircraft (L-15 or JL-10) from a PRC-owned defense company, with the option for 36 additional aircraft.⁷⁶
- In August 2023, the UAE and China announced that they would, for the first time ever, conduct joint aerial combat exercises in China, dubbed the "China-UAE Falcon Shield-2023." One Emirati official said that "such joint exercises are part of the UAE's ongoing efforts to strengthen international cooperation across various fields."⁷⁷ The drill is reportedly taking place (at an unnamed date) in Xinjiang, where the Chinese government has sought to forcefully assimilate the Uyghur Muslim ethnic minority group into Chinese society. According to David Des Roches, associate professor at the Near East South Asia Center for Security Studies, "The fact that the leadership of a Muslim country would participate in military exercises in this country under such circumstances helps China normalize such behavior, even as it wipes out an ancient Muslim culture."⁷⁸

During her 2023 confirmation hearing, then U.S. Ambassador-designate to the UAE Martina Strong remarked that:

If confirmed, I will work closely with the administration and Congress to counter China's efforts to expand its influence in the UAE and the Gulf. Our partnership with the UAE is built on a strong foundation of decades long close cooperation and our mutual interest in securing a free, rules-based, and prosperous world today and for decades to come. While

⁷³ Nesreen Bakheit, "UAE open to China AI despite U.S. concerns: minister," *Nikkei Asia*, October 15, 2022.

⁷⁴ Zainab Fattah, "U.S. Tells Gulf Allies Certain China Ties Would Cap Cooperation," *Bloomberg*, November 20, 2022. At the same conference, U.S. Under Secretary of Defense for Policy Colin Kahl said, "In the Middle East, the PRC has no interest in mutually beneficial coalitions, and Beijing has neither the intent nor the capability to integrate the region's security architecture.... The PRC pursues ties based on its narrow transactional, commercial, and geopolitical interests. Period." See Aaron Mehta, "Kahl to Gulf states: Why work with Russia when it is funding Iran?" *Breaking Defense*, November 18, 2022.

⁷⁵ Gordon Lubold and Warren P. Strobel, "China Move in U.A.E. Thwarted—U.S. Rang Alarm about Building of Suspected Military Facility at Port on Mideast Ally's Turf," *Wall Street Journal*, November 20, 2021.

⁷⁶ Emirates News Agency, "Ministry of Defence intends to buy 12 L15 Chinese aircraft," February 23, 2022.

⁷⁷ Nadeen Ebrahim and Aimee Look, "In the shadow of US-China rivalry, Arab allies tread delicate ground," CNN, August 14, 2023.

⁷⁸ Agnes Helou, "China, UAE to hold first-ever joint military drill, likely a 'message' to US: Analysts," *Breaking Defense*, August 2, 2023.

we do not agree on all issues, our frank and constructive diplomatic engagement has helped us deepen and modernize this vital bilateral partnership. And that certainly would include an establishment of a Chinese installation, military installation in the region. We have been very clear with our partners in the region to include the UAE that there are certain categories of cooperation with China that would run up very directly and impact very directly our US national security interests...⁷⁹

Congress also has expressed concern regarding UAE-PRC relations and possible implications for U.S. security. Section 704 of P.L. 117-103, the Consolidated Appropriations Act, FY2022, required the Director of National Intelligence to report to Congress within 60 days of enactment on, among other things, the cooperation between China and the UAE regarding “defense, security, technology, and other strategically sensitive matters that implicate the national security interests of the United States.” According to Representative Raja Krishnamoorthi, “When you have a nation such as the UAE hosting both, you know, important bases for the United States, but also potential installations for the CCP [Chinese Communist Party]... We just have to be extremely candid with our partners in the UAE, as well as careful from a security standpoint [about] what could happen with that close proximity to CCP installations.”⁸⁰

India

After China, India is the UAE’s next largest trading partner (\$85 billion in total volume of trade) and, as the Emirati government attempts to diversify its international relationships, UAE-India ties are expanding.⁸¹ In summer 2023, ADNOC announced that it had reached a 14-year (\$7-\$9 billion) liquefied natural gas supply deal with Indian Oil Corporation. In 2022, the UAE, India, Israel, and the United States launched the I2U2 Initiative aimed at joint investments in water, energy, transportation, space, health, and food security.⁸² To date, several I2U2 projects are underway, including (1) an Emirati investment in Indian food parks using Israeli and U.S. technologies to conserve resources, and (2) a renewable solar/wind energy project in India’s Gujarat state to generate 300 megawatts of electricity.⁸³ In September 2023, the White House announced that the UAE and India would be participating in the Middle East–Europe Economic Corridor (IMEC), which will connect via railway India to the Arabian Gulf and the Arabian Gulf to Europe.⁸⁴

Iran

Iran is a perennial policy concern for the Emirati government. Since Emirati independence in 1971, the UAE and Iran have been engaged in an ongoing territorial dispute over several Iranian-occupied Gulf islands. The UAE has called for direct negotiations or referral to the International Court of Justice to try to resolve the issue, and the United States takes no position on the

⁷⁹ Testimony of Martina Anna Tkadlec Strong, in U.S. Congress, Senate Foreign Relations Committee, Subcommittee on Near East, South Asia, Central Asia and Counterterrorism, *Nominations*, hearings, 118th Cong., 1st sess., March 15, 2023.

⁸⁰ “UAE-China reports revive lawmakers’ worry about Mideast ally,” *CQ News*, May 2, 2023.

⁸¹ Sunjay Sudhir, “UAE-India trade ties are growing stronger,” *The National*, May 1, 2023.

⁸² The White House, “Joint Statement of the Leaders of India, Israel, United Arab Emirates, and the United States (I2U2),” July 14, 2022.

⁸³ Jonathan H. Ferziger, “Business councils promote pact linking UAE, Israel, India and U.S.,” *The Daily Circuit*, April 20, 2023.

⁸⁴ The White House, Memorandum of Understanding on the Principles of an India – Middle East – Europe Economic Corridor, September 9, 2023.

sovereignty of the islands. In August 2023, Iran conducted military exercises near the islands.⁸⁵ The exercises came one month after the 6th Russia-GCC Joint Ministerial Meeting for Strategic Dialogue, in which Russian and GCC ministers “reiterated their support for all peaceful efforts, including the initiative and endeavors of the United Arab Emirates to reach a peaceful solution to the dispute over the three islands; Greater Tunb, Lesser Tunb, and Abu Musa, through bilateral negotiations or the International Court of Justice.”⁸⁶

Beyond this longstanding territorial dispute, UAE-Iran relations are often influenced by U.S. policy toward Iran. As discussed below, during the Obama Administration, amidst nuclear negotiations with Iran (culminating in the 2015 Joint Comprehensive Plan of Action, or JCPOA) and a host of other developments, Gulf Arab monarchies began to accuse the United States, despite repeated U.S. assurances, of planning to “abandon” the Middle East and thereby leave them vulnerable to Iran’s malign regional influence.⁸⁷ Some observers noted how the 2019 Iranian drone attack against Saudi oil production facilities in Abqaiq—which took place after the Trump Administration withdrew from the JCPOA and began a “maximum pressure campaign” against Iran—may have raised GCC fears of facing a more militarily capable Iran on their own.⁸⁸

Perhaps the apex of UAE concern over Iran came in the Biden Administration’s second year in early 2022, when the Iran-backed, Yemen-based Ansar Allah/Houthi movement (“the Houthis”) launched several missile and drone attacks against targets in the UAE, killing three foreign nationals. Targets in the UAE included Al Dhafra Air Base, which hosts the United States Air Forces Central (AFCENT) 380th Air Expeditionary Wing. Some of those launches were at least partly intercepted by U.S.-operated missile defense systems in the country (Terminal High Altitude Area Defense, THAAD),⁸⁹ and the United States subsequently deployed U.S. ships and additional forces to the UAE to deter additional attacks. However, UAE leaders complained that the United States did not respond quickly or strongly enough to the launches.⁹⁰ In April 2022, Secretary of State Antony Blinken met with MBZ and reportedly “apologized” and admitted that the Biden administration “took too long to respond to the attacks.”⁹¹

By late 2022, UAE-Iran relations took a different turn and have been gradually warming, as the UAE engages in its previously mentioned “zero problems” foreign policy, and Iran itself engages in a broader rapprochement with Gulf kingdoms, as evident by its March 2023 restoration of diplomatic relations with Saudi Arabia, which was partially brokered by China.⁹² The UAE was one of the first Gulf monarchies to reengage diplomatically with Iran, when, in 2022, it announced that its ambassador to Iran would resume his duties; in April 2023, Iran followed suit, and Iran’s President Ebrahim Raisi has officially invited MBZ to visit Tehran.

⁸⁵ Patrick Sykes, “Iran Holds Naval Drills Around Gulf Islands Claimed by UAE,” *Bloomberg*, August 2, 2023.

⁸⁶ The Ministry of Foreign Affairs, Russian Federation, “Joint Statement of the 6th Russia - GCC Joint Ministerial Meeting for Strategic Dialogue,” July 12, 2023. In December 2022, China issued a similar statement. See <https://www.gcc-sg.org/ar-sa/MediaCenter/NewsCooperation/News/Pages/news2022-12-9-4.aspx>.

⁸⁷ “Obama vows to ‘stand by’ Gulf allies amid concern over Iran threat,” Reuters, May 14, 2015.

⁸⁸ Isaac Chotiner, “What the Saudi-Iran Deal Means for the Middle East,” *The New Yorker*, March 14, 2023.

⁸⁹ “THAAD, in first operational use, destroys midrange ballistic missile in Houthi attack,” Defense News, January 21, 2022. See also, CRS Insight IN11891, *Attacks Against the United Arab Emirates: Issues for Congress*, by Jeremy M. Sharp and Carla E. Humud.

⁹⁰ Bilal Saab and Karen Young, “How Biden Can Rebuild U.S. Ties with the Gulf States,” *Foreign Policy*, April 4, 2022.

⁹¹ Barak Ravid, “Scoop: Blinken apologized to UAE crown prince for delayed response to Houthi attacks,” *Axios from Tel Aviv*, April 13, 2022.

⁹² International Crisis Group, “The Impact of the Saudi-Iranian Rapprochement on Middle East Conflicts,” April 19, 2023.

The emirate of Dubai has often advocated that the federation emphasize engagement with Iran—a stance that might stem partly from Dubai’s significant Iranian diaspora community and the extensive Iranian commercial presence there. According to the *Financial Times*, in 2021, the UAE was the top source for Iran’s imports and the fourth largest destination for Iran’s non-oil exports.⁹³ The business ties have reportedly included some illicit purchases by UAE firms of Iranian oil and jet fuel, exports of proliferation-related technology to Iran, and the use of some UAE financial institutions by Iranian entities. Numerous UAE-based entities have been sanctioned by the United States for these activities.⁹⁴

Israel and the Abraham Accords

In 2020, the UAE and Israel normalized relations, the first of the “Abraham Accords,” negotiated by the UAE, Israel, and the United States. The three countries jointly negotiated the Israel-UAE diplomatic normalization agreement during summer 2020 in the wake of statements by then Israeli Prime Minister Benjamin Netanyahu that publicly floated the idea of formally annexing parts of the West Bank. According to the UAE Ambassador to the United States, the Accords were “about preventing annexation” and “saving the two-state solution.”⁹⁵ In support of the first bilateral normalization agreement, the Trump Administration pledged to sell to the UAE the advanced F-35 Joint Strike Fighter aircraft and armed drones.⁹⁶

By early 2021, Israel had reached Abraham Accords agreements to normalize or improve its relations with three other members of the Arab League: Bahrain, Morocco, and Sudan. The Trump Administration facilitated each of these agreements and, as with the UAE deal, provided U.S. security, diplomatic, or economic incentives for most of the countries in question.⁹⁷

Since the signing of the 2020 Israel-UAE diplomatic normalization agreement, Israeli-Emirati trade, military, and diplomatic ties have expanded significantly. In May 2022, Israel and the UAE signed a free trade agreement, which went into effect in March 2023. Since 2020, the volume of Israeli-Emirati bilateral trade has risen from a few hundred million to an anticipated \$3 billion in 2023.⁹⁸ In February 2023, the UAE inaugurated a multi-faith complex known as the “Abrahamic Family House,” which contains a Jewish synagogue. The UAE also has purchased arms from Israel, including various air and missile defense systems (see **Table 1** for selected examples). Israel’s Ministry of Defense released figures noting that its arms exports to Abraham Accords countries rose from \$853 million in 2021 to nearly \$3 billion in 2022.⁹⁹

⁹³ Najmeh Bozorgmehr and Simeon Kerr, “UAE spy chief in Iran to improve ties,” *Financial Times*, December 6, 2021.

⁹⁴ See CRS Report RS20871, *Iran Sanctions*, by Clayton Thomas, updated February 2, 2022.

⁹⁵ Jacob Magid, “UAE ambassador: ‘Abraham Accords were about preventing annexation,’” *Times of Israel*, February 2, 2021.

⁹⁶ See CRS Report R46580, *Israel’s Qualitative Military Edge and Possible U.S. Arms Sales to the United Arab Emirates*, by Jeremy M. Sharp, Jim Zanotti, Kenneth Katzman, Christina L. Arabia, and Clayton Thomas, October 26, 2020.

⁹⁷ See Max Bearak and Naba Mohieddin, “U.S. Takes Sudan off Terrorism List, Reintegrating it into the Global Economy,” *Washington Post*, December 15, 2020.

⁹⁸ Henry Meyer, Fiona MacDonald, and Marissa Newman, “Arab States Sour on Israel in Blow to US Aim of Saudi Peace Pact,” *Bloomberg*, July 30, 2023.

⁹⁹ Yaakov Lappin, “Israel announces surge in defence exports to Arab countries,” *Jane’s Defence Weekly*, June 20, 2023.

Table I. Selected Israeli Defense Deals with the UAE

Date	Description
October 2022	Though unconfirmed, multiple reports suggest that Israel Aerospace Industries (IAI) is in the process of selling the UAE a variant of its Barak-family surface-to-air missile defense system. Satellite imagery detected Barak launchers in the UAE.
September 2022	Rafael Advanced Defense Systems agreed to sell the SPYDER (Surface-to-air Python and Derby) to the UAE to protect its airspace against attack aircraft, cruise missiles, and unmanned aerial vehicles.
May 2022	A subsidiary of Israel's Rafael Advanced Defense Systems agreed to sell an Emirates marine services company (Al Fattan group) advanced underwater sonar systems to detect underwater threats to naval bases, ports, and offshore energy platforms.
November 2021	IAI agreed to jointly develop with UAE defense conglomerate EDGE modular un-crewed surface vessels (m-USV) for military and commercial applications.
March 2021	IAI agreed to jointly develop with EDGE an advanced C-UAS (Counter-Unmanned Aircraft System).

Source: Jane's Defence.

Despite this rapid expansion of ties, throughout 2023, the Emirati-Israeli relationship has confronted certain obstacles, as Israel faces domestic political turmoil and further confrontation with the Palestinians. The UAE Foreign Ministry has issued several condemnations against the visits of Israeli National Security Minister Itamar Ben-Gvir to the Temple Mount/Haram al Sharif.¹⁰⁰ Tourism traffic between the two countries has been virtually one-way, with several hundred thousand Israelis visiting the UAE compared with 1,600 visits of Emirati citizens to Israel (as of January 2023).¹⁰¹

In March 2023, one Israeli report suggested that the UAE had frozen additional purchases of Israeli arms due to the actions of certain ministers in Israel's government.¹⁰² That same month, the UAE dispatched MBZ's senior advisor to Israel reportedly to warn Prime Minister Netanyahu that his government's treatment of Palestinians was straining Israel-UAE ties.¹⁰³ Netanyahu had been planning to visit the UAE, but his invitation reportedly had been revoked over the actions of some of his ministers, such as Ben Gvir's visit to the Temple Mount/Haram al Sharif.¹⁰⁴ The UAE has since invited Netanyahu to attend COP28 along with other world leaders.

UAE Involvement in the Middle East and North Africa

The Emirati-Saudi Relationship: Allies, Rivals, or Both?

Since the GCC's founding in 1981, the UAE has been most closely aligned with Saudi Arabia. Many observers attribute closeness in contemporary Saudi-Emirati relations to personal ties between MBZ and Saudi Crown Prince Mohammad bin Salman (commonly referred to as

¹⁰⁰ For example, see <https://www.mofa.gov.ae/en/mediahub/news/2023/5/21/21-05-2023-uae-al-aqsa>.

¹⁰¹ PBS NewsHour, "Israel's hopes for United Arab Emirates tourism fall short," January 3, 2023.

¹⁰² "Report: UAE Halts Military Purchases From Israel Amid Political Turmoil," *Haaretz*, March 12, 2023.

¹⁰³ Ash Obel, "Senior UAE official dispatched to warn Netanyahu over potential crisis in ties," *Times of Israel*, March 23, 2023.

¹⁰⁴ Lazar Berman, "After months of delays, Netanyahu receives invitation to visit UAE for world summit," *Times of Israel*, May 23, 2023.

“MBS”), who is nearly 24 years younger than his Emirati counterpart.¹⁰⁵ Both leaders have cooperated on various regional endeavors, such as the blockade of Qatar (2017-2021), the ongoing war in Yemen (2015-present), and support to counter Muslim Brotherhood and Islamist-affiliated movements, popular Shia uprisings, and democratic reform efforts in the Middle East and Africa (e.g., in Egypt, Bahrain, Libya, and Sudan).

However, though both the UAE and Saudi Arabia still align on some regional issues, some observers note indications of growing UAE-Saudi rivalry, as both countries race to be best positioned for a global energy future that is possibly less reliant on hydrocarbon extraction and production.¹⁰⁶ To some extent, the Emiratis have led this race, as the UAE, much smaller and less burdened by religious orthodoxy, has been able to develop its own global companies and make social changes that help attract foreign workers and investment. As MBS-led Saudi Arabia attempts to catch up, the *Wall Street Journal* has described the countries as “economic competitors,” reporting:

As part of MBS’s plans to end Saudi Arabia’s economic reliance on oil, he is pushing companies to move their regional headquarters to Riyadh, the Saudi capital, from U.A.E.’s Dubai, a more cosmopolitan city favored by Westerners. He’s also launching plans to set up tech centers, draw more tourists and develop logistical hubs that would rival the U.A.E.’s position as the Middle East’s center of commerce.¹⁰⁷

Still, though the UAE and Saudi Arabia are not always closely aligned on either regional or oil-policy matters, and often appear to compete globally for status on the world’s stage, they appear to perceive common threats from Iran’s regional policies and military capabilities and both rely heavily on the United States as their primary security partner.

Yemen

In 2014, the northern Yemen-based Ansarallah/Houthi movement launched a military offensive that seized large swaths of northern Yemen, culminating in their capture of the capital Sana’a in September 2014. In March 2015, Saudi Arabia assembled a coalition of Arab partners, including the UAE, and launched a military offensive aimed at dislodging the Houthis from the capital and major cities. In 2022, the Houthis conducted ballistic missile and unmanned aerial vehicle (UAV) attacks against UAE territory.

After almost eight years of conflict in Yemen, an April 2022 truce appeared to offer the first hope for an end to the fighting. The truce resulted in six months of reduced conflict and the formation of a new Presidential Leadership Council (PLC). However, by late 2022, the truce had officially expired, the PLC was beset by infighting, Iran had continued its activities in the region, and the Houthis had resumed longer-range strikes against domestic energy facilities in government-held areas. Through August 2023, there had been no cross-border Houthi attacks or Saudi-led coalition airstrikes on Houthi forces in Yemen since April 2022.

Though the UAE formally withdrew its main military contingent from Yemen in 2019, it has retained a small military presence while working with allied non-state groups in southern Yemen, notably the Southern Transitional Council (STC). The STC advocates for an independent southern Yemen and controls the government’s interim capital city of Aden. In January 2022, the United Nations Panel of Experts on Yemen reported that the UAE retained “an outsized political

¹⁰⁵ Arwa Ibrahim, “MBS-MBZ: A special bond between two Gulf princes,” *Al Jazeera*, March 17, 2020.

¹⁰⁶ Abeer Abu Omar, “Riyadh Vs. Dubai,” *Bloomberg*, April 10, 2023.

¹⁰⁷ Summer Said, Dion Nissenbaum, Stephen Kalin, and Saleh al-Batati, “The Best of Frenemies: Saudi Crown Prince Clashes With U.A.E. President,” *Wall Street Journal*, July 18, 2023.

role ... mostly through providing political, financial and military support to the Joint Forces on the West Coast, as well as political support” to the STC.¹⁰⁸ In 2021, the panel concluded that UAE “support to the Southern Transitional Council undermines the Government of Yemen.”¹⁰⁹ UAE support to the STC appears to stem at least partly from a UAE interest in countering ties between the former internationally recognized government and the Yemeni Islah party. The UAE views Islah as linked to the Muslim Brotherhood, which UAE leaders consider to be a significant domestic and transnational threat.¹¹⁰

Syria

In Syria, the GCC states initially supported the 2011 uprising against President Bashar al Asad, presumably in part to oust a strong ally of Iran. Nevertheless, the UAE has led the way on Arab state reconciliation with Asad since 2018. The UAE reopened its embassy in Damascus in December 2018, claiming that doing so would help counter Iran’s influence in Syria.¹¹¹ In March 2022, the UAE hosted a visit by Asad, his first to an Arab country since the uprising, signaling UAE intent to help reintegrate Asad into the regional fold. U.S. officials and some Members of Congress criticized the UAE decision to host Asad.¹¹² A year later, the UAE again hosted Asad just weeks after a visit to the UAE from Ali Shamkhani, the head of Iran’s Supreme National Security Council.

During 2014-2015, as a member of the U.S.-led coalition combatting the Islamic State organization, the UAE sent pilots to conduct and even command some coalition air strikes against Islamic State positions in Syria. The UAE also hosted other forces participating in the anti-Islamic State effort, including French jets stationed at Al Dhafra Air Base and 600 forces from Australia.¹¹³ None of the GCC states conducted anti-Islamic State air operations in Iraq.

Libya

In Libya, the UAE joined several Gulf states in conducting air strikes to help armed Libyan rebels overthrow Muammar Qadhafi in 2011.¹¹⁴ Since then, the UAE, in apparent violation of U.N. Security Council resolutions that ban arms transfers to Libya, reportedly has sent weapons to and conducted air operations in support of eastern Libya-based Khalifa Haftar’s Libyan National Army (LNA).¹¹⁵ Haftar, a former commander in the Libyan armed forces, has sought to expand the influence of forces under his command relative to forces aligned with U.N.-recognized governments based in Tripoli. According to the U.S. Defense Intelligence Agency (DIA), the

¹⁰⁸ United Nations Panel of Experts on Yemen, *Final report of the Panel of Experts on Yemen established pursuant to Security Council resolution 2140 (2014)*, U.N. Document S/2022/50, January 26, 2022.

¹⁰⁹ See United Nations Panel of Experts on Yemen, “Letter dated 22 January 2021 from the Panel of Experts on Yemen addressed to the President of the Security Council,” U.N. Document, S/2021/79, January 25, 2021.

¹¹⁰ “A Moment of Truth for Yemen’s Truce,” International Crisis Group, September 30, 2022.

¹¹¹ “UAE reopens Syria embassy in boost for Assad,” Reuters, December 27, 2018.

¹¹² U.S. Department of State, Press Briefing, March 21, 2022. See also Sarakshi Rai, “Top Democrat knocks UAE’s welcome for ‘brutal murderer Assad,’” *The Hill*, March 21, 2022.

¹¹³ “Islamic State Crisis: Australia to Send 600 Troops to UAE,” BBC News, September 14, 2014.

¹¹⁴ “Militant Forces Got Arms Meant for Libya Rebels,” *New York Times*, December 6, 2012.

¹¹⁵ United Nations, “Letter dated 8 March 2021 from the Panel of Experts on Libya Established pursuant to Resolution 1973 (2011) addressed to the President of the Security Council,” S/2021/229, March 21, 2021.

UAE also may have financially supported the operations of Russian mercenaries, such as those employed by the Wagner Group, in Libya.¹¹⁶

Since the end of the last round of major hostilities in Libya (2019-2020), which witnessed a significant Turkish intervention against the LNA, the UAE reportedly has taken a less involved role in Libya in parallel with a broader rapprochement with Turkey.¹¹⁷ In December 2022, the UAE government stated that it will “continue to demand the gradual, balanced, and parallel withdrawal of foreign forces, foreign fighters, and mercenaries” from Libya and called for support of the U.N. Special Representative’s efforts “to enable Libya to hold parliamentary and presidential elections, thus ending the transitional period.”¹¹⁸

Sudan

In 2023, observers have accused some outside actors, including the UAE, of contributing to the conflict that has erupted between Sudan’s security forces—its military, known as the Sudanese Armed Forces (SAF), and the paramilitary Rapid Support Forces (RSF). Since the fighting started in spring 2023, the UAE has called for a ceasefire, though many reports note UAE ties to the RSF. Sudan exports gold, most of which comes from areas under RSF control, to the UAE, and the UAE has sought Sudan’s cooperation in the establishment of a UAE-operated port on the Red Sea.¹¹⁹ The UAE also has reportedly hired RSF fighters as mercenaries and deployed them to southern Yemen and Libya.¹²⁰ Other reports allege that the UAE provides the RSF with munitions, including through covert shipments of humanitarian supplies through third countries.¹²¹ In August 2023, the UAE Foreign Ministry said, “The UAE has not supplied arms and ammunition to any of the warring parties in Sudan since the outbreak of the conflict in April 2023.”¹²² The UAE has established a field hospital to treat Sudanese refugees in neighboring Chad and has acknowledged sending arms to support the government of Chad.¹²³

U.S.-Emirati Relations

Background

Since the first Gulf War, strong U.S.-Emirati relations have been predicated on close bilateral defense ties. According to the U.S. Department of State, the UAE has been a vital U.S. partner on a wide range of regional security issues and has “fought alongside the U.S. in Afghanistan and Iraq, as well as being an active, expeditionary participant in the Global Coalition to Defeat ISIS,

¹¹⁶ U.S. Department of Defense, *Lead Inspector General for East Africa and North and West Africa Counterterrorism Operations Quarterly Report to the United States Congress, July 1, 2020–September 30, 2020*, November 25, 2020.

¹¹⁷ Emadeddin Badi, “The UAE is making a precarious shift in its Libya policy. Here’s why,” *MENASource*, Atlantic Council, October 27, 2022.

¹¹⁸ Permanent Mission of the United Arab Emirates to the United Nations, “UAE Statement at the UN Security Council on the Situation in Libya,” December 16, 2022.

¹¹⁹ Declan Walsh, “‘From Russia with Love’: A Putin Ally Mines Gold and Plays Favorites in Sudan,” *New York Times*, June 5, 2022; and “Sudan to develop Red Sea port in \$6-bln initial pact with Emirati group,” Reuters, December 13, 2022.

¹²⁰ Talal Mohammad, “How Sudan Became a Saudi-UAE Proxy War,” *Foreign Policy*, July 12, 2023.

¹²¹ “UAE secretly arming Sudan’s rebels with thermobaric bombs, video suggests,” *The Telegraph* (UK), April 19, 2023. See also Nicholas Bariyo and Benoit Faucon, “A U.S. Ally Promised to Send Aid to Sudan. It Sent Weapons Instead,” *Wall Street Journal*, August 10, 2023.

¹²² “UAE denies media reports it supplied arms to warring factions in Sudan,” *The National*, August 13, 2023.

¹²³ “UAE sends military vehicles to Chad to support anti-terrorism efforts,” *Alarabiyya News*, August 6, 2023.

and in operations against al-Qa'ida [Qaeda] and their regional and global affiliates.”¹²⁴ The UAE government claims that the federation has become “America’s most capable and dependable military partner in the Arab world.”¹²⁵ Since the early 1990s, the UAE has participated in several U.S.-led military ground operations, including Somalia (1992), the Balkans (late 1990s), and Afghanistan (2003-2014), as well as air operations in Libya (2011) and against the Islamic State organization in Syria (2014-2015). In July 2022, President Biden noted that the UAE is the “only country in the Middle East to have deployed its military forces alongside the U.S. military in every international security coalition involving the United States since Desert Shield/Desert Storm in 1990-1991.”¹²⁶

U.S. Aircraft Carriers in the Gulf

One possible reason behind the claim that the U.S. presence in the Middle East has diminished over time is the noticeable absence of a U.S. carrier strike group in the U.S. Central Command (CENTCOM) Area of Responsibility (AOR), a deployment that had been the norm during U.S. military operations in Iraq and Afghanistan. According to a 2022 report in the *Navy Times*, “A Navy carrier has not operated in the Middle Eastern waters of U.S. 5th Fleet for more than a year.... Competing demands for such assets—primarily in Europe and Asia—and the changing Middle East landscape have lessened the urgency for carrier presence in that region.”¹²⁷ On the other hand, while the abiding presence of a U.S. carrier strike group may be a deterrent to U.S. adversaries such as Iran, in practical terms, the United States can compensate for the lack of a carrier presence by deploying additional air assets to shore-based air bases throughout the CENTCOM AOR.

For the past decade, while defense ties have remained robust, the UAE, like other Gulf states, has posited a narrative of gradual U.S. abandonment, in which it claims that the United States is less committed to Gulf security than earlier periods.¹²⁸ Their reasoning for reduced U.S. interest in the Gulf has been closely tied to various U.S. policies and actions that cut across the last three administrations. During the Obama presidency, the UAE and others feared that President Obama’s emphasis on “rebalancing” U.S. forces to Asia and the Pacific, reducing U.S. dependence on imported foreign oil, and negotiating with Iran (culminating in the 2015 JCPOA) were all indications that the United States intended to reduce its regional footprint.¹²⁹ During President Trump’s term, Iran’s attack on Saudi oil facilities and the lack of retaliatory U.S. military strikes may have reinforced the Gulf’s impression that the United States was not as reliable of a security partner as had been previously perceived.¹³⁰ In 2020, during the early months of the COVID-19 pandemic, President Trump had threatened not to veto proposed legislation that would have removed U.S. forces from Saudi Arabia unless OPEC cut oil production.¹³¹

¹²⁴ U.S. Department of State, “U.S. Security Cooperation with the United Arab Emirates,” June 25, 2021.

¹²⁵ Embassy of the United Arab Emirates in Washington, DC, “US-UAE Cooperation.”

¹²⁶ The White House, “Joint Statement Following Meeting Between President Biden and President of the UAE Sheikh Mohammed bin Zayed in Jeddah,” July 16, 2022.

¹²⁷ Geoff Ziezulewicz, “Why aircraft carriers are no longer a constant in the Middle East,” *Navy Times*, November 4, 2022.

¹²⁸ Lt Col Christopher Michele and Prof. Joshua Goodman, “Three Broken Teacups: The Crisis of U.S.-UAE relations,” *Wild Blue Yonder*, an online journal published by Air University, June 27, 2022.

¹²⁹ Mohammed Baharoon, “UAE-U.S. Relations: What Went Wrong?” The Arab Gulf States Institute in Washington, April 22, 2022.

¹³⁰ International Crisis Group, “A Time for Talks: Toward Dialogue between the Gulf Arab States and Iran,” August 24, 2021. See also Nadeen Ebrahim and Aimee Look, “In the shadow of US-China rivalry, Arab allies tread delicate ground,” CNN, August 17, 2023.

¹³¹ “Special Report: Trump told Saudi: Cut oil supply or lose U.S. military support – sources,” Reuters, April 30, 2020.

U.S.-Emirati Tensions During the Biden Administration

During the Biden Administration, it would seem that U.S.-Emirati tensions have grown more strained. As mentioned, in 2021, the Biden Administration warned the UAE government that bilateral ties would be harmed should China continue constructing a military facility at Khalifa port. Though in the last hours of the Trump presidency, the UAE signed a Letter of Acceptance (not a contract) to purchase up to 50 F-35s and 18 MQ-9 Reaper drones from the United States (as an incentive for signing the Abraham Accords),¹³² the Biden Administration temporarily paused the sale for review upon taking office in 2021, partially due to concerns over UAE-China ties.¹³³ With talks stalled, the UAE Air Force sent a letter to the U.S. Department of Defense in 2021 withdrawing its Letters of Offer and Acceptance for the F-35 and MQ-9; to date, the arms sale issue remains unresolved, though talks may be ongoing.¹³⁴

In early 2022, the UAE reacted harshly to what it characterized as a lack of immediate U.S. response to Houthi rocket attacks against its territory.¹³⁵ After Russia's February 2022 invasion of Ukraine, the UAE (which was a nonpermanent member of the U.N. Security Council at the time) abstained from a February 25, 2022, draft U.N. Security Council resolution denouncing Russia's actions. Two days later, it again abstained from a vote to convene the emergency special session of the General Assembly. According to some observers, the UAE's abstentions were an expression of its displeasure over the U.S. response to drone and missile attacks against it emanating from Iranian-backed groups.¹³⁶ A month later, when the United States requested that Saudi Arabia, the UAE, and other OPEC members increase oil production to lower global oil prices, MBZ reportedly refused to speak to President Biden; at the time, UAE Ambassador to the United States Yousef al Otaiba remarked that "today, we're going through a stress test, but I am confident that we will get out of it and get to a better place."¹³⁷

In 2023, the Emirati government has continued its efforts to redefine its foreign policy orientation away from one exclusively focused on the United States and the West and toward one that is characterized by multiple partnerships with rising powers. Since 2022, the UAE has signed free trade agreements with six nations, including India and Indonesia. In August 2023, the multinational grouping of nations known as the "BRICS" (Brazil, Russia, India, China, and South Africa) selected the United Arab Emirates and several other nations to join. UAE officials have been careful to frame their membership in BRICS as not inherently an anti-U.S. step.¹³⁸

¹³² Mike Stone, "UAE Signs Deal with U.S. to Buy 50 F-35 Jets and up to 18 Drones: Sources," *Reuters*, January 20, 2021.

¹³³ Mohammed Soliman, "The Gulf has a 5G conundrum and Open RAN is the key to its tech sovereignty," Middle East Institute, January 12, 2022.

¹³⁴ Ashley Roque, "Potential F-35, Reaper deal with UAE not completely dead, senior US official says," *Breaking Defense*, February 22, 2023. In March 2023, U.S. Secretary of State Antony Blinken commented on potential U.S. arms sales to the UAE: "We are fully prepared to move forward. These are systems that they started to discuss previously. They pushed the pause button. We said we'd welcome pursuing this conversation, including the F-35s." See U.S. Congress, Senate Foreign Relations Committee, *American Diplomacy and Global Leadership: Review of the FY24 State Department Budget Request*, hearings, 118th Cong., 1st sess., March 22, 2023.

¹³⁵ Jacob Magid, "How Israel came to the UAE's aid after the 2022 Houthi missile strikes," *Times of Israel*, May 9, 2023.

¹³⁶ Barak Ravid, "UAE abstained from UN Security Council vote due to U.S. response to Houthi attacks," *Axios from Tel Aviv*, March 2, 2022.

¹³⁷ Edward Helmore, "Saudi Arabia and UAE leaders 'decline calls with Biden' amid fears of oil price spike," *The Guardian* (UK), March 8, 2022.

¹³⁸ Manus Cranny and Abeer Abu Omar, "UAE Sees Ties With West Unbroken After Invitation From BRICS," *Bloomberg*, August 28, 2023.

In 2023, relations between the UAE and the United States have continued to seesaw, as the UAE still expresses its discontent with U.S. Gulf policy, while the United States attempts to prove it is meeting its commitments. For both sides, it has been a balancing act, as neither party seeks to sever long-standing defense ties. According to UAE Senior Advisor Anwar Gargash, “I don’t think that American economic, military or political power is less formidable today, or will be in the next 10 years, than it was in the last 10 years.... What I’m trying to understand is what is the commitment to the region and the UAE.”¹³⁹ On the anniversary of the rocket attacks against the UAE, Secretary of State Blinken issued a formal statement, noting “As I have reaffirmed in my engagements with Emirati President Sheikh Mohammad bin Zayed and Foreign Minister Abdullah bin Zayed, the United States remains resolutely committed to helping the UAE defend its territory and people—as well as the tens of thousands of U.S. citizens living and working in the UAE—including from threats emanating from Yemen.”¹⁴⁰

Still, in 2023, U.S.-Emirati tensions over U.S. force posture in the Gulf and the U.S. response to Iranian provocations have continued.¹⁴¹ In May 2023, the UAE announced that it “withdrew its participation” in the Combined Maritime Forces (CMF), a partnership that brings together naval forces from 38 countries to operate a series of task forces (currently four) that target threats to maritime security in waters near the Arabian Peninsula. Reportedly, the UAE had been disappointed in the what it considered a lack of U.S. response to Iranian seizures of commercial oil tankers.¹⁴² U.S. Navy officials noted that the UAE had withdrawn its participation in specific task forces but had not formally severed its membership in the CMF.¹⁴³ According to one unnamed Biden Administration official, “Our Mideast partners are always going to want more from us—stronger security guarantees, more sophisticated weapons delivered more quickly with fewer strings attached.... They will want more and will complain if we fall short.”¹⁴⁴

Soon after the Emirati “withdrawal” from the CMF, National Security Advisor Sheikh Tahnoon bin Zayed al Nahyan visited Washington for the first time in several years for talks with U.S. officials. According to one account of his meetings, the talks “managed to significantly improve the level of coordination between the U.S. and the UAE after a long difficult period,” and that one of the main issues discussed was UAE technological cooperation with China.¹⁴⁵

¹³⁹ Andrew England, “‘Bridges with everyone’: how Saudi Arabia and UAE are positioning themselves for power,” *Financial Times*, August 23, 2023.

¹⁴⁰ U.S. Department of State, “One-Year Anniversary of the Terrorist Attack on the UAE,” January 17, 2023.

¹⁴¹ Benoit Faucon in Dubai and Dion Nissenbaum, “U.A.E. Urges U.S. to Secure Gulf After Iran Seizes Tankers,” *Wall Street Journal*, May 31, 2023.

¹⁴² Benoit Faucon and Dion Nissenbaum, “U.A.E. Says It Exited U.S.-Led Naval Force,” *Wall Street Journal*, May 31, 2023.

¹⁴³ J.P. Lawrence, “UAE declares withdrawal from naval alliance, but US says otherwise,” *Stars and Stripes*, May 31, 2023.

¹⁴⁴ Nahal Toosi and Phelim Kine, “U.S. officials project calm as China stuns world with Iran-Saudi deal,” *Politico*, March 13, 2023.

¹⁴⁵ Barak Ravid, “TBZ’s visit to Washington eased U.S.-UAE tensions,” *Axios from Tel Aviv*, June 21, 2023.

In order to reassure Gulf partners that the United States remains committed to their defense and the free-flow of maritime commerce in the Strait of Hormuz, in summer 2023, the U.S. military deployed additional naval and air assets and manpower to the Gulf. In July and August 2023, the U.S. Navy deployed to the Gulf the amphibious assault ship USS *Bataan* (LHD 50) along with a dock landing ship (USS *Carter Hall*—LSD 50) and guided missile destroyer. Along with these naval assets, the U.S. military also deployed several teams of U.S. Marines to ride on commercial oil tankers transiting the Strait of Hormuz in order to deter Iranian interdiction.¹⁴⁶ Furthermore, the U.S. Air Force dispatched a squadron of U.S. Air Force F-35 Lightning IIs to the CENTCOM AOR; those fighters joined A-10 and F-16 fighter aircraft already in theater monitoring the Strait of Hormuz.¹⁴⁷ In total, U.S. CENTCOM estimates that more than 3,000 U.S. Sailors and Marines arrived in the Middle East in early August 2023.¹⁴⁸

Figure 4. USS *Bataan* Transits the Suez Canal on its Way to the Gulf



Source: NAVCENT, August 6, 2023.

Illicit Finance and U.S. Concern

How the UAE addresses money laundering and terrorism financing attracts U.S. attention. The UAE Central Bank's Financial Intelligence Unit is credited in Department of State terrorism reports with providing training programs to UAE financial institutions on money laundering and terrorism financing, and making mandatory the registration of informal financial transmittal networks (*hawalas*). During 2018 and 2019, the Emirati government enacted and issued implementing regulations for updated anti-money laundering laws.¹⁴⁹ However, in April 2020, the Financial Action Task Force (FATF) found that the United Arab Emirates was not doing enough to prevent money laundering, despite recent progress, and risked being included in the body's watch list of countries found to have "strategic deficiencies" in Antiterrorism Financing and Money Laundering (AMF/CFT)—the so-called "gray list."¹⁵⁰ In March 2022, the FATF formally placed the UAE on the gray list, subjecting the country to increased monitoring of its efforts to correct the deficiencies the FATF identified.¹⁵¹

Since Russia's 2022 invasion of Ukraine, U.S. officials have repeatedly raised concerns that UAE-based banks and companies have played a role in facilitating the evasion of international

¹⁴⁶ Sam LaGrone and Heather Mongilio, "DoD Officials Refute Claims Iranian Military Forced Marine, Navy Helicopters to Divert Course," USNI News, August 21, 2023.

¹⁴⁷ U.S. Department of Defense, "U.S. Air Forces Central, Squadron of F-35 Lightning IIs arrive in U.S. Central Command Area of Responsibility," July 26, 2023.

¹⁴⁸ U.S. Department of Defense, "U.S. Naval Forces Central Command, 3,000 Sailors and Marines Arrive in Middle East aboard USS *Bataan*, USS *Carter Hall*," August 7, 2023.

¹⁴⁹ Fact sheet provided by UAE embassy representatives, October 31, 2018; U.S. Department of State, *Country Reports on Terrorism 2019*, June 24, 2020.

¹⁵⁰ "UAE at risk of landing on watchlist over money laundering," *Al Jazeera*, April 30, 2020.

¹⁵¹ "UAE is placed on money laundering watchdog's 'gray list,'" CNBC, March 5, 2022.

sanctions on Russian oil exports and the sale of Iranian drones to the Russian military.¹⁵² In September 2023, U.S. officials warned the Emirati government that dual-use items, such as computer chips, were being channeled to the Russian military through the UAE.¹⁵³

Emirati officials have countered, asserting that their sanctions compliance follows U.S. guidelines.¹⁵⁴ In spring 2023, the UAE Central Bank canceled the license of Russia's MTS bank after it was sanctioned by British and U.S. authorities.¹⁵⁵ Also in 2023, the UAE suspended gold refiner Emirates Gold DMCC from the UAE Good Delivery list of approved refineries after allegations that its owner maintained ties to money launderers.¹⁵⁶ Despite these and other actions, one account suggests that sanctions evasion activities in the UAE continue, especially with regard to trade with Iran. According to *Politico*, U.S. officials estimate that "one-quarter of Iran's total foreign trade flows through the UAE and its banks, via front companies used to mask sanctioned transactions involving oil and petrochemicals."¹⁵⁷

Since 2012, there has been an FBI Legal Attaché office at the U.S. consulate in Dubai to assist with joint efforts against terrorism and terrorism financing. Some financial networks based in the UAE have been sanctioned by the U.S. Department of the Treasury for facilitating transactions for Iran and pro-Iranian regional factions in furtherance of Iran's "malign activities" in the region.

U.S.-UAE Trade, Military Cooperation, and Arms Sales

Trade and Investment. The UAE is the third-largest U.S. trading partner by value in the MENA region (after Israel and Saudi Arabia).¹⁵⁸ According to the U.S. Department of Commerce, the UAE has been the top U.S. export market in the MENA region for the past 12 years and is a "global hub for over 1,500 American companies."¹⁵⁹ According to the U.S. Department of Commerce, U.S. foreign direct investment (FDI) in the UAE was \$17.2 billion in 2019 (latest figure available). FDI was focused in mining, wholesale trade, and the manufacturing sectors.¹⁶⁰

Military Cooperation and Arms Sales. U.S. military personnel are deployed at several UAE facilities, including Jebel Ali port (between Dubai and Abu Dhabi), Al Dhafra Air Base (near Abu Dhabi), and naval facilities at Fujayrah.¹⁶¹ Jebel Ali, which is capable of handling aircraft carriers, and other UAE ports collectively host more U.S. Navy ships for visits than any other port outside the United States.¹⁶² U.S. forces in the UAE support U.S. operations in the region, including

¹⁵² Beril Akman and Ben Bartenstein, "US Raises Pressure on Turkey and UAE to Curb Russia Trade Ties," *Bloomberg*, February 3, 2023.

¹⁵³ Laurence Norman, "Western Officials Plan to Warn U.A.E. Over Trade With Russia," *Wall Street Journal*, September 4, 2023.

¹⁵⁴ Anton Troianovski, "'Russia Outside Russia': For Elite, Dubai Becomes a Wartime Harbor," *New York Times*, March 13, 2023.

¹⁵⁵ "UAE needs time to show effectiveness to exit financial crime grey list -official," Reuters, April 25, 2023.

¹⁵⁶ Harry Dempsey, Simeon Kerr, and Joseph Cotterill, "Emirates Gold suspended from UAE and UK bullion markets," *Financial Times*, July 14, 2023.

¹⁵⁷ Matthew Karnitschnig, "The dirham is like a bus station," *Global Insider, Politico*, March 8, 2023.

¹⁵⁸ U.S. Census Bureau, "Trade in Goods with United Arab Emirates, 2021."

¹⁵⁹ U.S. Department of Commerce, International Trade Administration, "Country Commercial Guide, United Arab Emirates."

¹⁶⁰ Office of the United States Trade Representative, "United Arab Emirates: U.S.-United Arab Emirates Trade Facts."

¹⁶¹ U.S. Department of State, "U.S. Security Cooperation with the United Arab Emirates," fact sheet, June 25, 2021.

¹⁶² "Factbox: U.S. forces in Gulf region and Iraq," Reuters, January 8, 2020.

detering Iran, countering terrorist groups, and intercepting illicit shipments of weaponry or technology.

According to the U.S. Department of State, in 2021, the United States had \$29.3 billion in active government-to-government sales cases with the UAE under the Foreign Military Sales (FMS) system. Since 2016, the United States had also authorized the permanent export of over \$11.3 billion in defense articles to the UAE via the Direct Commercial Sales (DCS) process, primarily launch vehicles, aircraft, munitions, and military electronics.¹⁶³

The United States and the UAE have established a “Defense Cooperation Framework” to develop joint approaches to regional conflicts and to promote U.S.-UAE interoperability. A “Joint Military Dialogue” (JMD), “the foremost bilateral defense forum for advancing the U.S.-UAE defense partnership, including reviewing shared security interests as well as discussing a wide range of strategic objectives for the relationship and challenges in the region,” meets annually.¹⁶⁴ On May 15, 2017, the United States and the UAE confirmed that they had concluded negotiations on a new Defense Cooperation Agreement (DCA) with a 15-year duration, which came into force as of May 30, 2019.¹⁶⁵

The DCA is not a mutual defense treaty. Throughout 2022, particularly after Houthi rocket attacks targeted UAE soil in January, multiple reports suggested that the UAE has advocated for a congressionally endorsed mutual defense treaty with the United States.¹⁶⁶ On November 14, 2022, UAE senior advisor Anwar Gargash called for a security relationship with the United States that is defined by “clear, codified and unambivalent commitments.”¹⁶⁷ However, other observers have noted that the UAE, like other Gulf states, may not desire a formal defense alliance with the United States, which could, in theory, obligate the UAE to increase its commitments to its own defense, to facilitation of U.S. military operations, to hosting U.S. forces or bases, to limiting its relations with Russia and China, and/or to responding in times of crisis to defend other Gulf countries or U.S. partners.¹⁶⁸

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¹⁶³ Op.cit., fact sheet, June 25, 2021.

¹⁶⁴ U.S. Department of Defense, “U.S. and UAE Conduct Joint Military Dialogue,” press release, December 16, 2021.

¹⁶⁵ U.S. Department of Defense, “SecDef Meets with UAE’s Crown Prince,” May 15, 2017; “UAE-US defence agreement kicks in as John Bolton visits Abu Dhabi,” *The National*, May 30, 2019.

¹⁶⁶ See Sylvia Westall and Ben Bartenstein, “Gulf Oil Powers Seek U.S. Security Treaty After Yemen Strikes,” *Bloomberg*, March 30, 2022.

¹⁶⁷ See “UAE official calls for ‘unambivalent’ US security commitment,” Reuters, November 14, 2022.

¹⁶⁸ Bilal Y. Saab, “In dreams of a formal Gulf-US defense pact, what would Washington get?” *Breaking Defense*, April 14, 2023.

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