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

Updated February 13, 2019
Summary

The United Arab Emirates (UAE) is a significant U.S. partner in Gulf security, helping to address multiple regional threats by hosting about 5,000 U.S. military personnel at UAE military facilities under a bilateral defense cooperation agreement (DCA). The UAE is a significant buyer of U.S. military equipment, including sophisticated missile defenses, and it reportedly wants to buy the F-35 combat aircraft. The alliance is expected to continue after UAE President Shaykh Khalifa bin Zayid Al Nuhayyan, who suffered an incapacitating stroke in January 2014, leaves the scene and his younger brother, Shaykh Muhammad bin Zayid, inevitably becomes UAE president.

Its partnership with the United States, the UAE has enhanced its military capabilities to the point where it is increasingly asserting itself in the region, both militarily and politically. The UAE is part of a Saudi-led military effort to pressure the Iran-backed Zaidi Shia Houthi rebels in Yemen, an effort to which the United States provides logistical support but which has produced criticism over the effects of the war on Yemen’s civilians. UAE forces, alongside U.S. special operations forces, also are combatting Al Qaeda’s affiliate in that country, Al Qaeda in the Arabian Peninsula (AQAP). UAE forces have built up several bases in East African countries to train allied forces and facilitate UAE operations in Yemen. The UAE is supporting an anti-Islamist commander in eastern Libya who thus far has not agreed to join a U.N.-backed unified political structure. The UAE has sought to counteract the criticism by expanding its long-standing donations of assistance to regional and international organizations and conflict-ridden or economically strapped countries including Jordan, Yemen, and the U.N. Relief Works Agency (UNRWA).

The UAE’s opposition to Muslim Brotherhood-linked regional organizations as a regional and domestic threat has driven UAE policy toward Egypt, Syria, the Palestinian territories, and other countries where Brotherhood-linked organizations operate. The UAE’s stance differs sharply from that of Qatar, another member of the Gulf state alliance called the Gulf Cooperation Council (GCC: Saudi Arabia, Kuwait, UAE, Bahrain, Qatar, and Oman), but which supports Brotherhood-related groups as Islamists willing to work within established political processes. In June 2017, the UAE joined Saudi Arabia in isolating Qatar until it adopts policies closer to those of the three GCC states on the Brotherhood and other issues. U.S. mediation efforts have failed to resolve the rift, to date. The October 2018 killing by Saudi agents of a U.S.-based Saudi journalist at the Saudi consulate in Istanbul has added to criticism of UAE leaders for their close strategic alliance with Saudi Arabia’s Crown Prince Mohammad bin Salman Al Saud.

The UAE’s relatively open borders and economy have won praise from advocates of expanded freedoms in the Middle East. The UAE is considered among the wealthiest countries in the world, in part because of the small population that requires services, and the wealth has helped the government maintain popular support. In 2006, the government established a limited voting process for half of the 40 seats in its quasilegislative body, the Federal National Council (FNC). The most recent such vote was held in October 2015, and resulted in the selection of a woman as speaker of the FNC. However, the country remains under the control of a small circle of leaders. And, since the Arab Spring uprisings, the government has become more wary of the potential for regional conflicts to affect domestic stability and has suppressed domestic opponents. The country sought to showcase its continued commitment to pluralism by hosting a visit by Pope Francis in February 2019.

In part to cope with the effects of reduced prices for crude oil during 2014-2018, 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. Any U.S. assistance to the UAE has been very small in dollar amounts and intended mainly to qualify the UAE for inclusion in training and other programs that benefit UAE security.
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Contents

Governance, Human Rights, and Reform

Governance Issues .................................................................................................................. 1
  Federal National Council (FNC) and FNC Elections ......................................................... 4
  Muslim Brotherhood and other Opposition and Government Responses ....................... 5
  U.S. Democracy Promotion Efforts and UAE Restrictions .............................................. 6

Other Human Rights-Related Issues ..................................................................................... 6
  Media and Research Institute Freedoms ........................................................................... 6
  Justice/Rule of Law ............................................................................................................ 7
  Women’s Rights .................................................................................................................. 7
  Religious Freedom ............................................................................................................. 8
  Labor Rights and Trafficking in Persons ........................................................................... 8

Foreign Policy and Defense Issues ....................................................................................... 9
  Iran ...................................................................................................................................... 10
  Policy Toward and Intervention in Regional Conflicts .................................................. 11
    Egypt ................................................................................................................................. 11
    Libya ................................................................................................................................. 12
    Islamic State/Iraq/Syria .................................................................................................. 12
    Yemen ............................................................................................................................... 13
    Afghanistan .................................................................................................................... 16
    Israeli-Palestinian Dispute .............................................................................................. 16

UAE Foreign Aid .................................................................................................................. 17

Defense Cooperation with the United States .......................................................................... 18
  Defense Cooperation Agreement (DCA) and U.S. Forces in UAE .................................... 18
  U.S. and Other Arms Sales ............................................................................................... 19
  UAE Defense Cooperation with Other Powers ................................................................. 22

Cooperation against Terrorism and Proliferation ................................................................ 23
  International Terrorism Issues .......................................................................................... 23
  Port and Border Controls ................................................................................................. 25
  Export Controls ................................................................................................................ 25

Nuclear Agreement and Other Technology Issues ............................................................... 26

Economic Issues .................................................................................................................. 27
  Oil and Gas Sector and “Clean Energy” Initiatives ......................................................... 27
  U.S.-UAE Trade and Trade Promotion Discussions ....................................................... 28
  U.S. Assistance to the UAE ............................................................................................... 29
  “Open Skies” Issue ........................................................................................................... 29

Figures

Figure 1. UAE at a Glance .................................................................................................... 3

Tables

Table 1. UAE Leadership .................................................................................................... 1
Contacts

Author Information....................................................................................................................... 29
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. The federation’s last major leadership transition occurred in November 2004, upon the death of the first UAE president and ruler of Abu Dhabi, Shaykh Zayid bin Sultan Al Nuhayyan.

**Table 1. UAE Leadership**

<table>
<thead>
<tr>
<th>Name</th>
<th>Position</th>
</tr>
</thead>
<tbody>
<tr>
<td>Khalifa bin Zayid al-Nuhayyan</td>
<td>UAE president and Ruler of Abu Dhabi Emirate. Incapacitated since 2014 stroke</td>
</tr>
<tr>
<td>Mohammad bin Rashid Al Maktum</td>
<td>UAE Vice President, Prime Minister, and Defense Minister, and ruler of Dubai Emirate</td>
</tr>
<tr>
<td>Mohammad bin Zayid al-Nuhayyan</td>
<td>Crown Prince/heir apparent of Abu Dhabi, de facto President of UAE due to brother’s incapacitation</td>
</tr>
<tr>
<td>Sultan bin Mohammad Al Qassimi</td>
<td>Ruler of Sharjah Emirate</td>
</tr>
<tr>
<td>Saud bin Saqr Al Qassimi</td>
<td>Ruler of Ras al-Khaymah Emirate. His elder brother, Khalid bin Saqr, claims his 2003 removal as heir apparent was illegitimate and that he is the rightful ruler of the emirate. That claim is not recognized by UAE.</td>
</tr>
<tr>
<td>Humaid bin Rashid Al Nuami</td>
<td>Ruler of Ajman Emirate</td>
</tr>
<tr>
<td>Saud bin Rashid Al Mu’alla</td>
<td>Ruler of Umm al-Qaywayn Emirate</td>
</tr>
<tr>
<td>Hamad bin Mohammad Al Sharqi</td>
<td>Ruler of Fujairah Emirate</td>
</tr>
<tr>
<td>Abdullah bin Zayid al-Nuhayyan</td>
<td>Foreign Minister</td>
</tr>
<tr>
<td>Amal al-Qubaisi</td>
<td>Federal National Council speaker. Only woman to head a GCC legislative body.</td>
</tr>
<tr>
<td>Yusuf al-Otaiba</td>
<td>Ambassador to the United States. Son of former longtime UAE Oil Minister Mani Saeed al-Otaiba</td>
</tr>
</tbody>
</table>

Shaykh Zayid’s eldest son, Shaykh Khalifa bin Zayid al-Nuhayyan, born in 1948, was elevated from Crown Prince to ruler of Abu Dhabi upon Zayid’s death. In keeping with a long-standing agreement among the seven emirates, Khalifa was subsequently selected as UAE president by the leaders of all the emirates, who collectively comprise the “Federal Supreme Council.” The ruler of Dubai traditionally serves concurrently 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 Maktum bin Rashid Al Maktum in January 2006. The Federal Supreme Council meets four times per year to establish general policy guidelines, although the leaders of the emirates consult frequently with each other.

UAE leadership posts almost always change only in the event of death of an incumbent. The leadership of the UAE was put into doubt by Shaykh Khalifa’s stroke on January 24, 2014. He has not appeared publicly since and reportedly is incapacitated, but, in order not to cause turmoil within ruling circles, there is unlikely to be a formal succession as long as he remains alive. His younger brother and the third son of Shaykh Zayid, Crown Prince Shaykh Mohammad bin Zayid
al-Nuhayyan (born in 1961), is almost certain to succeed him in all posts. Shaykh Mohammad had been assuming day-to-day governing responsibilities prior to Khalifa’s stroke and has been de facto leader since. He and Shaykh Mohammad bin Rashid of Dubai have long been considered the key strategists of UAE foreign and defense policy.

Several senior UAE officials are also brothers of Shaykh Mohammad bin Zayid, including Foreign Minister Abdullah bin Zayid, deputy Prime Minister Mansur bin Zayid, deputy Prime Minister and Minister of Interior Sayf bin Zayid, and National Security Advisor Shaykh Tahnoun bin Zayid. In 2017, Shaykh Mohammad appointed his son, Khalid bin Mohammad, as deputy National Security Adviser. The second son of Zayid, Shaykh Sultan bin Zayid Al Nuhayyan, plays virtually no role in the governing structure. A female member of the Dubai royal family, Shaykha Latifa bint Mohammad Al Maktoum, attempted to flee the country in early 2018 but was captured and returned to the emirate, where she reportedly remains under close supervision.1

As shown in the table above, each emirate has its own leader. The five smaller emirates, often called the “northern emirates,” tend to be more politically and religiously conservative and homogenous than are Abu Dhabi and Dubai, which are urban amalgams populated by many Arab, South Asian, and European expatriates.

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

Population 9 million+ (U.N. estimate), of whom about 11% are citizens. U.S. population estimate is 6.1 million, and the causes of the discrepancy between U.S. and U.N. estimates are unclear.

Religions The citizenry is almost all Muslim, of which 85% are Sunni and 15% are Shia. Of the total population, 76% is Muslim; 9% is Christian; and 15% is other—but primarily Buddhist or Hindu.

Ethnic Groups 11% Emirati (citizens); 29% other Arab and Iranian; 50% South Asian; 10% Western and other Asian expatriate

Size of Armed Forces About 50,000

Inflation Rate About 2.1% (2017)

GDP and GDP-related Metrics GDP Growth Rate: 1.3% (2017). Below the 3% growth of 2016 and nearly 4% in 2015.
GDP on Purchasing Power Parity basis (PPP): $690 billion (2017)
Per capita (PPP): over $68,000

Oil Exports About 2.7 million barrels per day

Foreign Assets/Sovereign Wealth Reserves About $575 billion

U.S. citizens in UAE About 60,000

Major Sites Dubai’s “Burj Khalifa,” world’s tallest building; Burj al-Arab hotel in Dubai bills itself as “world’s only 7-star hotel”; local branches of Guggenheim and Louvre museums in Abu Dhabi.

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

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, and that Emiratis are able to express their concerns directly to the country’s leaders through traditional consultative mechanisms. Most prominent among these channels are the open majlis (councils) held by many UAE leaders. UAE officials maintain that Western-style political parties and elections for a legislature or other representative body would aggravate schisms among tribes and clans, cause Islamist factions to become radical, and open UAE politics to regional influence. UAE officials have stated that the UAE’s end goal is not to form a multiparty system, arguing that this model does not correspond with UAE cultural or historical development. Such assertions appear, at least in part, to signal that the country will work to prohibit the development of factions linked to regional Islamist movements or to regimes in the region. UAE law prohibits political parties.

Federal National Council (FNC) and FNC Elections

The UAE has provided for some formal popular representation through a 40-seat Federal National Council (FNC)—a body that can review and recommend, but not enact or veto, legislation. The FNC can question, but not remove, ministers and it conducts such questionings regularly. Its sessions are open to the public. 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 others each have four. The government has not implemented calls, such as were expressed in a March 2011 petition signed by 160 UAE intellectuals, to transform the FNC into an all-elected body with full legislative powers. Each emirate also has its own appointed consultative council.

First FNC Votes. In 2006, the UAE leadership apparently assessed that it had fallen too far behind its Gulf neighbors on political reform and relented to the suggestion to make at least part of the FNC seats elective. In December 2006, the government instituted a limited election process for half of the FNC seats, with the other 20 FNC seats remaining appointed. The Election Commission approved a small “electorate” of about 6,600 persons, of which about 20% were women. Out of the 452 candidates for the 20 elected seats, there were 65 female candidates. Only one woman was elected (from Abu Dhabi), but another seven were given appointed seats.

The September 24, 2011, FNC election was held in the context of the “Arab spring” uprisings, with an expanded electorate (129,000), nearly half of which were female. There were 468 candidates for the 20 seats, including 85 women. However, there was little campaigning, and turnout was about 25%, which UAE officials called disappointing. Of the 20 winners, only one was female. Other winners were elected largely along tribal lines. Of the 20 appointed seats, 6 were women. The government selected a woman, Amal al-Qubaisi, to be deputy speaker—the first woman to hold as high a position in a GCC representative body.

The 2015 elections were again for half the FNC, but the electorate was expanded to 225,000 voters, about double that in 2011. The 2015 process included “early voting” and out of country voting, culminating on “election day” of October 3, 2015. There were 330 candidates (somewhat lower than in 2011), including 74 women (almost as many as in 2011). Turnout was 35%, which government officials stated was a more satisfactory turnout than in 2011. One woman was elected, as happened in 2011. The remaining 20 seats were appointed on November 16, and 8 of

3 Al Jazeera News Network, March 9, 2011.
them were women. Among the women appointed was Abu Dhabi representative Amal al-Qubaisi, who was promoted to speaker.

The next FNC elections are to be held in the fall of 2019. UAE officials assert that there are plans to eventually make all 40 seats elected, but likely not in the 2019 vote. In December 2018, the UAE leadership announced that as of the 2019 election, half of the FNC members will be women. Presumably that percentage will be achieved by appointing enough women to constitute half of the body, after accounting for those elected.4

**Muslim Brotherhood and other Opposition and Government Responses**

There has been little evident clamor for major political reform, but some UAE intellectuals, businessmen, students, and others have agitated for greater political space. During the 2011 “Arab Spring” uprisings, some UAE youth tried unsuccessfully to use social media to organize a public protest in March 2011. Five high-profile activists—the so-called “UAE-5”—were put on trial in November 2011. They were convicted and their sentences were commuted.

The government has particularly targeted for arrest Islamists linked to the region-wide Muslim Brotherhood organization, which UAE leaders named in 2014 as one of 85 “terrorist organizations” (a list that included Al Qaeda and the Islamic State).5 The UAE affiliate of the Brotherhood is the Islah (Reform) organization, which emerged in 1974 as an offshoot of the Muslim Brotherhood and attracts followers mostly from the less wealthy and more religiously conservative northern emirates. UAE authorities accuse Islah of obtaining funding from the Brotherhood’s main chapter in Egypt.6

The government stepped up its crackdown on Islah in 2012, the year that Muslim Brotherhood figure Mohammad Morsi was elected president of Egypt. UAE authorities arrested and revoked the citizenship of several senior Islah members, including a member of the Ras al-Khaymah ruling family. In July 2013, the UAE State Security Court convicted and sentenced 69 out of 94 UAE nationals (“UAE-94”)—Islamists arrested during 2011-2013—for trying to overthrow the UAE government. In June 2014, 30 persons, of which 20 are Egyptian nationals, were convicted for connections to the Muslim Brotherhood organization in Egypt. A Saudi-UAE list of “persons to be isolated,” released in connection with the June 2017 intra-GCC dispute, included Muslim Brotherhood-linked Egyptian cleric Yusuf Qaradawi, who resides in Qatar. The disagreements between Qatar and the UAE and other GCC states over the Muslim Brotherhood and other political Islamist movements are discussed further in the section on foreign policy.

The government has also addressed domestic opposition with reforms and economic incentives. In 2011, the government invested $1.5 billion in utilities infrastructure of the poorer, northern emirates; raised military pensions; and began subsidizing some foods. In 2013, a “new look” cabinet included several young figures. Cabinet reshuffles in February 2016 and October 2017 added several young ministers, many of whom were female, and established minister of state positions—for “tolerance,” for “happiness,” for artificial intelligence, and for food security. Other reforms included formation of an Emirates Foundation for Schools, run by an independent board of directors; limiting the mandate of the Ministry of Health to a focus on disease prevention; and creating a science council with a mandate to promote a new generation of Emirati scientists.

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U.S. Democracy Promotion Efforts and UAE Restrictions

Human rights observers assert that U.S. officials downplay criticism of the UAE’s human rights record because of the U.S.-UAE strategic alliance. U.S. officials assert that they continue to promote democracy, rule of law, independent media, and civil society in the UAE through State Department programs that are tolerated by the UAE government. Such programs have included the broader Middle East Partnership Initiative (MEPI), which has its headquarters for the Gulf region located at the U.S. Embassy in Abu Dhabi.

On the other hand, the UAE government has expelled some U.S. and European-sponsored democracy promotion efforts that the government asserted were too intrusive into UAE politics. In 2012, the government ordered closed the offices in the UAE of the National Democratic Institute (NDI) and the Germany-based Konrad Adenauer Foundation. No U.S. funding for democracy promotion in UAE has been provided in recent years.

Other Human Rights-Related Issues

Recent State Department human rights reports and reports by independent groups such as Human Rights Watch assert that there are unverified reports of torture, government restrictions of freedoms of speech and assembly, and lack of judicial independence. The relatively few UAE organizations that monitor the government’s human rights performance include the Jurists’ Association’s Human Rights Committee, the Emirates Human Rights Association (EHRA), and the Emirates Center for Human Rights (ECHR). In a January 2018 U.N. Human Rights Council Universal Periodic Review, UAE officials highlighted that they had formed a new human rights commission under international standards known as the “Paris Principles”—a response to reports that British police were investigating UAE officials suspected of torturing Qatari nationals.

Media and Research Institute Freedoms

The UAE government has increased restrictions on media usage, particularly social media, since the 2011 Arab uprisings, tempering its former commitment to free and open media. A 2012 “cybercrimes decree” (Federal Legal Decree No. 5/2012) established a legal basis to prosecute and jail people who use information technology to promote dissent. It provides for imprisonment for using information technology to “incite actions that endanger state security or infringe on the public order,” and for life imprisonment for anyone using such technology to advocate the overthrow of the government. In May 2015, the government enacted an Anti-Discrimination Law, which criminalizes the publication of “provocative” political or religious material. Several activists have been jailed for violating the decree, including one who was jailed for producing a video parodying youths in Dubai. An academic, Dr. Nasser bin Gaith, sentenced in March 2017 to 10 years in prison for “insulting the UAE,” is said to be in frail health. Another activist, Ahmed Mansoor, was arrested in 2018 for “defaming” the country on social media. On December 31, 2019, a UAE court upheld his 10-year prison sentence and fine of $272,000.

A “National Media Council” directly oversees all media content, and provisions governing media licensing do not clearly articulate government standards in evaluating license applications. Restrictions do not apply to the “Free Zones” in UAE in which foreign media operate. However,

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7 Much of this section is from the State Department reports on: human rights practices (2017); https://www.state.gov/j/drl/rls/hrrpt/humanrightreport/index.htm?year=2017&dlid=277269#wrapper.
some media organizations report that the government has banned some journalists from entering the country, and prohibited distribution of books and articles that highlight human rights abuses.

There have also been increasing restrictions on research institutes, several of which had opened in UAE in the 1990s. The government applied increasingly strict criteria to renewing the licenses of some research institutes and some left the UAE entirely as a result. In November 2012, the UAE ordered out the Rand Corporation, and UAE officials have denied entry to some academics and human rights organizations representatives who have been critical of the UAE’s human rights record. On the other hand, some new think tanks have opened or become increasingly active 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 review and overrule by political leaders. UAE judicial institutions include Sharia (Islamic law) courts that adjudicate criminal and family law matters, and civil courts that adjudicate civil matters. The civil court system, based on French and Egyptian legal systems, was established in 1973 when a Federal Supreme Court was inaugurated. This court, which consists of a president and a five judges appointed by the UAE leadership, adjudicates disputes between emirates or between an emirate and the UAE federal government; the constitutionality of federal and other laws; conflicts of jurisdiction between the federal and local judicial authorities; and crimes affecting the UAE federation. It also interprets the provisions of the constitution and questions ministers and senior federal officials for official misconduct. A 2012 amendment to the UAE constitution set up a “Federal Judicial Council” chaired by the UAE president, which human rights groups asserted reflected increased political influence over the judiciary. Foreign nationals hold positions in the judiciary, making them subject to being threatened with deportation for unpopular judgments or judgments against well-connected Emiratis. In 2010, a UAE court acquitted the UAE president’s brother of torturing an Afghan merchant, ruling that he was not liable because he was affected by prescription drugs.

The UAE justice system has often come under criticism in cases involving expatriates. Western expatriates have sometimes been arrested for sexual activity on UAE beaches. In 2007, human rights groups criticized the conservative-dominated justice system for threatening to prosecute a 15-year-old French expatriate for homosexuality, a crime in UAE, when he was raped by two UAE men; the UAE men were later sentenced for sexual assault and kidnapping. In August 2012, a 78-year-old pediatrician from South Africa was imprisoned for two months for alleged issues of malpractice related to his six-week service as a doctor in Abu Dhabi in 2002 and he was deprived of his freedom until June 2013. In May 2018, UAE authorities detained a British academic, Matthew Hedges, on charges of “spying for a foreign state.” He was sentenced to life imprisonment in November but shortly thereafter, following expressions of outrage from British and other world leaders, was pardoned.

Women’s Rights

Women’s political rights have expanded steadily, and observers say the UAE is perhaps the only Arab country where women are accepted as professionals. As of December 2011, UAE women are allowed to pass on their citizenship to their children—the first GCC state to allow this. Many domestic service jobs are performed by migrant women, and they are denied basic legal

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

protections such as limits to work hours. However, UAE women are still at a legal disadvantage relative to men, for example in divorce cases and other family law issues.

Recent cabinet reshuffles have greatly increased the number of female ministers. Seven women are in the FNC, and one is now its speaker, as noted. 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.

Religious Freedom

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 known to be enforced. In practice, non-Muslims in UAE are free to practice their religion.

UAE officials boast of the country’s religious tolerance by citing the 40 churches in the UAE, of a variety of denominations. In 2016 the government donated additional lands for the building of more churches, as well as some new Hindu and Sikh temples. In January 2017, the Ministry hosted an event for 30 Christian leaders from nine denominations located throughout the Gulf; the event took place at the site of an early Christian monastery on Sir Bani Yas Island in Abu Dhabi. 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 September 2016, Shaykh Mohammad bin Zayid met with Pope Francis in the Vatican and invited him to visit. The visit took place during February 3-5, 2019, and enabled the UAE—at a time of widespread criticism of its intervention in Yemen—to showcase its commitment to religious tolerance, and the Pope to advocate for the creation of more churches in the UAE to better accommodate the approximately 1 million Christians in the country, almost all of whom are expatriates. The papal visit was the first such trip to the Gulf region. There are no Jewish synagogues or Buddhist temples.

The Shia Muslim minority, which is about 15% of the citizen population and is concentrated largely in Dubai emirate, is free to worship and maintain its own mosques. However, Shia mosques receive no government funds and there are no Shias in top federal posts. At times, the government has acted against non-UAE Shia Muslims because of their perceived support for Iran and Iran’s regional allies. The government has at times closed Shia schools and prohibited the holding of conferences for international Shias. The government has deported some foreign Shias in recent years.

Labor Rights and Trafficking in Persons

UAE law prohibits all forms of compulsory labor, but enforcement is assessed by U.S. officials as inconsistent. On several occasions, foreign laborers working on large construction projects have conducted strikes to protest poor working conditions and nonpayment of wages. There have been numerous and persistent allegations that foreign workers are housed in cramped “labor camp” conditions, have their passports held, are denied wages or paid late, are forced to work long hours, are deported for lodging complaints, and are subjected to many other abuses. In May 2014, the government arrested foreign laborers striking to protest many of the conditions discussed

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11 The State Department’s International Religious Freedom report for 2017, from which this section is primarily derived, is available at https://www.state.gov/j/drl/rls/irf/religiousfreedom/index.htm?year=2017&dld=281010#wrapper.

above in the course of building a facility for New York University’s (NYU’s) branch in Abu Dhabi. NYU apologized to the workers for being excluded from a labor “code of conduct” that covers migrant workers in the UAE and compensated several hundred of them. The Ministry of Human Resources and Emiratization (MOHRE, formerly the Labor Ministry) has addressed problems such as those above by penalizing employers and requiring that workers’ salaries be deposited directly in banks. In 2011 the UAE reformed its “kafala” system to allow migrant workers to more easily switch employers, producing higher earnings by immigrant laborers in the country.

**Trafficking in Persons**

The UAE is considered a “destination country” for women trafficked from Asia and the former Soviet Union. The Trafficking in Persons report for 2018, for the eighth year in a row, rated the UAE as “Tier 2.” The rating is based on the assessment that the UAE does not meet the minimum standards for eliminating human trafficking, but is taking significant efforts to do so. The 2018 State Department report credits the UAE with implementing reforms that reduce forced labor among foreign workers in the private sector, instituting direct governmental oversight of domestic laborers, increasing the number of labor trafficking prosecutions, and funding and implementing a national action plan to combat trafficking in persons. UAE authorities continue to prosecute and punish sex trafficking offenders. In March 2015, the government put into effect amendments to victim protection clauses of Federal Law 51 of 2006 on Combating Human Trafficking Crimes.

Since 2013, the UAE government, through its “National Committee to Combat Human Trafficking,” has assisted human trafficking victims, including through shelters in several UAE emirates. The government opened its first shelter for male sexual trafficking victims in 2013. The government assists victims of human trafficking through a human rights office at Dubai International Airport. An issue in previous years was trafficking of young boys as camel jockeys, a concern alleviated with repatriation of many of those trafficked and the use of robot jockeys.

**Foreign Policy and Defense Issues**

Despite its small population and territorial size, the UAE is increasingly attempting to influence regional outcomes, an assertiveness enhanced by its close security partnership with the United States, forged during the 1980-1988 Iran-Iraq war and strengthened after the 1990 Iraqi invasion of Kuwait. In late 1981, the UAE and five other Gulf monarchies—Saudi Arabia, Kuwait, Qatar, Bahrain, and Oman—formed an alliance called the Gulf Cooperation Council (GCC), all of which have close defense ties to the United States.

On foreign policy issues, the UAE is closely aligned with Saudi Arabia, which similarly asserts that there is a significant threat from Islamist movements such as the Muslim Brotherhood. UAE leaders have publicly defended Saudi Crown Prince Mohammad bin Salman Al Saud against criticism caused by the Saudi killing of U.S.-based Saudi journalist Jamal Kashoggi at the Saudi consulate in Istanbul on October 2, 2018. The Saudi-UAE alliance has contributed to a fracturing of the GCC since the June 5, 2017, move by the two, joined by Bahrain, Egypt, and a few other

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Muslim states, to isolate Qatar by denying it land, sea, and air access to their territories. The UAE and Saudi Arabia asserted that Qatar supports Iran and Muslim Brotherhood-related movements, although many experts assert that the Saudi and UAE moves sought primarily to limit Qatar’s pursuit of an independent foreign policy. The rift has, to date, defied mediation efforts by U.S. officials and caused repeated postponements of a U.S.-GCC summit—first planned for May 2018. The meeting reportedly is to focus on the development of a U.S.-led “Middle East Strategic Alliance” (MESA) to counter Iran—referred to in some press accounts as an “Arab NATO,” to consist of the GCC states, Jordan, and Egypt.16

The potential for the intra-GCC rift to scuttle plans for the MESA is significant. In December 2017, Saudi Arabia and the UAE announced the formation of a “joint cooperation committee”—seemingly an attempt to form a subgroup separate from the GCC.17 The rift has scuttled long-standing GCC plans to establish a joint military command and joint naval force to be based in Bahrain, supported by an Abu Dhabi-based “Gulf Academy for Strategic and Security Studies.” Saudi Arabia, possibly as an overture, formally invited the Amir of Qatar to the GCC summit of December 7-9, 2018, but the Amir did not attend.

The broader issues dividing Qatar and some of its neighbors had caused rifts in the past, although not as extended as the current crisis. In March 2014, the UAE, Saudi Arabia, and Bahrain recalled their ambassadors from Qatar, but that dispute was resolved in November 2014 following an agreement that the GCC countries will not undermine each other’s interests.

Despite its strategic alliance with Saudi Arabia, the UAE has had border disputes and other disagreements with the Kingdom. A 1974 “Treaty of Jeddah” with Saudi Arabia formalized Saudi access to the Persian Gulf via a corridor running through UAE, in return for UAE gaining formal control of villages in the Buraymi oasis area. In March 2011, the UAE contributed 500 police officers to a Saudi-led GCC military intervention in Bahrain to support the Al Khalifa regime against a Shia-led uprising. At least some of the UAE force remained after that time, and one UAE police officer was killed in a bombing in Manama in March 2014.

Iran

UAE leaders assert that Iran is a threat to the UAE and the region and must be countered assertively. UAE leaders publicly backed the July 2015 Iran nuclear agreement (Joint Comprehensive Plan of Action, JCPOA), while simultaneously expressing reservations that the pact would reduce the U.S. interest in countering Iran’s regional activities. UAE leaders strongly support the Trump Administration’s characterization of Iran as a major U.S. adversary,18 its May 2018 withdrawal from the JCPOA, and its reimposition of all U.S. sanctions on Iran. UAE leaders have explained the UAE intervention in Yemen, discussed further below, primarily as an effort to counter Iran’s regional ambitions.

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. Because of Hezbollah’s affiliation with Iran, in February 2016, the UAE barred its nationals from travelling to Lebanon, downgraded its diplomatic relations with Lebanon, and joined the other GCC states in a declaration that Hezbollah is a terrorist organization. UAE policy in east Africa, Yemen, Syria, and elsewhere is driven largely by the UAE objective of weakening Iran.

17 UAE, Saudi Arabia Announce new Partnership in ‘Rebuff’ to Kuwait’s GCC Efforts. The New Arab, December 5, 2017.
18 Faisal Abbas. “After 8 years of Obama, Trump is breath of fresh air in Gulf States.” CNN.com, November 22, 2016.
Some UAE officials assert that the large Iranian-origin community in Dubai emirate (estimated at 400,000 persons) could pose a “fifth column” threat to UAE stability. Dubai leaders express less concern about Iranian-origin residents, asserting that this population is a product of long-standing UAE-Iran commercial ties. But, the extensive Iranian commercial presence in the UAE also gives the United States ample opportunity to enlist the UAE in sanctioning Iran. In 2010, when international sanctions on Iran tightened dramatically, the UAE government directed its banks to limit transactions with Iran, even though a decline in UAE-Iran trade harmed the powerful UAE trading community.

**Gulf Islands Dispute**

An additional complication in UAE-Iran relations is a dispute over several Persian Gulf islands. In 1971, Iran, then ruled by the U.S.-backed Shah, seized the Greater and Lesser Tunb islands from the emirate of Ras al-Khaymah, and intimidated the emirate of Sharjah to reach an agreement for shared control of another island, Abu Musa. In April 1992, Iran asserted complete control of Abu Musa. The UAE has called for peaceful resolution of the issue through direct negotiations, referral to the International Court of Justice, or through another agreed forum. The United States takes no position on the sovereignty of the islands, and supports the UAE’s call to negotiate the dispute. In October 2008—after the UAE protested Iran’s opening in August 2008 of administrative and maritime security offices on Abu Musa—the UAE and Iran established a joint commission to resolve the dispute. The dispute flared again in 2012, when then-President Ahmadinejad visited Abu Musa and spoke to the inhabitants there, an action that UAE officials said undermined diplomacy on the issue, including the appointment of negotiators. Iran incurred further UAE criticism with a May 2012 visit to Abu Musa by Islamic Revolutionary Guard Corps (IRGC) Commander-in-Chief Mohammad Ali Jafari. In 2014, the two countries discussed a possible solution under which Iran might cede control of the disputed islands in exchange for rights to the seabed around them. Iran reduced its presence on Abu Musa as a confidence-building measure. No discussions have been reported in recent years.

**Policy Toward and Intervention in Regional Conflicts**

Since the 2011 Arab uprisings, the UAE has become more active in the region, including through the use of its own military forces and its development of regional military facilities from which to project power. The UAE’s capabilities have been enhanced by the many years of defense cooperation with the United States. The UAE’s opposition to the Muslim Brotherhood generally drives its policies toward countries where Brotherhood-linked groups are prominent.

**Egypt**

In line with opposition to the Muslim Brotherhood, the UAE supported the Egyptian military’s 2013 toppling of Muslim Brotherhood figure Mohammad Morsi, who was elected president in 2012. The UAE has given Egypt over $20 billion in assistance (including loans, grants, and investments) since the ouster of Morsi. UAE officials denied that they had blocked a potential competitor to President Sisi in March 2018 elections from leaving UAE to return to Egypt.

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20 Author conversations with UAE representatives, May 2016.
Libya

Intra-GCC differences—as well as differences between the UAE and U.S. policy—have manifested in post-Qadhafi Libya. In 2011, several GCC states, including the UAE, conducted air strikes and armed some Libyan rebels to help overthrow then-Libyan leader Muammar Qadhafi. In post-Qadhafi Libya, the UAE and Qatar support rival groups in the highly fractured country. The UAE, possibly in violation of U.N. Security Council resolutions on Libya, reportedly provides arms in support of Field Marshal Khalifa Haftar and his Libyan National Army (LNA) movement and reportedly continues to support operations at an airbase in eastern Libya from which pro-LNA forces fly air strikes. Haftar, a former commander in the Libyan armed forces, has refused to recognize the authority of the U.N.-backed Government of National Accord (GNA) and leads a coalition of military personnel and militias that has fought Islamist groups and some GNA-aligned forces. In July 2018, press reports claimed that UAE-based entities had signed agreements with Haftar-aligned oil authorities in eastern Libya to export Libyan oil in violation of U.N. Security Council resolutions. Other outside actors, including Russia, have given Haftar some backing as well.

In August 2014, U.S. officials confirmed that the UAE, jointly with Egypt, carried out an air strike in Libya against a Muslim Brotherhood-linked Islamist militia that reportedly enjoyed support from Qatar. The United States criticized the strike as detracting from Libyan stability.

Islamic State/Iraq/Syria

The UAE is a member of the U.S.-led coalition against the Islamic State organization. During 2014-2015, it conducted more strikes in Syria against Islamic State positions than any country except the United States, and was the only Arab state that the United States permitted to command strikes there. 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.

Syria Civil War/Jordan Stabilization

The GCC states, including the UAE, at first sought to oust Assad in order to settle the Syrian civil war and strategically weaken Iran in the Middle East. The UAE contributed to a multilateral pool of funds to buy arms for approved rebel groups in Syria. Since the Russian intervention in Syria in 2015, the UAE appears to have accepted Assad’s eventual victory, and UAE officials have focused instead on reducing the Iranian presence there. In recognition of Russia’s predominant position in Syria, and its growing involvement in the region more generally, de facto UAE leader Mohammad bin Zayid has engaged Russian leaders with increasing frequency. On December 27,

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25 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.
26 “Islamic State Crisis: Australia to Send 600 Troops to UAE.” BBC News, September 14, 2014.
28 Author conversations with UAE officials. October 2017.
2018, and in the wake of President Trump’s announcement that all 2,000 U.S. troops in Syria would be withdrawn, the UAE reopened its embassy in Damascus. UAE officials explained the move as an effort to reassert Arab influence in counter to Iran’s presence in Syria.29

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 June 2018, the UAE, Saudi Arabia, and Kuwait pledged $2.5 billion to help stabilize Jordan’s finances—a package that was finalized in October 2018.30 The UAE contribution to the aid was about $833 million. UAE forces also have participated in the “Eager Lion” annual military exercises in Jordan intended to help insulate Jordan from any Syria conflict spillover.

**Iraq**

The UAE, like the other GCC states, supported the regime of Saddam Hussein against Iran in the 1980-1988 Iran-Iraq war, but later broke relations with Iraq after it invaded Kuwait in 1990s. No Arab state, including the UAE, contributed ground forces to the U.S.-led invasion that overthrew Saddam Hussein in 2003. The UAE and other GCC states did not conduct any anti-Islamic State air operations in Iraq, possibly because the Iraqi government is friendly toward Tehran. The UAE has not provided substantial financial support to Iraq,31 but, since mid-2017, Saudi Arabia and the UAE have improved ties to Iraq’s Shia leaders to dilute Iranian influence there.32

Earlier, in 2008, the UAE posted an ambassador to Iraq, wrote off $7 billion in Iraqi debt, and Shaykh Mohammad bin Zayid visited the country. It opened a consulate in the Kurdish region of Iraq in 2012. However, the relationship deteriorated as the Shia-dominated government of former Prime Minister Nuri al-Maliki (2006-2014) marginalized Sunnis. UAE officials welcomed the change of leadership in Iraq to Prime Minister Haydar Al Abadi in August 2014 and hosted him in December 2014. The UAE and Germany have set up a joint fund to pay for coalition efforts to reconstruct and stabilize areas of Iraq liberated from the Islamic State.33 The UAE donated $50 million to the fund in late 2016, and UAE companies have separately invested in housing and other projects in Iraq. The UAE-Germany cooperation reprises their joint cooperation in Iraq during 2003-2011, in which the UAE provided facilities for Germany to train Iraqi police and the UAE provided over $200 million for Iraq reconstruction, including for hospitals and medical treatment in the UAE for Iraqi children.

**Yemen**34

In Yemen, another state roiled by the 2011 Arab uprisings, the UAE has intervened militarily since early 2015 with military personnel, armor, and airstrikes, in close partnership with Saudi Arabia, against the Zaydi Shia “Houthi” faction. The Saudi-led coalition asserts that the

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31 Author conversations with UAE representatives, May 2016.
intervention was required to roll back the regional influence of Iran, which has supplied the Houthis with arms, including short-range ballistic and cruise missiles the Houthis have fired on Saudi Arabia and Saudi, UAE, and even U.S. ships in the vital Bab el Mandeb Strait. In October 2016, the Houthis used anti-ship cruise missiles, possibly supplied by Iran, to severely damage a UAE Navy logistics ship in the Bab el Mandeb Strait. Since the UAE intervened, about 130 UAE soldiers have died, including 5 killed in late November 2018 in attack on a UAE base at Abyan. The Houthis also reportedly have fired short-range ballistic missiles on the UAE, although the missiles have mostly been intercepted, according to UAE announcements.

The Saudi and UAE-led intervention in Yemen has precipitated widespread international criticism of the two countries over the humanitarian effects of the war and other alleged abuses. In June 2017, UAE officials denied allegations by human rights organizations that UAE forces were maintaining a secret network of prisons in Yemen in which detainees were being severely abused. In early 2019, press investigations indicated that the UAE was arming some anti-Houthi militia commanders that were, and may still be, linked to Al Qaeda and/or the Islamic State. Some of these reports also indicate that some U.S. armor supplied to the UAE might have fallen into the hands of the Houthis.

In an attempt to address critics, the UAE has highlighted the country’s humanitarian aid to the people of Yemen in the context of the conflict. The UAE has provided $4 billion to Yemen, of which about $1.25 billion was provided in 2018, according to official UAE media. However, some of the total aid figure represents infrastructure investments, not grant aid.

Criticism of the Arab coalition war effort has produced increasing congressional opposition to the U.S. logistical support provided to the effort, which has included intelligence and aerial refueling under a cross-serving agreement, as well as related arms sales and some direct U.S. military action to prevent Iranian weapons flows to the Houthis. According to Administration officials, the U.S. military assists UAE and other coalition forces operating in Yemen, without regard to the specific mission a UAE unit or aircraft is performing. A provision (Section 1290) of the FY2019 National Defense Authorization Act (NDAA, P.L. 115-232) made continued U.S. support to the Saudi-led coalition’s air operations in Yemen contingent on an Administration certification that the coalition is taking steps to achieve a political solution to the conflict, is attempting to alleviate the humanitarian crisis there, and is trying to limit the harm to civilians from its operations. On September 12, 2018, two days after a visit to the UAE by then-Secretary of Defense James Mattis, the Administration made the required certification. Senator Robert Menendez, the ranking member on the Senate Foreign Relations Committee, placed a hold on a potential sale of precision guided munitions to the UAE and Saudi Arabia. Subsequently, in November 2018, the United States ended the refueling for coalition aircraft. But, fallout from the Kashoggi killing propelled additional congressional efforts to cease U.S. support for the coalition Yemen effort, including Senate passage of a resolution, S.J. Res. 54, that directs the President to essentially end all U.S. assistance to the coalition’s anti-Houthi effort. The congressional actions might have contributed to Saudi and UAE backing for a U.N.-brokered cease-fire in Hodeidah, agreed to in

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37 Senate Foreign Relations Committee, Ranking Member’s Press Release, Menendez, Corker, Murphy, Young, Colleagues Raise Concerns about Imminent Military Operations at Hudaydah, Yemen. June 12, 2018.
early December 2018. UAE forces have been the vanguard of Arab coalition efforts to take that city, which is the site of a key port through which most aid to Yemen flows.

Separately, the UAE works closely with U.S. forces and with local Yemeni communities to counter the local faction of Al Qaeda—Al Qaeda in the Arabian Peninsula (AQAP).\textsuperscript{38} U.S. Special Operations Forces in Yemen reportedly worked with the UAE to defeat AQAP fighters at the port of Mukalla in April 2016, in the process killing the leader of the Yemeni branch of the Muslim Brotherhood. In January 2017, the Trump Administration authorized a raid in concert with some UAE special forces on allies of AQAP, an operation in which one U.S. soldier was killed. In August 2017, UAE and U.S. forces reportedly advised about 2,000 Yemen government forces conducting an operation against AQAP sanctuaries in Shabwa Province.\textsuperscript{39} Some experts assert that the UAE is promoting separatism in south Yemen and exercises significant control over governance in areas where UAE forces operate. Congressional criticism of UAE operations in Yemen has not extended to the anti-AQAP mission.

**Related UAE Power Projection Capabilities/East Africa**

The UAE has been using its financial and military assets to be able to project power into Yemen as well as to counter Iranian influence more broadly. Another pillar of the UAE’s effort to counter Iran has been to establish military bases and support friendly leaders and factions in several East African countries.\textsuperscript{40} During 2015, UAE forces deployed to Djibouti to support the intervention in Yemen, but in mid-2015 a UAE-Djibouti dispute over funding arrangements caused UAE (and Saudi) forces to begin using facilities in Eritrea to stage and to train progovernment Yemeni forces—a relationship that might violate a U.N. embargo on Eritrea. Perhaps to solidify its relations with Eritrea, the UAE helped broker a rapprochement between Eritrea and Ethiopia, which culminated in a trilateral (Ethiopia-Eritrea-UAE) summit in Abu Dhabi on July 24, 2018. The summit came one month after the UAE pledged to give Ethiopia $3 billion in investments.\textsuperscript{41} Yet, during a visit to the United States in late July 2018, the Prime Minister of Ethiopia, Abiy Ahmed, said he had rejected a UAE offer to build an Islamic center in Ethiopia and downplayed the UAE role in brokering the rapprochement. The UAE reportedly will be investing in energy infrastructure linking the two countries.\textsuperscript{42}

Also in 2015, the UAE expanded its partnership with the fragile government in Somalia to open a new center at which a few hundred UAE special forces trained Somali commandos to counter terrorist groups, particularly Al Shabab. The UAE also established a base at the port of Berbera, in the breakaway region of Somaliland, triggering a legal complaint from the government of Somalia in February 2017.\textsuperscript{43} The 30-year basing agreement reportedly includes UAE training for Somaliland military and police forces.\textsuperscript{44} However, the rift with the government in Mogadishu led to a termination of the UAE training mission in Somalia in early 2018. In early July 2018, the

\begin{itemize}
\item \textsuperscript{39} “Yemeni Forces Target Qaeda Stronghold.” *New York Times*, August 7, 2017.
\item \textsuperscript{40} 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.
\item \textsuperscript{41} Reuters, June 15, 2018, https://af.reuters.com/article/ethiopiaNews/idAFN8N1TH4GJ.
\item \textsuperscript{42} https://www.reuters.com/article/us-ethiopia-eritra-pipeline/uae-plans-oil-pipeline-from-ethiopia-to-eritrea-in-latest-horn-of-africa-move-idUSKBN1KV0VS.
\item \textsuperscript{44} UAE to Train Somaliland Forces under Military Base Deal. Reuters, March 16, 2018.
\end{itemize}
European Union accused the UAE of “destabilizing” Somalia, referring to UAE pressure on Somalia to join the boycott of Qatar.

The UAE has cooperated with the Saudi-led effort to persuade Sudan’s leaders to realign with the GCC countries and forgo its erstwhile alliance with Iran. Sudanese troops have joined the Arab coalition effort against the Houthis and Sudan’s leader, Omar Hassan al-Bashir, visited the UAE in February 2017.45

**Afghanistan**

The UAE has assisted the U.S.-led mission to stabilize Afghanistan not only by allowing the use of its military facilities for U.S. operations there but also by deploying a 250-person contingent of Presidential Guard forces since 2003, mainly in the restive south. During 2012-2014, the UAE deployed six F-16s for close air support missions there.46 The UAE also has donated several hundred million dollars of humanitarian and development aid to Afghanistan since the fall of the Taliban regime. The risks of the 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 Ambassador survived. In mid-December 2018, the UAE hosted meetings between Taliban representatives, U.S. officials, and officials from several regional stakeholder countries to discuss a possible political settlement in Afghanistan.

Before the September 11, 2001, attacks on the United States, the UAE apparently did not perceive the Taliban movement that was in power there as a threat. The UAE was one of only 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 regime was harboring Al Qaeda leaders.

**Israeli-Palestinian Dispute**

The UAE has no formal diplomatic relations with Israel. UAE troops did not participate militarily in any major Arab-Israeli war, two of which (1948 and 1967) occurred before the UAE was formed. In recent years, Israel and the UAE have informally aligned against Iran and there are consistent reports of quiet diplomatic cooperation and security cooperation,47 including reported 2018 visits to Tel Aviv by UAE security officials.48 Israeli diplomats have attended multilateral meetings in the UAE, such as the January 2014 conference of the 144-country International Renewable Energy Agency (IRENA), attended by Israel’s Minister of National Infrastructure, Energy, and Water. In November 2015, the UAE gave Israel permission to establish a diplomatic office in Abu Dhabi to facilitate Israel’s participation in IRENA.49 The interactions indicate that the UAE has set aside its recriminations over an Israeli assassination of Hamas figure Mahmoud al-Mabhouh at a hotel in Dubai in 2010.

There apparently are unspecified levels of Israel-UAE bilateral trade, even though the UAE formally claims it is enforcing the Arab League primary boycott of Israel. In 1994, the UAE joined with the other Gulf monarchies in ending enforcement of the Arab League’s secondary and tertiary boycotts (boycotts of companies doing business with Israel and on companies that deal


46 “A Quiet, Potent Ally to U.S.” op. cit.


with companies that do business with Israel). In August 2018, the head of state-owned Dubai Ports World, which has ties with Israeli shipping company Zim Integrated Shipping Services Ltd. and other Israeli firms, visited Israel.

The UAE has deferred to Saudi Arabia in formulating Arab or GCC proposals to resolve the Israeli-Palestinian dispute, and the UAE position on that issue aligns with other Arab states. The UAE supports the Palestinian Authority (PA) bid for statehood recognition and opposed the Trump Administration’s 2018 recognition that Israel’s capital is in Jerusalem. Unlike Qatar and Oman, the UAE did not host multilateral Arab-Israeli working groups on regional issues during 1994-1998. In 2007, the UAE joined Saudi Arabia, Egypt, and Jordan in a “quartet” of Arab states to assist U.S. diplomacy on Israeli-Palestinian issues, and it attended the Annapolis summit on the issue that year.

In line with UAE animosity toward Muslim Brotherhood-related movements, the UAE does not support Hamas but rather its rival, the Fatah faction of the Palestine Liberation Organization, which runs the West Palestinian Authority (PA) based on the West Bank. In June 2015, the UAE donated $12 million to help the Gaza victims of war with Israel, channeling the funds through Fatah, not Hamas. The UAE also hosts and financially backs senior PLO official Mohammad Dahlan, hoping to propel him to succeed PA President Mahmoud Abbas.

According to the UAE government, the UAE has provided over $500 million to humanitarian projects for Palestinian refugees in the Palestinian territories and in Syria, sending the funds through the U.N. Relief and Works Agency (UNRWA). In April 2018, the UAE contributed $50 million to UNRWA to help it compensate for a shortfall in its operating funds caused by the Trump Administration cessation of funding to the agency. The UAE in the past funded a housing project in Rafah, in the Gaza Strip, called “Shaykh Khalifa City.”

**UAE Foreign Aid**

The UAE asserts that it has provided billions of dollars in international aid through its government and through funds controlled by royal family members and other elites. Among initiatives outside the Near East and South Asia region are the following:

- The Abu Dhabi Fund for Development (ADFD), established in 1971, has distributed over $4 billion for more than 200 projects spanning 53 countries.
- The UAE provided $100 million for victims of the December 2004 tsunami in the Indian Ocean.
- During 2011-2012, UAE foundations responded to U.N. appeals for aid to the victims of a drought in East Africa and provided about $2 million for victims of conflict in Somalia. In October 2013, the UAE reopened a UAE embassy in Mogadishu, in part to facilitate the delivery of relief to Somalis.
- The UAE has donated to various causes in the United States, including $150 million for the MD Anderson Cancer Center at the University of Texas; $100 million for the MD Anderson Cancer Center at the University of Texas; $100

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50 Times of Israel, September 14, 2018.
51 Hamas formed in the late 1980s out of Brotherhood groups in the Palestinian territories.
54 Factsheets provided by UAE Embassy in Washington, DC, and author conversations with UAE representatives. 2011-2016.
million to assist New Orleans after Hurricane Katrina; $150 million to Children’s National Medical Center in Washington, DC; $5 million to the reconstruction of the new pediatric health care wing at St. John’s Mercy Hospital in Joplin, MO, in the wake of the May 2011 tornado there; and $10 million to assist with the reconstruction and recovery efforts of communities that were impacted by Hurricane Sandy in 2013. In 2012, Johns Hopkins officials unveiled the Sheikh Zayid Cardiovascular and Critical Care Tower, funded by a 2007 UAE donation.

- In December 2018, the UAE announced it would increase its contribution to the U.N. Central Emergency Relief Fund to $5 million in 2019, from $1.75 million provided in 2018.

### Defense Cooperation with the United States

The UAE’s ability to project power in the region is a product 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 participated in several U.S.-led military operations, including Somalia (1992), the Balkans (late 1990s), Afghanistan (since 2003), Libya (2011), and Syria (2014-2015). Some experts say the UAE has joined U.S.-led operations to further invest the United States in UAE security and increase UAE influence over U.S. policy. The UAE reportedly has also augmented its manpower by recruiting foreign nationals and hiring U.S. and other security experts to build militias and mercenary forces that supplement UAE national forces.\(^{55}\)

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

The United States and UAE have established a “Defense Cooperation Framework” to discuss joint strategic approaches to regional disputes and conflicts and to better integrate U.S. capabilities with those of the UAE. The Framework includes UAE development of a defense plan that will facilitate joint U.S.-UAE planning in case of attack on the UAE.\(^{56}\)

The Framework builds on the July 25, 1994, bilateral Defense Cooperation Agreement (DCA), the text of which is classified.\(^{57}\) The DCA was accompanied by a separate “Status of Forces Agreement” (SOFA) giving U.S. military personnel in UAE certain legal immunities, but several incidents reportedly caused the UAE to void the SOFA and to agree with the United States to handle legal incidents on a “case-by-case basis.”\(^{58}\) On May 15, 2017, Secretary of Defense James Mattis and Shaykh Mohammad bin Zayid confirmed that the United States and the UAE had concluded a new DCA with a 15-year duration.\(^{59}\) In accordance with the DCA:

- The United States stations about 5,000 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. Jebel Ali, capable of handling aircraft carriers, is the U.S. Navy’s busiest port of call. The number of U.S. forces currently in UAE is substantially higher than the 800 U.S. personnel there prior to the 2003 U.S. intervention in Iraq. The U.S. forces in UAE support

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\(^{56}\) Author conversations with UAE officials, July 2014.


\(^{58}\) Author conversations with UAE representatives, 2010-2016.

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

U.S. operations in Afghanistan, combat the Islamic State, deter Iran, try to intercept terrorists, and combat smuggling and illicit shipments of weaponry or proliferation-related equipment.

- The United States stations combat and other aircraft. About 3,500 of the U.S. contingent are Air Force personnel deployed at Al Dhafra air base. The facility at first only hosted U.S. surveillance aircraft such as the U-2 and the KC-10 refueling aircraft, but the UAE later permitted the stationing of F-15s; the “Stealth” F-22 Raptor; and the Global Hawk and the AWACS (Airborne Warning and Control System). Dhafra is the only overseas base for F-22s.

- The United States trains UAE forces. About 600-800 UAE military personnel study and train in the United States each year, mostly through the Foreign Military Sales program, through which the UAE buys most of its U.S.-made arms. The quality of the UAE force has, by all accounts, benefitted substantially from the U.S. training. U.S. military officers say that UAE fighter pilots, operators of HAWK surface-to-air missile batteries, and special operations forces are highly proficient and have demonstrated their effectiveness in recent combat missions, particularly in Libya and against AQAP in Yemen.

- Since 2000, the UAE has hosted a “Joint Air Warfare Center” (AWC) where UAE and U.S. forces conduct joint exercises on early warning, air and missile defense, and logistics. Since 2009, UAE Air Force personnel have participated in yearly Desert Falcon exercises at Nellis Air Force Base in Nevada.

- Within a broader GCC context, a joint statement issued after a 2015 U.S.-GCC summit at Camp David announced a new U.S.-GCC strategic partnership in which the United States pledged to (1) facilitate U.S. arms transfers to the GCC states; (2) increase U.S.-GCC cooperation on maritime security, cybersecurity, and counterterrorism; (3) organize additional large-scale joint military exercises and U.S. training; and (4) help realize a long-discussed concept of a Gulf-wide ballistic missile defense capability. The Obama Administration stated during an April 21, 2016, U.S.-GCC summit, in Riyadh, Saudi Arabia, that these steps were being implemented, and that additional measures were agreed to, including U.S.-GCC military exercises and U.S. training for GCC special forces.

U.S. and Other Arms Sales

U.S. officials assert that arms sales to the UAE enhance U.S. security by building up indigenous GCC capabilities and promoting interoperability. UAE representatives assert that the country would like to work out a mechanism with the United States under which requests for munitions and arms purchases could receive expedited U.S. consideration. Some options might include designating the UAE as a “Major Non-NATO Ally” (MNNA), or a mechanism UAE officials say

63 “A Quiet, Potent Ally to U.S.” op. cit.
they prefer: legislation that would declare the UAE a key U.S. defense partner.66 Two Gulf states—Kuwait and Bahrain—are designated as MNNAs. Yet, the United States’ preference to work with the GCC as a bloc rather than country-by-country was enshrined in a December 16, 2013, Presidential Determination to allow defense sales to the GCC as a bloc.67 Some defense sales to the UAE might be contingent on the UAE’s joining the Missile Technology Control Regime (MTCR), which UAE officials say they are considering trying to do.68 The UAE does not receive U.S. aid to purchase U.S. weaponry. On the other hand, congressional opposition to further U.S. support for UAE operations in Yemen could mean that U.S. arms sales to the UAE will halt or slow.

Among major FMS programs with or potential sales to 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, although some Members questioned the AMRAAM as an introduction of the weapon into the Gulf. In November 2017, Lockheed Martin and the UAE agreed to a $1.6 billion upgrade to its original 80 F-16s. In April 2013, the United States sold the UAE an additional 30 F-16s and associated “standoff” air-to-ground munitions, in conjunction with similar weapons sales to Israel and Saudi Arabia, which U.S. officials indicated were intended to signal resolve to Iran.69 The UAE also has about 60 French-made Mirage 2000 warplanes, and is reportedly considering buying French-made Rafales and the Boeing F/A-18.

- **F-35 Joint Strike Fighter.** UAE officials and industry sources say the country wants to buy two dozen of the advanced F-35 “Joint Strike Fighter,”70 asserting that possessing the most sophisticated U.S. aircraft enhances interoperability with U.S. air operations. Even though Israel and the UAE are aligned on many regional policies, U.S. officials have said that the United States would not sell the aircraft to the UAE before Israel receives the weapon; delivery to Israel is expected to begin in late 2016. That apparently is an effort to enforce U.S. law that requires maintaining Israel’s “Qualitative Military Edge” (QME) in the region. However, it was reported in November 2017 that the Trump Administration agreed to consider a UAE request to enter into preliminary talks on future UAE procurement of the F-35.71

- **JDAMs and other Precision-Guided Munitions.** The United States has sold the UAE precision-guided missiles for the F-16s, including 20 of the advanced ATM-84 SLAM-ER Telemetry missile and 5,000 GBU-39/B “bunker buster” bombs. (The sale of the SLAM-ER to UAE was the first sale of that weapon to a Gulf state.) In 2008, the United States sold the UAE an unspecified number of Join Direct Attack Munitions (JDAM) kits (which convert gravity bombs to precision-guided bombs) worth about $326 million. In 2011, the United States sold the UAE an additional 4,900 JDAM kits at an estimated value of $304 million. Some

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66 Author conversations with UAE representatives, 2016.
68 Ibid.
experts interpret the sale of JDAMs to the UAE as a signal to Iran, in that the munition might be effective against hard targets such as Iran’s nuclear facilities. On several occasions in 2015, the United States sold the UAE precision-guided munitions (Guided Bomb Units—GBU-31s and GBU-12s) and resupplied it with JDAMs for use against the Islamic State and the Houthi rebellion in Yemen. However, as noted above, some recent sales of such munitions have been held up by Congress over concerns about the humanitarian effects of the Yemen war.

- **Apache Helicopters.** On November 4, 2010, the Defense Security Cooperation Agency (DSCA) notified Congress of two potential sales, including a $5 billion sale of AH-64 Apache helicopters (30 helicopters, remanufactured to Block III configuration).\(^\text{72}\)

- **Missiles.** The UAE reportedly possesses a small number (six) of Scud-B ballistic missiles obtained from a non-U.S. suppliers.\(^\text{73}\) The United States does not supply or assist the UAE with ballistic missile technology, in part because the country is not an adherent of the Missile Technology Control Regime (MTCR). UAE officials say the country is considering trying to join that convention.\(^\text{74}\)

- **Drones.** At a UAE defense show in 2013, the UAE agreed to a commercial sale, worth about $200 million, for Predator X-P unmanned aerial vehicles (UAVs), although they are unarmed and for surveillance only. The system arrived in 2017. Were the UAE to join the MTCR, it might be eligible to buy a U.S.-made armed drone, such as the “Guardian,” the sale of which to non-MTCR countries is precluded because it is an MTCR “Category One” system. The UAE also reportedly has some Chinese-made UAVs.

- **High Mobility Artillery Rocket System (HIMARS).** In September 2006, the United States sold UAE High Mobility Artillery Rocket Systems (HIMARS) and Army Tactical Missile Systems (ATACMs), valued at about $750 million.

- **Tanks.** UAE forces still use primarily 380 French-made Leclerc tanks.

Some differences between the UAE and United States emerged in 2015 over apparent purchases of weapons by the UAE’s Al Mutlaq Technology Company of weapons from North Korea. The North Korean supplier is said to be Korea Mining Development Trading Corporation (Komid), which has been sanctioned by the United States for its involvement in North Korean strategic programs.\(^\text{75}\)

**Missile and Rocket Defenses**

A long-standing U.S. objective—and a driving force behind the formation of the “U.S.-GCC Strategic Cooperation Forum” formed in March 2012—has been to organize a coordinated Gulf-wide ballistic missile defense (BMD) network. This objective has taken on greater urgency in the United States and in the Gulf as Iran’s missile capability has advanced and Iran has supplied short-range missiles to the Houthis and other allies. As noted, the Houthis have fired Iran-supplied missiles at the UAE and Saudi Arabia.


\(^73\) According to the International Institute of Strategic Studies “Military Balance” publication, 2016.

\(^74\) Author conversations with UAE officials, 2016.

The UAE hosts an Integrated Air and Missile Defense (IAMD) Center—a training facility to enhance intra-GCC and U.S.-GCC missile defense cooperation. A U.S. sale to the UAE of the Patriot Advanced Capability 3 (PAC-3) missile defense system, with an estimated value of $9 billion value, was announced in December 2007. In 2008, the United States sold the UAE vehicle-mounted “Stinger” antiaircraft systems with an estimated value of $737 million. In 2016, the Administration notified Congress of a potential sale of “Large Aircraft Infrared Countermeasures” to protect UAE head of state aircraft against missile threats.

On May 11, 2017, the Administration notified a potential sale to the UAE of 60 PAC-3 and 100 Patriot Guidance Enhanced Missile-Tactical (GEM-T) missiles, with a total estimated value of about $2 billion. Because these are defensive systems, the sale was not affected by the June 26, 2017, decision—rescinded in February 2018—by Senate Foreign Relations Committee Chairman Senator Bob Corker to withhold informal clearances on sales of “lethal military equipment” to the GCC states until there is a path to the resolution of the intra-GCC dispute.

**THAAD.** The UAE was the first GCC state to order the Terminal High Altitude Air Defense System (THAAD), the first sale ever of that sophisticated missile defense system, with an estimated value of about $7 billion. The delivery and training process for the UAE’s THAAD system took place in late 2015.76

**UAE Defense Cooperation with Other Powers**

Despite expressing no concerns about any interruption or diminution of its defense ties to the United States, the UAE has sought to diversify its defense partnerships somewhat. In 2004, the UAE joined NATO’s “Istanbul Cooperation Initiative” intended to bolster NATO’s security with Middle Eastern countries. The UAE has “observer” status in NATO and, in 2011, the UAE sent an Ambassador to NATO under that organization’s revised alliance policy. In 2017, NATO established a liaison office in Abu Dhabi under the auspices of the embassy of Denmark.

Since well before the formation of the anti-Islamic State coalition, the UAE has been hosting other countries’ forces. In January 2008 the UAE and France signed an agreement to allow a French military presence in UAE. The facilities used—collectively termed Camp De La Paix (“Peace Camp”)—were inaugurated during a French presidential visit in May 2009. It includes a 900-foot section of the Zayid Port for use by the French navy; an installation at Dhafra Air Base used by France’s air force; and a barracks at an Abu Dhabi military camp that houses about 400 French military personnel.

India’s Prime Minister, Narendra Modi, visited the UAE in August 2015, the first such visit since 1981. The visit appeared to focus more on trade and economic issues than defense relations, but included a strategic component in light of India’s naval exercises with GCC countries in recent years. Crown Prince Mohammad bin Zayid made a reciprocal visit to India in January 2017, during which the two countries signed a “Comprehensive Strategic Partnership Agreement.”

However, it is the UAE relationship with Russia that attracts significant attention, in part because Russia is challenging U.S. influence in the Middle East. In February 2017, press reports indicated that the UAE and Russia might jointly develop a combat aircraft based on the Soviet-era MiG-29. Some experts interpreted the collaboration—with a partner that is acting against the UAE’s interests in Syria and other parts of the region—as an acknowledgment by the UAE of Russia’s

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

The UAE might also be attempting to engage Russia in defense cooperation in order to perhaps try to steer Russian policy in Syria or enlist Russian cooperation in settling regional conflicts.

Cooperation against Terrorism and Proliferation

The UAE cooperates with U.S. counterterrorism and counterproliferation policies in the region, not only through operations against terrorist groups but also in seeking to preventing the movement of terrorists, pirates, human traffickers, and proliferation-related technology through UAE borders and waters.

U.S. programs, which have sometimes included providing small amounts of counterterrorism assistance, have helped build the UAE’s capacity to enforce its borders and financial controls. In FY2015, about $400,000 in DOD funds were provided to the UAE to assist its counternarcotics capability, and about $300,000 in similar funding was provided in FY2016. In FY2015, about $260,000 in State Department funds were provided to the UAE to build its capacity to counter terrorism financing (see below). About $310,000 in such funding was provided in FY2016.

International Terrorism Issues

During the mid-1990s, some Al Qaeda activists reportedly were able to move through the UAE, and two of the September 11, 2001, hijackers were UAE nationals who reportedly used UAE-based financial networks. Since then, State Department reports on terrorism have credited the UAE with making significant efforts against terrorism and terrorism financing, and with continuing to foil potential terrorist attacks within the UAE. UAE authorities have arrested and prosecuted Al Qaeda and Islamic State operatives; denounced terror attacks; improved border security; instituted programs to counter violent extremism; instituted laws to block suspect financial transactions; criminalized use of the internet by terrorist groups; and strengthened its bureaucracy and legal framework to combat terrorism. Human rights groups allege that UAE counterterrorism law is often used against domestic political dissidents. In 2014, the government, with FNC concurrence, enacted a revised counterterrorism law that makes it easier to prosecute, and increases penalties for, planning acts of terrorism, and authorizes the UAE cabinet to set up lists of designated terrorist organizations and persons.

The UAE cochairs the anti-Islamic State-related “Coalition Communications Working Group” along with the United States and Britain. At the December 2014 GCC summit, the leaders announced the creation of a regional police force to be headquartered in Abu Dhabi. The UAE has also joined the Saudi-initiated GCC “Security Pact” that requires increased information-sharing and cooperation among the GCC states on internal security threats.

Among notable UAE counterterrorism actions, in October 2010, UAE authorities assisted in foiling an Al Qaeda in the Arabian Peninsula plot to send bombs to the United States. In December 2012, the UAE, working with Saudi Arabia, arrested members of an alleged terrorist cell plotting attacks in the United States. In April 2013, UAE authorities arrested seven non-UAE Arab nationals allegedly affiliated with Al Qaeda. In 2014, the UAE tried nine people on charges

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78 Much of this section is taken from Department of State, Office of the Coordinator for Counterterrorism, Country Reports on Terrorism 2017; and author conversations with executive branch officials, 1997-2018.

of supporting the Al Nusrah Front (renamed Front for the Conquest of Syria), an Al Qaeda-linked faction of Syrian rebels that is named by the United States as a Foreign Terrorist Organization (FTO).\(^80\) UAE authorities failed to prevent a December 1, 2014, killing of an American teacher by a 38-year-old Emirati woman who allegedly had visited extremist websites, although they defused a bomb she planted outside the home of an American doctor. In 2015, the UAE arrested and prosecuted, or deported, numerous individuals who allegedly planned to join the Islamic State or commit terrorism in the UAE. In March 2016, UAE courts convicted 30 out of 41 individuals (38 of whom were UAE citizens) belonging to a group called Shabab al Manara of plotting terrorist attacks in the UAE. Facilities and assets of the group were closed or seized.

Yet, the United States and the UAE sometimes differ on whether some groups are terrorist organizations. For example, the 85 groups that the UAE government designates as terrorist organizations include some U.S.- and Europe-based groups that represent Muslims in those societies and which neither the United States nor any European government accuses of terrorism.\(^81\) These groups include the U.S.-based Muslim American Society and Council on American-Islamic Relations (CAIR); the Muslim Association of Sweden; the Federation of Islamic Organizations in Europe; and the U.K.-based Islamic Relief. The United States Embassy in Abu Dhabi questioned the UAE government about why it designated these groups.\(^82\) The UAE also identifies as terrorist groups several organizations that the United States has not designated as terrorist groups, including the Houthis in Yemen and the Afghan Taliban. The UAE, as noted above, also considers the Muslim Brotherhood as a terrorist group; the Trump Administration reportedly considered designating it as a foreign terrorist organization (FTO).

**Antiterrorism Financing and Money Laundering (AML/CFT).** 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*). In September 2012, the FBI Legal Attache established a suboffice at the U.S. consulate in Dubai to assist with joint efforts against terrorism and terrorism financing. In June 2014 the UAE set up a financial task force to better prevent use of UAE financial institutions by terrorist organizations. In October 2014, the country adopted a law (Federal Law No. 9) to strengthen a 2002 anti-money laundering law. On October 29, 2018, the government announced it replaced a 2002 anti-money laundering law with a new law that raises the country’s anti-money laundering and counter-terrorism financing rules to international standards.\(^83\)

The country is a member of the Middle East and North Africa Financial Actions Task Force (MENAFATF), a FATF-style regional body, and it chairs the MENAFATF’s Training and Typologies Working Group. The UAE is a participant in the Counter-Islamic State Finance Group chaired by Italy, Saudi Arabia, and the United States. In May 2017, the UAE joined the U.S.-GCC Terrorist Financing Targeting Center based in Riyadh. In October 2017, the members of the center designated as terrorists several AQAP and Islamic State-Yemen individuals and entities.

**Countering Violent Extremism.** In 2011, the UAE founded the Global Counterterrorism Forum (GCTF) along with the United States and Turkey. In December 2012, during a meeting of the GCTF, the UAE-based “International Center of Excellence for Countering Violent Extremism,” known as *Hedayah* (“guidance”), was inaugurated. The government partners with the U.S.

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\(^{80}\) The group changed its name and claimed to have severed connections to Al Qaeda in mid-2016.


\(^{83}\) Fact sheet provided by UAE embassy representatives. October 31, 2018.
government to run the Sawab Center, an online counter-Islamic State messaging hub. The center, which has an annual budget of about $6 million and a staff of 14, is an institution for training, dialogue, collaboration, and research to counter violent extremism. Its priority is to work to prevent educational institutions from becoming breeding grounds for violent extremism. It also promotes information sharing so that police organizations around the world can receive information from family members who report on relatives who have become radicalized.

Several UAE-based think tanks, including the Emirates Center for Strategic Studies and Research (ECSSR), the Emirates Policy Center, the TRENDS Institute, the Tabah Foundation, and the Future Institute for Advanced Research and Statuies, also conducted seminars on confronting terrorism and violent extremism.

Transfers from Guantanamo. The UAE has cooperated with U.S. efforts to reduce the detainee population at the U.S. prison facility in Guantanamo Bay, Cuba. In November 2015, the Department of Defense transferred five Yemeni detainees from the facility to the UAE. In August 2016, another 15 Guantanamo detainees (12 Yemenis and 3 Afghans) were transferred to the UAE, the biggest single Guantanamo transfer to date. The day before it left office in January 2017, the Obama Administration transferred another three to the UAE. The transferees are kept in a facility where the UAE tries to rehabilitate its citizens who were drawn into extremist activities.

Port and Border Controls

The UAE has signed on to several U.S. efforts to prevent proliferation and terrorism. These include the Container Security Initiative, aimed at screening U.S.-bound containerized cargo transiting Dubai ports, and the UAE has cooperated with all U.S. measures designed to protect aircraft bound for the United States. Several U.S. Customs and Border Protection officers, colocated with the Dubai Customs Intelligence Unit at Port Rashid in Dubai, inspect U.S.-bound containers, many of them apparently originating in Iran. The UAE is also a party to the Proliferation Security Initiative, the Megaports Initiative designed to prevent terrorists from using major ports to ship illicit material, and the Customs-Trade Partnership against Terrorism. In 2013, a “preclearance facility” was established at the Abu Dhabi International Airport for travelers boarding direct flights to the United States. The UAE government supports the Department of Homeland Security’s programs to secure any UAE-to-U.S. flights, including collecting passenger information and employing retina-screening systems.

Export Controls

The UAE effort to prevent the reexport of advanced technology, particularly to Iran, has improved considerably since 2010. As a GCC member, the UAE participates in the U.S.-GCC Counter-proliferation Workshop. Taking advantage of geographic proximity and the presence of many Iranian firms in Dubai emirate, numerous Iranian entities involved in Iran’s weapons and technology programs maintained offices in Dubai. In connection with revelations of illicit sales of nuclear technology to Iran, Libya, and North Korea by Pakistan’s nuclear scientist A.Q. Khan, Dubai was named as a key transfer point for Khan’s shipments of nuclear components. Two Dubai-based companies, SMB Computers and Gulf Technical Industries, were apparently involved in transshipping components. In 2004, the United States sanctioned a UAE firm,

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84 State Department Country Reports on Terrorism: 2016.
Elmstone Service and Trading FZE, for selling weapons-related technology to Iran, under the Iran-Syria Non-Proliferation Act (P.L. 106-178). In 2006, the Commerce Department’s Bureau of Industry and Security (BIS) imposed a licensing requirement on U.S. exports to Mayrow General Trading Company and related UAE-based companies after Mayrow allegedly transshipped devices used to make improvised explosive devices (IED) in Iraq and Afghanistan.  

In February 2007 the Bush Administration threatened to characterize the UAE as a “Destination of Diversion Control” and to restrict the export of certain technologies to it. A June 2010 Iran sanctions law, the Comprehensive Iran Sanctions, Accountability, and Divestment Act (CISADA, P.L. 111-195), formally authorizes countries to be designated as Destinations of Diversion Control and subject to U.S. sanctions. The UAE avoided any such designation by strengthening its export control regime, including a September 2007 law, enacted with FNC concurrence, that tightened export controls. UAE authorities used that law to shut down 40 foreign and UAE firms allegedly involved in dual use exports to Iran and other countries. In September 2012 the UAE (and Bahrain) impounded shipments to Iran of items that Iran could use for its nuclear program.

The issue of leakage of technology has sometimes caused U.S. criticism or questioning of UAE investment deals. In December 2008, some Members of Congress called for a review by the interagency Committee on Foreign Investment in the United States (CFIUS) of a proposed joint venture between Advanced Micro Devices and Advanced Technology Investment Co. of Abu Dhabi for the potential for technology transfers. In February 2006, CFIUS approved the takeover by the Dubai-owned Dubai Ports World company of a British firm that manages six U.S. port facilities. Congress, concerned that the takeover might weaken U.S. port security, opposed it in P.L. 109-234, causing the company to divest assets involved in U.S. port operations.

Nuclear Agreement and Other Technology Issues

The UAE announced in 2008 that it would acquire its first nuclear power reactors to satisfy projected increases in domestic electricity demand. As a condition of receiving U.S. nuclear technology, the United States and the UAE reached an agreement that commits the UAE officials to strict standards that ensure that its nuclear program can only be used for peaceful purposes. Among those commitments is to refrain from domestic uranium enrichment or reprocessing spent nuclear reactor fuel—both processes could produce fissile material for nuclear weapons. The Obama Administration signed an agreement for the United States to assist the program, subject to conditions specified in Section 123 of the Atomic Energy Act of 1954 [42 U.S.C. 2153(b)], on May 21, 2009 (and submitted to Congress that day). Some in Congress expressed concerns about the potential for leakage of technology to Iran as well as the potential for regional proliferation of nuclear technology, but several congressional resolutions approving the agreement (S.J.Res. 18 and H.J.Res. 60) were introduced, as was one disapproving (H.J.Res. 55). No measure blocking the agreement was enacted within 90 days of the submission of the agreement to Congress, and the “1-2-3 Agreement” entered into force on December 17, 2009. The International Atomic Energy Agency announced in December 2011 that a group of experts that reviewed the UAE’s

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88 This section was prepared by Paul Kerr, Analyst in Weapons of Mass Destruction Nonproliferation, CRS. See CRS Report R40344, The United Arab Emirates Nuclear Program and Proposed U.S. Nuclear Cooperation, by Christopher M. Blanchard and Paul K. Kerr.

89 UAE officials estimate that their country must expand its power generation and transmission capacity from the current level of 16 gigawatts to 40 gigawatts by 2020 in order to meet projected demand increases.
regulatory framework for the program found “noted good practices” and provided suggestions to the Federal Authority for Nuclear Regulation, the UAE’s nuclear regulatory authority. Still, reflecting the fact that a Saudi nuclear program might not be bound by the same restrictions that the UAE committed to, UAE officials reportedly told U.S. officials in October 2015 that they no longer consider themselves bound by the pledge that the country would not enrich uranium.

A number of U.S. and European firms have secured administrative and financial advisory contracts with the program. In January 2010, the Emirates Nuclear Energy Corporation (ENEC), the institution that is administering the program, announced that it had chosen the Korea Electric Power Corporation (KEPCO of South Korea) to construct the first of four APR1400 nuclear reactors that would sell electricity to the Abu Dhabi Water and Electricity Authority. The first plant is undergoing preoperational testing. The other three are to be operational by 2020.

The United States gives the UAE small amounts of assistance to help safeguard its nuclear program and prevent illicit exports of technology from it. For FY2015, the Department of Energy provided the country with about $370,000 for such purposes, and for FY2016, about $220,000 was provided for those programs.

On other technology issues, in July 2014 the UAE announced it will form a “UAE Space Agency” that, by 2021, is to launch an unmanned spaceship that will probe Mars. The government plans to send its first astronaut to the International Space Station in April 2019.

Economic Issues

The UAE, a member of the World Trade Organization (WTO), has developed a free market economy, but its market and financial institutions are weakly regulated. As have the other GCC states that have long depended on exports of hydrocarbons, the UAE has announced plans and policies (“Vision 2021”) to try to further diversify its economy to a “post-oil” era. Dubai emirate, in particular, has long pursued an economic strategy based on attracting investors to construct luxurious and sometimes futuristic projects that provide jobs and attract tourism and publicity.

To help it weather the effect of the sharp drop in oil prices since mid-2014, the government cut some subsidies to reduce the country’s budget deficit in 2015 and 2016. Deficits caused the government to raise capital on international markets, including an April 2016 bond offering of $5 billion and an October 2017 bond offering of about $10 billion. The government budget was roughly balanced for 2017, helping the UAE avoid drawing down its $600 billion in various sovereign wealth funds overseen by the Emirates Investment Authority (EIA).

Oil and Gas Sector and “Clean Energy” Initiatives

The key factor in the UAE’s wealth is that it exports large amounts of crude oil while having a small population that receives benefits and services. The UAE exports nearly as much oil as Iraq, while its citizen population is a small fraction of that of Iraq. Abu Dhabi has 80% of the federation’s proven oil reserves of about 100 billion barrels, enough for over 100 years of exports.
at the current production rate of about 2.9 million barrels per day (mbd). Of that, over 2.2 mbd are exported, and the UAE has as much as 500,000 bpd of spare capacity.\textsuperscript{94} UAE representatives indicated in late October 2018 that they might increase production to over 3 mbd,\textsuperscript{95} but the subsequent sharp drop in world oil prices and OPEC agreement in November 2018 to cut production has likely forestalled any UAE production increase.

The United States imports negligible amounts of UAE crude oil; the largest share of UAE oil goes to Japan and China. The UAE has vast quantities of natural gas but consumes more than it produces. It has entered into an arrangement (Dolphin Energy) with neighboring countries under which a pipeline carries natural gas from the large gas exporter, Qatar, to the UAE and on to Oman. However, the political differences with Qatar have contributed to UAE evaluation of renewable and other alternatives to relying on Qatar-supplied natural gas.

The UAE is trying to secure its oil export routes against any threat by Iran to close the strategic Strait of Hormuz, through which the UAE and other major oil exporters transport their oil exports. In July 2012, the UAE loaded its first tanker of oil following completion of the Abu Dhabi Crude Oil Pipeline (ADCO) which terminates in the emirate of Fujairah, on the Gulf of Oman. The line, which cost $3 billion, can transport 1.5 million barrels per day of crude oil—about half of UAE production. The UAE is planning a large refinery near that terminal, and possibly a second oil pipeline, to secure its oil exports and value-added petroleum products.\textsuperscript{96}

The UAE government is also attempting to plan for a time when the developed world is no longer reliant on oil imports. The government has set a target of using 21% renewable energy sources by 2021. It has funded “Masdar City”—a planned city, the first phase of which was completed in 2015, that relies only on renewable energy sources and features driverless taxis.

\section*{U.S.-UAE Trade and Trade Promotion Discussions}

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 2017 totaled about $20 billion, about 10\% less than in 2016. U.S. imports from UAE for 2017 totaled about $4.3 billion, about 20\% higher than in 2016. Figures for the full year 2018 are not available, but figures through November 2018 appear to indicate that overall U.S.-UAE trade will be roughly in line with that of 2017. Goods sold to UAE are mostly commercial aircraft, industrial machinery and materials, and other high-value items.

On November 15, 2004, the 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.” The FTA talks were later replaced by a U.S.-UAE “Economic Policy Dialogue,” between major U.S. and UAE economic agencies. The dialogue, consisting of two meetings per year, began in late 2011 and also included discussion of reform of UAE export controls. In addition, as part of the GCC, the UAE negotiated with the United States a September 2012 “GCC-U.S. Framework Agreement on Trade, Economic, Investment, and Technical Cooperation”—a GCC-wide trade and investment framework agreement (TIFA). The agreement was negotiated by the U.S. Trade Representative (USTR).

\textsuperscript{94} http://www.thenational.ae/events/areas/abu-dhabi/adnoc-preserves-spare-supplies.

\textsuperscript{95} CRS conversation with UAE representatives. October 24, 2018.

\textsuperscript{96} “Abu Dhabi: In the Pipeline.” The Middle East, January 26, 2012.
U.S. Assistance to the UAE

As noted, because of the UAE’s relative wealth, it receives only very small amounts of U.S. foreign assistance. Amounts provided for counternarcotics, counterterrorism financing, and nuclear security are broken down in the sections above. For FY2016, total U.S. aid to the UAE was about $1.15 million. For FY2015, U.S. assistance to the UAE totaled about $840,000.

“Open Skies” Issue

In 2015, several U.S. airlines asserted that two UAE airlines, Emirates Air (Dubai-based) and Etihad Air (Abu Dhabi-based), as well as Qatar Airways, had an unfair competitive advantage because of alleged receipt of subsidies from their respective governments. The U.S. airlines asserted that the “Open Skies Agreement” that the UAE and Qatar have with the United States should be renegotiated so as to limit the access of the three Gulf-based airlines to U.S. routes. The airlines assert they are not subsidized and instead create substantial numbers of jobs for American workers building and serving their aircraft and operations in the United States. UAE officials assert that the country will not agree to renegotiate the Open Skies Agreement. The Obama Administration declined to renegotiate the agreement and President Trump, following a February 2017 meeting with U.S. airline executives, did not indicate any change to that stance.

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