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

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SUMMARY

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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 90% are expatriates from within and outside the region who work in its open economy. The UAE is a significant 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, but finalizing the sale has been delayed over several issues, including the UAE's ability to secure the F-35 and its technology from other large powers, including China, with which the UAE has been expanding relations. Furthermore, U.S.-UAE differences on the F-35 sale, as well as issues including energy production, Iran, Russia's invasion of Ukraine, and the conflict in Yemen, appear to have widened since late 2021. The UAE abstained on a February 24, 2022, U.N. Security Council resolution denouncing Russia's invasion of Ukraine.

With ample financial resources and a U.S.-armed and advised military, the UAE has been asserting itself in the region, in many cases seeking to keep authoritarian Arab leaders in power and work against Islamist organizations that UAE leaders assert are regional and domestic threats. In June 2017, the UAE joined Saudi Arabia and several other countries in isolating Qatar to pressure it to adopt policies closer to those of the UAE and Saudi Arabia on Iran, Turkey, the role of Islamists in governance, the Qatar-based Al Jazeera network, and other issues. On January 5, 2021, Saudi Arabia, the UAE, and their partners agreed to lift the blockade, although differences on the issues that produced the rift remain and the UAE has not reopened its embassy in Qatar, to date. In Libya, the UAE is supporting an anti-Islamist commander based in eastern Libya who has sought to assert control of the whole country.

Iran also looms large as an issue for UAE leaders. UAE leader 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. 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 have backed a Yemen ceasefire agreement between the warring parties that began in early April. Various aspects of the UAE involvement in Yemen, including U.S. sales of weapons the UAE has used there, have been the subject of congressional oversight hearings and some legislation.

The UAE remains under the control of a small circle of leaders. Since the 2011 Arab Spring uprisings, the government has become less tolerant of political criticism on social media. The country's wealth—amplified by the small size of the citizenship population receiving government largesse—has helped the government maintain popular support. Since 2006, the government has held a limited voting process for half of the 40 seats in its quasi-legislative body, the Federal National Council (FNC). The most recent vote was held in October 2019.

In part to cope with the fluctuations in the price of crude oil, the government has created new ministries tasked with formulating economic and social strategies that, among other objectives, can attract the support of the country's youth. Economic conditions were adversely affected by the Coronavirus Disease 2019 (COVID-19) pandemic, but an increase in world oil prices in 2021 and much of 2022 has eased the leadership's financial and economic concerns. The country has generally rebuffed U.S. efforts to encourage it to produce more oil to ease pressure on the global oil market caused by the Russian invasion of Ukraine. U.S. foreign assistance to the UAE has been negligible, and what is provided is mostly to train UAE authorities on counterterrorism, border security, and anti-proliferation operations.

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Governance, Human Rights, and Reform

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 Ras al-Khaymah. Sharjah and Ras al-Khaymah have a common ruling family—leaders of the al-Qawasim tribe. After Britain announced in 1968 that it would no longer ensure security in the Gulf, six "Trucial States" formed the UAE federation in December 1971; Ras al-Khaymah joined in 1972.[1] 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.

As is the case in the other Gulf states, the hereditary leaders of the UAE are the paramount decision makers. In the UAE, visible opposition to the government has been largely confined to exchanges on social media. The federation underwent a formal leadership transition in May 2022 upon the death of Shaykh Khalifa bin Zayid Al Nuhayyan, who succeeded the first UAE president and ruler of Abu Dhabi, Shaykh Zayid bin Sultan Al Nuhayyan in 2004 but has been mostly incapacitated since a stroke in 2014. Almost immediately after Khalifa's death, and in keeping with a long-standing agreement among the seven emirates, Shaykh Mohammad bin Zayid Al Nuhayyan (born in 1961), Khalifa's younger brother, was selected as UAE president by the leaders of all the emirates, who collectively comprise the "Federal Supreme Council." Shaykh Mohammad had already been de facto UAE leader since Khalifa's 2014 stroke. The ruler of Dubai traditionally serves as vice president and prime minister of the UAE; that position has been held by Shaykh Mohammad bin Rashid Al Maktum, architect of Dubai's modernization drive, since the death of his elder brother Shaykh Rashid Al Maktum in 2006. Several senior UAE officials are also brothers of Shaykh Mohammad bin Zayid, including Foreign Minister Abdullah bin Zayid, Deputy Prime Minister Mansur bin Zayid, Minister of Interior Sayf bin Zayid, and National Security Advisor Shaykh Tahnoun bin Zayid.

[1] For a brief history of the British role in the Persian Gulf, see Rabi, Uzi, "Britain's 'Special Position' in the Gulf: Its Origins, Dynamics and Legacy," Middle Eastern Studies Vol. 42, No. 3 (May 2006), pp. 351-364.

Table 1. UAE Leadership

	Khalifa bin Zayid Al Nuhayyan Was UAE president and Ruler of Abu Dhabi Emirate from 2004 until his May 2022 death. Had been incapacitated and politically inactive since 2014 stroke.		**Mohammad bin Zayid Al Nuhayyhan** UAE President and Ruler of Abu Dhabi. Named immediately upon the death of brother, Shaykh Khalifa. Already was de facto UAE leader since Khalifa's incapacitation in 2014.
	Mohammad bin Rashid Al Maktum UAE Vice President, Prime Minister, and Defense Minister, and ruler of Dubai Emirate		**Sultan bin Mohammad Al Qassimi** Ruler of Sharjah Emirate
	Saud bin Saqr Al Qassimi Ruler of Ras al-Khaymah		**Humaid bin Rashid Al Nuami** Ruler of Ajman Emirate
	Saud bin Rashid Al Mu'alla Ruler of Umm al-Qaywayn Emirate		**Hamad bin Mohammad Al Sharqi** Ruler of Fujairah Emirate
	Abdullah bin Zayid Al Nuhayyan Foreign Minister		**Yusuf al-Otaiba** Ambassador to the United States Son of former longtime UAE Oil Minister Mani Saeed al-Otaiba

Sources: Graphic by CRS, open source photos.

Other Governance Issues[2]

UAE leaders argue that the country's social tolerance and distribution of national wealth have rendered the bulk of the population satisfied with the political system. Emiratis are able to express

[2] Much of this section taken from U.S. Department of State, *2021 Country Reports on Human Rights Practices: United Arab Emirates*, released April 11, 2022.

their concerns directly to the country's leaders through traditional consultative mechanisms, such as the open *majlis* (assemblies) held by many UAE leaders. UAE law prohibits political parties, and UAE officials maintain that parties would aggravate schisms among tribes and clans and open UAE politics to regional influence.[3]

Federal National Council (FNC) and FNC Elections

The UAE has provided for some limited formal popular representation through a 40-seat Federal National Council (FNC)—a body that can review and veto recommended laws. The FNC can call ministers before it to question them, but it is not empowered to remove ministers. The seat distribution of the FNC is weighted in favor of Abu Dhabi and Dubai, which each hold eight seats. Sharjah and Ras al-Khaymah have six each, and the other emirates each have four. Each emirate also has its own appointed consultative council.

The government has expanded the electorate for the FNC in successive elections. In 2006, the when UAE leadership instituted a limited election process for half of the FNC seats, a government commission approved an "electorate" of about 6,600 persons, mostly members of the elite. Out of the 452 candidates for the 20 elected seats, there were 65 female candidates. One woman was elected (from Abu Dhabi), and another seven women received appointed seats. The second FNC election, held on September 24, 2011, in the context of the "Arab spring" uprisings, had an expanded electorate (129,000 electors), nearly half of them women. There were 468 candidates, including 85 women. Of the 20 winners, one was a woman, and six women received appointed seats. The FNC selected the woman who was elected, Dr. Amal al-Qubaisi, as deputy speaker—the first woman to hold such a high position in a GCC representative body. For the October 3, 2015, FNC elections, the electorate was doubled to about 225,000 voters. There were 330 candidates, including 74 women. Dr. Amal al-Qubaisi, was again the only woman who won, and she was promoted to FNC speaker. Of the 20 appointed seats, eight were women.

The most recent FNC elections were held over several days in October 2019. A December 2018 UAE leadership decree stipulated that half of the FNC members would be women—by appointing enough women to constitute half of the body, after accounting for those elected.[4] The electorate was expanded further to 337,000 voters, and 478 candidates were approved to run, of which 180 were women. Seven women were elected, and thirteen more were appointed.[5] The FNC was inaugurated in November 2019, and Saqr bin Ghobash, a former minister, was named speaker.

Human Rights-Related Issues[6]

The State Department and groups such as Human Rights Watch identify the main human rights problems in the UAE as: unverified reports of torture, government restrictions of freedoms of speech and assembly, and lack of judicial independence. UAE human rights oversight organizations include the Jurists' Association's Human Rights Committee, the Emirates Human Rights Association (EHRA), and the Emirates Center for Human Rights (ECHR), but their degree of independence is uncertain.

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[3] Anwar Gargash, "Amid Challenges, UAE Policies Engage Gradual Reforms," *The National*, August 26, 2012.

[4] Communication from UAE Embassy Washington, DC, representatives, December 11, 2018.

[5] Emirates News Agency (WAM) releases and press articles, October 2019.

[6] Much of this section is from U.S. Department of State, 2021 Country Reports on Human Rights Practices: United Arab Emirates, April 11, 2022.

Treatment of the Muslim Brotherhood and Other Domestic Opposition

Since the Arab Spring uprisings of 2011, the 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.[7] In 2014 the UAE named the Muslim Brotherhood as one of 85 "terrorist organizations" (a list that included Al Qaeda and the Islamic State).[8] A domestic affiliate of the Brotherhood in the country—the Islah (Reform) 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 69 Islamists arrested during 2011-2013 for trying to overthrow the government.

Since 2011, the government has increased its arrests of domestic activists who use social media to agitate for more political space and government accountability. The government has also sought to head off active opposition by enacting reforms and economic incentives. In several cabinet reshuffles since 2013, the government has added several younger ministers, many of them female, and established minister of state positions for "tolerance," "happiness," artificial intelligence, and food security.

Media and Research Institute Freedoms

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 criminalized the publication of "provocative" political or religious material." 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.[9] He remains imprisoned. The government has banned some journalists from entering the country, and prohibited distribution of books and articles that highlight human rights abuses. The country has applied increasingly strict criteria to renewing the licenses of research institutes and some, such as the Gulf Research Center, have relocated outside the country. On the other hand, some UAE-run think tanks have opened in recent years, including the Emirates Policy Center and the TRENDS Institute.

Justice/Rule of Law

The UAE constitution provides for an independent judiciary, but court decisions are subject to being overruled by political leaders. A 2012 amendment to the UAE constitution set up a "Federal Judicial Council" chaired by the UAE president. Sharia (Islamic law) courts adjudicate criminal and family law matters, and civil courts, based on French and Egyptian legal systems, adjudicate civil matters. Sharia courts are empowered to impose flogging as punishment for adultery, prostitution, consensual premarital sex, pregnancy outside marriage, defamation of character, and drug or alcohol charges. A Federal Supreme Court, appointed by the UAE leadership, adjudicates disputes between emirates or between an emirate and the UAE federal government and questions officials accused of misconduct. Foreign nationals serve in the judiciary, making them subject to threats of deportation. The UAE justice system has often come under criticism in cases involving

[7] "UAE and the Muslim Brotherhood: A Story of Rivalry and Hatred," *Middle East Monitor*, June 15, 2017.

[8] "UAE Lists Scores of Groups as 'Terrorists," *Al Jazeera*, November 16, 2014.

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

expatriates, particularly involving public displays of affection, although in 2020 some laws were altered to allow, for example, unmarried couples to cohabitate.[10]

Women's Rights[11]

Women's political rights have expanded steadily over the past few decades, but some forms of discrimination remain legal. Beginning in 2012, UAE women have been allowed to pass on their citizenship to their children—a first in the GCC. However, UAE women are still at a legal disadvantage in divorce cases and other family law issues. The penal code allows men to physically punish female family members. Many domestic service jobs are performed by migrant women, and they are denied basic legal protections such as limits to work hours.

Recent cabinet shuffles have greatly increased the number of female ministers. As noted, one woman has been FNC speaker, and the FNC selected in 2019 has half women membership. About 10% of the UAE diplomatic corps is female, whereas there were no female diplomats prior to 2001. The UAE Air Force has several female fighter pilots.

[10] "UAE announces relaxing of Islamic laws for personal freedoms," *PBS Weekend News*, November 20, 2020.

[11] See U.S. Department of State, *2021 Country Reports on Human Rights Practices: United Arab Emirates*, March 30, 2021.

Figure 1. UAE at a Glance

Population	About 9.8 million, of whom about 11% are citizens.
Religions	Of total population, 76% Muslim; 10% is Christian; and 15% other (primarily Buddhist or Hindu). The citizenry is almost all Muslim, of which 85% are Sunni and 15% are Shia.
Ethnic Groups	11% Emirati (citizenry); 29% other Arab and Iranian; 50% South Asian; 10% Western and East and South Asian expatriate
Inflation Rate	About 4%
GDP and GDP-related Metrics	GDP Growth Rate: 5.3% forecast for 2022. GDP: $520 billion (2022 est.) Per capita (PPP): $76,000
Oil Exports	About 2.9 million barrels per day
Sovereign Wealth Reserves	About $700 billion

Sources: Map created by CRS. Facts from CIA, *The World Factbook*; U.S. Census Bureau, Foreign Trade Statistics; Economist Intelligence Unit; various press.

Religious Freedom[12]

The UAE constitution provides for freedom of religion but also declares Islam as the official religion. The death penalty for conversion from Islam remains in law, but is not enforced. The Shia Muslim minority, which is about 15% of the citizen population and is concentrated largely in Dubai, is free to worship and maintain its own mosques, but Shia mosques receive no government funds.

[12] U.S. Department of State, *2020 Report on International Religious Freedom*, May 2021.

UAE officials boast of the country's religious tolerance by citing the 40 churches present there, of a variety of denominations, serving the 1 million Christians in the country, almost all of whom are expatriates.[13] In November 2017, the Abu Dhabi Department of Justice signed an agreement with Christian leadership to allow churches to handle non-Islamic marriages and divorces. In 2016, Shaykh Mohammad bin Zayid met with Pope Francis in the Vatican, and the Pope visited the country in February 2019, the first papal visit to the Gulf region. A Jewish synagogue has been open in Dubai since 2008, serving mostly expatriates.

Labor Rights and Trafficking in Persons[14]

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 sometimes have their passports held, are denied wages or paid late, and are deported for lodging complaints. The 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. Since 2011, the UAE reformed its *kafala* (worker sponsorship) system to allow expatriate workers to more easily switch employers.

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. 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 during the year and not ever doing so, and for not reporting the number of trafficking cases authorities investigated for the 10th consecutive year.

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. Within the GCC, the UAE is closely aligned with Saudi Arabia and Bahrain and, in 2011, it deployed 500 police officers to the Saudi-led GCC military intervention in Bahrain to suppress a Shia-led uprising. At least some UAE law enforcement personnel remained there. Regional affairs and global energy issues constituted the focus of President Biden's multilateral and separate bilateral meetings with Mohammad bin Zayid during his July 2022 trip to Israel and Saudi Arabia.

Rift with Qatar

In June 2017, the UAE, Saudi Arabia, and Bahrain sought to isolate Qatar by denying it land, sea, and air access to their territories, and issuing 13 demands as a condition for ending the boycott, including reducing its ties to Iran and ceasing support for Muslim Brotherhood-related movements. Qatar refused to accede, asserting that doing so would forfeit Qatar's sovereignty. The same issues had prompted a shorter rift in 2014.

At the 41st GCC summit in Al Ula on January 5, 2021, after a series of meetings between Qatar and Saudi Arabia to try to end the dispute, Saudi Arabia, Bahrain, the UAE, and Egypt announced

[13] "Pope Makes Historic Gulf Visit, Amid Yemen Crisis and Siege of Christians," *New York Times*, February 4, 2019.

[14] This section is derived from the U.S. Department of State, *2022 Trafficking in Persons Report*.

a restoration of diplomatic relations with Qatar and an end to the territorial blockades. Since mid-2021, the UAE has improved ties to Qatar through a visit to Doha by UAE National Security Advisor Tahnoun Al Nuhayyan and in a meeting between the de facto leaders of the UAE and Saudi Arabia and Qatar's ruler on the Red Sea in September 2021. However, the UAE has not, to date, returned an ambassadors to Qatar.

Iran

U.S. policy toward Iran has been a consistent focus of UAE leaders in relations with their U.S. counterparts. Asserting that Iran is a major threat to regional stability, UAE leaders supported the Trump Administration's May 2018 U.S. withdrawal from the July 2015 Iran nuclear agreement (Joint Comprehensive Plan of Action, JCPOA) and application of a policy of "maximum pressure" on Iran. Diplomatic ties with Iran, on the other hand, have fluctuated: in January 2016, the UAE withdrew its ambassador from Iran in solidarity with Saudi Arabia's breaking relations with Iran over issues related to the Saudi execution of a dissident Shia cleric. In mid-2019, amid U.S.-Iran tensions in the Gulf, the UAE leadership began to engage Iran, perhaps in part because UAE infrastructure could be at risk in the event of war with Iran. In August 2019, UAE maritime officials visited Iran for the first bilateral security talks since 2013.[15] UAE officials have publicly questioned Biden Administration policy to negotiate a mutual U.S. and Iranian return to full compliance with the JCPOA without demanding additional concessions from Iran on its support for regional armed factions.

The emirate of Dubai has often advocated that the federation emphasize engagement with Iran—a stance that might reflect the presence of the large Iranian-origin community (estimated at 400,000 persons) and the extensive Iranian commercial presence in that emirate. The business ties have included some illicit purchases by UAE firms of Iranian oil and jet fuel, exports of proliferation-related technology to Iran (see below), 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.[16]

Another factor in UAE-Iran relations is a dispute over several Persian Gulf islands. 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, Iran took complete control of Abu Musa and placed some military equipment there. The UAE has called for direct negotiations or referral to the International Court of Justice to try to resolve the issue. A UAE-Iran joint commission held periodic talks, without a breakthrough, during 2008-2012. In 2014, the two countries reportedly discussed a possible solution under which Iran might cede control of the disputed islands in exchange for rights to the seabed around them.[17]Iran reduced its presence on Abu Musa to build confidence, but no further progress has been reported. The United States takes no position on the sovereignty of the islands.

UAE Regional Policy and Interventions in Regional Conflicts

Since the 2011 Arab uprisings, the UAE has become more active in the region, including through the direct use of its own military forces, the capabilities of which have benefitted from many years of defense cooperation with the United States. The UAE's opposition to the Muslim

[15] "Rivals Iran and UAE to hold maritime security talks," *Reuters,* July 30, 2019.

[16] See CRS Report RS20871, *Iran Sanctions,* by Kenneth Katzman.

[17] Awad Mustafa, "Iran, UAE Close to Deal on Hormuz Islands," *Defense News,* December 9, 2013.

Brotherhood has been a key factor driving UAE policies toward countries where Brotherhood-linked groups are prominent.

Egypt/North Africa[18]

The UAE has been an active supporter of like-minded leaders in Egypt and elsewhere in North Africa:

- The UAE leadership applauded the Egyptian military's 2013 toppling of Muslim Brotherhood figure Mohammad Morsi, who was elected president in 2012. It has since supported Egypt with more than $15 billion in assistance, loans, and investments.[19]
- In Libya, the UAE joined several Gulf states in conducting air strikes to help armed Libyan rebels overthrow Muammar Qadhafi in 2011.[20] 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 Hafter's Libyan National Army (LNA).[21] Hafter, a former commander in the Libyan armed forces, has sought to undermine the U.N.-backed government based in Tripoli.
- Some political leaders in Tunisia, including parliament speaker Rached Ghannouchi, accuse the UAE of backing President Kaïs Saïed's July 2021 assertion of sweeping executive powers and his suspension of the constitution that was adopted in the wake of Tunisia's 2011 popular uprising.[22] Ghannouchi is the longtime leader of the Islamist movement Ennadha, which is considered by many to be an affiliate or offshoot of the Muslim Brotherhood.[23]

Iraq and Syria[24]

The GCC states supported Iraq against Iran in the 1980-1988 Iran-Iraq war, and they fought in the U.S.-led coalition that ended Iraq's occupation of Kuwait in 1990-1991. No Arab state participated in the U.S.-led invasion that overthrew Saddam Hussein in 2003. To help stabilize post-Saddam Iraq, the UAE wrote off $7 billion in Iraqi debt in 2008, hosted a German mission to train Iraqi police, and provided funds for Iraq reconstruction.[25] In 2012, it opened a consulate in the Kurdish-controlled autonomous region of Iraq. After several years of political tensions with Iraq's Shia-dominated governments that sought to marginalize Iraqi Sunni leaders, UAE and Saudi officials have in recent years sought to engage moderate Iraqi Shia leaders. During

[18] For information on U.S. policy toward Egypt and Libya, see CRS Report RL33003, *Egypt: Background and U.S. Relations*, by Jeremy M. Sharp, and CRS In Focus IF11556, *Libya and U.S. Policy*, by Christopher M. Blanchard.

[19] "Gulf countries supported Egypt with $92bn since 2011," *Middle East Monitor*, March 19, 2019.

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

[21] 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.

[22] "Tunisia coup: Ennahda leader blames UAE for power grab," *Middle East Eye*, July 31, 2021.

[23] Monica Marks and Sayida Ounissi, "Ennahda from within: Islamists or "Muslim Democrats"? A conversation," Brookings Institution, March 23, 2016.

[24] For more information on the Syria conflict, see CRS Report RL33487, *Armed Conflict in Syria: Overview and U.S. Response*, coordinated by Carla E. Humud. For analysis on Iraq, see CRS In Focus IF10404, *Iraq and U.S. Policy*, by Christopher M. Blanchard.

[25] "UAE cancels nearly $7 billion in Iraq debt." *Reuters*, July 6, 2008.

President Biden's visit to Saudi Arabia in July 2022, the GCC states announced they would link Iraq's electricity grid to theirs, as part of an effort to wean Iraq from dependence on Iranian supplies. In 2020, the UAE delivered planeloads of equipment to help Iraq cope with the Coronavirus Disease 2019 (COVID-19) pandemic.

In Syria, the GCC states initially supported the 2011 uprising against President Bashar Al Asad, in part to oust a strong ally of Iran. The UAE contributed to a multilateral pool of funds to buy arms for approved rebel groups in Syria,[26] but Russian military intervention in 2015 enabled Asad to largely prevail over his opponents. The UAE reopened its embassy in Damascus in December 2018, claiming that doing so would help counter to Iran's influence in Syria.[27] In 2021, the UAE provided food, vaccines, and other medical supplies to help Syria cope with the COVID-19 outbreak.[28] 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 criticized the UAE decision to host Asad. The UAE has also sought to alleviate suffering from the Syria crisis through donations to Syrian refugees and grants to Jordan to help it cope with the Syrian refugees that have fled there. (In 2018, the UAE, Saudi Arabia, and Kuwait provided a total of $2.5 billion to help stabilize Jordan's finances.)[29]

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.[30] None of the GCC states conducted anti-Islamic State air operations in Iraq.

Yemen[31]

The UAE, in close partnership with Saudi Arabia, intervened militarily in Yemen in March 2015 with military personnel, armor, and air strikes against the Zaydi Shia "Houthi" faction that had ousted the government in Sanaa. The Saudi-led coalition asserted that the intervention was required to roll back the regional influence of Iran. Iran has, since the Saudi/UAE-led intervention, supplied the Houthis with arms, including short-range ballistic and cruise missiles that the Houthis have fired on UAE and Saudi territory and ships in the Bab el Mandeb Strait. Despite highlighting its provision of humanitarian aid to the people of Yemen, international criticism that the Saudi-led coalition effort was causing civilian casualties and humanitarian problems contributed to a UAE decision in July 2019 to withdraw most of its ground forces from Yemen. Since early 2022, gains by UAE-supported militia fighters in central Yemen contributed to an agreement by all sides to an April-May 2022 ceasefire that U.N. and other mediators have since extended and will now last until at least October 2, 2022.

UAE policy in Yemen has been a source of friction in U.S.-UAE relations. The humanitarian consequences of the UAE war effort in Yemen produced congressional opposition to the U.S. logistical support provided to the effort and to some U.S. arms sales to the UAE.[32] UAE leaders

[26] Author conversations with experts in Washington, D.C., 2013-2014.

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

[28] "Syria's Assad, Abu Dhabi's crown prince spoke on phone: State media." *Straits Times*, March 28, 2020; Bassem Mroue, "UAE sends Syria aid to help it fight spread of coronavirus," *The Washington Post*, April 8, 2021.

[29] "UAE Extends AED 3 Billion Economic Aid Package to Jordan," *Forbes Middle East*, October 9, 2018.

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

[31] See CRS Report R43960, *Yemen: Civil War and Regional Intervention*, by Jeremy M. Sharp.

[32] For information on congressional action on U.S. support for the Arab coalition, and CRS Report R45046, *Congress*

also publicly questioned the Biden Administration's decision in February 2021 to remove the Houthis from the list of foreign terrorist organizations (FTOs)—a designation made in the final weeks of the Trump Administration. In January 2022, the Houthis sought to put additional pressure on the UAE to exit the conflict by firing Iran-supplied missiles on targets near Abu Dhabi International Airport. 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),[33] and the United States subsequently deployed U.S. ships and additional forces to the UAE to deter additional attacks. However, UAE leaders have complained that the United States did not respond strongly enough to the launches.[34]

Related UAE Power Projection Capabilities/East Africa

In part to support its intervention in Yemen, the UAE established military bases and supported various leaders in several East African countries.[35] In 2016, the UAE and Saudi Arabia persuaded Sudan's leaders to forgo a two-decade alliance with Iran and to deploy Sudanese troops as part of the Saudi/UAE-led intervention in Yemen. In April 2019, Sudan's then-leader, Omar Hassan al-Bashir, was ousted by military colleagues in response to a popular uprising. Perhaps to keep the new regime aligned with the two Gulf states, the UAE and Saudi Arabia pledged $3 billion in aid to Sudan.[36] In late 2020, Sudan joined the UAE, Bahrain, and Morocco in signing the Abraham Accords normalizing relations with Israel.

During 2015, UAE forces deployed to Djibouti to support the intervention in Yemen, but a UAE-Djibouti dispute over funding arrangements caused UAE (and Saudi) forces to begin using facilities in neighboring Eritrea. Perhaps to solidify its relations with Eritrea, the UAE helped broker a 2018 rapprochement between Eritrea and Ethiopia, possibly facilitated by a UAE pledge of $3 billion in investments in Ethiopia.[37] Similarly, the UAE sought to enlist support from Somalia in the Saudi/UAE-led campaign in Yemen. In 2014, the UAE conducted training for Somali troops, but the arrangement unraveled following Mogadishu's refusal to boycott Qatar.[38]

Afghanistan[39]

Before the September 11, 2001, attacks on the United States, the UAE apparently did not perceive the Taliban movement as a major threat. 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, even though the Taliban harbored Al Qaeda leaders. Following the September 11 attacks, the UAE allowed the United States to use its military facilities for U.S. operations in

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and the War in Yemen: Oversight and Legislation 2015-2021, by Jeremy M. Sharp, Christopher M. Blanchard, and Sarah R. Collins.

[33] "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.

[34] Bilal Saab and Karen Young, "How Biden Can Rebuild U.S. Ties with the Gulf States," *Foreign Policy*, April 4, 2022.

[35] Material in this section is taken from Alex Mello and Michael Knights, "West of Suez for the United Arab Emirates." *Warontherocks.com*. September 2, 2016.

[36] "Sudan has received half the $3 billion promised by Saudi Arabia and UAE," *Reuters*, October 8, 2019.

[37] "UAE to give Ethiopia $3 billion in aid and investments," *Reuters*, June 16, 2018.

[38] "Why the UAE Wants Somalia in the Yemen Conflict," *Fair Observer*, August 17, 2020.

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

Afghanistan and it deployed a 250-person contingent, supported by six UAE F-16s, in Afghanistan's restive south until 2014.[40] The risks of this involvement were evident in January 2017 when five UAE diplomats were killed by a bomb during their visit to the governor's compound in Qandahar. The UAE also was a significant donor of aid to post-Taliban Afghanistan. The UAE closed its embassy in Kabul following the August 2021 Taliban takeover and subsequently allowed ousted president Ashraf Ghani to live in exile there. It also took in Afghan air force pilots who had flown their aircraft to Uzbekistan as the Taliban advanced on Kabul. It has since reopened its embassy in Kabul. Several thousand Afghans who evacuated from Kabul in August 2021 are present in Abu Dhabi and seek repatriation to the United States. In July 2022, the UAE signed an agreement with the Taliban-run government to manage Afghanistan's major civilian airports, including the international airport at Kabul.

Israel, Normalization Agreement, and the Israeli-Palestinian Dispute[41]

From its founding in 1971 until 2020, the UAE had no formal diplomatic relations with Israel, but the two had been quietly building ties for the past decade in an effort to counter Iran. In November 2015, the UAE gave Israel permission to establish a diplomatic office in Abu Dhabi to facilitate Israel's participation in the International Renewable Energy Agency (IRENA).[42] In June 2019, Israeli Foreign Minister Yisrael Katz attended a U.N. meeting on climate change in Abu Dhabi.[43] Bilateral trade had been increasing, even though the UAE formally enforced the Arab League primary boycott of Israel.[44]

On August 13, 2020, President Trump, then-Israeli Prime Minister Binyamin Netanyahu, and Shaykh Mohammed bin Zayid announced that Israel and the UAE agreed to fully normalize their relations, and that Israel would suspend plans to annex parts of the West Bank. By committing to the "Abraham Accords," the UAE leadership arguably hoped not only to strengthen a regional coalition against Iran but also to extract benefits from the United States, including the U.S. sale to the UAE of F-35 aircraft and armed drones to the UAE (see below). In August 2020, the UAE government formally repealed a law enforcing the primary Arab League boycott of Israel, paving the way for regular relations, including openly conducted commercial passenger flights, between the two nations. In June 2021, Foreign Minister Yair Lapid met the UAE's foreign minister in Abu Dhabi and inaugurated Israel's first embassy in the Gulf. In December 2021, Israel's then-Prime Minister Naftali Bennett became the first Israeli leader to visit the UAE.[45]

UAE leaders emphasized that they had extracted Israeli concession on West Bank annexation, noting that the normalization announcement followed an editorial by the UAE's Ambassador to the United States warning that unilateral annexation of West Bank territory would endanger Israel's warming ties with Arab countries.[46] As did other Arab states, the UAE publicly opposed the Trump Administration's 2017 decision to recognize Jerusalem as Israel's capital and its 2019

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

[41] See CRS Insight IN11485, *Israel-UAE Normalization and Suspension of West Bank Annexation*, by Jim Zanotti and Kenneth Katzman.

[42] Simon Henderson, "Israel's Gulf Breakthrough," Washington Institute for Near East Policy, November 30, 2015.

[43] "Minister Katz visits Abu Dhabi: A 'significant step' in Israel-Arab relations," *Jerusalem Post*, July 1, 2019.

[44] In 1994, the UAE and the other GCC states ended enforcement of the Arab League's secondary and tertiary boycotts (boycotts of companies doing business with Israel and on companies that do business with those companies).

[45] "Israeli PM Naftali Bennett begins first official visit to UAE," *Al Jazeera*, December 12, 2021.

[46] Yusuf al-Otaiba, "Annexation will be a serious setback for better relations with the Arab world," *Ynet News*, June 12, 2020.

recognition of Israeli sovereignty in the Golan Heights. In line with UAE animosity toward Muslim Brotherhood-related movements, the UAE does not support the Palestinian Islamist group Hamas, which exercises de facto control of the Gaza Strip.

UAE Foreign Spending[47]

The UAE has provided billions of dollars in international aid through its government and through funds controlled by royal family members and other elites. The Abu Dhabi Fund for Development (ADFD), established in 1971, has distributed over $4 billion for more than 200 projects spanning 102 countries. Some other examples include the following. For example, the UAE provided $100 million for victims of the December 2004 tsunami in the Indian Ocean, and it provided about $2 million for victims of conflict in Somalia (2011-2012). To help the victims of natural disasters in the United States, it donated $100 million to assist recovery from Hurricane Katrina; $5 million for a pediatric wing at St. John's Mercy Hospital in Joplin, Missouri, after the 2011 tornado there; and $10 million for reconstruction after Hurricane Sandy in 2013. The UAE, as do other GCC states, provides significant amounts of funds to U.S. research organizations, public relations firms, law firms, and other representatives to support UAE policies and try to influence U.S. policymakers.[48]

Defense Cooperation with the United States[49]

The UAE's ability to project power in the region is in part a result of many years of U.S.-UAE defense cooperation that includes U.S. arms sales and training, strategic planning, and joint exercises and operations. The UAE's armed forces are small—approximately 50,000 personnel—but they have become experienced from participating 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). The UAE reportedly has augmented its manpower by recruiting foreign nationals and tasking U.S. and other security experts to build militias and mercenary forces.[50] In September 2019, the UAE formally joined the U.S.-led maritime security mission in the Gulf (International Maritime Security Construct, IMSC), an effort to deter Iranian attacks on Gulf shipping in mid-2019. Unlike fellow GCC countries Kuwait, Bahrain, and Qatar, the UAE has not been designated by the United States as a "Major Non-NATO Ally" (MNNA)—a designation that opens participants to enhanced defense research cooperation with the United States.

Defense Cooperation Agreement (DCA) and U.S. Forces in UAE

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. The security cooperation processes build on the July 25, 1994, bilateral Defense Cooperation Agreement (DCA), the text of which is classified.[51] On May

[47] Factsheets provided by UAE Embassy in Washington, DC, 2011-2020.

[48] Ben Freeman. "*The Emirati Lobby: How the UAE Wins in Washington*." *Center for International Policy*, October 15, 2019.

[49] Some of this section is from U.S. Department of State, "U.S. Security Cooperation with the United Arab Emirates," Fact Sheet, June 25, 2021.

[50] "Secret Desert Force Set Up by Blackwater's Founder," *New York Times*, May 14, 2011.

[51] For key provisions, see Sami Hajjar, *U.S. Military Presence in the Gulf: Challenges and Prospects* (U.S. Army War College: Strategic Studies Institute), March 2002, p. 27. According to UAE diplomats, no "Status of Forces

15, 2017, the United States and the UAE confirmed that they had concluded negotiations on a new DCA with a 15-year duration, which came into force as of May 30, 2019.[52] In accordance with the DCA

- The United States deploys 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.[53] Al Dhafra air base hosts a variety of U.S. military aircraft including surveillance, refueling, and combat aircraft. In April 2019, in the context of escalating tensions with Iran, the United States deployed the F-35 combat aircraft to Al Dhafra, the first such U.S. deployment of that aircraft in the region.[54] Jebel Ali, capable of handling aircraft carriers, and other UAE ports collectively host more Navy ships than any other port outside the United States. The U.S. forces in UAE support U.S. operations in the region, including deterring Iran, countering terrorist groups, and intercepting illicit shipments of weaponry or technology.
- UAE military personnel study and train in the United States each year, through the Foreign Military Sales program, through which the UAE buys U.S.-made arms, and the International Military Education and Training (IMET) program. U.S. officials say that UAE pilots and special operations forces demonstrated their effectiveness, including against AQAP in Yemen.
- The UAE hosts a "Joint Air Warfare Center" where UAE and U.S. forces conduct joint exercises on early warning, air and missile defense, and logistics.[55]

U.S. and Other Arms Sales

According to the State Department factsheet cited above, "The UAE is a significant purchaser of U.S. military equipment, including our most sophisticated missile defense systems. This partnership has enhanced the UAE's military capabilities to the point that they have become a net security provider for the region." The United States has over $29 billion in active government-to-government sales cases with the UAE under the Foreign Military Sales (FMS) system, and the UAE does not receive U.S. aid to purchase U.S. weaponry.[56] Since 2016, the United States has also authorized the permanent export of over $11 billion in defense articles to the UAE via the Direct Commercial Sales (DCS) process, primarily launch vehicles, ground vehicles, and military electronics. During this time, the Department closed 65 end-use monitoring checks in the UAE.

- *F-16 Program*. In 2000, the UAE purchased 80 U.S. F-16 aircraft, equipped with the Advanced Medium Range Air to Air Missile (AMRAAM) and the High Speed Anti-Radiation Missile (HARM), at a value of about $8 billion. Congress did not block the sale. In April 2013, the United States sold the UAE an

Agreement" (SOFA) is in effect—legal issues involving U.S. military personnel are handled on a "case-by-case basis."

[52] 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.

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

[54] "US Air Force sends next generation fighter jets to UAE," *The National*, April 17, 2019.

[55] Chandresekaran, "A Quiet, Potent Ally to U.S.," op. cit.

[56] In FY2018, the United States provided about $32 million worth of excess defense articles (EDA) to the UAE—equipment to make the UAE's armored vehicles more mine-resistant. USAID Foreign Aid Explorer database.

additional 30 F-16s and associated "standoff" air-to-ground munitions. The UAE also has about 60 French-made Mirage 2000 warplanes.

- *F-35*.[57] UAE officials say the country has sought since 2014 to buy the advanced F-35 "Joint Strike Fighter." In 2016, Israel began taking deliveries of the jet—a significant development in light of the U.S. law requiring the United States to preserve Israel's "Qualitative Military Edge" (QME) in the region.[58] On November 10, 2020, the Trump Administration notified Congress of a $23 billion arms sale to the UAE, to include F-35 "Joint Strike Fighters," drones, and various munitions. An effort to block the proposed sale in the Senate failed (S.J.Res. 77 and S.J.Res. 78). In the last days of the Trump presidency, the UAE signed an agreement to purchase up to 50 F-35 joint strike fighter aircraft and 18 MQ-9 Reaper drones from the United States.[59] The Biden Administration paused the sale for review upon taking office, and a variety of issues, including a U.S. request for additional UAE measures to ensure the security of the aircraft at UAE bases, have delayed finalizing the sale, to date.[60] The UAE would be the first Arab country to purchase the F-35 system.
- *JDAMs and other Precision-Guided Munitions*. The United States has sold the UAE advanced precision-guided missiles (PGMs), including the ATM-84 SLAM-ER Telemetry missile, GBU-39/B "bunker buster" bombs, and Joint Direct Attack Munitions (JDAM) kits (which convert gravity bombs to precision-guided bombs). The UAE has used many of these weapons in the conflict in Yemen. In May 2019, invoking emergency authority codified in the Arms Export Control Act (AECA) and citing "the need to deter further Iranian adventurism in the Gulf and throughout the Middle East,"[61]the Trump Administration formally notified Congress of immediate sales to the UAE of additional PGMs, with an estimated value of $1 billion (Transmittal Number 17-73 and Transmittal Number 17-70). Congress did not override the President's veto of measures to block the sales (S.J.Res. 37, 116th Congress).[62]
- *Apache attack helicopter*. In 2010, the United States sold the UAE 30 AH-64 Apache helicopters, at an estimated cost of about $5 billion.[63]
- *Ballistic Missiles and Unmanned Aerial Vehicles (UAVs).* The United States has not historically supplied or assisted the UAE with ballistic missile technology or armed UAVs, in part because the UAE is not an adherent of the Missile Technology Control Regime (MTCR). However, the Trump Administration's 2020 change of U.S. MTCR policy allows for the export of U.S.-made armed

[57] 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.

[58] See CRS Report RL33222, *U.S. Foreign Aid to Israel*, by Jeremy M. Sharp.

[59] Mike Stone, "UAE signs deal with U.S. to buy 50 F-35 jets and up to 18 drones: sources," *Reuters*, January 20, 2021.

[60] Grant Rumley. "Unpacking the UAE F-35 Negotiations," *Washington Institute for Near East Policy*, February 15, 2022.

[61] Letter from Secretary of State Michael R. Pompeo to Senate Foreign Relations Committee Chairman James E. Risch, May 24, 2019.

[62] For more information on the congressional response to the emergency sale, see CRS Report R45046, *Congress and the War in Yemen: Oversight and Legislation 2015-2021*, by Christopher M. Blanchard, Jeremy M. Sharp, and Carla E. Humud.

[63] DSCA transmittal number 10-52.

UAV that fly at speeds below 800 kph, including the Reaper Drones that comprise part of the arms deal signed in January 2021. The UAE reportedly possesses a small number (six) of Scud-B ballistic missiles obtained from non-U.S. suppliers.[64] In 2017, the UAE took delivery of a commercial sale, worth about $200 million, of U.S.-made Predator X-P unarmed UAV. On May 24, 2019, the State Department approved the sale to UAE of the Blackjack UAV, with an estimated value of $80 million, under the emergency notification discussed above (Transmittal Number 17-39). The country reportedly has bought armed UAVs from China and has used them for strikes in Libya (see above).[65]

- *Tanks and Ground Forces Missiles*. UAE forces still use primarily 380 French-made Leclerc tanks, and the UAE has not bought any main battle tanks from the United States. In September 2006, the United States sold the UAE High Mobility Artillery Rocket Systems (HIMARS) and Army Tactical Missile Systems (ATACMs), valued at about $750 million.

Missile and Air Defense

The UAE has purchased the most advanced missile defense systems sold by the United States, and supports a long-standing U.S. objective to organize a coordinated Gulf-wide ballistic missile defense (BMD) network that can defend against Iran's advancing missile capabilities. It hosts an Integrated Air and Missile Defense (IAMD) Center—a training facility to enhance intra-GCC and U.S.-GCC missile defense cooperation.

The UAE was the first GCC state to order the THAAD, at an estimated cost of about $7 billion. Delivery and training for the UAE's THAAD system took place in 2015.[66] On August 2, 2022, the Administration notified Congress of a sale of additional THAAD systems at an estimated cost of $2.245 billion.[67] Earlier, in 2007, the UAE purchased the Patriot Advanced Capability 3 (PAC-3) missile defense system. In 2017, the Obama Administration approved the sale of 60 PAC-3 and 100 Patriot Guidance Enhanced Missile-Tactical (GEM-T) missiles, with a total estimated value of about $2 billion. On May 3, 2019, the State Department approved a sale of up to 452 PAC-3 missiles and related equipment, with an estimated value of $2.728 billion.[68]

UAE Defense Cooperation with Other Powers

The UAE has sought to build defense partnerships beyond that with the United States. In 2004, the UAE joined NATO's "Istanbul Cooperation Initiative." In 2011, the UAE sent an Ambassador to NATO under that organization's revised alliance policy and NATO established a liaison office in Abu Dhabi, under the auspices of the embassy of Denmark, in 2017. In 2009, the UAE allowed France to inaugurate military facilities collectively termed Camp De La Paix ("Peace Camp"). It includes a 900-foot section of the Zayid Port; a part of Al Dhafra Air Base; and a barracks at an Abu Dhabi military camp that houses about several hundred French military personnel. India's Prime Minister, Narendra Modi, visited the UAE in August 2015, the first by an Indian leader since 1981, and Crown Prince Mohammad bin Zayid made a reciprocal visit to India in January 2017, during which the two countries signed a "Comprehensive Strategic Partnership

[64] International Institute of Strategic Studies "Military Balance."

[65] "UAE allegedly using Chinese drones for deadly airstrikes in Libya," *Defense News,* May 2, 2019.

[66] Adriane Elliot, "Antiballistic System Shared with International Partner," U.S. Army, January 13, 2016.

[67] DSCA Transmittal No. 22-32.

[68] DSCA Transmittal No. 19-37.

Agreement." The UAE also hosts the Khawla bint Al Azwar Military School, the region's first military school for women, which has trained female peacekeepers for deployment in Africa and Asia.

Russia/Ukraine. The UAE relationship with Russia has attracted significant attention, particularly for the potential to violate a provision of the Countering America's Adversaries through Sanctions Act (CAATSA, P.L. 115-44) that provides for sanctions on entities that conduct significant defense-related transactions with Russia. In February 2017, press reports appeared that the UAE and Russia might jointly develop a combat aircraft.[69] In February 2019, the UAE ordered EM150 "Kornet" anti-tank weapons from Russia.[70]

UAE-U.S. relations have been strained somewhat by the UAE's refusal to strongly condemn the Russian invasion of Ukraine. The UAE abstained on the February 24, 2022, U.N. Security Council resolution denouncing the invasion, although it subsequently voted in favor of a U.N. General Assembly resolution with similar provisions. There have also been press reports that the UAE government has turned a blind eye to the movement of assets to the UAE by sanctioned Russian persons.[71]

Cooperation against Terrorism, Proliferation, and Narcotics[72]

During the mid-1990s, some Al Qaeda activists were able to move through the UAE, and two of the September 11, 2001 hijackers were UAE nationals. Recent State Department reports on terrorism credit the UAE with strengthening the country's bureaucracy and legal framework to combat terrorism. The UAE is part of a Saudi-initiated GCC "Security Pact" that entails increased GCC information-sharing on internal security threats.

Still, the United States and the UAE differ on designations of some organizations as terrorist. The 85 groups that the UAE government designates as terrorist includes the Muslim Brotherhood, which is not named by the United States or any European country as a terrorist organization.[73]

Antiterrorism Financing and Money Laundering (AML/CFT). The country is a member of the Middle East and North Africa Financial Action Task Force (MENAFATF), a regional body modeled on the broader Financial Action Task Force (FATF); the Counter-Islamic State Finance Group chaired by Italy, Saudi Arabia, and the United States; and the Egmont Group of Financial Intelligence Units. In May 2017, the UAE joined the U.S.-GCC Terrorist Financing Targeting Center based in Riyadh, which has designated several AQAP and Islamic State-Yemen entities.

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 government enacted and issued implementing regulations for updated anti-money laundering laws.[74] However, in April 2020, the FATF found that the United Arab Emirates was not doing enough to prevent money laundering despite recent

[69] "Russia, UAE to collaborate on 5th-generation fighter," *United Press International*, February 20, 2017.

[70] "United Arab Emirates Announces $1.3 Billion in Defense Deals at IDEX," Defense News, February 18, 2019.

[71] "Analysis: Can the UAE be a safe haven for Russian oligarchs?," *Al Jazeera*, March 14 2022.

[72] Much of this section is taken from U.S. Department of State, *Country Reports on Terrorism 2020*.

[73] "UAE Lists Scores of Groups as 'Terrorists,'" *Al Jazeera*, November 16, 2014.

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

progress, and risked being including in the body's watch list of countries found to have "strategic deficiencies" in AMF/CFT—the so-called "gray list."[75] 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.[76]

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. However, some financial networks based in the UAE have been sanctioned by the Department of the Treasury for facilitating transactions for Iran and pro-Iranian regional factions in furtherance of Iran's "malign activities" in the region.

Countering Violent Extremism. The UAE works with partners and has empowered local organizations to counter violent extremism. In 2012, the country established the "International Center of Excellence for Countering Violent Extremism," known as *Hedayah* ("guidance"). The Ministry of Tolerance has been active in promoting messages of tolerance and coexistence. The United States and the UAE jointly operate the *Sawab* Center, an online hub to promote information sharing with international police organizations when family members report on relatives who have become radicalized.[77] Several UAE-based think tanks conduct seminars on confronting terrorism and violent extremism.

Port and Border Controls

The UAE has participated in a number of projects with the United States which are related to nonproliferation and nuclear security. For example, the government has received assistance from the State Department's Export Control and Related Border Security Program, which aims to build "national strategic trade control systems in countries that possess, produce, or supply strategic items, as well as in countries through which such items are most likely to transit."[78] The UAE has also participated in the U.S. Customs and Border Protection (CBP)-run Container Security Initiative, under which CBP personnel work with foreign governments to screen U.S.-bound containers."[79] The UAE participates in the U.S.-GCC Counter-proliferation Workshop.

The UAE participates in U.S. programs to improve UAE export control enforcement. During 2004-2006, several Dubai-based companies were cited by U.S. officials for illicit sales of nuclear technology to Iran, Libya, and North Korea and for transshipping devices used to make improvised explosive devices (IED) in Iraq and Afghanistan.[80] In 2007 the George W. Bush Administration threatened to restrict U.S. exports of certain technologies to the UAE for the illicit exports. The UAE government enacted a new law later that year that empowered authorities to shut down 40 foreign and UAE firms allegedly involved in illicit exports, and no U.S. sanctions were imposed on the country.

The UAE government supports the Department of Homeland Security's programs to collect U.S.-bound passenger information and operation of a "preclearance facility" at the Abu Dhabi International Airport. In 2006, the Committee on Foreign Investment in the United States—a

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

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

[77] David Ignatius, "A Small Organization Offers a Fresh Approach on Preventing Terrorism," opinion, *The Washington Post*, October 21, 2014.

[78] "Export Control and Related Border Security Program," Bureau of International Security and Nonproliferation.

[79] "CSI: Container Security Initiative," U.S. Customs and Border Protection.

[80] Milhollin, Gary and Kelly Motz, "Nukes 'R' US." *New York Times*, op. ed. March 4, 2004; BIS, "General Order Concerning Mayrow General Trading and Related Enterprises," 71 *Federal Register* 107, June 5, 2006.

body that reviews proposed foreign investments to ensure that the investment does not threaten U.S. national security—approved the takeover by the Dubai-owned Dubai Ports World company of a British firm that manages six U.S. port facilities. Congress expressed concern that the takeover might weaken U.S. port security in P.L. 109-234, an emergency supplemental appropriation.

U.S. Funding Issues

The United States has provided small amounts of counterterrorism assistance to help the UAE build its capacity to enforce its border and financial controls. The Department of Defense provided $300,000 to the UAE to assist its counter-narcotics capability in FY2016 and $531,000 in FY2017. In FY2019, about $1.35 million in State Department funds were provided to the UAE to build its capacity to counter terrorism financing. In FY2020 and FY2021, the United States spent about $130,000 and $110,000, respectively, to build the capacity of the UAE government to enforce its export control laws.[81]

Nuclear Power and Space Program

The UAE announced in 2008 that it would acquire nuclear power reactors to meet projected increases in domestic electricity demand. 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.[82] This provision is typically not included in peaceful nuclear cooperation agreements.

A number of U.S. and European firms have secured administrative and financial advisory contracts with the UAE's nuclear program. The Korea Electric Power Corporation of South Korea received the prime contract "to design, build and help operate the Barakah Nuclear Energy Plant," which is to contain four nuclear power reactors.[83] The nuclear plants began operating in mid-2020."[84]

In July 2014, the UAE formed a "UAE Space Agency." In 2019, the country sent its first astronaut to the International Space Station. In July 2020, the country launched an unmanned spaceship that is to probe Mars. The probe entered Mars orbit in 2021.

Economic Issues

The UAE, a member of the World Trade Organization (WTO), has developed a free market economy, but its financial institutions are weakly regulated. Although the UAE has announced plans and policies ("Vision 2021") to try to further diversify its economy and reduce its dependence on exports of hydrocarbons, the UAE economy and financial picture still fluctuates

[81] USAID Foreign Aid Explorer database, accessed April 12, 2021.

[82] For more information about nuclear cooperation agreements, see CRS Report RS22937, *Nuclear Cooperation with Other Countries: A Primer*, by Paul K. Kerr and Mary Beth D. Nikitin.

[83] "The Emirates Nuclear Energy Corporation (ENEC) and the Barakah Nuclear Energy Plant," Emirates Nuclear Energy Corporation factsheet.

[84] "Safe Start-up of Unit 1 of Barakah Nuclear Energy Plant Successfully Achieved," Emirates Nuclear Energy Corporation press release, August 1, 2020.

along with the world energy outlook. Abu Dhabi has 80% of the federation's proven oil reserves of about 100 billion barrels, enough for many decades of exports at the current rate of about 2.9 million barrels per day (mbd) of exports. Oil exports, of which over 60% go to Japan, account for about 25% of the country's GDP.[85] The UAE has vast quantities of natural gas but consumes more than it produces. Through its participation in the Dolphin Energy project, the UAE imports natural gas from neighboring Qatar—an arrangement that was not disrupted by the GCC rift. A UAE effort to become self-sufficient in gas by 2030 could benefit from the discovery in UAE waters, announced in early 2020, of the large Jebel Ali non-associated gas field. Dubai emirate has, to some extent, sought to plan for a post-hydrocarbons era through initiatives, such as the clean energy and autonomous vehicle showcase project "Masdar City," that provide jobs and attract tourism and publicity.

To help it weather the effect of lower oil prices during 2014-2019, the government cut some subsidies and sold government bonds, including $5 billion in bonds in 2016 and $10 billion in 2017. The government was able to avoid drawing down its $600 billion in various sovereign wealth funds overseen by the Emirates Investment Authority (EIA). In 2022, world energy prices increased significantly after Russia's invasion of Ukraine, which prompted U.S. and European sanctions on Russian oil exports. In part because an oil price increase benefits the UAE budget, the UAE and Saudi Arabia did not respond to U.S. requests to increase oil production to help bring world oil prices back down.[86] Adding to the U.S.-UAE tensions over oil prices, the UAE and Saudi Arabia continue to engage with Russia in the "OPEC Plus" framework, giving the impression that the two Gulf states are cooperating with, or at least refraining from opposing, Russia. In the aftermath of President Biden's meetings with the GCC leaders in Saudi Arabia in July 2022, OPEC+ announced in August 2022 a slight increase in oil production, seemingly responding positively, at least to some extent, to President Biden's urgings for more Gulf state oil production.

The country is also accepting investment from China under that country's "Belt and Road Initiative" (BRI), intended to better connect China economically to other parts of Asia, Central Asia, the Middle East, and Africa. In April 2019, the UAE and China signed deals worth $3.4 billion to store and ship Chinese products from the UAE port of Jebel Ali.[87]

Aside from the public health consequences, the economic effects of the coronavirus outbreak have been significant, resulting from travel and tourism restrictions and a decline in consumer spending as bans on gatherings were imposed during 2020. China-based Sinopharm tested its vaccine in the UAE, in part because nationals of many different countries live and work there.[88]

U.S.-UAE Economic Ties[89]

U.S. trade with the UAE is a significant issue because the UAE is the largest market for U.S. exports to the Middle East. Over 1,000 U.S. companies have offices there, and there are over 60,000 Americans working in UAE. U.S. exports to the UAE in 2021 totaled over $17 billion, and imports from the UAE nearly doubled from 2020 levels, totaling nearly $6 billion. U.S.

[85] "The UAE and Global Oil Supply," Embassy of the UAE in the United States, August 2020.

[86] Bilal Saab and Karen Young, "How Biden Can Rebuild U.S. Ties With the Gulf States," Foreign Policy, April 4, 2022.

[87] "The UAE Signed a Massive, $3.4 Billion Deal with China—and That 'Isn't a Surprise," NBC News, April 29, 2019.

[88] "China's Sinopharm begins late stage trial of COVID-19 vaccine in UAE," *Reuters*, July 16, 2020.

[89] Trade data taken from U.S. Census Bureau. Foreign Trade Statistics.

products sold to UAE are mostly commercial aircraft, industrial machinery and materials, and other high-value items. The United States imports small amounts of UAE crude oil.

In 2004, the George W. Bush Administration notified Congress it had begun negotiating a free trade agreement (FTA) with the UAE. Several rounds of talks were held prior to the June 2007 expiration of Administration "trade promotion authority." In 2011, the FTA talks were replaced by a U.S.-UAE "Economic Policy Dialogue," between major U.S. and UAE economic agencies. The UAE is part of the "GCC-U.S. Framework Agreement on Trade, Economic, Investment, and Technical Cooperation," a trade and investment framework agreement (TIFA) created in 2012.

Commercial Aviation Issue[90]

One issue in U.S.-UAE economic relations has been a contention by several U.S. airlines that the UAE government subsidizes two UAE airlines, Emirates Air (Dubai-based) and Etihad Air (Abu Dhabi-based). In 2018, the two UAE airlines agreed to address the complaints by using globally accepted accounting standards for annual reports and opening their books to outside examination.[91]

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[90] For background on this issue, see CRS Report R44016, *International Air Service Controversies: Frequently Asked Questions*, by Rachel Y. Tang.

[91] "U.S. and United Arab Emirates Reach Deal to Solve Open Skies Spat," *Skift*, May 11, 2018.