

UAE CHARTS ITS OWN DIPLOMATIC PATH — A SHIFT AWAY FROM US PATRONAGE TO AN EMPHASIS ON BALANCE —

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SUMMARY

- As US involvement in the Middle East declines, both in qualitative and quantitative terms, the UAE is increasingly seeking a balanced diplomacy not only with the US, but also with Russia and China in mind. It is shifting from political confrontations within the Middle East that could undermine its own national interests to an attitude that prioritizes stability and the economy. The UAE's neighbors are also expected to step up moves to change the course of their relations with the US.
- As the UAE has begun to make a genuine effort to ease tensions with its neighbors, it is expected to open up space for economic cooperation in the region, while its proximity to Syria could have a negative impact on its relationship with the US. In addition, a challenge for the UAE going forward is to what extent it will be able to maintain a neutral position between the US and Russia if the situation in Ukraine becomes protracted.

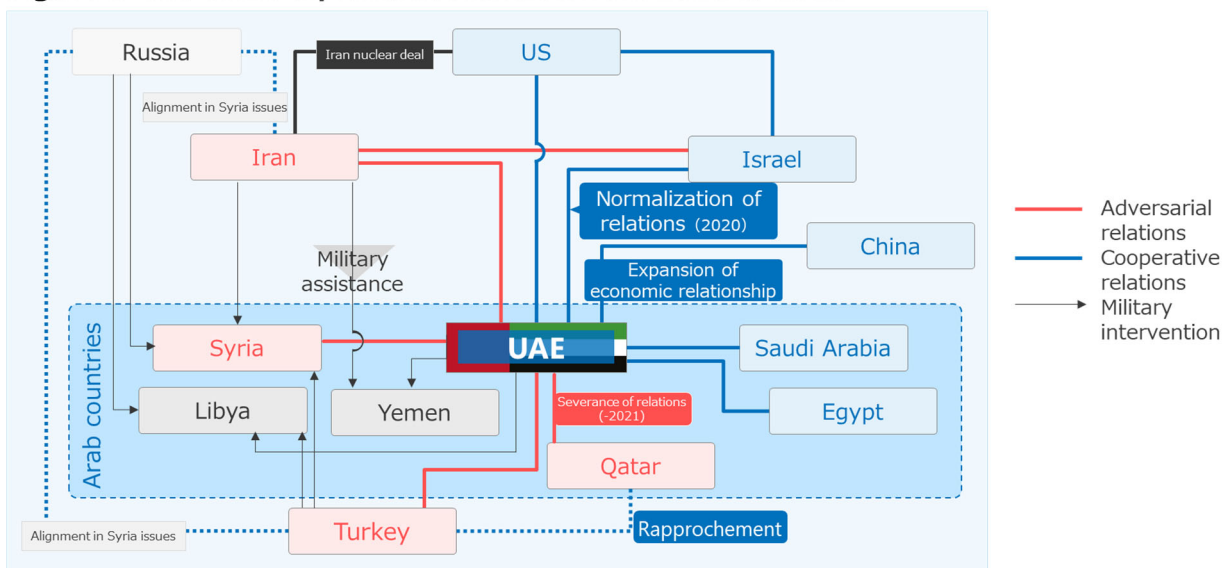
1. A GROWING SENSE OF DISTANCE FROM THE US

Over the past decade, there has been a growing sense of disappointment with the US in the Middle East, particularly in the Arab region¹. Not only did the US fail to take effective measures against events such as the overthrow of the government in Egypt or the quagmire that unfolded in Syria following the Arab Spring protest movement that spread across the Middle East from the end of 2010, but it also signed a nuclear agreement with Iran in 2015 while ignoring the wishes of the Arab countries.² The full withdrawal of US troops from Afghanistan in the summer of 2021 added to the chaos in that country. In the face of the growing presence of China and Russia in the region, which is rising in proportion to the decline in US involvement, the countries of the Middle East are being forced to rethink their US-dependent security policies (Figure 1).

The United Arab Emirates (UAE) is no exception. Since its founding in 1971, the UAE has continued to pursue a foreign policy based on relations with the US in keeping with a traditional pro-US stance, but it is now changing course towards a more balanced approach. In 2018, President Xi Jinping became the first Chinese president to visit the UAE for 29 years. In 2019, Russian President Vladimir Putin became the first Russian president to visit the country for 12 years. Since then, the UAE has continued to strengthen economic and military ties with China

¹ While there is no clear or unified definition of the “Arab region” or “Arab world”, the terms generally refer to the 22 countries that make up the Arab League. Founded in 1945 by Egypt, Syria (Syria’s membership status has been suspended since 2011), Lebanon, Iraq, Jordan, Saudi Arabia, and Yemen, the league was later joined by Libya, Sudan, Tunisia, Morocco, Kuwait, Algeria, Bahrain, Oman, Qatar, UAE, Mauritania, Somalia, Palestine (PLO), Djibouti, and Comoros.

² In July 2015, under the leadership of the Obama administration, the US, UK, France, Germany, China, Russia, and Iran reached a final agreement on the Joint Comprehensive Plan of Action (JCPOA) to address the issue of Iran’s nuclear development program.

Figure 1 The UAE's diplomatic situation from 2011 to 2021

Note: While Iran is said to be providing military assistance to the Houthi rebels in Yemen, it does not officially acknowledge it.
 Source: Compiled by MGSSI based on media reports and other sources

and Russia. In October 2021, Anwar Gargash, Diplomatic Advisor to the President of the UAE, made headlines when he expressed his dissatisfaction with being forced to choose between the US and China³. The fact that a government official of a pro-US country ventured to make a public statement that gives the impression of a change in the course of relations with the US has highlighted the change in the UAE's diplomatic stance. It is believed that observing the current direction of the UAE and presenting the future outlook will provide a useful perspective on the future of US-Middle East relations as a whole.

2. DEVELOPMENT OF AN INDEPENDENT REGIONAL DIPLOMACY

The UAE's balanced diplomacy is also evident in the movement to improve relations with Middle Eastern countries.

2-1. "Good neighborliness is the basis of stability"

In September 2021, the UAE announced a growth strategy with a focus on improving relations with neighboring countries as one of the key objectives. The policy emphasizes improvement of the security environment and economic cooperation rather than political confrontation, proclaiming that "Good neighborliness is the basis of stability." While the normalization of diplomatic relations with Israel in 2020 was aimed at formalizing the rapprochement between the two countries, which had already been underway behind the scenes, the UAE is currently in the process of rebuilding relations with Syria, Iran, Qatar, and Turkey with which conflicts have arisen or intensified over the last decade.

The UAE adopted a hostile attitude towards the Assad regime in the Syrian civil war that erupted in 2011, and downgraded its diplomatic ties with rival Iran in 2016⁴. In 2017, the UAE severed diplomatic relations with Qatar for reasons including its closeness to Iran and Turkey and its support for the Islamist organization the Muslim

³ At an international conference held in the UAE capital Abu Dhabi in October 2021, Presidential Advisor Anwar Gargash said, "We're all worried, very much, by a looming Cold War... the idea of choosing (between the US and China) is problematic in the international system." <https://www.arabnews.com/node/1940446/middle-east>

⁴ On January 2, 2016, the Saudi government executed the Shia religious leader Sheikh Nimr al-Nimr in the east of the country. On the following day, protests erupted in Iran and protesters attacked the Saudi embassy in the country's capital Tehran and the Saudi consulate in the Northeastern city of Mashhad. Saudi Arabia responded by severing diplomatic relations with Iran on the same day. Bahrain and Sudan followed suit on January 4. The UAE responded by recalling its ambassador to Iran and downgrading its diplomatic representation in the country to a charge d'affaires, and also limited the number of Iranian diplomats in the UAE.

Brotherhood. UAE officials have repeatedly stated that Turkey, which also supports the Brotherhood, is a threat to the Arab countries, demonstrating its willingness to intensify intraregional conflict. However, in January 2021, the UAE restored diplomatic relations with Qatar along with Saudi Arabia, Bahrain, and Egypt, and since the latter half of the same year, UAE officials have made a series of visits to Turkey, Qatar, Syria, and Iran (Figure 2). The UAE is making a serious effort to improve relations, as is demonstrated by the fact that during a visit to Iran the country's National Security Advisor Tahnoun bin Zayed⁵ proffered an official invitation to Iran's President Ebrahim Raisi to visit the UAE. This can be said to mark a major shift away from the UAE's hitherto bullish diplomacy.

Figure 2 Efforts by the UAE to improve relations with other countries in the region

2021	Jan	Diplomatic relations with Qatar restored	In concert with Saudi Arabia, Bahrain, and Egypt
	Aug	National Security Advisor Tahnoun visits Turkey	Held talks with President Erdogan
		Advisor Tahnoun visits Qatar	Held talks with Emir Tamim
	Sep	Tripartite meeting of Advisor Tahnoun, Qatar Emir Tamim, and Saudi Crown Prince Mohammed	Photos of the three men together at a Red Sea resort were published on social media
	Nov	Foreign minister Abdullah visits Syria	Held talks with President Assad and discussed strengthening economic cooperation
		Crown Prince Mohamed (MbZ) visits Turkey	10 MOUs concluded in sectors including energy, environment, finance, and trade
		Iran's Deputy Foreign Minister for Political Affairs Ali Bagheri visits UAE	Held talks with Foreign Minister Abdullah
2022	Dec	Advisor Tahnoun visits Iran	Held talks with President Raisi and others, and officially invited President Raisi to visit the UAE
	Feb	Turkey's President Erdogan visits UAE	Signed agreements and MOUs in 13 sectors, including defense industry, trade, and healthcare
	Mar	Syria's President Assad visits UAE	Underscored Syria's territorial integrity and the withdrawal of foreign troops
	Apr	Talks start with Turkey on a Comprehensive Economic Partnership Agreement	Trade Minister Zeyoudi says bilateral trade is expected to double

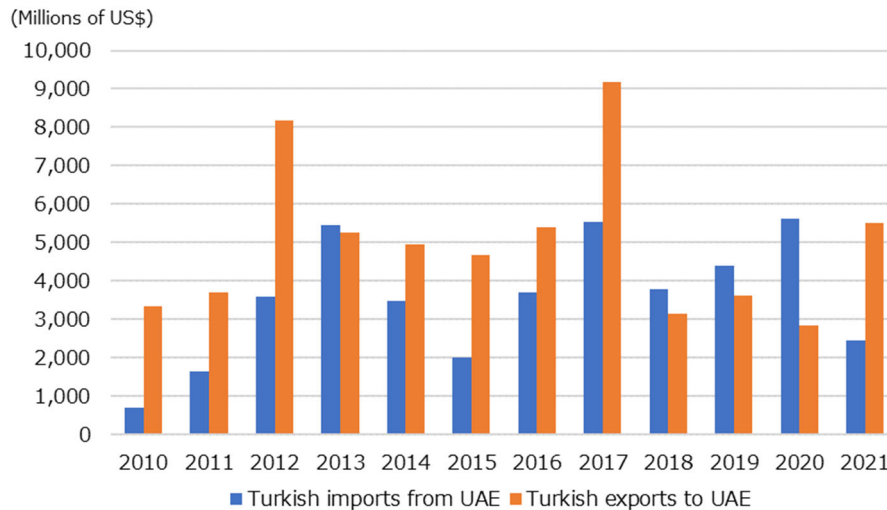
Source: Compiled by MGSSI based on government announcements and media reports, etc.

Particularly remarkable progress has been made in relations with Turkey, with UAE President Mohamed bin Zayed (MbZ), when he was Crown Prince of Abu Dhabi⁶, visiting the country in November 2021. Driven by the development of diplomatic relations, the Abu Dhabi sovereign wealth fund ADQ announced in January 2022 that it will invest in Turkey's logistics, food, financial, and other sectors through the establishment of a US\$10 billion fund. Talks on a Comprehensive Economic Partnership Agreement (CEPA) between the two countries were launched in April of the same year. While he did not give a specific timeframe, UAE Minister of State for Foreign Trade Thani bin Ahmed Al Zeyoudi said that he would like to see trade between the two countries double following conclusion of the CEPA⁷(Figure 3).

⁵ Tahnoun bin Zayed is the full brother of the UAE President Mohamed bin Zayed Al Nahyan (MbZ). He is the chairman of several leading domestic companies, including the ADQ sovereign wealth fund, the IHC conglomerate, and the First Abu Dhabi Bank.

⁶ Former President of the UAE and emir of Abu Dhabi Khalifa bin Zayed (73) died on May 13, 2022. On May 14, the UAE Supreme Council elected his half-brother Mohamed bin Zayed (MbZ), Crown Prince of Abu Dhabi (61), as the UAE's new president and emir of Abu Dhabi. The succession of power proceeded smoothly since Crown Prince MbZ has effectively governed the country since 2014 when President Khalifa suffered a stroke.

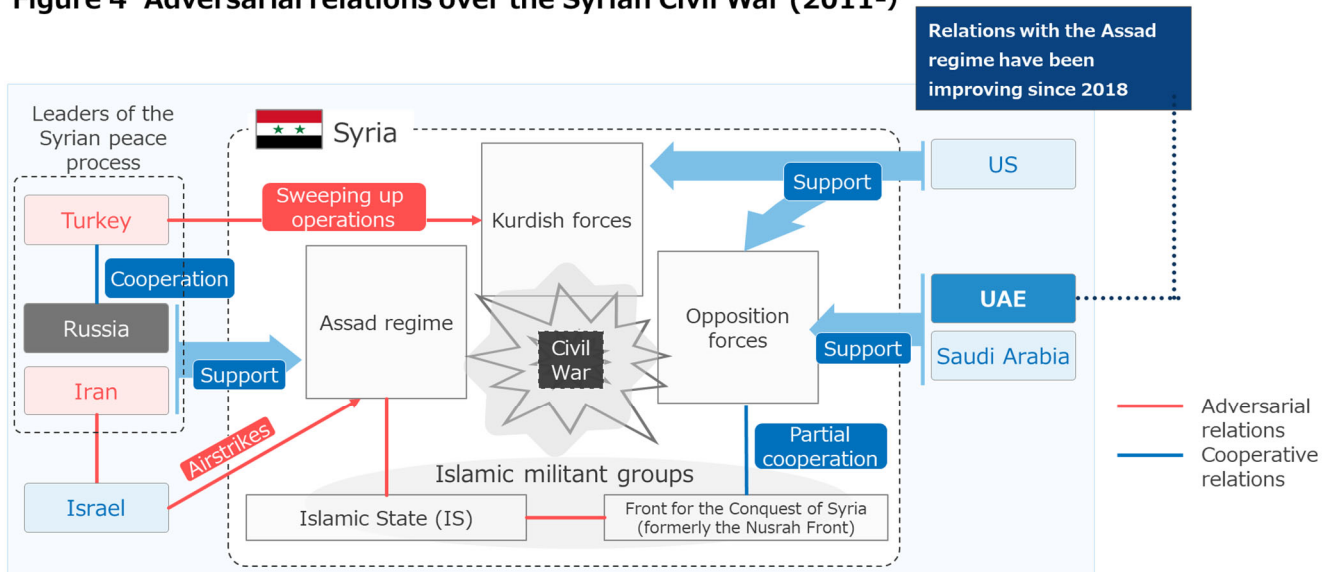
⁷ The UAE is believed to be seeking to strengthen its access not only to Turkey, but also via Turkey to the European and African markets, increasing the possibility of expanding exports of machinery, base metals, precious metals, and other commodities, as well as, of course, of oil and gas. Furthermore, in terms of imports, it could also lead to diversification of supply sources for the UAE as it seeks to strengthen its food security. In 2020, machinery and electrical equipment accounted for about 29% of the UAE's exports, oil, natural gas, and petroleum products for 9%, parts for transportation equipment for 7%, base metals and their products for about 6%, precious metals and precious stones for 4%, medical supplies for 4%, and plastics and their products about 3%, making up over 60% of all exports.

Figure 3 Trade between Turkey and the UAE

Source: Compiled by MGSSI based on International Trade Center statistics

2-2. UAE's Syrian policy switches to a pragmatic course

The UAE's Syria policy is also changing. The UAE has been hostile to the Assad regime, which is close to Iran, and has supported rebel groups in Syria's civil war (Figure 4). However, when it became apparent that the regime's dominance would not be overturned, backed as it was by Russia and Iran, the UAE turned to a more open attitude towards dialogue with Syria ahead of other Arab countries, reopening its embassy in Syria in 2018 and in March 2022, accepting an official visit from President Assad⁸. After being left out in the cold while Russia, Iran, and Turkey have been leading the Syrian peace process based on their active military intervention, the UAE is aiming to regain a presence. While it is hoped that the UAE's attempt to ease tensions with hostile countries in the region will open up space for economic cooperation, which has hitherto been difficult to achieve, there are also fears that it could lead to a conflict of interest with the US. In the first place, the US does not recognize the legitimacy of the Assad regime, and the fact that Syria fully supports Russia's invasion of Ukraine is likely to make the US even more nervous about a normalization of relations between the UAE and Syria.

Figure 4 Adversarial relations over the Syrian Civil War (2011-)

Source: Compiled by MGSSI based on media reports and other sources

⁸ The Arab League suspended Syria's membership in November 2011 due to the Assad regime's continued use of armed force to repress popular protests in Syria that erupted in the wake of the Arab Spring. However, the UAE has been pushing for Syria to be readmitted to the league since 2021. The UAE has also expressed its willingness to be actively involved in Syria's reconstruction projects in anticipation of the post-war period, and since November 2021, the two countries have been discussing the construction of a 300 MW solar power plant on the outskirts of the Syrian capital Damascus.

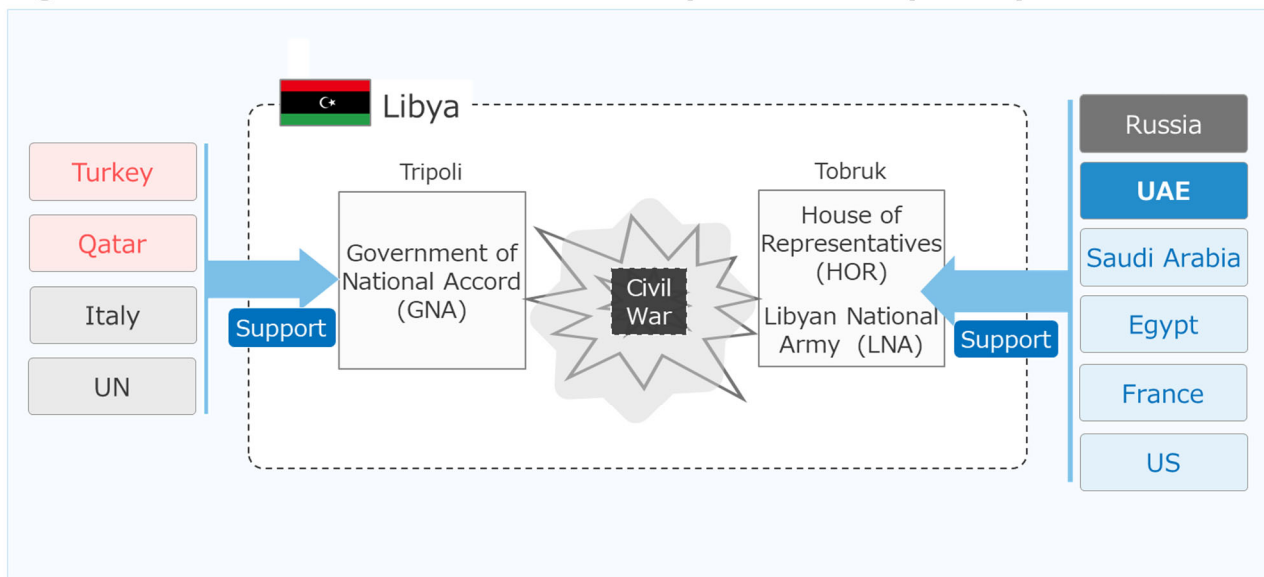
3. CHANGES IN UAE DIPLOMACY SEEN IN ITS RESPONSE TO THE UKRAINE SITUATION

The change in the UAE's diplomatic stance can also be seen in its response to the situation in Ukraine.

3-1. UAE seeks to avoid deterioration in relations with Russia

The UAE avoided directly criticizing Russia over its invasion of Ukraine at the end of February 2022, and reportedly rejected a US request for dialogue on the Ukraine issue in March 2022⁹. This is because a confrontation with Russia would be undesirable for the UAE, as the UAE and Russia are members of OPEC Plus, and in advancing the peace processes in Syria and Libya (Figure 5), Russia's influence cannot be ignored.

Figure 5 Adversarial relations over the Libyan Civil War (2011-)



Source: Compiled by MGSSI based on media reports and other sources

The UAE's response at the UN has also been cautious. On two resolutions condemning Russia's invasion of Ukraine, while the UAE voted in favor of the non-binding General Assembly resolution on March 2, it abstained from the Security Council resolution on February 25. Furthermore, the UAE also abstained from a General Assembly resolution of April 7 that contained a substantive sanction suspending Russia's membership of the UN Human Rights Council. The abstention of February 25 may have been a trade-off for Russia's support for the Security Council's resolution (February 28) for an arms embargo against the Houthi rebel group in Yemen¹⁰, suggesting that the UAE is taking a pragmatic approach that prioritizes its national interests.

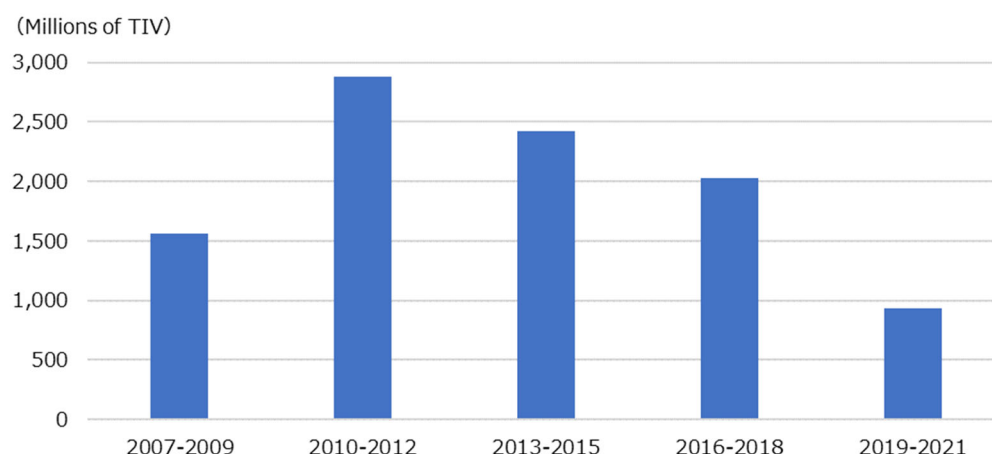
The UAE is also strengthening its ties with Russia in the area of arms purchases. Since 2017, it has purchased Russian missile defense systems for use in Libya and Yemen. In 2019, it began talks on the joint development of the Su-57 stealth fighter jet. While the US remains the UAE's largest arms supplier¹¹, the value of US arms imports is declining (Figure 6). The UAE's suspension of talks on an arms deal with the US at the end of 2021 also illustrates its declining dependence on the US for security¹².

⁹ According to an article in the March 8, 2022 issue of the US Wall Street Journal.

¹⁰ The UAE supports the provisional government in Yemen and participates in operations against the Houthi rebels as a member of the Saudi-led coalition.

¹¹ According to the Stockholm International Peace Research Institute (SIPRI), between 2016 and 2020, the UAE purchased 64% of its arms from the US, 10% from France, and 4.7% from Russia. https://sipri.org/sites/default/files/2021-03/fs_2103_at_2020.pdf

¹² According to Reuters and other sources, on December 14, 2021, the UAE informed the US of its intention to suspend talks on an approximately US\$23 billion deal to purchase US-made weapons, including the F-35 stealth fighter jet. The US had asked the UAE to take measures to prevent the outflow of military technology to China. In response, the UAE said that it would be necessary to reassess

Figure 6 US arms exports to the UAE

Note: The TIV (Trend Indicator Value) is a measure of the military capabilities of weapons traded between nations, produced by the Stockholm International Peace Research Institute (SIPRI) through a process of evaluation and conversion using its own indicators based on manufacturing costs and other factors. It is not the actual transaction price.

Source: Compiled by MGSSI based on SIPRI data

3-2. Authoritarianism as a common ground

In the first place, there are few areas where the UAE is in conflict with Russia or China on the diplomatic front. Rather, to varying degrees, all three countries share a strong authoritarian bent and the need to suppress Islamic fundamentalists and popular protest movements to maintain their regimes. The UAE's abstention from the resolution suspending Russia from the UN Human Rights Council can be seen as a sign that neither side is willing to criticize the other over human rights issues¹³.

The challenge for the UAE going forward is to what extent it can remain neutral over the situation in Ukraine. At the end of March, the Abu Dhabi sovereign wealth fund Mubadala announced the suspension of new investments in Russia¹⁴. Stagnation of UAE investment in Russia looks to be inevitable. Moreover, wealthy Russians are said to view Dubai as a safe refuge for their assets, and there is a danger that the opaque flow of Russian funds could attract criticism. A decline in investment from Western countries could also cast a shadow over the UAE's economic growth.

4. CONCLUSION: THE OUTLOOK FOR UAE DIPLOMACY

As Hussein Ibish from the Arab Gulf States Institute in Washington points out in his appraisal that the UAE is "no longer willing to rely on the United States as the ultimate guarantor of security"¹⁵, the UAE is shifting from political confrontations within the Middle East that could undermine its own national interests to an attitude that prioritizes stability and the economy, while seeking a balanced relationship with Russia and China. The US military presence in the Middle East remains significant, and for the UAE, the US continues to be an essential partner as a deterrent against the threat from Iran. Nevertheless, this is not likely to stop the UAE's transition away from the comprehensive and close relationship with the US to a more pragmatic and equal relationship centered on collaboration on a case-by-case basis.

the advisability of the deal in light of factors such as the technical requirements requested by the US, sovereign operational restrictions, and cost effectiveness.

¹³ The UAE condemns the Myanmar government's oppression of the Rohingya because of its stance against the persecution of Muslims. On the other hand, it has avoided expressing a clear position on the Chinese government's policy of forced assimilation of the Xinjiang Uighurs, who are also Muslims. According to media reports, the UAE is also complying with requests by the Chinese government to forcibly repatriate Uighur students in the country back to China.

¹⁴ Mubadala is said to have invested a total of US\$3 billion in Russia, mainly in the energy sector.

¹⁵ <https://www.france24.com/en/live-news/20220310-from-puppets-to-players-ukraine-war-reveals-shift-for-us-s-gulf-allies>

There are a number of factors behind the UAE's ability to make this shift to a diplomatic attitude that prioritizes its own national interests. First of all, President Mohamed's (MbZ) solid power base and quick decision-making are major strengths. In addition, the impact of the normalization of diplomatic relations with Israel cannot be ignored. This is because the US considers Israel's defense to be a priority in the Middle East and cannot disregard the UAE, which could be a powerful backer for Israel in the region. In fact, in a meeting with President MbZ (then Crown Prince) in Morocco in March 2022, US Secretary of State Blinken said that the US would do everything it can to help the UAE defend against cross-border attacks on the country by Houthi forces. In April, the US Department of State issued a statement welcoming the UAE's humanitarian aid for Ukraine, suggesting that it is reappraising its relationship with the UAE.

Last but not least, as with the UAE, it is also worth noting the attitude towards the US of other Gulf Cooperation Council (GCC) member states, as well as Egypt, Jordan, and Israel, all traditionally considered to be pro-US. On the Ukraine issue, not only Iran and Turkey, but also these so-called "pro-US" countries have avoided criticizing Russia across the board. Each of these countries is expected to seek greater independence from the US, while maintaining a neutral position amid US-Russian and US-Chinese rivalry. The UAE is also focused on supporting neighboring countries suffering from a shortage of foreign currency, including through assisting Syria's reconstruction efforts and boosting investment in Egypt, where the US has partially suspended aid¹⁶. As a movement to lead a shift away from US-dependent diplomacy towards diplomacy of sovereignty in the Middle East, the move by the UAE to independently seek regional stability are also likely to have no small impact on neighboring countries.

¹⁶ In October 2021, the US froze the provision of a large weapons package and US\$260 million in financial assistance to Egypt. In a statement, then White House Press Secretary Psaki said that the administration has reviewed its policy towards Egypt over the past several decades citing the Sisi military regime's system of governance and domestic human rights issues, and that it would maintain this policy until a democratic government is established. Meanwhile, on the UAE side, the Abu Dhabi sovereign wealth fund ADQ reportedly have acquired a total of approximately US\$1.8 billion worth of shares in five major Egyptian companies in April 2022.