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

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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 about 3,500 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 up to 50 F-35s and 18 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 while quietly benefitting from some of the war’s repercussions—most notably higher global oil prices and Russian capital transfer from the West 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.

Iran looms large as an 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. The UAE’s August 2020 agreement to normalize relations with Israel represented, in part, the UAE’s intent to work closely with Israel to counter Iran strategically. Since the signing of the 2020 Israel-UAE diplomatic normalization agreement, commonly referred to as the Abraham Accords, Israeli-Emirati trade, military, and diplomatic ties have expanded significantly, 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 Houthi rebels in Yemen—a campaign that has produced significant numbers of civilian casualties and 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. UAE and Saudi officials backed a Yemen ceasefire agreement between the warring parties that lasted from April to October 2022. Various aspects of the UAE 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 Congress. The UAE government has increased restrictions on social media usage since the 2011 Arab Spring uprisings. In 2019, several Members of Congress, from both chambers, signed a letter to the UAE leadership urging the release of human rights activist Ahmad Mansoor. He remains imprisoned.

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 2050, 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.

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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. The five smaller emirates, often called the “northern emirates,” tend to be more politically and religiously conservative than Abu Dhabi and Dubai, which are urban amalgams populated by many expatriates (nearly 90% of the total UAE population).

Figure I. 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).
Ethnic Groups	11% Emirati (citizenry); 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 wealth is closely tied to oil prices.¹ With oil production at the current rate of 3.2 million barrels per day (mbd) and global oil prices elevated, the UAE remains one of the wealthiest countries in the world; the International Monetary Fund ranks it seventh globally in Gross Domestic Product (GDP) per capita (current prices).² With 1 million Emirati citizens out of a total population of 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 third-largest sovereign wealth fund, with an estimated \$800 billion in assets under management (the UAE has funds that bring total assets under management to over \$1 trillion).

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 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.³

During most of this period, the Trucial States were economic backwaters, consisting of a 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 completely transformed 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 intended withdrawal from bases “East of Suez” in 1968, the Trucial States and other Gulf sheikdoms (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.⁴ 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

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

² See International Monetary Fund, Data Mapper, GDP per capita, current prices, purchasing power parity; international dollars per capita, World Economic Outlook, October 2022.

³ Government of the United Kingdom, National Archives, Trucial States in 1914.

⁴ In 1971, the Shah-led government of Iran seized the Greater and Lesser Tunb islands from Ras al Khaymah emirate 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.

expanding relationships further East. Under the late Shaykh 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 national Emirati identity took time; the federal army was only truly united in 1997 when Dubai disbanded its armed forces.

During the reign of Shaykh Khalifa bin Zayed al Nahyan (president from 2004 to 2022), the UAE focused on diversifying its economy. In Dubai, which had far less oil than Abu Dhabi, UAE Vice President⁵ Shaykh Mohammad bin Rashid al Maktoum transformed the city-state into a global commercial center that revolved around 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.

UAE President Shaykh Mohammad bin Zayed (MBZ)

The current leader of the UAE is 61-year-old President Shaykh 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 Shaykh Khalifa bin Zayed al Nahyan. Since the late Shaykh Khalifa's stroke in 2014, MBZ had exercised de facto executive authority.



President Shaykh 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 a number of 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.⁶

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, its foreign military interventions, and its behind-the-scenes sponsorship of autocratic leaders have drawn criticism, with some international observers claiming MBZ's unilateral moves have been destabilizing.⁷ 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.⁸

As of January 2023, MBZ has yet to designate a successor. From a legal standpoint, the federal constitution does not address procedures for selecting a crown prince; instead, the head of each emirate decides. MBZ could choose one of his brothers, such as National Security Advisor Shaykh Tahnoun bin Zayed Al Nahyan. Or, he could break familial tradition and appoint one of his own sons. According to *The Economist*, MBZ has been grooming his

⁵ The ruler of Dubai has traditionally served as vice president and prime minister.

⁶ Devon Pendleton, Ben Bartenstein, Farah Elbahrawy and Nicolas Parasie, "Secretive Gulf Family's \$300 Billion Fortune Is About More than Oil," *Bloomberg*, December 6, 2022.

⁷ David Kirkpatrick, "The Most Powerful Arab Ruler Isn't M.B.S. It's M.B.Z.," *New York Times*, June 2, 2019.

⁸ "Sheikh Mohamed bin Zayed receives prestigious US award for the Abraham Accords," *The National*, November 19, 2021.

eldest son Khaled, “but he need not rush. At 61, Muhammad can expect to rule for a while. Naming a brother would let his son grow into the role, perhaps as deputy; the line of succession can always be changed.”⁹

Domestic Politics

The UAE’s political system is notably stable. The seven dynastic rulers of each emirate exercise power within their respective principality over “all authorities that are not assigned by the Constitution to the Federation.”¹⁰ 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.¹¹ 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 in 2004) followed constitutional procedures.¹² 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.¹³ By law, 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.

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 latest U.S. State Department report on human rights practices for the UAE, 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.”¹⁴ 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

⁹ “The UAE’s new sheikh may jolt both succession and federation,” *The Economist*, May 26, 2022.

¹⁰ United Arab Emirates, The Cabinet (Federal System), available at <https://uaecabinet.ae/en/federal-system>

¹¹ An English language translation of the UAE’s 1996 constitution is available at <https://www.refworld.org/pdfid/48eca8132.pdf>.

¹² George Sadek, “United Arab Emirates: Supreme Council Elects New President of the Union,” *Global Legal Monitor*, Law Library of Congress, June 9, 2022.

¹³ For information on the regulations pertaining to FNC elections, see <https://www.mfnca.gov.ae/en/areas-of-focus/elections/2019/>.

¹⁴ U.S. State Department, 2021 Country Reports on Human Rights Practices: United Arab Emirates.

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. In 2022, the UAE increased payments from its Social Welfare Program to provide 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. The federal government has sought to attract and retain skilled 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 (but not for same-sex couples). The Dubai government also removed the requirement for a license to purchase or consume alcohol. In Abu Dhabi, 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.¹⁵ In 2021, the UAE also amended its citizenship law, allowing a pathway to citizenship for certain categories of foreigners from select career fields.¹⁶

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

According to the U.S. State Department, 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.¹⁷ The nongovernmental organization Freedom House classifies UAE as "not free."¹⁸

The UAE government has attempted to take some steps toward improving gender equality in the UAE. In the workplace, the UAE has worked to increase women's labor force participation (57% as of 2020) by introducing paid parental leave for employees in the private sector.¹⁹ The UAE also reformed other legal provisions to prohibit discrimination on the basis of sex and gender, while also enacting a domestic violence law permitting women to obtain restraining orders against abusers. Several cabinet shuffles have greatly increased the number of female ministers. One woman has been FNC speaker, and, as mentioned above, a 2018 presidential decree required half of all FNC seats to be allocated for women members. The UAE Air Force has several female fighter pilots, and, in 2021, Nora Al Matrooshi was named the UAE's first female astronaut.²⁰

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

¹⁵ "UAE issues Personal Status Federal Decree- Law for non-Muslims in the country," Emirates News Agency (WAM) (UAE), December 9, 2022.

¹⁶ "UAE adopts amendments to grant citizenship to investors and other professionals," Reuters, January 30, 2021.

¹⁷ U.S. Department of State, 2021 Country Reports on Human Rights Practices: United Arab Emirates.

¹⁸ See <https://freedomhouse.org/country/united-arab-emirates>.

¹⁹ Iva Hamel and Gharam Alkastalani Dexter, "UAE: The sky is the limit for gender reform," World Bank Blogs, March 10, 2021.

²⁰ "The United Arab Emirates has announced its first female astronaut," CNN, April 10, 2021.

killing a female relative.”²¹ 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.²²

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 sometimes conducted strikes to protest poor working conditions, nonpayment of wages, and cramped housing conditions. Workers still reportedly sometimes have their passports held, 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.²³

The UAE is a “destination country” for women trafficked from Asia and the countries of the former Soviet Union and forced into prostitution. The State Department’s Trafficking in Persons report for 2022, for the 11th year in a row, rated the UAE as “Tier 2,” based on the assessment that the UAE is making significant efforts to meet the minimum standards for eliminating human trafficking.²⁴ The report credited the UAE for convicting more traffickers overall, reporting a forced labor prosecution for the first time since 2018, and identifying a victim of forced labor for the first time in five years. The report criticized the government for not convicting any traffickers for the forced labor of a migrant worker, and for not reporting the number of trafficking cases authorities investigated for the 10th consecutive year.

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.²⁵ In 2014, the UAE named the Muslim Brotherhood as one of 85 “terrorist organizations” (a list that included Al Qaeda and the Islamic State).²⁶ 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 the Islah—who were arrested during the 2011-2013 period for trying to overthrow the government.²⁷

The UAE government has increased restrictions on social media usage since the 2011 Arab Spring uprisings. The government has jailed several activists for violating a 2015 law that

²¹ Human Rights Watch, UAE: Greater Progress Needed on Women’s Rights, March 4, 2021.

²² United Nations, UN women’s rights committee publishes findings on Azerbaijan, Bolivia, Mongolia, Morocco, Namibia, Portugal, Türkiye and United Arab Emirates, July 4, 2022.

²³ “United Arab Emirates: New Law Regulating Work of Foreign Domestic Workers Adopted,” *Global Legal Monitor*, The Law Library, Library of Congress, January 5, 2023.

²⁴ U.S. Department of State, 2022 Trafficking in Persons Report, at <https://www.state.gov/reports/2022-trafficking-in-persons-report/united-arab-emirates/>.

²⁵ “UAE and the Muslim Brotherhood: A Story of Rivalry and Hatred,” *Middle East Monitor*, June 15, 2017.

²⁶ “UAE Lists Scores of Groups as ‘Terrorists,’” *Al Jazeera*, November 16, 2014.

²⁷ “UAE jails 61 Islamists in coup plot trial, rights groups protest,” Reuters, July 12, 2013.

criminalized the spread of religious hatred whether through speech, written media, or online. In 2019, several Members of Congress, from both chambers, signed a letter to the UAE leadership urging the release of one such activist, Ahmad Mansoor.²⁸ He remains imprisoned as of January 2023. The government has banned some journalists from entering the country and has prohibited distribution of books and articles that highlight human rights abuses.

Since the 2018 murder of Saudi journalist and U.S. resident Jamal Khashoggi, there has been renewed international interest in the treatment of foreign journalists and political activists by Gulf countries, including U.S. citizens.²⁹ In 2022, UAE authorities arrested, convicted, fined, and deported a U.S. citizen and associate of Khashoggi, Asim Ghafoor, for money laundering and tax evasion.³⁰ While Ghafoor's prison sentence was ultimately overturned, some Members of Congress protested against his detention and treatment by Emirati authorities.³¹ In November 2022, authorities temporarily detained Sherif Osman, an Egyptian-American dual citizen after the Egyptian government requested his extradition to Egypt. Egyptian authorities accused Osman of "speaking negatively against government institutions" for posting a YouTube video criticizing Egyptian President Abdel Fattah al Sisi.³² The UAE released him after several weeks, and Osman returned to the United States.³³

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."³⁴ 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 (which are about 3.2 mbd) for over four decades.³⁵ 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 2030.³⁶ According to ADNOC Chief

²⁸ "US Congress members call on UAE to release rights activist Ahmed Mansoor," *Middle East Eye*, December 13, 2019.

²⁹ In 2021, as part of a broad investigation on foreign governments' use of "Pegasus" spyware, the *Washington Post* alleged that, in 2018, the UAE government installed Pegasus on the phone of one of Khashoggi's fiancées, Hanan Elatr. See Dana Priest, "A UAE agency put Pegasus spyware on phone of Jamal Khashoggi's wife months before his murder, new forensics show," *Washington Post*, December 21, 2021.

³⁰ "UAE overturns prison sentence for former Khashoggi attorney," *Associated Press*, August 10, 2022.

³¹ Vivian Yee, "Pressure Grows in the U.S. for the U.A.E. to Free an American Lawyer," *New York Times*, July 29, 2022.

³² "Fiancé of U.S. citizen detained in UAE fears he will be extradited to Egypt," *Reuters*, December 4, 2022.

³³ Stephen Kalin, "American Avoids Extradition to Egypt After Release From Dubai Detention," *Wall Street Journal*, December 29, 2022.

³⁴ See <https://u.ae/en/about-the-uae/initiatives-of-the-next-50/the-principles-of-the-50>.

³⁵ "Enormous oil; State-run oil giants will make or break the energy transition," *The Economist*, July 25, 2022.

³⁶ U.S. Department of Commerce, *Country Commercial Guide, UAE*, July 26, 2022.

Executive Sultan al Jaber, “We cannot simply unplug from the energy system of today. We cannot just flip a switch.”³⁷

Though the UAE economy remains largely dependent on hydrocarbon exports, it has started diversifying into clean energy initiatives. Partly due to global climate change concerns, 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. Over the past few decades, the government claims to have spent \$40 billion domestically to develop clean sources of energy, including nuclear power.³⁸ Just weeks prior to the November 2021 United Nations (U.N.) Climate Change Conference, more commonly referred to as COP26, held in Glasgow, Scotland, the UAE announced plans to work toward net-zero emissions by 2050. However, that pledge includes emissions only from domestic sources and energy production and excludes emissions generated by the foreign consumption of UAE hydrocarbon exports.³⁹

The UAE is scheduled to host COP28 from November 6-17, 2023. In January 2023, the UAE government appointed Sultan al Jaber as COP president. The host of the annual COP conference chooses the conference’s president, who has significant influence in setting agendas. 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. 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.⁴⁰

The UAE donates 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.”⁴¹ 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.”⁴²

³⁷ Yousef Saba and Alex Lawler, Hadeel Al Sayegh, “Oil Industry Calls for Inclusivity Under Climate Efforts,” Reuters, November 15, 2021.

³⁸ 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.

³⁹ Climate Action Tracker, an independent organization that tracks government climate measures, rates the UAE’s net zero target as “incomplete” as of November 2022. It notes that the “UAE is planning to significantly increase oil and fossil gas production by 2030, as part of its goal to reach gas self-sufficiency and increase exports.” See <https://climateactiontracker.org/countries/uae/>.

⁴⁰ Maha El Dahan and Gloria Dickie, “UAE names oil boss to lead climate summit, worrying activists,” Reuters, January 12, 2023.

⁴¹ Embassy of the United Arab Emirates, Washington DC, “The UAE: A Leader and Partner for Climate Action.”

⁴² White House, Fact Sheet: U.S.-UAE Partnership to Accelerate Transition to Clean Energy (PACE), November 1, 2022.

Foreign Policy and Defense Issues

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**).

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, Turkey/(Türkiye, and France) in the Middle East and North Africa (MENA), and as the UAE officials have bemoaned what they describe as U.S. disengagement from the MENA region.⁴³ Though the Biden Administration, like its predecessors, has denied that the United States has reduced its security commitment to the region,⁴⁴ one observer has asserted, "The perception of U.S. disengagement with the region has led countries to reconsider alliances and rivalries."⁴⁵ The UAE, like other Gulf Cooperation Council (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.⁴⁶ 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."⁴⁷ President Biden's summer 2022 visit to the Middle East may have come, in part, to disprove notions about a reduced U.S. commitment to Gulf security. President Biden said at the GCC + 3 Summit Meeting:

Let me state clearly that the United States is going to remain an active, engaged partner in the Middle East. As the world grows more competitive and the challenges we face more complex, it is only becoming clearer to me that—how closely interwoven America's interests are with the successes of the Middle East. We will not walk away and leave a vacuum to be filled by China, Russia, or Iran. And we'll seek to build on this moment with active, principled American leadership.⁴⁸

Russia's Invasion of Ukraine and Global Oil Prices

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 while quietly benefitting from some of the war's repercussions—most notably, higher global oil prices and Russian capital transfer from the West to Dubai. Shortly after the invasion, the UAE (which was a nonpermanent member of the United Nations 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

⁴³ Phil Steward, "In Middle East, U.S. General Hears Concerns about American Commitment," Reuters, May 13, 2022.

⁴⁴ "State Dept: Narrative that US Leaving MENA 'wholly incorrect,'" *Al Mayadeen*, June 7, 2022.

⁴⁵ David Siddhartha Patel, "A Changing Middle East: The View from Israel: A Conversation with Chuck Freilich," Crown Center for Middle East Studies, Brandeis University, February 9, 2022. See also, David Ignatius, "The unintended consequences of U.S. disengagement in the Middle East," *Washington Post*, August 14, 2018.

⁴⁶ Danielle Pletka, "The Qatarization of the Middle East," *Foreign Policy*, May 4, 2022.

⁴⁷ "UAE won't take sides in 'great power' standoff: senior official," Agence France Presse, November 14, 2022.

⁴⁸ White House, Remarks by President Biden at the GCC + 3 Summit Meeting, July 16, 2022.

emanating from Iranian-backed groups.⁴⁹ In March 2022, the UAE voted yes on two U.N. General Assembly resolutions condemning aggression against Ukraine; in October 2022, it voted in favor of a U.N. General Assembly resolution that condemned Russia’s “illegal so-called referendums” in regions within Ukraine.⁵⁰

As a member of the Organization of the Petroleum Exporting Countries (OPEC—when combined with Russia, and some other oil producing countries, collectively known as OPEC+⁵¹), the UAE has come under U.S. and European pressure to increase production quotas in order to stabilize oil prices. Spare crude production capacity in the MENA region and globally is generally concentrated in Saudi Arabia and the UAE. After the October 5, 2022, OPEC+ decision to cut oil production quotas by 2.0 mbd starting in November, the Biden Administration and some lawmakers have called for a reassessment of U.S.-Saudi relations.⁵² For its part, the UAE appears to be balancing its ongoing commitment to OPEC+ while trying to maintain cordial relations with the United States. As a result, several reports suggest that, before OPEC+ made its final production cut decisions, UAE officials advocated privately for “a one-month delay in line with U.S. requests.”⁵³ Reportedly, MBZ’s brother, National Security Advisor Shaykh Tahnoun bin Zayed al Nahyan, visited Saudi Arabia in a September 2022 attempt to dissuade Saudi officials “from pushing an oil-production cut.”⁵⁴

Although the UAE is balancing its commitment to OPEC+ alongside sensitivity to U.S. policy, the UAE has not enacted economic sanctions against the Russian government or Russian officials; on the contrary, reports suggest that the UAE has benefitted significantly from the flight of Russian capital to Dubai. According to one London consultancy’s June 2022 estimate, in 2022, the UAE had the potential to attract a net inflow of 4,000 millionaires, many of whom hail from Russia.⁵⁵ As a result, U.S. Treasury officials have called on the UAE to maintain its commitment to combating money laundering while maintaining “vigilance and proactive action” in countering Russian sanctions evasion.⁵⁶

Though Emirati-Russian relations have received much media attention since Russia’s invasion of Ukraine, the Emirati government is attempting to improve bilateral ties with Ukraine. The UAE has shipped medical supplies and food to Ukraine and provided relief to Ukrainian refugees in Poland and Moldova. Reportedly, trade talks between both countries have resumed, as the UAE imports the second-most amount of its annual wheat imports from Ukraine.⁵⁷

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

⁴⁹ Barak Ravid, “UAE abstained from UN Security Council vote due to U.S. response to Houthi attacks,” *Axios*, March 2, 2022.

⁵⁰ See <https://digitallibrary.un.org/record/3990400?ln=en>.

⁵¹ The formation of OPEC+ dates back to the “Declaration of Cooperation” in 2016 between OPEC and 11 other oil exporters, including Russia.

⁵² “Biden vows consequences for Saudi Arabia after OPEC+ decision,” Reuters, October 12, 2022.

⁵³ Summer Said, Benoit Faucon, Dion Nissenbaum, and Stephen Kalin, “Saudis Spurred Biden On Call to Delay Oil Cuts,” *Wall Street Journal*, October 12, 2022.

⁵⁴ Summer Said and Dion Nissenbaum, “U.A.E. Envoy Secretly Urged Saudis Not to Cut Oil Output,” *Wall Street Journal*, November 2, 2022.

⁵⁵ Ben Bartenstein, “World’s Wealthy Flock to UAE as War Spurs Russian Capital Flight,” *Bloomberg*, June 14, 2022.

⁵⁶ Simeon Kerr and Laura Pitel, “US reminds UAE of vigilance to combat Russian sanctions evasion,” *Financial Times*, June 23, 2022.

⁵⁷ Simeon Kerr, “UAE and Ukraine open trade talks,” *Financial Times*, December 5, 2022.

the release of American citizen and professional basketball player Brittney Griner.⁵⁸ Upon her release from 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.”⁵⁹

UAE-China Relations

As the UAE invests heavily in various technologies to gradually diversify its economy away from hydrocarbon production, the UAE has expanded commercial ties to the People’s Republic of China, a worrisome development for U.S. officials seeking to maintain and expand longstanding 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.”⁶⁰ 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 \$50 billion.⁶¹ 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.”⁶² 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.”⁶³

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.⁶⁴ Nevertheless, U.S. concerns about PRC-owned firms’ operations at the port appear to have contributed to the 2021 suspension of U.S.-UAE talks on a proposed sale of F-35 aircraft.⁶⁵ PRC-owned firms’ role in operating 5G communications technology in the UAE could

⁵⁸ 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.

⁵⁹ White House, Remarks by President Biden on the Release of Brittney Griner, December 8, 2022.

⁶⁰ Testimony of Assistant Secretary of State for Near Eastern Affairs Barbara Leaf before the Senate Committee on Foreign Relations Subcommittee on Near East, South Asia, Central Asia, and Counterterrorism, August 4, 2022

⁶¹ Ali Obaid Al Dhaheri, Ambassador of the United Arab Emirates to the People’s Republic of China, “Op-Ed: UAE-China Ties a Model of Global Cooperation,” *Emirates News Agency*, February 4, 2021.

⁶² Nesreen Bakheit, “UAE open to China AI despite U.S. concerns: minister,” *Nikkei Asia*, October 15, 2022.

⁶³ 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.

⁶⁴ 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.

⁶⁵ Mohammed Soliman, “The Gulf has a 5G conundrum and Open RAN is the key to its tech sovereignty,” Middle East Institute, January 12, 2022.

allow China to discern sensitive operating information about the F-35 and other U.S.-origin platforms.

Following the suspension of the F-35 talks, UAE officials announced plans to proceed with cooperation with Huawei on telecommunications and other technology projects. The UAE also announced plans to purchase 12 light-attack training aircraft from a PRC-owned defense company, with the option for 36 additional aircraft.⁶⁶ Additionally, the UAE has reportedly bought armed UAVs from China and has used them for strikes in Libya.⁶⁷

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.”

Iran

U.S. policy toward Iran has been a consistent focus of UAE leaders in relations with their U.S. counterparts. The UAE has pursued a policy of limited engagement with Iran while maintaining its strategic defense cooperation with the United States. The UAE cautiously supported the Biden Administration’s efforts to reengage Iran on nuclear talks.⁶⁸ At the July 2022 GCC + 3 Summit, the UAE signed on to a joint statement that “affirmed their support for ensuring that the Arab Gulf region is free from all weapons of mass destruction, underscoring the centrality of diplomatic efforts to prevent Iran from developing a nuclear weapon.”⁶⁹ During President Biden’s visit, UAE officials publicly stated that while the Emirates have “serious issues” with Iran, they did not support constructing regional collective security alliances targeting Iran; additionally, the UAE officials announced that they were in the process of appointing and sending an ambassador to Iran.⁷⁰

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-origin 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.⁷¹ The business ties have 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.⁷²

⁶⁶ Emirates News Agency, “Ministry of Defence intends to buy 12 L15 Chinese aircraft,” February 23, 2022.

⁶⁷ “UAE Allegedly Using Chinese Drones for Deadly Airstrikes in Libya,” *Defense News*, May 2, 2019.

⁶⁸ U.S. Department of State, U.S. GCC Iran Working Group Statement, Office of the Spokesperson, November 17, 2021.

⁶⁹ White House, Joint Statement Following the Summit of the Leaders of the United States and the Gulf Cooperation Council (GCC), July 16, 2022.

⁷⁰ “UAE Working to Send Envoy to Iran, against anti-Iran Axis – Official,” Reuters, July 15, 2022.

⁷¹ Najmeh Bozorgmehr and Simeon Kerr, “UAE spy chief in Iran to improve ties,” *Financial Times*, December 6, 2021.

⁷² See CRS Report RS20871, *Iran Sanctions*, updated February 2, 2022.

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.”⁷³ 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.⁷⁴

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.⁷⁵ 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.⁷⁶

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. The deal, once ratified, would loosen restrictions on bilateral trade and could reportedly boost annual Israel-UAE trade volume from around \$1 billion to \$10 billion within five years.⁷⁷ The UAE is now purchasing arms from and engaging in joint arms development projects with Israel, including various air and missile defense systems (see **Table 1** for selected examples).

With the formation of Israel’s more right-wing government in December 2022, there is a possibility for greater tension in the Israeli-Emirati diplomatic relationship. After the early January 2023 visit to the Temple Mount/Haram al Sharif in Jerusalem by Minister of National Security Itamar Ben Gvir, the UAE government issued a press statement that “strongly condemned the storming of Al-Aqsa Mosque courtyard by an Israeli minister under the protection of Israeli forces.”⁷⁸

⁷³ Jacob Magid, “UAE ambassador: ‘Abraham Accords were about preventing annexation,’” *Times of Israel*, February 2, 2021.

⁷⁴ See CRS Report R46580, *Israel’s Qualitative Military Edge and Possible U.S. Arms Sales to the United Arab Emirates*, October 26, 2020.

⁷⁵ Steps toward Israel-Sudan normalization appear to be on hold following the Sudanese military’s seizure of power in October 2021. See testimony of Assistant Secretary of State for African Affairs Molly Phee, “Sudan’s Imperiled Transition: U.S. Policy in the Wake of the October 25th Coup,” Senate Foreign Relations Committee, hearing, February 1, 2022.

⁷⁶ These incentives included possible U.S. arms sales to the UAE and Morocco, possible U.S. and international economic assistance or investment financing for Morocco and Sudan, and U.S. recognition of Morocco’s claim of sovereignty over the disputed territory of Western Sahara. Some reports suggest that the Trump Administration linked Sudan’s removal from the U.S. state sponsors of terrorism list to its agreement to recognize Israel. See Max Bearak and Naba Mohieddin, “U.S. Takes Sudan off Terrorism List, Reintegrating it into the Global Economy,” *Washington Post*, December 15, 2020.

⁷⁷ Patrick Kingsley, “Trade Accord with U.A.E. Would Be Israel’s Broadest Yet with an Arab Country,” *New York Times*, June 1, 2022.

⁷⁸ UAE Ministry of Foreign Affairs and International Cooperation, “UAE condemns storming of Al-Aqsa Mosque courtyard by Israeli Minister,” January 3, 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.

Afghanistan⁷⁹

The UAE was one of three countries (Pakistan and Saudi Arabia were the others) that recognized the Taliban during 1996-2001 as the government of Afghanistan. Following the September 11, 2001, terrorist attacks on the United States, the UAE allowed the United States to use its military facilities for U.S. operations against targets in Afghanistan, and it deployed a 250-person contingent, supported by six UAE F-16s, in Afghanistan's restive south until 2014.⁸⁰ The risks of this involvement were evident in January 2017 when five UAE diplomats were killed in an attack on the governor's compound in Kandahar, Afghanistan. The UAE also donated significant aid to post-Taliban Afghanistan.

Following the August 2021 Taliban takeover, the UAE permitted former Afghan president Ashraf Ghani to live in exile in the Emirates. The UAE also took in Afghan air force pilots who had flown their aircraft to Uzbekistan as the Taliban advanced on Kabul. More broadly, after the Taliban takeover, thousands of Afghan refugees fled to the UAE, where they have been housed in temporary facilities known as the Emirates Humanitarian City.

As many of these refugees have waited months for determinations on their future status, some have protested against their indefinite detention and uncertain resettlement prospects. According to one report, "The United States is prioritizing those who had visas or applications to go the United States but ... the facility includes people who have no clear pathway to be resettled in the United States or a third country."⁸¹ As of December 2022 according to one report, around 2,000 Afghans remain at Emirates Humanitarian City.⁸²

⁷⁹ CRS Report R45818, *Afghanistan: Background and U.S. Policy*, by Clayton Thomas.

⁸⁰ Rajiv Chandrasekaran, "In the UAE, the United States has a quiet, potent ally nicknamed 'Little Sparta,'" *The Washington Post*, November 9, 2014.

⁸¹ "Afghan Refugees in UAE Protest Months-Long Wait for Resettlement," Reuters, February 10, 2022.

⁸² Hayatullah Amanat, "'Kept in a golden cage': Afghan families share their experience of life in refugee camps," *CTV News*, December 28, 2022.

The UAE is providing humanitarian aid to Afghanistan; in April 2022, the UAE sent 30 metric tons of food and relief supplies. According to Issa Salem Al Dhaheri, the UAE Ambassador to Afghanistan, “During the period from September to December of 2021, the UAE established a relief airlift of 21 aircraft that carried about 500 tonnes of food and medical supplies to meet the essential needs of more than half a million people, most of whom are women and children.”⁸³

The UAE is seeking to maintain influence in Afghanistan, while keeping rival GCC states like Qatar from enhancing their own role there.⁸⁴ In 2022, the Taliban chose an Emirati company, GAAC Holding, to operate Afghanistan’s airports, reportedly over several other bids from Qatari and Turkish competitors. In December 2022, Mullah Yaqoob, the Taliban’s acting defense minister, met with MBZ in Abu Dhabi.

UAE Involvement in the Middle East and North Africa

The Emirati-Saudi “Alliance”

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. Within the GCC, the UAE has been most closely aligned with Saudi Arabia. Many observers attribute close Saudi-Emirati relations to personal ties between MBZ and Saudi Crown Prince Mohammed bin Salman, or MBS, who is nearly 24 years younger than his Emirati counterpart.⁸⁵ 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). 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 are similarly threatened by Iran’s own regional ambitions and rely heavily on the United States as their primary security partner.

Yemen

In 2014, the northern Yemeni-based 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 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 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.

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,

⁸³ Emirates News Agency (WAM), “UAE Provides 30 Tonnes of Food, Relief Supplies to Afghanistan,” April 19, 2022.

⁸⁴ “Taliban acting defence minister holds talks with UAE president,” Reuters, December 5, 2022.

⁸⁵ Arwa Ibrahim, “MBS-MBZ: A special bond between two Gulf princes,” *Al Jazeera*, March 17, 2020.

notably the Southern Transitional Council (STC). The STC advocates for an independent southern Yemen and controls the government's interim capital city of Aden. According to the United Nations Panel of Experts on Yemen, the UAE "retains an outsized political 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.⁸⁶ In 2021, the panel concluded that the UAE "support to the Southern Transitional Council undermines the Government of Yemen."⁸⁷ 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.⁸⁸

At times, some U.S. lawmakers have called on the UAE to contribute additional funds to alleviate the humanitarian crisis in Yemen.⁸⁹ According to the Emirati government, from 2015 to 2021, the UAE has provided over \$6 billion for various government support and relief efforts.⁹⁰ The United Nations Office for the Coordination of Humanitarian Affairs (UNOCHA), in 2022, described the UAE as the eighth largest donor to the U.N. humanitarian appeal for Yemen with a commitment of \$40 million (as of December 2022).⁹¹ In spring 2022, the U.S. State Department praised the UAE government for a \$1 billion pledge to the Central Bank of Yemen based in Aden.⁹²

Syria

In Syria, the GCC states initially supported the 2011 uprising against President Bashar Al Asad, in part to oust a strong ally of Iran. Over the past few years, there has been a concerted Emirati attempt to reconcile with Asad. The UAE reopened its embassy in Damascus in December 2018, claiming that doing so would help counter Iran's influence in Syria.⁹³ 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.⁹⁴

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-

⁸⁶ 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.

⁸⁷ 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.

⁸⁸ "A Moment of Truth for Yemen's Truce," International Crisis Group, September 30, 2022.

⁸⁹ House Foreign Affairs Committee, Subcommittee on Middle East, North Africa and Global Counterterrorism, Hearing on Yemen's Humanitarian and Political Crises, December 6, 2022.

⁹⁰ Embassy of the United Arab Emirates in the United States, Foreign Aid, at <https://www.uae-embassy.org/discover-uae/foreign-policy/foreign-aid>.

⁹¹ UNOCHA, Financial Tracking Service, Yemen, accessed December 8, 2022.

⁹² U.S. State Department, Welcoming Saudi Arabia and the UAE's Economic and Humanitarian Support for Yemen, April 7, 2022.

⁹³ "UAE reopens Syria embassy in boost for Assad," *Reuters*, December 27, 2018.

⁹⁴ 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.

Islamic State effort, including French jets stationed at Al Dhafra Air Base and 600 forces from Australia.⁹⁵ 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 2011.⁹⁶ Since then, the UAE, in 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).⁹⁷ Haftar, a former commander in the Libyan armed forces, has sought to undermine the U.N.-backed government based in Tripoli. According to the U.S. Defense Intelligence Agency (DIA), the UAE also may have financially supported the operations of Russian mercenaries, such as those employed by the Wagner Group, in Libya.⁹⁸

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 has been more conciliatory due to its rapprochement with Turkey.⁹⁹ 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 to the U.N. Special Representative's efforts "to enable Libya to hold parliamentary and presidential elections, thus ending the transitional period."¹⁰⁰

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

The UAE is one of the top 30 trading partners of the United States globally and the third-largest by value in the MENA region (after Israel and Saudi Arabia).¹⁰¹ 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."¹⁰²

As of 2021, the United States deployed about 3,500 U.S. military personnel at several UAE facilities including Jebel Ali port (between Dubai and Abu Dhabi), Al Dhafra Air Base (near Abu Dhabi), and naval facilities at Fujairah.¹⁰³ 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.¹⁰⁴ U.S. forces in the UAE support U.S. operations in the region, including

⁹⁵ "Islamic State Crisis: Australia to Send 600 Troops to UAE," *BBC News*, September 14, 2014.

⁹⁶ "Militant Forces Got Arms Meant for Libya Rebels," *New York Times*, December 6, 2012.

⁹⁷ 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.

⁹⁸ U.S. Department of Defense, Lead Inspector General, East Africa Counterterrorism Operation North and West Africa Counterterrorism Operation, July 1, 2020–September 30, 2020.

⁹⁹ Emadeddin Badi, "The UAE is making a precarious shift in its Libya policy. Here's why," *MENASource*, Atlantic Council, October 27, 2022.

¹⁰⁰ 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.

¹⁰¹ U.S. Census Bureau, Trade in Goods with United Arab Emirates, 2021.

¹⁰² U.S. Department of Commerce, International Trade Administration, Country Commercial Guide, United Arab Emirates.

¹⁰³ U.S. Department of State, "U.S. Security Cooperation with the United Arab Emirates," *Fact Sheet*, June 25, 2021.

¹⁰⁴ Factbox: U.S. forces in Gulf region and Iraq, Reuters, January 8, 2020.

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

According to the U.S. State Department, 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.¹⁰⁵

Defense Cooperation Agreement (DCA)

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) meets periodically. 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, 2019.¹⁰⁶

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 legally binding mutual defense treaty with the United States.¹⁰⁷ On November 14, 2022, Anwar Gargash, senior advisor to the UAE’s president, called for a security relationship with the United States that is defined by “clear, codified and unambivalent commitments.”¹⁰⁸

The Possible Sale of the F-35¹⁰⁹

On November 10, 2020, the Trump Administration notified Congress of a \$23 billion arms sale to the UAE, to include F-35s, drones, and various munitions. As mentioned above, the sale was proposed to support UAE-Israeli diplomatic normalization. An effort to block the proposed sale in the Senate failed to garner the required votes (S.J.Res. 77 and S.J.Res. 78). 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.¹¹⁰ The Biden Administration temporarily paused the sale for review upon taking office. Later, a State Department spokesperson told journalists in April 2021 that the Administration plans to proceed with the sale.¹¹¹ The UAE would become the first Arab country to purchase the F-35 system.

As of December 2022, a contract between the UAE and Lockheed Martin for the F-35 has yet to be reached or approved by the Biden Administration. As previously mentioned, UAE-China ties have stalled progress on completing the sale. On December 3, 2021, during French President

¹⁰⁵ Op.cit., *Fact Sheet*.

¹⁰⁶ 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.

¹⁰⁷ See Sylvia Westall and Ben Bartenstein, “Gulf Oil Powers Seek U.S. Security Treaty After Yemen Strikes,” *Bloomberg*, March 30, 2022.

¹⁰⁸ See “UAE official calls for ‘unambivalent’ US security commitment,” Reuters, November 14, 2022.

¹⁰⁹ For more detail on the F-35 sale to the UAE, see CRS Report R46580, *Israel’s Qualitative Military Edge and Possible U.S. Arms Sales to the United Arab Emirates*, coordinated by Jeremy M. Sharp and Jim Zanotti.

¹¹⁰ Mike Stone, “UAE Signs Deal with U.S. to Buy 50 F-35 Jets and up to 18 Drones: Sources,” *Reuters*, January 20, 2021.

¹¹¹ U.S. Department of State, “Secretary Antony J. Blinken at a Press Availability,” Remarks to the Press, January 27, 2021; “Joe Biden Is Proceeding with Donald Trump’s Biggest Arms Deal,” *Huffington Post*, April 13, 2021.

Emmanuel Macron's visit to the UAE, the UAE agreed to purchase the F4 version of French aircraft manufacturer Dassault's Rafale fighter class, in one of France's largest ever fighter aircraft export deals (\$19 billion). For over a decade, the UAE and France have been negotiating replacements for the UAE's fleet of French Mirage fighters.

Money Laundering 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 State Department 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.¹¹² 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."¹¹³ 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.¹¹⁴

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.

Outlook and Considerations for Congress

If global economic activity remains robust and contributes to elevated global oil prices during 2023, the UAE may continue to experience strong economic growth, which would enable it to keep investing both in non-oil sectors at home and in accumulating assets abroad. The degree to which the UAE may leverage its "soft power" in ways that are beneficial to U.S. interests remains to be seen.

The UAE is to host COP28 in November 2023 and may use its status as host nation to promote the expansion of climate adaptation aid to the developing world. The UAE and the United States are to implement their Partnership for Accelerating Clean Energy (PACE) program. The UAE may also accelerate investment in domestic renewables to meet its 2050 target of carbon neutrality. At the same time, with Russia's continued invasion of Ukraine straining global natural gas supplies, the UAE also may increase investment to expand its liquefied natural gas export capacity. Furthermore, some speculate that the UAE may leave OPEC in order to increase daily production capacity immediately, which would help improve U.S. ties.¹¹⁵

Geopolitically, the UAE appears likely to continue to pursue an independent and assertive foreign policy and seeks to strengthen its diplomatic, economic, security, and cultural ties to a diverse set of partner countries. In 2022, public and private Emirati entities invested globally, with particular

¹¹² Fact sheet provided by UAE embassy representatives, October 31, 2018; U.S. Department of State, *Country Reports on Terrorism 2019*, June 24, 2020.

¹¹³ "UAE at risk of landing on watchlist over money laundering," *Al Jazeera*, April 30, 2020.

¹¹⁴ "UAE is placed on money laundering watchdog's 'gray list,'" *CNBC*, March 5, 2022.

¹¹⁵ "UAE will look to a world beyond OPEC," *Reuters*, December 19, 2022.

focus on Southeast Asia, the Middle East, Mediterranean, and East Africa. Trade with China, the Emirates' largest trading partner, is expected to grow, posing a continued challenge for U.S. policymakers seeking to expand U.S.-UAE defense ties. Nevertheless, many analysts anticipate the fundamentals of the U.S.-UAE relationship to remain unchanged. According to one account, "The United States continues to consider the UAE a strong and capable—though perhaps somewhat less reliable—partner in an unstable region. For its part, the UAE continues to need its U.S. partner and the security umbrella it provides, even as the UAE seeks to diversify its relationships."¹¹⁶

For Congress, Members may continue to balance U.S. strategic support to a partner vulnerable to Iranian regional meddling against some concern for UAE ties to China, UAE-based illicit financial transactions, and the UAE's human rights record. As the war in Yemen continues, some lawmakers continue to press for more accountability regarding the UAE's use of U.S. supplied-military equipment in Yemen. A 2022 Government Accountability Office (GAO) report noted that "despite several reports that airstrikes and other attacks by Saudi Arabia and UAE have caused extensive civilian harm in Yemen, DOD [Department of Defense] has not reported and State [Department of State] could not provide evidence that it investigated any incidents of potential unauthorized use of equipment transferred to Saudi Arabia or UAE."¹¹⁷

UAE participation in the 2020-2021 Abraham Accords has received broad bipartisan support, and Members may seek ways of further advancing trilateral U.S.-Israeli-Emirati partnerships. For example, Section 1658 of the James M. Inhofe National Defense Authorization Act for FY2023 mandates U.S. cooperation with allies and partners in the Middle East with respect to developing a strategy for implementing an integrated air and missile defense architecture to protect against attacks from Iran and groups linked to Iran.

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¹¹⁶ Dina Esfandiary, "The Ukraine Strain in the U.S.-UAE Partnership," Lawfare Blog, June 5, 2022.

¹¹⁷ Government Accountability Office, Yemen: State and DOD Need Better Information on Civilian Impacts of U.S. Military Support to Saudi Arabia and the United Arab Emirates, GAO-22-105988, June 15, 2022.

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