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

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Summary

The United Arab Emirates (UAE) has been a significant U.S. partner in Gulf security for more than two decades, and the alliance has expanded in recent years to address multiple regional threats. As the UAE becomes increasingly capable of projecting force and uncertain of the U.S. commitment to regional security, the UAE is in some cases acting independently or in concert with the United States but rather with some allies of the Gulf Cooperation Council (GCC: Saudi Arabia, Kuwait, UAE, Bahrain, Qatar, and Oman).

The UAE’s ability to act in the region has benefitted from extensive U.S.-UAE defense cooperation. About 5,000 U.S. military personnel are stationed at UAE military facilities, hosted there under a 1994 U.S.-UAE defense cooperation agreement (DCA) that remains in effect by mutual agreement. The UAE was the first Gulf state to order the most sophisticated missile defense system sold by the United States (the THAAD), demonstrating support for U.S. efforts to forge a coordinated missile defense network against Iran. The UAE also hosts other Western forces, including those of France.

As examples of its growing willingness and ability to project power, the UAE is militarily participating in the Saudi-led effort to counter the Iran-backed Zaidi Shiite Houthi rebels in Yemen and its forces, in partnership with U.S. special operations forces, are also combatting Al Qaeda’s affiliate there. It is also participating in the U.S.-led coalition against the Islamic State in Syria, while at the same time supporting Syrian rebel groups in an attempt to oust President Bashar Al Assad. In recent years, UAE forces have been deployed to several bases in East African countries to train allied forces and facilitate the UAE’s regional operations. In 2011, the UAE joined the Saudi-led GCC intervention to help Bahrain suppress a major uprising by its Shiite majority, and the UAE joined U.S.-led airstrikes that helped oust Muammar Qadhafi of Libya. The UAE’s opposition to Muslim Brotherhood-linked regional organizations, a position shared by several other GCC states, has caused tensions with Qatar, which has supported Brotherhood-linked organizations in Egypt, Libya, Syria, and the Palestinian territories.

Prior to the 2011 “Arab spring” uprisings, the UAE’s relatively open borders and economy have won praise from advocates of expanded freedoms in the Middle East. In 2006, the government established a limited voting process for half of the 40 seats in its quasi-legislative body, the Federal National Council (FNC). The most recent such vote was completed on October 3, 2015, and resulted in the selection of a female as speaker of the FNC. However, the country remains under the control of a small circle of leaders who rely on traditional consensus-building.

The UAE is considered among the wealthiest countries in the world because of the ratio between its government revenues and small population requiring services. The government has been able to use that wealth to maintain popular support. Since the Arab Spring uprisings, the government apparently has become more wary of the potential for regional conflicts to affect domestic stability, and the government has sought to suppress the relatively small opposition consisting of both Islamist and secular dissenters. As part of an effort to cope with the effects of the significant fall in oil prices since mid-2014, the government instituted a major cabinet reshuffle in February 2016, creating new ministries mandated to formulate future economic and social strategies and attract the support of the country’s youth. At times when the UAE has received U.S. assistance, the aid—which has been in very small dollar amounts—has generally been provided to qualify the UAE for inclusion in training and other programs that benefit UAE security.

Very few policy changes are anticipated when UAE President Shaykh Khalifa bin Zayid Al Nuhayyan leaves the scene. He suffered an incapacitating stroke in January 2014, and his younger brother, Shaykh Mohammad bin Zayid, has been de-facto leader since.
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Governance, Human Rights, and Reform

The United Arab Emirates (UAE) is a federation of seven emirates (principalities): Abu Dhabi, the oil-rich federation capital; Dubai, a large commercial hub; and the five smaller and less wealthy emirates of Sharjah, Ajman, Fujayrah, Umm al-Qaywayn, and Ras al-Khaymah. Sharjah and Ras al-Khaymah have a common ruling family—leaders of the Al Qawasim tribe. After Britain announced in 1968 that it would no longer ensure security in the Gulf, six “Trucial States” formed the UAE federation in December 1971; Ras al-Khaymah joined in 1972. The federation’s last major leadership transition occurred in November 2004, upon the death of UAE co-founder and first President, Shaykh Zayid bin Sultan Al Nuhayyan, ruler of Abu Dhabi.

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. Shaykh Mohammad bin Rashid also serves as UAE Defense Minister. At its review of senior leadership posts on November 3, 2009, the Federal Supreme Council decided that Shaykh Khalifa and Shaykh Mohammad bin Rashid would continue in office; the review was mostly a formality because UAE leadership posts almost always change only in the event of death of an incumbent. 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.

The leadership of the UAE was put into doubt by Shaykh Khalifa’s stroke on January 24, 2014, for which he underwent surgery. 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 Shaykh Khalifa remains alive. However, when he leaves the scene permanently, 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 assume of all Shaykh Khalifa’s 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 of Dubai have long been considered the key strategists of UAE foreign and defense policy. Several senior UAE officials are other brothers that are close to Shaykh Mohammad, including Foreign Minister Abdullah bin Zayid, deputy Prime Minister Mansur bin Zayid, and deputy Prime Minister and Minister of Interior Sayf bin Zayid. The second son of Zayid, Shaykh Sultan bin Zayid Al Nuhayyan, was widely viewed within the ruling family as unsuited to eventually assume the top leadership of Abu Dhabi and UAE and plays virtually no role in the governing structure.

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

Table 1. Some Basic Facts About UAE

<table>
<thead>
<tr>
<th>Category</th>
<th>Details</th>
</tr>
</thead>
<tbody>
<tr>
<td>Population</td>
<td>9 million+ (U.N. estimate), of whom about 11% are citizens. U.S. population estimate is 5.8 million, and the causes of the discrepancy between U.S. and U.N. estimates are unclear.</td>
</tr>
<tr>
<td>Religions</td>
<td>The citizenry is almost all Muslim, of which 85% are Sunni and 15% are Shiite. Of the total population, 76% is Muslim; 9% is Christian; and 15% is other—but primarily Buddhist or Hindu.</td>
</tr>
<tr>
<td>Ethnic Groups</td>
<td>11% Emirati (citizenry); 29% other Arab and Iranian; 50% South Asian; 10% Western and other Asian expatriate</td>
</tr>
<tr>
<td>Size of Armed Forces</td>
<td>About 50,000</td>
</tr>
<tr>
<td>Inflation Rate (2016)</td>
<td>About 2%</td>
</tr>
<tr>
<td>GDP Growth Rate (2016 estimate)</td>
<td>2.3%</td>
</tr>
<tr>
<td>GDP (Purchasing Power Parity, PPP, 2016)</td>
<td>$650 billion. GDP per capita (PPP) is over $67,000.</td>
</tr>
<tr>
<td>Oil Exports</td>
<td>About 2.7 million barrels per day</td>
</tr>
<tr>
<td>Foreign Assets/Sovereign Wealth Reserves</td>
<td>About $575 billion.</td>
</tr>
<tr>
<td>U.S. Exports to the UAE (2015)</td>
<td>$23 billion: the largest U.S. export market in the Arab world and a 50% increase since 2011. Goods sold to UAE are mostly machinery, commercial aircraft, industrial materials, and other high value items.</td>
</tr>
<tr>
<td>Imports from UAE (2015)</td>
<td>$2.5 billion. Down $0.3 billion from 2014. Virtually none is crude oil.</td>
</tr>
<tr>
<td>U.S. citizens resident in UAE</td>
<td>About 60,000</td>
</tr>
<tr>
<td>Major Projects</td>
<td>Dubai inaugurated “Burj Khalifa,” world’s tallest building, on January 4, 2010. Burj al-Arab hotel in Dubai bills itself as “world’s only 7-star hotel.” Abu Dhabi has built local branches of Guggenheim and Louvre museums.</td>
</tr>
</tbody>
</table>

Sources: CIA, The World Factbook; U.S. Census Bureau, Foreign Trade Statistics, Economist Intelligence Unit.

The leaders of the other individual emirates are Dr. Sultan bin Muhammad Al Qassimi (Sharjah); Saud bin Saqr Al Qassimi (Ras al-Khaymah, see below); Humaid bin Rashid Al Nuaimi (Ajman); Hamad bin Muhammad Al Sharqi (Fujayrah); and Saud bin Rashid Al-Mu’alla (Umm al-Qaywayn). Shaykh Saud of Umm al-Qaywayn, who is about 65 years old, was named leader of that emirate in January 2009 upon the death of his father, Shaykh Rashid Al-Mu’alla. These five 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.

In Ras al-Khaymah, there was a brief leadership struggle upon the October 27, 2010, death of the ailing longtime ruler, Shaykh Saqr bin Mohammad Al Qassimi. He was succeeded by Shaykh Saud bin Saqr, who had been crown prince/heir apparent since 2003, when the ruler removed Saud’s elder brother, Shaykh Khalid bin Saqr, from that position for vocally opposing the 2003 U.S. invasion of Iraq. Supporters of Shaykh Khalid protested his ouster but were suppressed by Abu Dhabi armored forces. The UAE federal government and Ras al-Khaymah emirate recognize Shaykh Saqr as the legitimate leader.
Governance Issues

UAE leaders acknowledge that the country is not a Western-style democracy, but they argue that its social tolerance and distribution of national wealth have apparently rendered the bulk of the population satisfied with the political system. UAE leaders assert that Western-style democracy is not needed in UAE because 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 clan, cause Islamist factions to become radical, and open UAE politics to regional influence. Minister of State for Federal National Council Affairs (FNC, discussed below) Anwar Gargash wrote on August 26, 2012, that “The UAE’s end goal is not a liberal multiparty system. This model does not correspond with our cultural or historical development.”

His comments came following an August 2012 announcement of the formation of a political party called “Al Umma” (meaning “the Islamic community”)—a violation of UAE law forbidding political parties.

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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 quasi-parliament that can review and recommend, but not enact or veto, federal 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 was 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.

FNC Vote First Held in 2006. 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.

2011 Vote. In the September 24, 2011, FNC election—which occurred in the context of the “Arab spring” uprisings—the government expanded the electorate greatly to 129,000 voters, of which nearly half were female. There were 468 candidates for the 20 seats, including 85 women. However, there was little active campaigning, and turnout was about 25%, which UAE officials called disappointing. Of the 20 winners, only one was female (Sheika Isa Ghanem from Umm Al Quwain, a conservative emirate). Other winners were elected along tribal lines; in Abu Dhabi, three of the four winners were from the Al Amiri tribe. Of the 20 appointed seats, 6 were women. The government selected as FNC Speaker an appointed male, well-known writer Mohammad al-Murr, but it appointed Amal al-Qubaisi as deputy speaker, making her the first woman to hold so high a position in any GCC representative body.

2015 FNC Vote. The 2015 elections were again for half the FNC, but UAE officials assert that there are plans to make all 40 seats elected. The 2015 process included “early voting” and out of country voting, culminating on the “election day” of October 3, 2015. In this process, there were 330 candidates (somewhat lower than in 2011), including 74 women (almost as many as in 2011). The electorate was expanded to 225,000 voters, about double that in 2011. Turnout was 35%, which government officials stated was a more satisfactory turnout than in 2011. One female was elected, as happened in 2011. The remaining 20 seats were appointed on November 16, and 8 of them were women. Among the women appointed was Abu Dhabi representative and deputy speaker Amal al-Qubaisi. On November 18, 2015, she was named FNC speaker.

The next FNC elections are to be held in 2019, and no changes to the electoral process have been announced for that vote, to date.

Government Handling of Opposition

There has been little evident clamor for rapid political reform, but some UAE intellectuals, businessmen, students, and others, inspired by the 2011 Arab uprisings and possibly dissatisfied with the slow pace of reform, have agitated for greater political space, primarily using social

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3 Al Jazeera News Network, March 9, 2011.
media. Some UAE youth tried unsuccessfully to organize a public protest on March 25, 2011. The government has addressed the 2011 and subsequent activism with pressure, some reforms, and economic incentives. In 2011 the government invested $1.5 billion in utilities infrastructure of the poorer, northern emirates; it raised military pensions; and it began subsidizing some foodstuffs. Five well-known online activists—the so-called “UAE-5”—were arrested and tried during 2011. They were sentenced in November 2011, but their sentences were commuted and they were released. In March 2013, the government announced a “new look” cabinet including several youthful figures. On February 10, 2016, Prime Minister Shaykh Mohammad bin Rashid announced a cabinet reshuffle that observers in UAE said was intended to counter the effects of the fall in oil prices, diversify and plan the future of the economy, and attract youth support. The reshuffle and simultaneous related steps included the following.

- The appointment of 8 women in a 29 person cabinet, a larger percentage of female ministers than at any time in the country. The Minister of State for Youth Affairs, Shamma al Mazroui, is a 22 year-old female.
- The establishment of two new minister of state positions—for “tolerance” and for “happiness,” each headed by a woman. The duties of the ministry of cabinet affairs were expanded to include planning for “the future,” referring mainly to a “post-oil future,” according to UAE officials.
- As part of an education reform, an Emirates Foundation for Schools was formed, to be run by an independent board of directors.
- The mandate of the Ministry of Health was reduced to focusing on disease prevention, and an independent body was formed to oversee the hospital system.
- A science council was created, with a mandate to promote a new generation of Emirati scientists.

**Efforts against Domestic Islamists/Muslim Brotherhood**

UAE leaders assert that domestic allies of the region-wide Muslim Brotherhood organization—particularly a UAE affiliate called Islah (Reform)—constitute a threat to stability. Islah is one of the oldest and best organized groups in the UAE, first appearing there in 1974 as a Brotherhood offshoot. It attracts followers mostly from the less wealthy and more religiously conservative northern emirates, and does not have a history of violence. In November 2014, the government identified Islah and the Brotherhood as two of 85 “terrorist” groups—most of which are regional radical Islamist groups such Al Qaeda and the Islamic State organization.4

UAE officials accuse Islah of obtaining funding from the Brotherhood’s main chapter in Egypt and of having ties to Yusuf Qaradawi, a pro-Brotherhood Egyptian cleric resident in Qatar. The UAE government stepped up its crackdown on domestic Islamists after Muslim Brotherhood figure Mohammad Morsi was elected President of Egypt in 2012. In 2012, the UAE arrested and revoked the citizenship of several senior Islah members, including a member of the Ras al-Khaimah ruling family (Dr. Sultan al-Qasimi). In July 2013, the UAE State Security Court sentenced 69 out of 94 UAE nationals (“UAE-94”), all of whom were arrested during 2011-2013, for trying to overthrow the UAE government. The others were acquitted. In June 2013, UAE authorities referred another 30 persons, of which 20 are Egyptian nationals, to that court for alleged connections to the Muslim Brotherhood organization in Egypt. They were convicted and

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5 “UAE Targets Muslim Brotherhood in Crackdown on Dissent,” BBC, September 26, 2012.
sentenced in January 2014 to five years in prison. In January 2014, the Federal Supreme Court ordered closed all offices and branches of the Brotherhood in the UAE.

In August 2015, the government announced that it would try 41 Islamists for allegedly forming a terrorist group in the UAE that intended to establish a so-called caliphate there. The charges appeared to link those arrested to the Islamic State, which has announced a caliphate in parts of Iraq and Syria and is discussed below. In November 2015, the Federal Supreme court convicted in absentia a former parliamentarian from Kuwait, Muslim Brotherhood supporter Mubarak al-Duwailah, of insulting the UAE leadership and “spreading false rumors.”

In May 2015, the Federal Supreme Court convicted five persons, allegedly members of Qatar’s intelligence service, of organizing an online campaign to damage the UAE leadership’s reputation. The five were later pardoned. The disagreements between Qatar and the UAE and other GCC states over the Muslim Brotherhood and other political Islamist movements—which narrowed as of mid-2015—are discussed further in the section on foreign policy.

**U.S. Democracy Promotion Efforts and UAE Restrictions**

Human rights observers assert that U.S. official criticism of the UAE’s measures against dissent has been muted because of the close 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 include the broader Middle East Partnership Initiative (MEPI). The U.S. Embassy in Abu Dhabi houses a MEPI office/staff that runs the MEPI programs throughout the Gulf region.

On the other hand, the UAE government has shut down some U.S. and Europe-sponsored democracy promotion efforts that the government asserted were too intrusive into UAE politics. In April 2012, the government closed the National Democratic Institute (NDI) office in Dubai, which had been working for four years with license from the UAE government and U.S. funding to promote women’s rights and enhance municipal governance. The government simultaneously shut down the office of the Germany-based Konrad Adenauer Foundation, which was performing similar work. International criticism of the UAE crackdown was muted. On October 26, 2012, the European parliament adopted a resolution criticizing the crackdown, but several European governments publicly disagreed with that resolution. The UAE was seated on the U.N. Human Rights Council the following month.

**Other Human Rights-Related Issues**

Recent State Department human rights reports, including the report for 2015, assert that, in addition to some of the measures against opponents discussed above, there are unverified reports of torture, government restrictions of freedoms of speech and assembly, and lack of judicial independence. Human Rights Watch reports have presented similar findings. 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).

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Media and Research Institute Freedoms

The UAE government has increased restrictions on media usage, particularly social media, since the 2011 Arab uprisings, contradicting its reputation for allowing free and open media. The post-2011 measures are stricter than a 2009 media law that allowed for penalties against journalists who personally criticize UAE leaders. A “cybercrimes decree” issued by President Khalifa on November 13, 2012 (Federal Legal Decree No. 5/2012) established a legal basis to prosecute and jail people who use information technology to promote dissent. According to Human Rights Watch, Article 28 of the decree provides for imprisonment and large fines for anyone who uses information technology to “incite actions that endanger state security or infringe on the public order.” Article 30 provides for life imprisonment for anyone using such technology to advocate the overthrow or change of the system of governance. Several activists have been jailed for violating the decree, including one who was jailed for producing a video parodying youths in Dubai. In May 2015, the government enacted the Anti-Discrimination Law which, among other provisions, criminalizes the broadcasting, publication of “provocative” material—political or religious—through film, media, or the Internet.7

A “National Media Council” directly oversees all media content, and provisions governing media licensing do not clearly articulate the standards the government will apply in evaluating license applications. Restrictions do not apply to the “Free Zones” in UAE in which foreign media operate. However, some media organizations report that the government has banned some journalists from entering the country, and prohibited distribution of some books and articles that criticize government policies or highlight human rights abuses. In early 2015, UAE authorities arrested an Omani blogger after he entered the country from Oman.

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 at least one, the Dubai-based Gulf Research Center (GRC), left the UAE entirely. In November 2012, the UAE ordered the Rand Corporation to close its office in Abu Dhabi, which was focused on research in education, public safety, and environmental health. UAE officials also have denied entry to some academics and human rights organizations representatives who have been critical of the UAE human rights record.8 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

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 the Federal Supreme Court was inaugurated and was expanded with the formation of Federal First Instance Courts and Federal Appeal Courts. The Federal Supreme 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 officials.

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8 CRS conversations with UAE officials. 2012-2016.
federal officials for official misconduct. Foreign nationals hold many positions in the judiciary, making them subject to being threatened with deportation for unpopular judgments.

The UAE constitution provides for an independent judiciary, but court decisions are subject to review by the political leadership who review criminal and civil cases before referral to prosecutors and whose decisions supersede those of any court. 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. UAE officials said the additional judicial body was needed to decide on all matters relating to the judiciary, judges, and judicial policies and legislation, but. As a possible example of the lack of judicial independence, in January 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, Cyril Karabus, was imprisoned for alleged issues of malpractice related to his six-week service as a doctor in Abu Dhabi in 2002. He was jailed for two months and prevented from leaving the UAE until June 2013. In July 2013, a Norwegian woman was sentenced to 16 months in jail by a Dubai court for having sex outside marriage after she reported being raped. She was released later that month.

Women’s Rights

Women’s political rights have expanded steadily, and observers say the UAE is perhaps the only country in the Middle East where women are fully accepted as working 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 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.

As noted above, the February 2016 cabinet doubled (from four to eight) the number of female ministers compared to the previous cabinet. Seven women are in the FNC, and one is now the speaker of the FNC, 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 four female fighter pilots, one of whom has participated prominently in UAE air operations in Syria.

Religious Freedom

According to recent State Department reports on international religious freedom, the constitution provides for freedom of religion but also declares Islam as the official religion of the country. 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; there are at least 35 churches built on land donated by the ruling families of the various emirates, but there are no Jewish synagogues or Buddhist temples. In June 2015, the Roman Catholic Church in Abu Dhabi opened

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10 The State Department’s International Religious Freedom report for 2015, released on August 10, 2016, and from which this section is primarily derived, is available at http://www.state.gov/documents/organization/256505.pdf.
a second church in a large neighborhood where many migrant workers live and work. In August 2015, during the visit of India’s Prime Minister Narendra Modi, the government announced it would grant land to build a Hindu temple in Abu Dhabi. Currently, many Buddhists, Hindus, Sikhs, and Jews conduct religious ceremonies in private homes and in hotels or other rented or shared locations, apparently without interference.

The Shiite Muslim minority is free to worship and maintain its own mosques, but Shiite mosques receive no government funds and there are no Shiites in top federal posts. At times, the government has acted against non-UAE Shiite Muslims because of their perceived support for Iran and Iran’s regional allies. The government has at times closed Shiite schools and prohibited UAE Shiites from hosting meetings of worldwide Shiites. The government has deported some foreign Shiites, and in 2015, it revoked residency permits for more than 100 non-citizen Shiites out of stated security concerns.

**Labor Rights/Foreign Worker Rights**

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 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 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 switch employers without first receiving their original employer’s permission. The reform has reportedly led to higher earnings by immigrant laborers in the country.

**Human Trafficking**

The UAE is considered a “destination country” for women trafficked from Asia and the former Soviet Union. The Trafficking in Persons report for 2016 again, for the sixth year in a row, rated the UAE as “Tier 2.” The Tier 2 placement was determined, as it was in the prior years, on the grounds that the UAE does not meet the minimum standards for eliminating human trafficking, but is taking significant efforts to do so. In January 2016, the government implemented three new labor reforms intended to reduce forced labor practices among foreign workers in the private sector by ensuring consistency between initial job offers and final contracts and increasing the ability of employees to leave their jobs and seek new ones. In March 2015, the government put into effect amendments to victim protection clauses of Federal Law 51 of 2006 on Combating Human Trafficking Crimes, including non-penalization of victims for crimes committed as a direct result of being subjected to trafficking.

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UAE authorities prosecuted and punish sex trafficking offenders. In all of 2015, they prosecuted 17 sex trafficking cases in 2015, up from 15 in 2014. An issue in previous years had been trafficking of young boys as camel jockeys, but that issue was largely alleviated with repatriation of many of those trafficked and the use of robot jockeys. Since 2013, the UAE government utilized a government fund to help human trafficking victims rebuild their lives; the funds are channeled through the Ewa’a organization, in conjunction with the UAE’s “National Committee to Combat Human Trafficking.” Ewa’a runs shelters in several UAE emirates for trafficking victims. The government opened its first shelter for male sexual trafficking victims in late 2013. The government assists victims of human trafficking through a Human Rights Office at Dubai International Airport.

Foreign Policy and Defense Issues

In late 1981, after the start of the Iran-Iraq war in 1980, the UAE and five other Gulf monarchies—Saudi Arabia, Kuwait, Qatar, Bahrain, and Oman—formed a strategic and economic alliance called the Gulf Cooperation Council (GCC). After the 1990 Iraqi invasion of Kuwait, each of the GCC states forged close security partnerships with the United States to protect themselves not only from Iraq but from Iran. The GCC alliance remains central to UAE security policy, even as the UAE acquires a growing ability to project power in the region and increasingly pursues an independent and assertive regional stance.

The GCC leaders are also increasing military and political coordination among them. GCC leaders, including those of the UAE, have asserted that the July 2015 Iran nuclear agreement (Joint Comprehensive Plan of Action, JCPOA) reflects an fosters a reduction in the U.S. commitment to Gulf and regional security. The two most recent annual GCC summits (December 2014 and December 2015) agreed to and reaffirmed a plan to establish a joint military command and joint naval force to be based in Bahrain, and supported by an Abu Dhabi-based “Gulf Academy for Strategic and Security Studies.” Similar plans in the past had faltered over disagreements within the GCC on command and commitment of manpower. And, the GCC states still apparently prefer to cooperate militarily with the United States bilaterally, whereas U.S. officials have expressed a preference to coordinate with the GCC as a bloc.

On most security and foreign policy issues, GCC policies converge. 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 Shiite-led uprising. At least some of the UAE force remained after that time, and one UAE police officer was killed in Bahrain was killed in an opposition bombing in Manama in March 2014. The UAE, Saudi Arabia, Kuwait, and Qatar also have provided financial help to the two least wealthy GCC states, Bahrain and Oman. At the same time, the UAE and other smaller GCC states remain wary of ceding too much authority to Saudi Arabia. The UAE and the other smaller GCC states, with the exception of Bahrain, have opposed a plan advanced by Saudi Arabia in 2013 for political unity among the GCC states. The UAE’s past border disputes and other disagreements with Saudi Arabia occasionally flare. 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. The UAE and Qatar have also had sharp differences on how to respond to some of the regional conflicts that stem from the 2011 Arab Spring uprisings, as discussed later.

Policy toward Iran

UAE leaders assert that Iran is key threat to their country, to the GCC, and to the region as a whole. The GCC states cooperate with U.S. efforts to counter Iran’s destabilizing regional
activities, although GCC states differ over how extensively to engage Iran directly. The UAE tends to be hardline, going so far as to rebuff a request by President Obama during the April 21, 2016, U.S.-GCC summit to increase its diplomatic and economic engagement with Iran. In joint statements, including those issued after U.S.-GCC summits in May 2015 and April 2016, the GCC states have publicly backed the JCPOA while calling for increased U.S.-GCC coordination to counter Iran’s regional activities. UAE officials have expressed the view, shared widely in the GCC states, that the incoming Trump Administration should implement the policies put forward during the President-elect’s campaign that Iran is a regional adversary that should be contained and not strengthened by sanctions relief.

In January 2016, the UAE withdrew its ambassador from Iran in support of another state vocally critical of Iran—Saudi Arabia—which broke relations with Iran entirely after protesters sacked Saudi diplomatic facilities in Iran. The protesters were reacting to the January 2, 2016, Saudi execution of a dissident Shiite 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 joint declaration that Hezbollah is a terrorist organization.

One unique factor motivating UAE resentment of Iran has been 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. 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. Iran later allowed Sharjah to open power and water desalination facilities on the island, but the dispute flared again on April 11, 2012, when then-President Ahmadinejad visited Abu Musa and spoke to the inhabitants there. UAE officials said the action undermined many months of diplomacy on the issue, including the naming of negotiators on both sides. 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 to discuss tourism there. In 2014, the UAE and Iran agreed to resume bilateral discussions on the status of Abu Musa, and Iran reduced its presence on the island. Experts say 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. However, no discussions have taken place recently.

Aside from the islands issue, 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.

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13 Author conversations with UAE representatives. May 2016.
14 Faisal Abbas. “After 8 Years of Obama, Trump is Breath of Fresh Air in gulf States.” CNN.com, November 22, 2016.
16 Author conversations with UAE representatives. May 2016.
The extensive Iranian commercial presence in the UAE gave the United States ample opportunity to enlist the UAE in a multilateral effort to stiffen international sanctions on Iran, but also gave the UAE pause in implementing even stricter sanctions on Iran. In 2010, when international sanctions on Iran tightened dramatically, the UAE government directed its banks to fully comply with the restrictions outlined in U.N. Security Council Resolution 1929 (adopted June 9, 2010). UAE-Iran trade - much of which consists of re-exportation of U.S. and European goods to Iran - dropped from $23 billion annually to about $4 billion, a decline that economically harmed the powerful UAE trading community. In February 2012, the Noor Islamic Bank in Dubai, which Iran used to process much of its receipts of hard currency for its oil sales internationally, announced it would no longer handle transactions with Iranian banks. UAE officials say that Iranian-owned banks that continue to operate in UAE, including Bank Saderat and Bank Melli, are relatively inactive—a situation that remains even after sanctions on Iran were lifted to implementation the JCPOA. Many Iranian businesses—primarily in the import-export industry—operate from the UAE, taking advantage of the UAE’s position as a trading and financial hub. Perhaps because of these commercial ties, the government allowed then Iranian President Mahmoud Ahmadinejad to hold a rally for Iranian expatriates in Dubai in 2007.

Policy Toward and Intervention in Regional Conflicts

Prior to the 2011 Arab uprisings, the UAE tended to undertake regional action only in concert with the United States and the other GCC states. Since 2011, the UAE has become more active in the region, particularly in its use of its own military, the ranks of which are augmented by soldiers from other countries. The UAE’s growing assertiveness has been enabled not only by the benefits of many years of defense cooperation with the United States but also by the UAE’s partnerships with countries far from its borders, including nations in East Africa.

The UAE opposes Islamist movements linked to the Muslim Brotherhood, which UAE leaders view as a threat not to the UAE domestically as well as to regional stability. This stance has manifested in UAE policies toward countries where Brotherhood-linked groups are strong: Egypt, Libya, Syria, and the Palestinian territories. Fellow GCC state Qatar asserts that the UAE position, which is shared by Saudi Arabia, Bahrain, and, to a lesser extent, Kuwait, represents support for “counter-revolution” that resists progress. These differences caused the UAE, Saudi Arabia, and Bahrain to recall their ambassadors from Qatar in March 2014, although they returned the ambassadors in November 2014 following an agreement that the GCC countries will not undermine each other’s interests. The rift has since faded, in part because Saudi Arabia’s King Salman has emphasized countering Iran and its proxies.

Egypt

The intra-GCC rift on the Muslim Brotherhood issue has played out particularly in the case of Egypt. The UAE and Saudi Arabia opposed the election of a leader of the Muslim Brotherhood, Mohammad Morsi, as President in July 2012, and supported the Egyptian military’s toppling of Morsi in July 2013 and subsequent election as president of military leader Abdel Fatah El-Sisi. Within weeks of Morsi’s ouster, the UAE pledged $3 billion to a $12 billion GCC package ($5 billion from Saudi Arabia and $4 billion from Kuwait) to financially stabilize the military-led government. In March 2015, UAE Vice President Shaykh Mohammad stated that the UAE had given Egypt about $14 billion in loans, grants, and investments in Egypt’s economy since the

ouster of Morsi. In 2015, the UAE arrested a UAE academic, Nasser bin Ghaith, for criticizing the Sisi-led government, on charges of violating UAE counter-terrorism laws.

A UAE firm, Adcom, also reportedly sent Egypt the “United 40” unmanned aerial vehicle—a transfer that could trigger U.S. sanctions under a provision of the Arms Export Control Act that would sanction a foreign entity that is determined to have exported technology controlled under the Missile Technology Control Regime (MTCR) to a non-MTCR adherent. Neither the UAE nor Egypt are members of that control regime, although UAE officials reportedly are considering trying to join that convention.

Libya

Intra-GCC differences have carried over into post-Qadhafi Libya. In 2011, the UAE Air Force sent six (a squadron) of its U.S.-made F-16s and six Mirage fighters to help NATO enforce a no-fly zone and to strike Qadhafi ground targets. The UAE also reportedly also armed some Libyan rebels. In March 2012, the UAE transferred 58 aging Mirage 2000 combat aircraft to the post-Qadhafi government, and the UAE government and UAE charities have provided over $13 million to post-Qadhafi Libya.

As post-Qadhafi Libya descended into political chaos, the UAE and Qatar have supported rival factions. In August 2014, U.S. officials confirmed that the UAE, jointly with Egypt, carried out an airstrike in Libya against a Muslim Brotherhood-linked Islamist militia that reportedly enjoyed support from Qatar. The United States reportedly disapproved of the UAE action as unlikely to contribute to stability in Libya. The UAE reportedly also has armed its favored factions in Libya—possibly in violation of U.N. Security Council resolutions on Libya.

Islamic State/Iraq/Syria

The UAE has been a core member of the U.S.-led coalition to defeat the Islamic State organization since the group captured significant parts of Iraq and Syria in 2014. The UAE and other GCC states immediately joined President Obama’s September 10, 2014, formal announcement of a U.S.-led anti-Islamic State coalition. During late 2014 and much of 2015, the UAE, Saudi Arabia, and Bahrain, as well as Jordan, conducted strikes in partnership with U.S. aircraft in Syria. During that period, the UAE conducted more strikes in Syria than any country except the United States, and was the only Arab state that the United States has permitted to command strikes there. Participating in the strikes was the UAE’s first female combat pilot.

However, the country suspended its airstrikes over Syria during December 2014 - February 2015 over concerns that the U.S.-led coalition had stationed insufficient search and rescue forces near

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19 Author conversations with UAE officials. 2016.
22 For more information on Libya, see CRS Report RL33142, Libya: Transition and U.S. Policy, by Christopher M. Blanchard.
23 For more information on the Syria conflict, see CRS Report RL33487, Armed Conflict in Syria: Overview and U.S. Response, coordinated by Christopher M. Blanchard.
24 “A Quiet, Potent Ally to U.S.” op. cit.
northern Syria. These concerns were heightened when a Jordanian aircraft went down over Syria in December 2014 and its pilot was captured and killed by the Islamic State. In February 2015, the United States reportedly stationed additional search and rescue assets in northern Iraq, and the UAE resumed its air operations. Since the November 2015 attacks by Islamic State supporters in Paris, UAE leaders said they would be responsive to U.S. efforts to encourage its partners to do more to try to defeat the Islamic State—even going so far as to offer ground forces to fight that organization in Syria, if there were an Arab ground component assembled. However, the offer came as UAE (and other Arab) participation in air operations in Syria diminished substantially, perhaps reflecting a view among Arab members of the coalition that the United States was de-emphasizing the need for Syrian President Bashar Al Assad leave office to resolve the conflict. As of late 2016, UAE officials have indicated the country would not contribute ground forces to operations inside Syria as long as Russian forces remain engaged there.

The UAE also hosts forces from other countries that are participating in the anti-Islamic State effort, including the nine French jets stationed at Al Dhafra Air Base as well as 600 forces from Australia. UAE forces also have participated in the “Eager Lion” annual military exercises in Jordan intended to help insulate Jordan from any Syria conflict spillover.

Syria Civil War. At the start of the rebellion in Syria in 2011—well before the Islamic State emerged as a major factor in that conflict—the UAE and the other GCC states argued for U.S. action to oust Syrian President Bashar Al Assad, whose Alawite community practices a religion close to Shiism. The GCC states asserted the need to strategically weaken Iran in the Middle East and to defend Syria’s Sunni Arabs, who form the bulk of the Syrian population and the anti-Assad rebellion.

In contrast to Saudi Arabia and Qatar, the UAE has reportedly not supplied any weapons to Syrian rebel factions. However, the UAE has been contributing to a multi-country pool of funds to buy arms for approved rebel groups in Syria, but it withheld some funds in 2016 after the enactment of the Justice Against Sponsors of Terrorism Act (JASTA, P.L. 114-222). UAE officials assert that the Act could lead to a seizure of some of the UAE’s U.S.-based assets if a Syrian oppositionist supported by the multilateral fund were to commit an act of terrorism. The UAE is participating in the “International Syria Support Group” that is attempting to negotiate a political transition in Syria, although UAE officials reportedly believe a solution in Syria requires agreement between the United States and Russia. 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.

Iraq. No Arab state, including the UAE, contributed ground forces to the U.S.-led “Operation Iraqi Freedom” that overthrew Saddam Hussein. The UAE has had an ambassador to Iraq since June 2008 and it opened a consulate in the Kurdish region of Iraq in 2012. In 2008, the UAE wrote off $7 billion in Iraqi debt, and Shaykh Mohammad bin Zayid visited Iraq in October of that year. However, the relationship deteriorated as the Shiite-dominated government of former Prime Minister Nuri al-Maliki marginalized Sunni Iraqi leaders. UAE officials praised the change of leadership in Iraq to Prime Minster Haydar Al Abadi, in August 2014 and it hosted him in December 2014. The UAE and Germany are leading coalition efforts to reconstruct and stabilize areas of Iraq liberated from the Islamic State, including setting up a joint fund to pay for some of

26 “Islamic State Crisis: Australia to Send 600 Troops to UAE.” BBC news, September 14, 2014.
28 Author conversations with UAE officials. October 2016.
The UAE donated $50 million to the fund in late 2016. UAE companies have invested in housing and other projects in Iraq. The UAE-Germany cooperation appears to revive their cooperation in Iraq during 2003-2011, in which the UAE provided facilities for Germany to train Iraqi police and provided about $215 million for Iraq reconstruction, including for hospitals and medical treatment in the UAE for Iraqi children.

The UAE and other GCC states do not conduct air operations against Islamic State forces in Iraq, in part because they view the Iraqi government is receiving military support from Iran as well as the United States. In part on those same grounds, de-facto UAE leader Shaykh Mohammad reportedly refused a request by President Obama at the April 21, 2016 U.S.-GCC summit to increase financial support to Iraq, which is less able than is the UAE to cope with low oil prices.

**Yemen**

In Yemen, another state roiled by the 2011 Arab uprisings, the GCC mediated the agreement under which then-President Ali Abdullah Saleh resigned in January 2012. Saudi Arabia subsequently formed a coalition of Arab states in March 2015—which includes the UAE and all other GCC states except Oman—to militarily counter the rebel Zaydi Shiite “Houthi” faction, which advanced militarily as political order in Yemen disintegrated, forcing into exile Saleh’s successor Abdu Rabbu Mansur Al Hadi in January 2015. The Houthis receive some arms from Iran as part of what the GCC leaderships assert is Iran’s attempts to expand its regional influence. The Arab coalition has been conducting air strikes against Houthi positions in an effort to pressure them into a political settlement that might restore Hadi’s government. In August 2015, the coalition inserted ground forces, including a 3,000-person UAE armored brigade, which blunted the Houthi momentum and paved the way for a political negotiations, to date unsuccessful, between the Houthis and the Hadi government in Kuwait. In November 2015, it was reported that hundreds of mercenaries from Colombia and other Latin American countries—part of a private army the UAE has assembled with contractor assistance (see below)—were part of the UAE contingent in Yemen. A total of 99 UAE military personnel have been killed in the intervention to date—the largest loss of UAE military personnel in any engagement since the UAE’s founding. In early October, the Houthis used anti-ship cruise missiles, possibly supplied by Iran, to severely damage a UAE Navy logistics ship in the Bab Al Mandeb Strait.

The United States is supporting the Saudi-led effort with intelligence and logistical help, as well as with some direct military action, such as preventing Iranian shipments of weapons to the Houthis. And the UAE appears to share the U.S. objective of countering the local faction of Al Qaeda—Al Qaeda in the Arabian Peninsula (AQAP) alongside the conflict against the Houthis. U.S. Special Operations Forces in Yemen reportedly worked with the UAE to defeat AQAP fighters at the port of Mukalla in April 2016, an operation that also killed the leader of the Yemeni branch of the Muslim Brotherhood. U.S. and UAE forces continue operations against AQAP and other militants in the Mukalla area. The UAE is also training pro-government Yemeni forces at a

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30 Author conversations with UAE representatives. May 2016.
31 For more information on the conflict in Yemen, see CRS Report R43960, Yemen: Civil War and Regional Intervention, by Jeremy M. Sharp.
facility in Eritrea to which UAE forces have access. There reportedly has been some friction between the UAE and Saudi Arabia over the terms of any prospective political settlement. In December 2015, the UAE put on trial six people accused of funneling to the Houthis communication devices and chemical materials, or of managing Houthi funds.

**Afghanistan**

The UAE has assisted the U.S.-led mission to stabilize Afghanistan by deploying a 250-person contingent of Presidential Guard forces since 2003. The UAE forces, the only Arab combat forces in Afghanistan, operate mainly in the restive south, primarily building ties to local communities and constructing health clinics and mosques. The force has remained in Afghanistan since the December 2014 transition to Afghan-led combat. During 2012-2014, the UAE deployed six F-16s to Qandahar Airfield, from which they conducted close air support missions for the U.S.-led coalition. The UAE also has donated several hundred million worth of humanitarian and development aid to Afghanistan since the fall of the Taliban regime.

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. During Taliban rule, the UAE allowed Ariana Afghan airlines to operate direct service between the two countries. After the September 11 attacks, the UAE made available its military facilities for U.S. and allied use.

**Other Foreign Policy Issues: Israel-Israeli-Palestinian Dispute**

The UAE has no official relations with Israel, but UAE troops did not participate militarily in any major Arab-Israeli war. Two of those wars, in 1948 and 1967, occurred before the UAE was formed. Israel and the UAE have similar positions on Iran and there are consistent reports of not only diplomatic cooperation but even some security cooperation. For the past several years, 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 then Minister of National Infrastructure, Energy, and Water Silvan Shalom. In November 2015, the UAE gave Israel permission to establish a diplomatic office in Abu Dhabi to facilitate Israel’s participation in IRENA, but some observers interpreted the permission as reflecting the common interests between Israel and the UAE.

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 with companies that do business with Israel).

Still, the UAE’s positions on the Israel-Palestinian dispute are similar to those of virtually all other Arab states—support for the Palestinian Authority’s bid for statehood recognition. In 2009, the UAE government permitted street demonstrations in support of Hamas in its war with Israel. However, in line with UAE animosity toward Muslim Brotherhood-related movements, the UAE

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34 “A Quiet, Potent Ally to U.S.” op. cit.
criticized Qatar’s support for Hamas in the July 2014 conflict between Hamas and Israel. The UAE has channeled its support to Hamas’s rival, the Fatah faction of the Palestine Liberation Organization, which runs the Palestinian Authority (PA) that is based on the West Bank. In June 2015, the UAE reportedly donated $12 million to help the Gaza victims of recent wars with Israel, but it channeled the donation through senior Fatah members, not Hamas. The UAE opposition to Hamas undoubtedly contributed to an easing of recriminations between the UAE and Israel over an Israeli assassination of Hamas figure Mahmoud al-Mabhouh at a hotel in Dubai in 2010. The UAE also hosts a senior PLO official, Mohammad Dahlan, who might play a major role in the future of the PA.

The UAE has tended to defer to Saudi Arabia in formulating Arab or GCC proposals to resolve the Israeli-Palestinian dispute. In 2007, the UAE joined a “quartet” of Arab states (the others are Saudi Arabia, Egypt, and Jordan) to assist U.S. diplomacy on Israeli-Palestinian issues, and it attended the Annapolis summit on the issue that year. Unlike Qatar and Oman, the UAE did not host multilateral Arab-Israeli working groups on regional issues when those talks took place during 1994-1998.

According to the UAE government, to date the UAE has provided nearly $550 million to humanitarian projects for Palestinian refugees in the Palestinian territories and in Syria, sending the funds through the U.N. Relief Works Agency (UNRWA). The UAE 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, aside from funds provided for the specific crises discussed above. Among initiatives outside the Near East and South Asia region:

- 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 2011-12, 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 cabinet decided to reopen 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 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, Missouri 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 New York and New Jersey in 2013. In 2012, Johns

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37 Hamas formed in the late 1980s out of Brotherhood groups in the Palestinian territories.
39 Factsheets provided by UAE Embassy in Washington, DC, and author conversations with UAE representatives. 2011-2016.
Defense Cooperation with the United States

The UAE’s willingness and ability to act militarily in the region is a product, at least in part, of many years of U.S.-UAE defense cooperation, particularly U.S. arms sales, training, and joint exercises and operations. The UAE has participated in U.S.-led military operations in many different locations, including Somalia (1992), the Balkans (late 1990s), Afghanistan (since 2003), Libya (2011), and the Islamic State (since mid-2014). Some experts say the UAE has joined U.S.-led operations to further invest the United States in UAE security, to prepare its forces for potential combat, and to increase UAE influence over U.S. regional policy.

No matter the intent of its cooperation with the United States, the UAE is demonstrating an increasing ability to project power in the region. This capability is despite the fact that the UAE armed forces is small—approximately 51,000 personnel. The UAE’s power projection capabilities have been enhanced by agreements with several East African countries to use their military facilities. During 2015, UAE forces at first deployed to Djibouti to support the Saudi-led intervention in Yemen, but in mid-2015 a UAE-Djibouti dispute caused UAE (and Saudi) forces to begin using facilities in Eritrea instead—in exchange for UAE and Saudi funding of facilities upgrades. In mid-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 train Somali commandos to help stabilize that country against the terrorist group Al Shabab and other threats. UAE firms have also made substantial infrastructure investments—which could eventually benefit UAE military operations—elsewhere in East Africa.

The UAE’s independent capabilities give it an alternative to reliance on U.S. military support, should UAE official concerns of a declining U.S. commitment to the region be realized. Still, U.S. officials have repeatedly sought to reassure the GCC states that the JCPOA did not represent any lessening of the U.S. commitment to Gulf security. The joint statement issued after the 2015 Camp David meeting announced a new U.S.-GCC strategic partnership and reiterated that it is U.S. policy to use all elements of U.S. national power to secure core U.S. interests in the Gulf and to deter and confront external aggression “against our allies and partners ... ” An annex to the joint statement says that the United States will increase security cooperation with the GCC states in the following ways: (1) facilitating U.S. arms transfers to the GCC states; (2) increasing U.S.-GCC cooperation on maritime security, cybersecurity, and counterterrorism; (3) organizing additional large-scale joint military exercises and U.S. training; and (4) stating a renewed commitment to a concept of a Gulf-wide ballistic missile defense capability, which the United States has sought to promote in recent years. A factsheet issued by the Administration during the April 21, 2016 U.S.-GCC summit, in Riyadh, Saudi Arabia, indicated that these steps have begun to be implemented, and that additional measures were agreed to, including U.S.-GCC military exercises (planned for March 2017) and U.S. training for GCC special forces.

42 For text of the factsheet, see https://www.whitehouse.gov/the-press-office/2016/04/21/fact-sheet-implementation-us-gulf-cooperation-council-strategic.
Defense Cooperation Agreement 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.  

The Defense Cooperation Framework builds on the July 25, 1994, bilateral Defense Cooperation Agreement (DCA), the text of which is classified. The DCA initially 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.” Approximately 5,000 U.S. forces are stationed in the UAE—up substantially from 800 before the 2003 U.S. intervention in Iraq. U.S. forces are deployed at several UAE facilities including Jebel Ali port (between Dubai and Abu Dhabi), Al Dhafra Air Base (near Abu Dhabi), and naval facilities at Fujairah. Jebel Ali, capable of handling aircraft carriers, is the U.S. Navy’s busiest port of call.

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 expanded use to include stationing of F-15s (2012) and the “Stealth” F-22 Raptor and the Global Hawk and the AWACS (Airborne Warning and Control System).—Dhafra is the only overseas base where F-22s are stationed. The United States uses all these facilities for major combat operations in Afghanistan and Iraq during 2001-2011, and continues to use them for operations against the Islamic State and in Afghanistan.

The DCA reportedly includes U.S. training of 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 air combat missions, particularly in Libya in 2011 and against the Islamic State.

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

Use of Security Contractors. To address its manpower shortage, the UAE has established a reserve force and made military training mandatory. The UAE also has employed private security contractors. The UAE confirmed on May 15, 2011, that it had retained the U.S. private firm

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43 Author conversations with UAE officials. July 2014.
45 Author conversations with UAE representatives. 2010-2016.
50 “A Quiet, Potent Ally to U.S.” op. cit.
Reflex Responses, to provide “operational, planning, and training support” to the UAE military. This followed a *New York Times* report that the UAE had hired the firm, which is run by Eric Prince, who founded the Blackwater security contractor, to a $529 million contract to build a foreign battalion to help defend the UAE from internal revolt or related threats. The State Department reportedly investigated whether the contract violated any U.S. laws controlling the export of U.S. defense technology and expertise, but no findings were announced and Eric Prince apparently is no longer involved in this effort. *Defense News* reported on November 25, 2013, that a U.S. firm, Knowledge International, has provided 125 former U.S. Army officers to help improve the organization and performance of UAE land 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 inter-operability. 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 through a mechanism UAE officials say they prefer: legislation that would declare the UAE a key U.S. defense partner. Two Gulf states—Kuwait and Bahrain—are designated as MNNA. 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. The UAE does not receive U.S. aid to purchase U.S. weaponry. 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. 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 represented the first sale of that weapon to a Gulf state.) In April 2013, then-Secretary of Defense Chuck Hagel finalized a sale to UAE of an additional 30 F-16s and associated “standoff” air-to-ground munitions. The sale was in conjunction with similar weapons sales to Israel and Saudi Arabia, which U.S. officials indicated were intended to signal resolve to Iran. The UAE also has about 60 French-made Mirage 2000 warplanes The UAE is said to also be evaluating the French-made Rafale and the Boeing-made F/A-18 to augment its air force in the short-medium term.

- **F-35 Joint Strike Fighter.** UAE officials say the country wants to buy the advanced F-35 “Joint Strike Fighter,” asserting that possessing the most sophisticated U.S. aircraft enhances interoperability with U.S. air operations such as airstrikes against the Islamic State organization. However, 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

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52 Author conversations with UAE representatives. 2016.

53 Ibid.

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.

- **JDAMs and other Precision-Guided Munitions.** In 2011, the United States sold the UAE an additional 4,900 Joint Direct Attack Munitions (JDAM) kits (which convert gravity bombs to precision-guided bombs) with an estimated value of $304 million. Earlier, in 2008, the United States had sold the UAE an unspecified number JDAM kits worth $326 million. Some experts interpret the sale of JDAMs to the UAE as a signal to Iran, in that the munition is said to 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.

- **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).\(^{55}\)

- **Drones.** At a UAE defense show in February 2013, the UAE agreed to a commercial sale, worth about $200 million, for Predator X-P unmanned aerial vehicles (UAVs), although the is unarmed and for surveillance only. The system is due to arrive in the UAE in early 2017. Were the UAE to join the MTCR, it might be eligible to buy the armed drone called 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 previously bought 380 French-made Leclerc tanks.

Some differences between the UAE and United States have emerged over apparent purchases of weapons by the UAE’s Al Mutlaq Technology Company of $100 million in 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.\(^ {56}\)

**Missile and Rocket Defenses**

A key 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 against Iran’s missile force. The concept fits with an overall U.S. shift to try to work with the GCC as a bloc rather than country-by-country, which was enshrined in a December 16, 2013, Presidential Determination to allow defense sales to the GCC as a bloc.\(^ {57}\)

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The UAE has spearheaded the U.S. effort to coordinate missile defense within the GCC. The country hosts an Integrated Air and Missile Defense (IAMD) Center, a training facility to enhance cooperation among the GCC states and with the United States on missile defense. 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. A sale of THAAD equipment was first announced September 9, 2008, valued at about $7 billion. In September 2013, the Defense Department awarded a $3.9 billion contract to Lockheed Martin for about 300 THAAD missiles, of which about 192 would be exported to the UAE.58 The delivery and training process for the UAE’s THAAD system began in late 2015.59

Among significant other recent missile defense sales to the UAE are the advanced Patriot anti-missile systems (PAC-3, up to $9 billion value, announced December 4, 2007). Also announced on September 9, 2008, were sales to UAE of vehicle mounted “Stinger” anti-aircraft systems ($737 million value). The UAE hosts the Integrated Air and Missile Defense Center, a major training facility for Gulf and U.S.-GCC cooperation on missile defense.

UAE officials also say they seek defenses against shorter range missiles and rockets, such as those used by the Houthis in Yemen. 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.

Other UAE Defense Cooperation

The United States and other GCC countries are not the UAE’s only defense partners. In 2004, the UAE joined NATO’s “Istanbul Cooperation Initiative,” which was launched that year by NATO as an effort to bolster bilateral security with Middle Eastern countries. The UAE has “observer” status in NATO and, in 2011, the UAE sent an Ambassador to NATO under a revised alliance policy approved by NATO in April 2011. In October 2013, the UAE opened a mission to the European Union.

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 visit by then French President Nicolas Sarkozy to UAE on May 27, 2009, and include (1) a 900-foot section of the Zayid Port for use by the French navy; (2) an installation at Dhafra Air Base used by France’s air force; and (3) 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 that defense relations, but might have contained a strategic component in light of India’s naval exercises with GCC countries in recent years and India’s interest in securing additional energy supplies.

Cooperation against International Terrorism and Proliferation

The UAE cooperates with U.S. counterterrorism and counter-proliferation policies in the region, including not only operations against the Islamic State but also efforts to prevent 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. No U.S. aid to UAE for these programs has been provided since FY2011.

International Terrorism Issues

During the mid-1990s, some Al Qaeda activists reportedly were able to move through the UAE. Two of the September 11, 2001, attack hijackers were UAE nationals who reportedly used UAE-based financial networks in the plot. Since then, State Department reports on terrorism have credited the UAE with making significant efforts against terrorism and terrorism financing. According to the State Department reports, the UAE has arrested senior Al Qaeda operatives; denounced terror attacks; improved border security; instituted programs to counter violent extremism; investigated suspect financial transactions; criminalized use of the Internet by terrorist groups; and strengthened its bureaucracy and legal framework to combat terrorism. In August 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. At the December 2014 GCC summit, the GCC leaders announced the creation of a regional police force to be headquartered in Abu Dhabi. The State Department report on terrorism for 2015 credits the UAE with co-chairing the anti-Islamic State-related “Coalition Communications Working Group” along with the United States and Britain, and with partnering with the U.S. government to establish the Sawab Center, an online counter-Islamic State messaging hub. 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 counter-terrorism 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 May 2014, the UAE tried nine people on charges 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). 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 and arrested her soon after the attacks. 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.

Yet, the United States and the UAE sometimes differ on whether some groups are terrorist organizations. For example, the list of 85 groups that the UAE government considers to be terrorist groups (see above) includes some U.S. and Europe-based groups that represent Muslims in those societies or perform charity work and which neither the United States nor any European

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60 Much of this section is taken from Department of State, Office of the Coordinator for Counterterrorism, Country Reports on Terrorism 2015; and author conversations with executive branch officials, 1997-2016.
63 The group changed its name and claimed to have severed connections to Al Qaeda in mid-2016.
government accuses of conducting acts of terrorism. These groups include 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. Often, however, the two governments agree, for example in characterizing the following as terrorist or armed adversary groups: Al Qaeda; Al Nusrah Front; Boko Haram (Nigerian Al Qaeda affiliate); Hamas; Lebanese Hezbollah; the Islamic State; the Houthis in Yemen; and the Afghan Taliban.

Anti-Terrorism 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 sub-office 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 anti-money laundering law. 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.

Countering Violent Extremism. In December 2012, during a meeting of the Global Counterterrorism Forum (GCTF), which is co-chaired by the United States and Turkey, the UAE-based “International Center of Excellence for Countering Violent Extremism,” known as Hedayah (“guidance”) was inaugurated. 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, and the TRENDS Institute, also conducted seminars on confronting terrorism and violent extremism. The UAE is a founding member of the GCTF, which was formed in September 2011.

Transfers from Guantanamo. In November 2015, the Department of Defense transferred five Yemeni detainees from the facility in Guantanamo Bay to the UAE. The transfer appeared to reflect UAE cooperation with the Administration effort to reduce the detainee population there and potentially close the facility. In August 2016, the Administration announced it had transferred another 15 Guantanamo detainees (12 Yemenis and 3 Afghans) to the UAE, the biggest single Guantanamo transfer to date. The transferees are kept in a facility where the UAE tries to rehabilitate its own citizens who were drawn into extremist activities.

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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 Statement of Principles, aimed at screening U.S.-bound containerized cargo transiting Dubai ports. Under it, three U.S. Customs and Border Protection officers are co-located with the Dubai Customs Intelligence Unit at Port Rashid in Dubai. The program results in about 25 inspections per week of U.S.-bound containers, many of them apparently originating in Iran. The UAE is a party to the Proliferation Security Initiative, the Megaports Initiative designed to prevent terrorist from using major ports to ship illicit material, and the Customs-Trade Partnership Against Terrorism. In 2013, the United States and UAE established a “pre-clearance facility” 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 re-export of advanced technology, particularly to Iran, has improved considerably since mid-2010. As a GCC member, the UAE participates in the U.S.-GCC Counter-proliferation Workshop. Taking advantage of geographic proximity and long-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 were apparently involved in transshipping components: SMB Computers and Gulf Technical Industries. On April 7, 2004, the Administration sanctioned a UAE firm, Elmstone Service and Trading FZE, for allegedly selling weapons of mass destruction-related technology to Iran, under the Iran-Syria Non-Proliferation Act (P.L. 106-178). In June 2006, the Bureau of Industry and Security (BIS) imposing a license requirement on U.S. exports to Mayrow General Trading Company and related UAE-based companies after Mayrow allegedly transshipped devices used to construct improvised explosive devices (IED) in Iraq and Afghanistan.

The UAE has responded when U.S. officials have threatened to sanction the UAE for lax export control enforcement. In February 2007 the 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 an subject to U.S. sanctions. The UAE avoided any such designation by strengthening its export control regime, including a September 2007 law, passed 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 purportedly sought for use in 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 inter-

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agency 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. Members of 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.\(^{69}\) The United States and the UAE signed an agreement on January 15, 2009, to help the UAE develop its nuclear power program. 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.

UAE officials assert that they have committed to a project that represents a “gold standard” in providing for the UAE’s needs while posing no proliferation potential. The UAE committed to refrain from domestic uranium enrichment and from reprocessing spent nuclear reactor fuel—both processes could produce fissile material for nuclear weapons. The International Atomic Energy Agency announced in December 2011 that a group of experts that reviewed the UAE’s 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.\(^{71}\) In part because of the UAE’s extensive commitments that apparently ensure the project can only be for peaceful purposes, 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). 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. However, reflecting UAE concerns about the JCPOA, UAE officials reportedly told U.S. officials in October 2015 that they no longer considers themselves bound by the pledge that the country would not enrich uranium.\(^{72}\)

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

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\(^{69}\) 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.

\(^{70}\) 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.


\(^{72}\) “Post Iran Nuclear Deal, UAE Diplomat Tells Congressman His Country no Longer Feels Bound by Previous Agreement with US.” AlJazeera.com, October 16, 2015.
plant is expected to start operating in 2017 and the other three are scheduled to be completed and operational by 2020. The plant is located near Abu Dhabi’s western border with Saudi Arabia.

On other technology issues, in July 2014 the UAE announced it will form a “UAE Space Agency.” According to the government, by 2021 the agency is to launch an unmanned spaceship from the Arabian peninsula that will probe Mars.

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. Dubai emirate, in particular, has pursued an economic strategy based on attracting investors to construct luxurious and sometimes futuristic projects that provide jobs and attract tourism and publicity.

The UAE is counting on its financial reserves to help it weather the effect of the sharp drop in oil prices since mid-2014. The UAE has sought to cope by cutting some subsidies, reductions that limited the country’s budget deficit for 2015 and will reduce the deficit for 2016 as well. There is also a GCC-wide discussion of enacting a Value Added Tax (VAT) that would help all the GCC countries raise revenue. The UAE’s ability to cope with the oil price downturn is assisted by the diversification of its economy. The February 2016 cabinet reshuffle and reform announcements were intended, in part, to reduce the size of the UAE government and to move some functions of government to the private sector.

In the UAE, the 2007-2009 global financial crisis caused widespread layoffs and the departure of thousands of foreign workers, and left UAE banks with vast amounts of nonperforming loans. The downturn in real estate prices also affected regional investors, such as those in Afghanistan, who bought into high-end housing projects in Dubai emirate. To address the crisis, the federal government took on some public debt and injected some monies from the country’s sovereign wealth fund into its banks. By 2012, the crisis had abated and, by the end of 2015, the country had rebuilt is sovereign wealth fund assets to a total of over $600 billion. The two largest of the UAE’s sovereign wealth funds are run by the Abu Dhabi Investment Authority (ADIA) and Mubadala (“Exchange”).

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 receive benefits and services. The UAE exports nearly as much oil as Iraq but its citizens number only about 4% of those 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. 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 as well. However, political

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73 http://enec.gov.ae/our-nuclear-energy-program/prime-contractor/
74 http://enec.gov.ae/our-nuclear-energy-program/preferred-site/
76 http://www.thenational.ae/events/areas/abu-dhabi/adnoc-preserves-spare-supplies.
differences with Qatar, discussed throughout this report, 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, has capacity to transport 1.5 million barrels per day of crude oil—about half of the UAE’s peak production. The UAE is also planning a large refinery near that terminal, and possibly a second oil pipeline exiting there, to further secure its oil exports and value-added petroleum products.

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 is to be completed in 2015, that relies only on renewable energy sources. Automobiles that run on fossil fuels are banned from Masdar City. One feature of the city is a system of driverless taxis that use automation to take passengers to their destinations.

**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 UAE through at least 2018 are expected to be very large because of a spate of orders for U.S. commercial aircraft in 2013 by expanding UAE airlines Emirates Air and Etihad Airlines. Trade figures are provided in the textbox above.

On November 15, 2004, the 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,” but progress was halting. The FTA talks have been replaced by a U.S.-UAE “Economic Policy Dialogue,” involving the major U.S. economic departments and their UAE counterparts. The dialogue, consisting of two meetings per year, began in late 2011 and also included discussion of reform of UAE export controls, an issue discussed above. In addition, as part of the GCC, the UAE negotiating with the United States a “GCC-U.S. Framework Agreement on Trade, Economic, Investment, and Technical Cooperation,” an umbrella instrument for promoting ties between the two sides in the economic area—a GCC-wide trade and investment framework agreement (TIFA). The agreement, negotiated by the U.S. Trade Representative (USTR), was signed on September 25, 2012.

As noted, because of the UAE’s relative wealth, it has received token amounts of U.S. assistance for the primary purpose of making the UAE eligible for advice and programming to improve its border security and export controls, as shown below. None has been requested since FY2011.

**“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. All three airlines have grown substantially in recent years and are large buyers of U.S. aircraft. The U.S. airlines asserted

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77 “Abu Dhabi: In the Pipeline.” The Middle East, January 26, 2012.
that the “Open Skies Agreement” that the UAE and Qatar have with the United States should be re-negotiated so as to limit the access the three Gulf-based airlines have to U.S. air routes. The airlines assert they are not subsidized and instead create substantial numbers of jobs for American workers building and serving their aircraft and infrastructure in the United States. UAE officials assert that the country will not agree to renegotiate the Open Skies Agreement. The Administration has declined, to date, to renegotiate the agreement or to take any action against the Gulf-based airlines.

Table 2. Recent U.S. Aid to UAE
(in thousands of dollars)

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