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

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Summary

The UAE has been a significant U.S. partner in Gulf security for more than two decades, and the alliance has deepened further in the course of the current U.S.-led effort against the Islamic State organization. Under a 1994 U.S.-UAE defense cooperation agreement (DCA), about 5,000 U.S. military personnel are stationed at UAE military facilities that the United States uses, particularly the large Al Dhafra air base. 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 assemble a regional missile defense network against Iran. The UAE, which has a longstanding territorial dispute with Iran, has also helped pressure Iran by implementing financial and economic sanctions against it. Suggesting continued wariness of Iranian ambitions in the Gulf, the UAE has sought U.S. assurances that the United States will maintain its commitment to Gulf security.

Regionally, the UAE has become increasingly assertive against extremist Islamic organizations, to the point of undertaking even some unilateral military action in post-Qadhafi Libya. This UAE policy has led it to join U.S.-led airstrikes against the Islamic State in Syria; to financially assist the military-led government of Egypt that ousted the elected Islamist president in 2013; to support moderate Islamist rebel groups in Syria; and to work against other Muslim Brotherhood-related organizations in the region such as Hamas. These actions against political Muslim Brotherhood-linked Islamist movements are supported by fellow Gulf Cooperation Council (GCC) states Saudi Arabia, Bahrain, and Kuwait but opposed by fellow GCC state Qatar that backs Brotherhood-linked groups. 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 has maintained over 200 troops in Afghanistan since 2003 and participated in close air support missions for coalition forces there.

On domestic politics and human rights issues, the UAE’s relatively open borders and economy have won praise from advocates of expanded freedoms in the Middle East. However, the social tolerance has not translated into significant political change; the country remains under the control of a small circle of leaders who allow citizen participation primarily through traditional methods of consensus-building. Since 2006, the government has provided some formal popular participation through a public selection process for half the membership of its quasi-legislative body, the Federal National Council (FNC). But, the leadership has resisted further opening of the political process and has suppressed both Islamist and secular dissenters, even though opposition appears to be small and relatively unorganized. The traditional consultations, modest reforms, some suppressive measures, and economic wealth have enabled the UAE to avoid widescale popular unrest.

Very few policy changes are anticipated should UAE President Shaykh Khalifa bin Zayid Al Nuhayyan leave the scene unexpectedly. He suffered a stroke on January 24, 2014, leaving his younger brother Shaykh Mohammad bin Zayid, who already had substantial governing responsibilities, in charge. President Khalifa has not appeared at recent major events, such as the 2014 iteration of the annual GCC summit (December 2014), and the extent of his current governing role is likely limited.

The UAE is considered among the wealthiest countries in the world because of the ratio between its government revenues and small population requiring services. It has received no U.S. foreign aid since FY2011, and the aid that has been provided has been minimal but targeted.
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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 after the death of its key founder and first President, Shaykh Zayid bin Sultan Al Nuhayyan, long-time ruler of Abu Dhabi, on November 2, 2004.

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 tradition, although not formal law, Khalifa was subsequently selected as UAE president by the leaders of all seven emirates who 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 continued as federation 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 serve another five-year term. 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 seven emirates consult frequently with each other.

The leadership of the UAE was put into some doubt by Shaykh Khalifa’s stroke on January 24, 2014. He underwent surgery and senior family members say his health has recovered, but he has not been appearing in public, even during such recent high-profile events as the GCC summit in Doha in December 2014 and the visit of Iraqi Prime Minister Haydar Al-Abbadi to the UAE later that month. Some press reports indicate that senior Nuhayyan figures are discussing succession scenarios. His overall governing function is being performed by his heir apparent, his younger brother and the third son of Shaykh Zayid, Crown Prince Shaykh Mohammad bin Zayid al-Nuhayyan, born in 1961. Shaykh Mohammad had already been assuming significant day-to-day governing responsibilities over the past few years and 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, Interior Minister Sayf bin Zayid, and UAE national security adviser Hazza bin Zayid.

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The Crown Prince of Dubai is Shaykh Mohammad bin Rashid’s son, Hamdan bin Mohammad Al Maktum, who heads the “Dubai Executive Committee,” the equivalent of a cabinet for Dubai emirate. Under a Dubai-level reorganization announced in January 2010, five committees were set up to advise the Executive Committee on major issues.

Table 1. Some Basic Facts About the UAE

<table>
<thead>
<tr>
<th>Category</th>
<th>Details</th>
</tr>
</thead>
<tbody>
<tr>
<td>Population</td>
<td>5.47 million, of whom about 1 million (about 18%) are citizens.</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 (2014)</td>
<td>About 1.0%</td>
</tr>
<tr>
<td>GDP Growth Rate for 2013</td>
<td>4% estimated by IMF</td>
</tr>
<tr>
<td>GDP (2014)</td>
<td>$417 billion. Per capita is over $30,000.</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 $757 billion.</td>
</tr>
<tr>
<td>U.S. Exports to the UAE (2013)</td>
<td>$24.5 billion, making UAE 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 by the United States (2013)</td>
<td>$2.3 billion. None of that amount was 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.

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 64 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 Qassim. 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. During 2003-2010, using public
relations campaigns in the United States and elsewhere, Shaykh Khalid claimed to remain as heir apparent even though the UAE federal government had repeatedly stated that his removal from that position was legitimate and that he held no official position in the UAE. Shaykh Khalid’s home in Ras al-Khaymah was surrounded by security forces the night Shaykh Saqr died, enforcing the succession of Shaykh Saud.

**Figure 1. Map of United Arab Emirates**

![Map of United Arab Emirates](source: CRS Graphics)

**Political Reform and Responses to Opposition**

The UAE is not considered by any U.S. or outside organization to be a democracy, but its perceived social tolerance and distribution of ample wealth have apparently rendered the bulk of the population satisfied with the political system. With the exception of some youth and intellectual-led activism that increased during the Arab uprisings of 2011, there has been little public clamor for more rapid political reform in the UAE. The government has moved against the activism with arrests, prosecutions, and monitoring of the Internet and social media—none of which apparently has included significant government use of force.

UAE leaders long argued that Western-style democracy is not needed in UAE because Emiratis are able to express their concerns directly to the leadership through traditional consultative mechanisms. Most prominent among these channels are the open *majlis* (councils) held by many
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UAE leaders. UAE officials maintain that Western-style political parties and elections for a legislature or other representative body would aggravate schisms among tribes and clans and cause Islamist factions to become radical. Minister of State for FNC Affairs Anwar Gargash wrote in a UAE paper (The National) 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 1, 2012, announcement by several Islamists of the formation of a political party called “Al Umma”—an alleged violation of UAE laws that do not grant citizen rights to form political parties.

The UAE leadership had provided some popular representation through an all-appointed 40-seat Federal National Council (FNC) that can review and recommend, but not enact or veto, federal legislation. The FNC can question, but not impeach, ministers and has conducted such “grillings” in recent years. 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, while Sharjah and Ras al-Khaymah have six each, and the others each have four. Each emirate also has its own all-appointed consultative council. The government has not implemented calls—such as a March 2011 petition signed by 160 UAE intellectuals—to transform the FNC into an all-elected body with full legislative powers.

Elections First Held in 2006. Leadership resistance to elections to the FNC prevailed until 2006, at which time the UAE leadership apparently decided it had fallen too far behind its Gulf neighbors on political reform. In December 2006, it conducted a limited electoral process for half of the FNC seats, with the other 20 FNC seats still appointive. The 2006 electorate was to be limited to about 100 persons for each FNC seat, appointed or elected, or about 4,000 total electors. The Election Commission approved a slightly larger 6,595-person electorate, or about 160 persons per seat. Of the total electors, 1,162 were women (less than 20%). Out of the 452 candidates for the 20 FNC elected seats, there were 65 female candidates. Only one woman was elected (from Abu Dhabi), but another seven were given appointed seats.

September 24, 2011, FNC Election. In the September 24, 2011, FNC election—which occurred in the context of the “Arab spring” uprisings that inspired demands for more popular input in the Arab states—the government expanded the size of the electorate to 129,000 electors, or “voters” (30 times as many as the 2006 election process). A total of 468 candidates filed to run for the 20 seats up for election on September 24, 2011, including 85 women—little more than the number of candidates who filed to run in the 2006 process. However, the 2011 electorate was nearly half female, in contrast to the fewer than 20% electors in the 2006 process. Candidate spending was not allowed to exceed $545,000. There was widespread press reporting of citizen apathy about the election, with 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, one of the more conservative emirates. It was believed that female candidates would have the best chance of winning in Dubai, considered the most liberal of the emirates. Other winners were elected along tribal lines; in Abu Dhabi, three of the four who were elected are from the Al Amiri tribe. Of the 20 appointed seats, six were women, bringing the total number of women in the FNC to 7. The government selected as FNC Speaker an appointed male member, well-known writer Mohammad...
al-Murr, and Amal al-Qubaisi, one of the appointed women, as deputy speaker. She became the first woman to hold so high a position in any GCC representative body.

**Government Handling of Opposition**

Inspired by the 2011 Arab uprisings and dissatisfied with the slow pace of reform, some UAE intellectuals, businessmen, students, and other groups have agitated—using primarily social media—for greater political space. Some UAE youth, using Facebook and Twitter, called for a protest on March 25, 2011, but it did not produce a significant demonstration. The government blocked some of the advertisements but the demonstration apparently also lacked broad support.

The government has attempted to address the activism and other popular demands. In March 2011, it invested about $1.5 billion in utilities infrastructure of the poorer, northern emirates; it raised military pensions by 70%; and it introduced subsidies for some foodstuffs. In March 2013, the government announced a “new look” cabinet to bring in youthful figures and ideas. Suhail al-Mazroui, widely considered a dynamic figure, was appointed Energy Minister, and Abu Dhabi royal family member, Shaykh Abdullah bin Mubarak al-Nuhayyan, was appointed Minister of Culture, Youth and Social Development with a mandate to reach out to UAE youth. The government’s most prominent female minister, Minister of Foreign Trade Shaykha Lubna Al Qassimi, was given an even higher profile role as head of a new Ministry of Development and International Cooperation, in charge of all UAE foreign aid and interaction with international bodies.

The government also has employed some repressive measures, even though public demonstrations did not materialize and the opposition appeared to be of no threat to the government. Five well-known online activists—the so-called “UAE-5”—were arrested and tried during 2011, but human rights organizations said their trials violated basic rights of the accused. The five were given jail terms in November 2011, but President Khalifa commuted their sentences and they were released. During April and May 2011, the government dissolved the elected board of directors of the Jurist Association and the Teachers Association, two leading civil society groups, after members of their boards signed petitions for political reforms. The boards were reconstituted with government appointees. The Jurists’ Association’s Human Rights Committee and the Emirates Human Rights Association (EHRA) are the only two recognized local human rights organizations in the country.

A prominent tool the government has used is a “cybercrimes decree” issued by President Khalifa on November 13, 2012 (Federal Legal Decree No. 5/2012), which established a legal base 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. On December 23, 2013, a UAE court sentenced a U.S. national, Shezanne Cassim, to one year in jail for violating the decree by making a video parodying youths in Dubai. An Emirati citizen, Obaid al-Zaabi, was arrested under the decree in December 2013 for “offending the Supreme Court” for his sending of Twitter messages (“tweets”) criticizing the lack of free speech in the UAE. He was acquitted on June 23, 2014.
**Efforts Against Domestic Muslim Brotherhood and Other Islamists**

The UAE leadership asserts that domestic allies of the region-wide Muslim Brotherhood organization—particularly a UAE affiliate called Islah (Reform)—constitute a threat to the state. Islah is one of the oldest and best organized groups in the UAE, first appearing in the UAE, as a Brotherhood offshoot, in 1974. Its base of support in the poorer and more religiously conservative northern emirates. It does not have a history of committing violent acts. In November 2014, the government identified Islah as one of 83 groups—most of which are regional radical Islamist groups such the Afghan Taliban, Al Qaeda, and the Islamic State organization—that it considers “terrorist groups” for domestic purposes.\(^5\)

The UAE government began to move against domestic Islamists assertively after Muslim Brotherhood member Mohammad Morsi was elected President of Egypt in 2012. UAE officials accused Islah of obtaining financial and other support from the Brotherhood in Egypt. The government also accused Islah of having ties to Yusuf Qaradawi, a pro-Brotherhood Egyptian cleric resident in Qatar,\(^6\) and it has repeatedly called on Qatar to expel Qaradawi. The split between Qatar and the UAE and other GCC states over the Muslim Brotherhood and other political Islamist movements is discussed further in the section on foreign policy. In April 2012, an Islah member who belongs to the royal family of Ras al-Khaymah, Dr. Sultan al-Qasimi, was arrested. Human rights lawyer Mohammad al-Roken was arrested in July 2012 after he provided legal services to Islah and the “UAE-5” mentioned above. In November 2012, a UAE court rejected an appeal by seven Islamists against the Interior Ministry’s revocation of their citizenship.

In July 2013, the UAE State Security Court sentenced 69 out of 94 UAE nationals—all of whom had been arrested during 2011 to 2013 for allegedly forming a secret Brotherhood-affiliated network plotting to overthrow the UAE government. They received sentences from 7 to 15 years. The other 26 were acquitted. In February 2015, three sisters were detained for protesting the “unfair trial” of their brother, Dr. Issa al-Suwaidi, who was one of the “UAE 94” in jail.

On June 19, 2013, UAE authorities referred another 30 persons, of which 20 are Egyptian nationals, to the same court for alleged connections to the main Muslim Brotherhood organization in Egypt. Their trial started on November 5, 2013, and they were sentenced in January 2014 to five years in prison. On January 21, 2014, the Federal Supreme Court ordered the closure of all offices and branches of the Brotherhood. In August 2014, the government detained ten Libyan businessmen allegedly connected to the Brotherhood, according to the Human Rights Watch annual report released in January 2015.

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

U.S. public criticism of the UAE measures against dissent have been relatively minor and episodic. In 2013 and thus far in 2014, official accounts of virtually all high-level U.S.-UAE meetings have focused almost entirely on regional and security issues. Still, the United States continues to promote democracy, rule of law, and civil society in the UAE with State Department programs accepted or tolerated by the UAE government. Such programs, funded largely by State Department programs such as the Middle East Partnership Initiative (MEPI), promote student and

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\(^6\) “UAE Targets Muslim Brotherhood in Crackdown on Dissent,” BBC, September 26, 2012.
women’s political participation, entrepreneurship, legal reform, civil society, independent media, and international trade law compliance. The U.S. Embassy in Abu Dhabi houses a MEPI office/staff that runs the MEPI programs throughout the Gulf region.

Still, suggesting its sensitivity to activities that could empower domestic opposition groups, the UAE has acted against some U.S. and European democracy promotion groups. On April 5, 2012, the government closed the National Democratic Institute (NDI) office in Dubai, and briefly barred both its American director and Serbian deputy director from leaving the country. NDI had been working for four years, with license from the UAE government and U.S. funding, to promote women’s rights and to advise on municipal governance. The government also shut down the office of the German democracy-promotion organization, the Konrad Adenauer Foundation, which was performing similar work. The UAE government asserted that these organizations were unacceptably meddling in UAE internal affairs.

Similarly, international criticism of the UAE crackdown on perceived oppositionists has been muted. On October 26, 2012, the European parliament adopted a resolution criticizing the crackdown. The UAE government claimed the resolution was based on erroneous information from UAE bloggers and other activists. Several European governments with close financial or security ties to the UAE, including Italy and France, made statements indicating disagreement with the European parliament resolution. And, the resolution did not prevent the UAE from assuming a seat on the U.N. Human Rights Council on November 12, 2012.

Other Human Rights-Related Issues

The State Department human rights report for 2013, released February 27, 2014, analyzes the government’s actions against dissent, and asserts that there are unverified reports of torture, government restrictions of freedoms of speech and assembly, and lack of judicial independence.7 Recent years’ Human Rights Watch’s “World Report,” issued each January, present similar findings on the issue of free expression as well as other human rights issues discussed below. Some domestic civil society organizations monitor the human rights situation in the UAE, including the Emirates Center for Human Rights (ECHR).

Media and Research Institute Freedoms

The UAE has consistently drawn praise for freedom of its media, although some of the more recent laws and decrees to restrict the use of social media has brought increased criticism of the government’s record on this issue. The new measures go well beyond those in a 2009 media law that allowed for penalties against journalists who personally criticize UAE leaders. 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 operates.

Since 2010, there have been increasing restrictions on research institutes, several of which had opened in UAE in the 1990s because of the perceived free expression. The government applied increasingly strict criteria to renewing the licenses of such research institutes and some, such as the Dubai-based Gulf Research Center (GRC), left the UAE entirely. In November 2012, the

7 http://www.state.gov/documents/organization/220592.pdf
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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 officials, such as those from Human Rights Watch, who have been critical of the UAE human rights record. In February 2013, the American University of Sharjah cancelled a conference on the “Arab Spring” because a speaker from the London School of Economics was denied entry.

Justice/Rule of Law

The UAE has a dual court system. Sharia (Islamic law) courts adjudicate criminal and family law matters. Civil courts, based on French and Egyptian legal systems, adjudicate civil law matters. The federal judiciary in the UAE began in 1973 with the establishment of the Federal Supreme Court. The federal judiciary now comprises the Federal Supreme Court, Federal First Instance Courts, and Federal Appeal Courts. The Federal Supreme Court consists of a president and a maximum number of five judges appointed by a decree issued by the President of the UAE and confirmed by the Federal Supreme Council. That Court adjudicates disputes erupting between emirates or between an emirate and the UAE federal government; the constitutionality of federal and other laws and legislations; conflicts of jurisdiction between the federal and local judicial authorities in the UAE or between emirates; and crimes directly affecting the interests of the UAE federation. It also interprets the provisions of the constitution and questions ministers and senior federal officials for official misconduct. Under the constitution, each emirate has the right to join the federal judiciary system or maintain its own judicial system, and Abu Dhabi, Dubai, and Ras al-Khaymah have opted for the latter arrangement. Foreign nationals hold many positions in the judiciary, making them subject to political influence because they can be easily threatened with deportation. Furthermore, local rulers review criminal and civil cases before referral to prosecutors, and these political leaders review sentences as well—and the rulers’ decisions supersede those of any court.

A 2012 amendment to the UAE constitution set up a “Federal Judicial Council” chaired by UAE President Khalifa. His deputy on that body is the chair of the Federal Supreme Court. UAE officials said the additional judicial body was needed to decide on all matters relating to the judiciary, judges, and judicial policies and legislation. Human rights groups objected to the fact that the body is chaired by the UAE President, but the UAE government stressed that the same constitutional amendment enshrined judicial independence.

Many observers note that justice in UAE is selective. For example, on January 10, 2010, a UAE court acquitted the UAE president’s brother, Shaykh Issa bin Zayid Al Nuhayyan, on charges of torturing an Afghan merchant. The UAE court ruled that Shaykh Issa was not liable because he was taking prescription drugs that affected his actions.

The UAE justice system has often come under criticism when expatriates are involved. Western expatriates have sometimes been arrested for sexual activity on UAE beaches. Arrests of noncitizens increased during the 2008-2009 financial crisis, possibly out of citizen frustration that globalization and dramatic economic expansion led to bursting of the economic “bubble” in UAE. 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

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8 CRS conversations with UAE officials. 2012-2014.
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 in late July 2013.

Women's Rights

Progress on women’s political rights has been steady—as exemplified by the November 2011 appointment of a woman as deputy FNC Speaker. Observers say the UAE is perhaps the only country in the Middle East where women are fully accepted working in high-paying professions such as finance and banking. There are four women in the cabinet: Shayha Lubna al-Qassimi (discussed above); Mariam al-Roumi, minister of social affairs; and two ministers without portfolio—Reem al-Hashimi and Maitha al-Shamsi. Seven women are in the Federal National Council, as discussed above, and six women serve on the 40-seat consultative council in Sharjah emirate. About 10% of the UAE diplomatic corps is now female; none served prior to 2001. In September 2013, the UAE appointed a female, Lana Nusseibeh, as UAE Permanent Representative to the United Nations. In November 2008, Dubai emirate appointed 10 female public prosecutors. The UAE Air Force has four female fighter pilots, one of whom is participating prominently in UAE air operations in Syria.

More broadly, women in the UAE are still at a legal disadvantage relative to men, for example in divorce cases and other family law issues. 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.

Religious Freedom

The State Department report on international religious freedom for 2013, issued July 28, 2014, generally repeated previous years' assessments. 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 on the books but is not known to be enforced. In practice, non-Muslims in UAE are free to practice their religion; there are 35 Christian churches built on land donated by the ruling families of the various emirates, but there are no Jewish synagogues or Buddhist temples. There is a Sikh temple that shares a building with one of two existing Hindu temples. Buddhists, Hindus, Sikhs, and Jews conduct religious ceremonies in private homes and in hotels or other rented locations 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 Shites in top federal posts. At times, the government has acted against non-UAE Shiite Muslims because of their perceived support for Iran, Syrian President Bashar Al Assad, Lebanese Hezbollah, and the mostly Shiite opposition in Bahrain. In 2012, the government closed a Shiite madrassa (school) and, in May 2012, it denied permission to UAE Shites to host a meeting of worldwide Shites. In March 2013, the

10 http://www.state.gov/j/drl/rls/irf/religiousfreedom/index.htm?year=2013&dlid=222317#wrapper
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government deported 30 Shiite Muslims, including those from Pakistan, Iraq, Syria, and Lebanon. The UAE and other GCC states have taken some steps to expel Lebanese Shiites to pressure Lebanese Hezbollah for its direct military support of the Assad regime in Syria.

**Labor Rights/Migrant Worker Rights**

The law prohibits all forms of compulsory labor, but it is not enforced effectively. On several occasions, foreign laborers working on the large, ambitious construction projects in Dubai 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 the alleged poor conditions and said the university would work with Abu Dhabi authorities to investigate and rectify the working conditions. In the past, the Labor Ministry has addressed similar complaints by penalizing employers and establishing a process (June 2008) to have workers’ salaries deposited directly in banks.

**Human Trafficking**

Other social problems might be a result of the relatively open economy of the UAE. The UAE is still considered a “destination country” for women trafficked from Asia and the former Soviet Union. The Trafficking in Persons report for 2014, released in July 2014, again placed the UAE in “Tier 2”—the same level as in the reports for the four prior years. The Tier 2 placement for 2014 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.

The 2014 report notes, as do previous years’ reports, that UAE authorities have prosecuted and punished sex trafficking offenders. However, the UAE efforts against forced labor—including unlawful withholding of passports, restrictions on movement, nonpayment of wages, and physical or sexual abuse of workers—have been less significant. 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 at camel races. In October 2013, the UAE government set up a 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.

**Foreign Policy and Defense**

In 1981, after the start of the Iran-Iraq war in 1980, the UAE banded together in alliance with fellow Gulf monarchy states Saudi Arabia, Kuwait, Qatar, Bahrain, and Oman to form the Gulf Cooperation Council (GCC). After the 1990 Iraqi invasion of Kuwait, the UAE and other GCC

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states determined that they needed a close security relationship with the United States to protect not only from Iraq but from the potential threat from Iran. The U.S.-UAE relationship has since remained central to UAE foreign and security policy, even as it pursues an assertive stance against regional Muslim Brotherhood organizations that diverges somewhat from the Obama Administration.

The UAE Within the GCC

Beyond securing the UAE itself, the UAE’s core foreign policy interest is to secure the GCC as a whole. The GCC leaders have increasing military and political coordination among them as Iran and the international community negotiate an agreement to limit Iran’s nuclear program. Most, if not all, the GCC leaders appear to believe that a final deal could cause the United States to de-emphasize its commitments to Gulf security. The GCC summit in Doha in early December 2014 agreed to a plan to establish a joint military command and joint naval force to be based in Bahrain. A “Gulf Academy for Strategic and Security Studies,” to be located in Abu Dhabi, is to support the new naval force. Earlier GCC plans to establish joint forces and command structures repeatedly faltered over disagreements within the GCC on details and limitations in manpower. All of the GCC states still apparently prefer to deal with the United States bilaterally rather than adopting the U.S. preference to coordinate with the GCC as a bloc.

On most security and foreign policy issues, the UAE and de-facto GCC leader Saudi Arabia converge. In 2011, the UAE joined the Saudi-led GCC military intervention in Bahrain to support the Al Khalifa regime in Bahrain against a Shiite-led uprising. The UAE sent 500 UAE police to join a 1,000 troop Saudi force that deployed to Bahrain in March 2011. At least some of the UAE force remained after that time, because one UAE police officer was killed, along with two Bahrain police, in an opposition bombing in Manama on March 4, 2014. The UAE, Saudi Arabia, Kuwait, and Qatar also have provided financial help to Bahrain and Oman; Oman faced significant protests in 2011. In May 2013, the UAE pledged $5 million to a G-8 countries “Transition Fund” to help Bahrain, Oman, and other Arab countries experiencing unrest.

In Yemen, the UAE joined a high-profile GCC mediation effort that reached an agreement for President Ali Abdullah Saleh to step down in January 2012. The UAE and other GCC countries have warned that Iran is increasing its influence on the Arabian Peninsula by arming the rebel Zaydi Shiite “Houthi” rebel faction. The Houthis took over large parts of the capital, Sanaa, in September 2014 and forced out Saleh’s successor Abdu Rabbu Mansur Al Hadi in January 2015.

At the same time, the UAE and the other smaller Gulf states remain wary of ceding too much GCC authority to Saudi Arabia. The UAE and the other smaller Gulf 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.

Iran

UAE leaders, as do most of the other GCC leaders, consistently assert that the perceived threat from Iran is a core UAE foreign policy and defense interest. Differences among the GCC states on the perceived threat from Iran are minor, and all cooperate with U.S. efforts to counter Iranian
power and capabilities. The GCC states publicly back ongoing nuclear talks between Iran and the international community, but the UAE and several other GCC states privately back U.S. military action against Iran’s nuclear facilities should talks fail.12

One factor motivating particular 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. The U.S. position is that it takes no position on the sovereignty of the islands, but supports the UAE’s call to negotiate the dispute.

In October 2008—two months after the UAE protested Iran’s opening in August 2008 of administrative and maritime security offices on Abu Musa—the UAE and Iran signed an agreement to establish 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, mostly Iranian fishermen. The UAE withdrew its ambassador from Tehran, and UAE officials said the action undermined many months of quiet UAE-Iran diplomacy on the issue, including the naming of negotiators on both sides. Iran incurred further UAE criticism with a May 2, 2012, visit to the island by Islamic Revolutionary Guard Corps (IRGC) Commander-in-Chief Mohammad Ali Jafari to discuss making the island a tourist hub.

The ongoing Iran nuclear negotiations have improved prospects to resolve the islands issue. UAE Foreign Minister Abdullah bin Zayid al-Nuhayyan visited Tehran on November 28, 2013, and obtained an agreement from Iran to begin bilateral discussions on the status of Abu Musa. Iran also reportedly began reducing its presence on the island. On December 4, 2013, Iranian Foreign Minister Mohammad Javad Zarif visited UAE and invited the UAE leadership to visit Iran. Such a visit has not taken place to date. Experts say the two countries are still discussing a possible solution under which Iran might cede control of the disputed islands in exchange for rights to the seabed around them.13

Aside from the islands issue, UAE officials, particularly those from Abu Dhabi, have long asserted that the large Iranian-origin community in Dubai emirate (estimated at 400,000 persons) could pose a “fifth column” threat to UAE stability. This large population of Iranian expatriates is a product of long-standing UAE-Iran commercial ties; many Iranian firms and individuals—primarily in the import-export business—operate from the UAE, taking advantage of the UAE’s drive to position itself as a global trading and financial hub. At the same time, the UAE seeks to deny Iran any justification for aggression or adverse action against the UAE, and it allowed then Iranian President Mahmoud Ahmadinejad to hold a rally for Iranian expatriates in Dubai in 2007.

The extensive Iranian commercial presence in the UAE gives the United States ample opportunity to enlist the UAE in a multilateral effort to stiffen international sanctions on Iran. Since 2010, when international sanctions on Iran began tightening dramatically, UAE-Iran trade has dropped from $23 billion annually to about $4 billion, a decline that has economically harmed the

12 Author conversations with UAE officials. 2009-2013.
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powerful UAE trading community. Much of the trade between the two consists of reexportation of U.S. and European goods to Iran. In October 2010, the UAE government directed its banks to fully comply with the restrictions outlined in U.N. Security Council Resolution 1929 (adopted June 9, 2010). 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 representatives say that Iranian-owned banks that continue to operate in UAE, including Bank Saderat and Bank Melli, do so only in cash and are relatively inactive. Closing them outright would, according to UAE officials, unduly antagonize Iran.

The UAE and other Gulf oil producers have cooperated with U.S. efforts to reduce Iran’s oil income by offering to sell more oil to countries that want to reduce their buys from Iran. Still, some small firms in the UAE continue to supply gasoline to Iran even though such activity is potentially sanctionable under the Iran Sanctions Act (P.L. 104-172, as amended). Some UAE firms have been sanctioned under the act for those sales.

Other Regional Issues

The UAE has taken an assertive stand within the GCC in opposing political Islamist movements, particularly those linked to the Muslim Brotherhood. This stance has manifested in UAE policies on such diverse regional issues as those affecting Egypt, Libya, Syria, and the Palestinian territories, where factions linked to or derived from the Muslim Brotherhood operate. The UAE views the Brotherhood as a threat not only to the UAE domestically but also the other GCC states and to regional stability more broadly. Some critics assert that the UAE position represents support for “counter-revolution” that resists progress toward democracy that was hoped for as a product of the 2011 Arab uprisings.

The disagreements on regional issues have caused a political rift within the GCC—particularly between Saudi Arabia, Bahrain, and the UAE on the one side and Qatar on the other. Qatar is a supporter of Brotherhood-linked organizations, viewing political Islam as the inevitable future of the Middle East region. The differences caused the UAE, Saudi Arabia, and Bahrain to recall their ambassadors from Qatar in March 2014. They returned the ambassadors to Doha in November 2014 following an agreement that the GCC countries will strive to better coordinate their foreign policies and not work against each other’s interests. The differences on this issue have not affected on-the-ground intra-GCC defense cooperation.

Egypt and Libya

The intra-GCC rift on the Muslim Brotherhood issue emerged in the context of the 2011 uprising in Egypt. The UAE and Saudi Arabia support a post-Mubarak political structure in Egypt that has been hostile to the Muslim Brotherhood. The two GCC states strongly opposed the election of a leader of the Muslim Brotherhood, Mohammad Morsi, as President in July 2012 and supported the Egyptian military’s ouster 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 Saudi-led package to financially stabilize the military-led government in Cairo. The aid totaled $12 billion ($5 billion from Saudi Arabia and $4 billion from Kuwait, in addition to the

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UAE funds. At a meeting in Cairo in March 2015, Shaykh Mohammad bin Rashid (UAE Vice President) stated that the UAE has given Egypt about $14 billion in loans, grants deposited directly to Egypt’s Central Bank, and investments in Egypt’s economy since the ouster of Morsi.

The intra-GCC dispute on Egypt has spilled over into the issue of post-Qadhafi Libya. The UAE, Saudi Arabia, and Qatar all participated in the NATO coalition-led effort that ousted Qadhafi in 2011 but, as post-Qadhafi Libya descended into chaos, the UAE and Qatar each have supported rival factions. In late 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 enjoy support from Qatar. The United States reportedly quietly communicated its disapproval to the UAE of its action on the grounds that additional outside military intervention will not likely produce stability in Libya. In February 2015, Egypt conducted a strike against Islamic State organization loyalists in Libya in retaliation of the Islamic State’s killing of 21 Egyptian Coptic Christians who were in Libya. The UAE publicly backed the Egyptian strike but did not participate in it.

Syria

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. The GCC states based their argument on the asserted need to strategically weaken Iran in the Middle East and to defend the Sunni Arabs who form the bulk of the Syria rebellion. Currently, the UAE argues that ousting Syrian President Bashar Al Assad is key to weakening Syrian support for the Islamic State.

The UAE joined its GCC allies in April 2012 in offering about $100 million in funds to Syrian rebels—none of which were linked to the Islamic State—to be used for salaries and to buy weapons and services. In contrast to Saudi Arabia, the UAE has not supplied any weapons to Syrian rebel factions. As an apparent reflection of the broader schism in the GCC, Qatar reportedly has supported rebel factions that were rivals of those supported by the UAE and Saudi Arabia. As discussed further below, the UAE and several other GCC states have joined U.S. air strikes against the Islamic State organization in Syria, while continuing to urge the United States to apply military pressure on the Assad regime to negotiate a transition.

The UAE has also sought to alleviate suffering from the Syria crisis. In March 2013, the UAE government and various UAE charity organizations (Red Crescent Authority, Khalifa bin Zayid Al Nuhayyan Foundation, and Sharjah Charity Association) donated $330 million to help Syrian refugees. The UAE separately has given $1.25 billion to Jordan to help it cope with the Syrian refugees that have fled there because of the violence.

Iraq

UAE officials blamed the Shiite-dominated government of former Prime Minister Nuri al-Maliki for provoking Sunni resentment that led to the Islamic State success there. The UAE has praised the change of leadership in Iraq to Prime Minster Haydar Al Abbadi, and welcomed him on a visit

to the UAE in mid-December 2014. While building a positive relationship with Al Abbadi, UAE officials say they remain wary of continuing Iranian influence in Iraq, and in particular the reliance of the Iraqi government on Iran-trained Shiite militia forces.

Earlier, the UAE undertook several initiatives to support U.S. efforts to stabilize Iraq after the fall of Saddam Hussein. During 2003-2011, 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. In June 2008, the UAE appointed an Ambassador to Iraq, Abdullah Ibrahim al-Shehi. In July 2008, the UAE wrote off $7 billion (including interest) in Iraqi debt, and Shaykh Mohammad bin Zayid visited Iraq in October of that year. In February 2012, the UAE opened a consulate in the Kurdish region of Iraq administered by the Kurdistan Regional Government (KRG). UAE companies have invested in housing and other projects in Iraq.

Relations with Israel/Israeli-Palestinian Dispute

The UAE has no official relations with Israel, but the two countries have similar positions on Iran and there are increasingly frequent reports of informal Israel-UAE diplomatic cooperation and even security cooperation conducted through private firms.\(^{17}\) Israeli diplomats have attended multilateral meetings in the UAE. On January 19, 2014, the UAE hosted a conference of the International Renewable Energy Agency (IRENA), attended by Israel’s Minister of National Infrastructure, Energy, and Water Silvan Shalom. The interactions suggest the two countries have overcome recriminations over an apparent Israeli assassination of a Hamas figure (Mahmoud al-Mabhouh) at a hotel in Dubai in 2010.

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

On the Israeli-Palestinian dispute, the UAE’s positions are similar to those of virtually all other Arab states—full support for the Palestinian Authority’s bid for statehood recognition and membership in other international bodies. In 2009, the UAE government permitted street demonstrations in support of Hamas during its war with Israel. However, in line with its post-Arab Spring shift against Muslim Brotherhood-related movements, the UAE criticized Qatar’s support for Hamas in the July 2014 conflict between Hamas and Israel. Hamas formed in the late 1980s out of Brotherhood groups in the Palestinian territories.

Unlike Saudi Arabia and other Arab states, the UAE has not advanced its own proposals to resolve the Israeli-Palestinian dispute or directly mediate between Palestinian factions. 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.

\(^{17}\) http://www.middleeasteye.net/news/secret-jet-flying-between-israel-and-uae-567607953
The UAE has been a donor to the Palestinians. According to the UAE government, the UAE has provided nearly $550 million to humanitarian projects for Palestinian refugees in the Palestinian territories, and in Syria; the funds have been channeled in part through the U.N. Relief Works Agency (UNRWA). One major UAE action has been to fund a housing project in Rafah, in the Gaza Strip, called “Shaykh Khalifa City.”

Other 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:

- One fund, the Abu Dhabi Fund for Development (ADFD), established in 1971, has distributed about $4.0 billion to 207 projects in 53 countries.
- The UAE provided $100 million to aid victims of the December 2004 tsunami in the Indian Ocean.
- In May 2011, the UAE donated $30 million to the Australian state of Queensland to fund cyclone shelters.
- In July 2011, UAE foundations responded to a U.N. appeal for aid to the victims of a drought in East Africa. In February 2012, the UAE announced an additional $2 million donation to the Local Stability Fund that provides relief to 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 substantial sums for humanitarian causes in the United States, including $150 million for a cancer center at the University of Texas; $100 million to assist New Orleans after Hurricane Katrina in 2005; $150 million to a children’s medical center in Washington, DC, in 2009; and $1 million worth of Apple laptop computers to the Joplin, Missouri, public schools systems in the wake of the May 2011 tornado there.

Security Cooperation with the United States

U.S.-UAE defense cooperation has taken on numerous dimensions, including UAE participation in U.S.-led military operations in the region, including in Somalia (1992), the Balkans (late 1990s), Afghanistan (since 2003), Libya (2011), and against the Islamic State (since mid-2014). Some experts say the UAE has joined U.S.-led operations to further bind the United States to UAE security, to prepare its forces for potential combat with adversaries such as Iran, and to increase UAE influence over U.S. regional policy. UAE officials assert that regional security depends on significant sustained U.S. involvement, while also supporting increased intra-GCC military coordination. Senior U.S. officials, most recently during a meeting between Secretary of State Kerry and GCC foreign ministers in March 2015, have repeatedly have sought to reassure the GCC states of an enduring U.S. commitment to Gulf security, no matter the outcome of nuclear talks with Iran.

18 Factsheet provided by UAE Embassy in Washington, DC, June 2011.
The United States and UAE have established a “Joint Strategic Military Dialogue” to better integrate U.S. capabilities with those of the UAE. The Dialogue is to include UAE development of a defense plan that will facilitate joint U.S.-UAE planning in case of attack on the UAE. Chairman of the Joint Chiefs of Staff General Martin Dempsey headed the session of the Dialogue in late May 2014.

**Defense Cooperation Agreement and U.S. Forces in UAE**

The framework for U.S.-UAE defense cooperation is a 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 caused the UAE to void the SOFA and legal incidents are now handled on a “case-by-case basis.” Under the DCA, the UAE allows U.S. use of facilities as Jebel Ali port and Al Dhafra Air Base. Some U.S. personnel reportedly are stationed at naval facilities at Fujairah. Approximately 5,000 U.S. forces are stationed in the UAE—up substantially from 800 before the 2003 U.S. intervention in Iraq. Jebel Ali is capable of handling aircraft carriers, which is the U.S. Navy’s busiest port of call. About 3,500 U.S. personnel, mostly Air Force, are at Al Dhafra air base. That 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 ongoing operations in Iraq and Syria (against the Islamic State organization and in Afghanistan).

The U.S.-UAE defense pact has also reportedly included U.S. training of UAE armed forces; UAE forces are relatively small—about 51,000. The quality of the UAE force has benefitted substantially from the U.S. training, enabling UAE forces to play a substantial role in U.S.-led operations in the region. 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. 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.

To address the persistent manpower problems, the UAE cabinet has begun drafting legislation to set up a new national defense and reserve force, to include mandatory military training. Another mechanism the UAE has used to compensate for manpower shortfalls has been the use of private security contractors. The UAE confirmed on May 15, 2011, that it had retained the U.S. private

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19 Author conversations with UAE officials. July 2014.
25 “A Quiet, Potent Ally to U.S.” op.cit.
firm 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. *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.

**UAE Participation in Recent U.S.-Led Combat Missions**

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. The UAE and other GCC states have not conducted air operations against Islamic State forces in Iraq, in part because doing so could trigger a backlash from Iran. No Arab state, including the UAE, contributed ground forces to the U.S.-led Operation Iraqi Freedom that overthrew Saddam Hussein.

*Afghanistan (Since 2003).* The UAE has assisted the U.S.-led mission to stabilize Afghanistan by deploying a 250-person contingent of troops since 2003. The UAE forces, the only Arab combat forces in Afghanistan, operate in the restive southern part of Afghanistan, particularly Uruzgan Province, where they not only conducted combat but also built health clinics and mosques. 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. UAE representatives say that UAE forces will remain in Afghanistan alongside any U.S. forces that remain after the end of the current international security mission in 2014. The UAE has a counterpart to the Obama Administration’s Special Representative for Afghanistan and Pakistan (SRAP).

The UAE has provided about $350 million in economic aid for Afghanistan since the fall of the Taliban. The projects funded with UAE aid include “Zayed University,” a college serving over 6,000 Afghan students per year; six medical clinics; a major hospital with a capacity of 7,000 patients; the building of “Zayed City” that houses 200 Afghan families displaced by violence; 160 drinking wells; and 38 mosques.

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, as discussed.

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

28 Information provided to CRS by the UAE Embassy in Washington, DC, December 2009.
Libya (2011). To help the United States and partner countries oust Libyan leader Muammar Qadhafi 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. It reportedly sent some weapons to the Libyan rebels.29 In May 2011, the UAE formally recognized the Benghazi-based Transitional National Council (TNC) as the sole representative of the Libyan people and pledged financial support to it. In March 2012, the UAE transferred 58 aging Mirage 2000 combat aircraft to the post-Qadhafi government. The UAE has provided about $13 million in aid to post-Qadhafi Libya through the UAE government and UAE charity organizations.

Operations Against the Islamic State (since mid-2014). The UAE is emerging as a core member of the U.S.-led coalition to defeat the Islamic State organization that has taken control of significant parts of Iraq and Syria. Upon President Obama’s September 10, 2014, formal announcement of the U.S. effort to forge a multilateral coalition to try to defeat the Islamic State in both Iraq and Syria, the UAE and other GCC states joined the alliance. As of September 22, 2014, the UAE, Saudi Arabia, and Bahrain, as well as Jordan, have conducted strikes in partnership with U.S. aircraft in Syria. The UAE has conducted more strikes in Syria than any country except the United States, and is the only Arab state that the United States has permitted to command strikes there.30 Participating in the strikes is the UAE’s first female combat pilot, Mariam al-Mansouri. The United States has, at least to date, restrained the UAE from more aggressive air operations against Islamic State convoys in Syria if doing so risks civilian casualties.31

The UAE suspended its airstrikes over Syria during December 2014 until early February 2015 over concerns that the U.S.-led coalition had stationed insufficient search and rescue forces near northern Syria. The UAE concerns were heightened when a Jordanian aircraft went down over Syria in December 2014 and its pilot was captured and subsequently killed by the Islamic State.32 In early February 2015, the United States reportedly stationed additional search and rescue assets in northern Iraq, better positioning the coalition to conduct rescue operations in Syria, and the UAE resumed its air operations over Syria alongside the coalition.

The UAE also hosts forces from other countries that are participating in the anti-Islamic State effort, including those the nine French jets stationed at Al Dhafra Air Base as well as 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.

U.S. and Other Arms Sales

The UAE views arms purchases from the United States as enhancing the U.S. commitment to UAE security, and the United States views the sales as enhancing the U.S.-led Gulf security architecture by building up indigenous GCC capabilities and promoting inter-operability. From 2007 to 2010, the UAE agreed to acquire $10.4 billion worth of U.S. defense articles and services

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

31 Ibid.

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through the Foreign Military Sales (FMS) program—more than any other country in the world except Saudi Arabia.33

Earlier, 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.

Among major FMS programs with or potential sales to the UAE:

- **F-16 Program.** In March 2000, the UAE purchased 80 U.S. F-16 aircraft, equipped with the Advanced Medium Range Air to Air Missile (AMRAAM) and the HARM (High Speed Anti-Radiation Missile), a deal exceeding $8 billion. Congress did not try to block the aircraft 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, visiting 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, and which U.S. officials indicated were intended to signal resolve to Iran.34

- **JDAMs.** In 2011, the United States sold the UAE an additional package of 4,900 Joint Direct Attack Munitions (JDAM) kits (which convert gravity bombs to precision-guided bombs). The sale had 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 interpreted 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.

- **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).35

- **Joint Strike Fighter.** Press reports say the UAE and other Gulf states are interested in purchasing the advanced F-35 “Joint Strike Fighter” if and when the United States approves it for sale to the Gulf states. UAE officials maintain that possessing the most sophisticated U.S. aircraft enhances interoperability with U.S. air forces during joint operations, such as the airstrikes against the Islamic State organization discussed below. The UAE is said to also be evaluating the French-made Rafale and the Boeing F/A-18.

- **Possible Drone Sale?** At the IDEX defense show in February 2013, the UAE reportedly agreed to a commercial sale, worth about $200 million, for Predator unmanned aerial vehicles (UAVs), although the system apparently would be unarmed and for surveillance only. Still, Defense Department officials say they

have not completed formulating a policy for the sale of such equipment to the Gulf states and it is possible that the deal might not be permitted by DOD.

Coordinated Missile Defense

A key U.S. objective—and a driving force behind the formation of the “U.S.-GCC Strategic Cooperation Forum”—has been to organize an integrated Gulf-wide missile defense network against Iran’s missile force. Then Secretary of State Clinton inaugurated the Forum in Riyadh, Saudi Arabia on March 31, 2012. Clinton continued to press the issue at the second ministerial of the U.S.-GCC Strategic Cooperation Forum on September 28, 2012, held on the sidelines of the U.N. General Assembly meetings in New York. The Forum convened again on September 26, 2013, at the sidelines of the U.N. General Assembly, but focused mainly on regional issues.

Senior U.S. defense and foreign policy officials have promoted the concept of coordinated GCC missile defense network as part of an overall U.S. shift to try to work with the GCC as a bloc rather than country-by-country. A December 16, 2013, Presidential Determination to allow defense sales to the GCC as a bloc represented an effort to implement that view. The determination was intended in part to promote the Gulf-wide integrated missile defense network.36

The UAE has been spearheaded within the GCC the U.S. effort to forge a Gulf-wide missile defense network. 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 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.37 No THAAD deliveries have begun, to date.

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.

Defense Relations with Other Nations and Alliances

In recent years, the UAE has sought to broaden its defense relationships. 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.

36 http://www.whitehouse.gov/the-press-office/2013/12/16/presidential-determination-gulf-cooperation-council
Since well before the assembly of a coalition to combat the Islamic State organization, 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. Since September 2014, French forces have used the facilities to participate in airstrikes against the Islamic State organization. In September 2014, the UAE also agreed to host 600 Australian forces who are participating in the U.S.-led anti-Islamic State campaign. UAE forces still use previously bought 380 French-made Leclerc tanks and 60 Mirage 2000 warplanes.

Cooperation Against Terrorism and Proliferation

The UAE cooperates extensively with U.S. counter-terrorism and counter-proliferation activities that go well beyond military operations against the Islamic State. U.S. programs, involving small amounts of U.S. financial assistance, have helped the UAE increase its enforcement of border and financial controls that have in the past sometimes failed to prevent Western technology from reaching Iran and terrorists transiting the UAE and using its financial system. No U.S. aid to UAE for these programs has been provided since FY2011.

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, and they reportedly used UAE-based financial networks in the plot. Since the attacks State Department “Country Reports on Terrorism” including the latest one for 2013 (April 30, 2014) have credited the UAE with making significant efforts against terrorism and terrorism financing. The State Department reports say 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 July 2014, the FNC approved a draft counter-terrorism law that makes it easier to prosecute, and increases penalties for, planning acts of terrorism, and authorizes the UAE cabinet to set up lists of designated terrorist organizations and persons. The draft law was signed into law by President Khalifa on August 21, 2014.

Among notable recent successes, in October 2010, UAE authorities assisted in foiling an Al Qaeda in the Arabian Peninsula plot to send bombs to the United States. On December 26, 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.

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38 “Islamic State Crisis: Australia to Send 600 Troops to UAE.” BBC news, September 14, 2014.
of supporting the Al Nusrah Front, an Al Qaeda-linked faction of Syrian rebels that is named by the United States as a Foreign Terrorist Organization (FTO).

Yet, the United States and the UAE sometimes differ on definitional and designation issues involving terrorism. In mid-November, UAE media published a list of 83 groups that the UAE government considers for internal purposes to be terrorist groups. The list included the Muslim Brotherhood and its regional affiliates, including the UAE Islamist faction Islah: the Brotherhood is not named by the United States as a terrorist organization, nor are all of its local affiliates. The list also included several 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 government has accused of any involvement in 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. Other organizations listed by the UAE include those that are listed by the United States as FTOs or are widely acknowledged to be using violence, including: Al Qaeda; Al Nusrah Front (Syrian rebel group); Boko Haram (Nigerian Al Qaeda affiliate); Hamas; Lebanese Hezbollah; the Islamic State organization; Houthi rebels in Yemen; and the Afghan Taliban.

The UAE Central Bank’s Financial Intelligence Unit is credited in recent 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). A law to strengthen the UAE’s anti-money laundering efforts is reportedly in the final stages of consideration, and in June 2014 the UAE set up a financial task force to better prevent use of UAE financial institutions by terrorist organizations. 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.

On December 13-14, 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 a 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. The UAE is a founding member of the GCTF, which was formed in September 2011.

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

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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.

**Export Controls**

The UAE effort to prevent the re-export of advanced technology, particularly to Iran, has improved considerably since mid-2010. Taking advantage of geographic proximity and longstanding tradition of Iranian firms’ locating in Dubai emirate, numerous Iranian entities involved in Iran’s weapons and technology programs apparently established offices in Dubai that were being used to try to procure Western technology. 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 transshipment 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.

In January 2009, the Institute for Science and International Security issued a report entitled “Iranian Entities’ Illicit Military Procurement Networks,” published January 12, 2009. The report asserted that Iran has used UAE companies to obtain technology from U.S. suppliers, and that the components obtained have been used to construct improvised explosive devices (IEDs) shipped by Iran to militants in Iraq and Afghanistan. Other UAE companies the report alleges were involved in this network included not only Mayrow but also Majidco Micro Electronics, Micatic General Trading, and Talinx Electronics.

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 create a new category of countries called “Destinations of Diversion Control”—countries for which there is determined to be reexportation of controlled technology to Iran and other countries forbidden from receiving such U.S. goods. The UAE was one intended designee country. A June 2010 Iran sanctions law, the Comprehensive Iran Sanctions, Accountability, and Divestment Act (CISADA, P.L. 111-195) set up that category and mandates sanctions on countries determined to be Destinations of Diversion Control.

The improved performance of the UAE on this issue has caused these provisions not to be implemented with respect to the UAE. In September 2007, the FNC adopted a law strengthening export controls, and UAE authorities immediately used that law to shut down 40 foreign and UAE firms allegedly involved in dual use exports to Iran and other countries. On July 22, 2010, Deputy Assistant Secretary of State for International Security and Nonproliferation Vann Van


Diepen testified before the House Foreign Affairs Committee’s Subcommittee on Terrorism, Nonproliferation and Trade that the UAE had augmented the staff of the office that implements the 2007 law. He added that the UAE’s enforcement bodies—customs, law enforcement, and intelligence services—are functioning to that end.\textsuperscript{46} In September 2012 the UAE (and Bahrain) impounded shipments to Iran of items that Iran purportedly sought for use in its nuclear program. As a GCC member, the UAE participates in the U.S.-GCC Counterproliferation Workshop.

The issue of leakage of technology has sometimes caused U.S. criticism or questioning of UAE investment deals. In December 2008, some Members of Congress called for a review by the interagency Committee on Foreign Investment in the United States (CFIUS) of a proposed joint venture between Advanced Micro Devices and Advanced Technology Investment Co. of Abu Dhabi for the potential for technology transfers. In February 2006, CFIUS approved the takeover by the Dubai-owned “Dubai Ports World” company of a British firm that manages six U.S. port facilities. 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 (divestment completed in late 2006 to AIG Global Investments). Little opposition was in the United States expressed to a November 2007 investment of $7.5 billion by the Abu Dhabi Investment Authority (ADIA) in Citigroup, which was then troubled by the global financial crisis.

\section*{Nuclear Agreement and other Technology Issues\textsuperscript{47}}

The UAE announced in 2008 that it would acquire its first nuclear power reactors to satisfy projected increases in domestic electricity demand.\textsuperscript{48} 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 are trying to achieve what experts call a “gold standard” a nuclear project with no proliferation potential. A number of U.S. and European firms have secured administrative and financial advisory contracts with the program. The 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)], was signed by the Obama Administration 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, compared to only 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 “123 Agreement” entered into force on December 17, 2009.

In January 2010, the Emirates Nuclear Energy Corporation (ENEC), the institution that is administering the program, announced that it had chosen the Korea Electric Power Corporation (KEPCO of South Korea) to construct the first of four APR1400 nuclear reactors that would sell electricity to the Abu Dhabi Water and Electricity Authority. The first plant is expected to start

\textsuperscript{46} Testimony of Mr. Vann Van Diepen before the House Foreign Affairs Committee. July 22, 2010.

\textsuperscript{47} This section was prepared by Paul Kerr, Analyst in Weapons of Mass Destruction Nonproliferation, CRS. See CRS Report R40344, \textit{The United Arab Emirates Nuclear Program and Proposed U.S. Nuclear Cooperation}, by Christopher M. Blanchard and Paul K. Kerr.

\textsuperscript{48} 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.
operating in 2017 and the other three are scheduled to be completed and operational by 2020.49 The plant construction is taking place near Abu Dhabi’s western border with Saudi Arabia.50

As part of the process of obtaining U.S. support for the project, 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 December 14, 2011, that a group of experts had a reviewed the UAE’s regulatory framework for the program; the experts found “noted good practices” and provided suggestions to the Federal Authority for Nuclear Regulation, the UAE’s nuclear regulatory authority.51

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 one that is widely considered weakly regulated. The UAE, particularly Dubai emirate, has pursued an economic strategy based partly on attracting investment to construct large numbers of high-technology, luxurious, and futuristic projects that provide jobs and attract tourism. The UAE also is participating in Gulf-wide economic infrastructure projects such as a railroad network connecting all the GCC states, to become operational by 2017.

The UAE economy was affected significantly by the 2007-2009 global financial crisis, which caused widespread layoffs and the departure of thousands of foreign workers and left UAE banks with vast amounts of nonperforming loans.52 The downturn in real estate prices also affected regional investors, such as those in Afghanistan, who bought into high-end housing such as on the Palm Islands. The fall in value caused a collapse of a major Afghan bank, Kabul Bank, in September 2010.

To address the crisis, the federal government took on some public debt and drew upon its “sovereign wealth funds” to inject money into Dubai banks. By the end of 2011, the UAE’s worst economic problems were behind it. As of the end of 2014, the country has over $600 billion in investments held by sovereign wealth funds—funds which can help the UAE deal with such current difficulties as the precipitous drop in oil prices in 2014. The largest such funds are 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 for which to provide services. For example, 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 2.5 million–2.7 million barrels per day (mbd). Of that, over 2 mbd are exported, and the UAE may have 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 a deal (Dolphin project) with neighboring countries under which a recently constructed pipeline carries natural gas from the large gas exporter, Qatar, to the UAE and on to Oman as well.

In addition, the UAE is trying to secure its oil export routes against any threat by Iran to close the strategic Strait of Hormuz, through with the UAE and other major oil exporters transport their oil exports. In mid-July 2012, the UAE loaded its first tanker of oil following completion of the Abu Dhabi Crude Oil Pipeline (ADCOP) which terminates in the emirate of Fujairah, on the Gulf of Oman. The line, which cost $3 billion, has a 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.

Seeking to reinvest its oil wealth, Abu Dhabi has sought in recent years to outdo Dubai by building local branches of famous U.S. and European museums. However, it has also tried to use its oil wealth to plan for a time when the developed world is no longer reliant on oil imports. 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. In 2013, U.S. firms exported about $24.6 billion worth of goods to the UAE. Over 1,000 U.S. companies have offices there and there are 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 Ettihad Airlines.

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 is 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

53 http://www.thenational.ae/events/areas/abu-dhabi/adnoc-preserves-spare-supplies.

54 “Abu Dhabi: In the Pipeline.” The Middle East, January 26, 2012.
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area—essentially a GCC-wide trade and investment framework agreement (TIFA). The negotiations were led by the U.S. Trade Representative (USTR), and an agreement was signed on September 25, 2012.

Because of the UAE’s relative wealth, it has received small 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.

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

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