

3

The United Arab Emirates and the Indo-Pacific Conundrum

Dr. Jean-Loup Samaan



Over the past decade, the United Arab Emirates (UAE) raised its foreign policy ambitions to become a strategic player beyond the Persian Gulf. In doing so, Abu Dhabi increased its exposure to the dynamics of the broader Indo-Pacific megaregion. At first, the UAE's expanding horizons were the result of its economic ties to Asia. In more recent years, however, the country has widened its strategic outlook, such as by enhancing military cooperation with the United States and initiating significant rapprochements with

the two largest Asian powers: India and China.

Even so, it is uncertain if all these outreach initiatives amount to a coherent and unified UAE regional strategy. As of today, there is no publicly known UAE Indo-Pacific strategy *per se*, and the terminology is rarely used in the local context (either by Emirati diplomats or think tankers). In fact, when it comes to the Indo-Pacific, Abu Dhabi seems uncomfortable elevating strategic rhetoric over major shifts in policy. For instance, the UAE used its rotating presidency of the Indian Ocean Rim Association in 2019–2022 to put on the agenda issues such as the blue economy and women's empowerment but refrained from discussing more politically sensitive topics such as maritime security or counterterrorism cooperation.

Notably, the Emiratis have so far kept investing in their partnerships with both the United States and China, including in national security domains. This twin-track approach creates real risks of being caught in the middle of an ongoing great-power competition. Given the increased tensions between Washington and Beijing, Abu Dhabi might soon find it difficult to avoid choosing sides.

The Asianization of the Emirati Economy

Economic factors are some obvious drivers of UAE policy toward the Indo-Pacific. For more than a decade, Asia has been the source of Emirati economic growth. Asian powers such as China, India, South Korea, and Japan are the primary destinations of UAE's energy exports, for example. Now, however, these exchanges include foreign direct investment as well as trade. For instance, when Abu Dhabi opened a bid for the construction of its first nuclear plant in Barakah in 2009, its leadership favored a South Korean company—Korea Electric Power Corporation—over French and American companies.¹

The demography of the UAE also anchors the country into the Indo-Pacific geography. The communities of migrant workers in the country are primarily made of South Asian populations, with Indian and Pakistani residents amounting to 3 million and 1.5 million, respectively (out of a total population of 9.9 million UAE inhabitants).

Political ties to Indo-Pacific nations are also strong. The UAE has been a major provider of humanitarian aid to nearby Pakistan, for example, and Pakistani soldiers played a significant role in the

establishment of the Emirati armed forces in the 1970s.² This proximity with Islamabad shifted in the mid-2010s as Abu Dhabi got closer to New Delhi, a development that intensified under the premiership of Narendra Modi; UAE investment in India's new infrastructure plans provides important support for Modi's programs to modernize India.³

However, it is undoubtedly with China that the UAE's economic relationships in the Indo-Pacific have expanded the most. Following a state visit from Pres. Xi Jinping in 2018, forging close ties with China became a key priority of the Emirati business community. The UAE publicly embraced the Belt and Road Initiative (BRI) and positioned itself as a privileged partner of Beijing in the region. Emirati officials and ministers repeatedly described the UAE's diversification plans as complementary to Chinese investment strategies. To evidence the importance of the matter, Sheikh Mohammed bin Rashid Al Maktoum, ruler of Dubai and prime minister, attended the second BRI conference in Beijing in 2019—the highest-ranking official from the Gulf for the event.⁴

This also led to an increased presence of Chinese companies within the UAE economy. In 2019, Abu Dhabi selected the Chinese

company Huawei to launch the country's 5G telecommunications network, while Alibaba Cloud signed several contracts with local financial institutions.⁵ Furthermore, Khalifa Ports in Abu Dhabi sold a 90-percent share of one of its terminals to China's Cosco Shipping.⁶

Finally, the COVID-19 pandemic did not slow down these trends but rather paved the way to an enlargement of Emirati–Chinese economic exchanges by adding a healthcare dimension. Early in the crisis, Abu Dhabi turned to China for the building of its COVID-19 testing capacities as well as the development of a vaccine through a partnership with G42 (a commercial entity linked to the UAE ruling family) and the Beijing Genomics Institute and Chinese Sinopharm. This was a highly political and strategic collaboration, not just a short-term public health initiative. UAE leaders even announced in the spring of 2021 the opening of a plant to produce future vaccine doses (“Hayat-Vax”) that would be destined for developing countries.⁷ All in all, this Asianization of the Emirati economy shows a trajectory that goes beyond trade to have concrete strategic implications.

The Emirati Strategic Ties to the Indo-Pacific

Yet, if the UAE initially looked to Asian countries for economic opportunity, political and military considerations were never far away. When South Korea was awarded the contract to build the first Emirati nuclear plant, for example, Seoul also signed a military agreement that involved the deployment of a small Korean special forces unit to the UAE as a show of solidarity.⁸ Likewise, the rapprochement with India in the Modi era has involved extensive cooperation in the counterterrorism domain, especially targeting South Asian illicit networks operating from Dubai.

As in the economic sphere, however, it is with China that the strategic dimension of the UAE's Asia policy has been the most obvious. Like Saudi Arabia, the UAE turned to China for the procurement of Wing Loong I and II armed drones. Some of these Chinese-made unmanned aerial vehicles were later deployed by the Emiratis in Libya in support of the forces of Field Marshal Khalifa Haftar.⁹ For the 2010–2020 period, the overall amount of Chinese arms exports to the UAE remained small, at just USD 166 million according to the Stockholm International

Peace Research Institute database. By contrast, the United States exports USD 7.1 billion in arms to the UAE, France exports USD 1.04 billion, and Russia exports USD 900 million. However, the very fact that Abu Dhabi may occasionally turn to Beijing for military systems stirs anxiety in Western military circles.

In 2020, the US Department of Defense's annual report on China's military power mentioned the UAE as a potential location for a Chinese naval facility.¹⁰ This followed several years of speculation within Western diplomatic circles that Chinese investment in Abu Dhabi ports might lead to a military move in the same fashion that had been displayed in China's opening of a base in Djibouti. These developments add to concerns in Washington that the management of an Emirati 5G network by Huawei could severely constrain the ability of the United States to conduct military operations from the area without running the risk of communication using civilian networks being compromised. Similarly, after the UAE established its COVID-19 testing labs with the support of Chinese entities, representatives from the US Embassy in Abu Dhabi (as well as from other Western diplomatic delegations) were ordered by their national

authorities not to accept swab tests out of the fear that sensitive information from American government employees might be shared with Chinese operators.¹¹

American concerns over these developments are also fueled by the fact that the UAE does not seem to see these developments as problematic. This was illustrated during the negotiations for the sale of the F-35 fighter aircraft to the UAE and the concerns raised by Congress regarding the nature of Emirati security cooperation with China.¹² In fact, Emirati officials like presidential advisor Anwar Gargash and UAE Ambassador to the United States Youssef Al Otaiba have been adamant that there is no contradiction between the deepening of UAE–China relations and the desire of the UAE to remain a key partner of US armed forces in the region.

Admittedly, Abu Dhabi is not playing a zero-sum game and maintains proximity with Western allies against the backdrop of its rapprochement with China. Abu Dhabi is not only a major importer of US arms, but its military forces are also commonly perceived as a credible partner of Western militaries on the battlefield, earning them the nickname “little Sparta” from former Secretary of Defense James Mattis.¹³ The UAE hosts the

headquarters of the French Forces in the Indian Ocean in Abu Dhabi and in recent years has been a contributor to the European Maritime Surveillance Mission in the Strait of Hormuz. Moreover, it has been cultivating close ties with Australian armed forces for years, with former Special Forces Commander Mike Hindmarsh playing a major role in the buildup of the UAE Presidential Guard.

Conclusion

Taken altogether, these developments build a picture that may look contradictory. When compared to Southeast Asian countries, the UAE seems more comfortable with the idea of deepening its ties with both the United States and China at the same time rather than choosing a side. This might be because the UAE perceives itself far away from the power plays of the Indo-Pacific. Either way, the country was able to reap the benefits of this approach for a long time, by expanding economic opportunities and diversifying its foreign policy options; an inclusive foreign policy helped to turn this young federation of tiny emirates into a regional player with close ties to all the major players of the Indo-Pacific.

However, Emirati policy toward the Indo-Pacific is increasingly going against the regional dynamics.

It remains to be seen how far Abu Dhabi's leadership can go without triggering pressures from Washington, perhaps even economic punishments. The announcement of a new US–UK–Australia (AUKUS) agreement in September 2021 further evidenced the polarization of the Indo-Pacific megaregion and the difficulties all the third parties and middle powers will face when trying to avoid aligning themselves with either Washington or Beijing. Thus, the UAE may so far feel confident about its hedging strategy toward the Indo-Pacific (especially in terms of preserving strategic autonomy) but, in the final reckoning, the national security and overall stability of the country remains deeply reliant on the Western military presence. As there is no sign that China would be either willing (or, as yet able) to provide a comparable level of security, the UAE may confront a crude reality: it must slow down or even reverse its ongoing rapprochement with China if it does not want to alienate its Western partners. ■

Dr. Jean-Loup Samaan

Dr. Samaan is a senior research fellow at the Middle East Institute of the National University of Singapore and an associate fellow with the French Institute for International Relations.

Notes

¹ James E. Platte, “Exporting Nuclear Norms: Japan and South Korea in the International Nuclear Market,” *Journal of Indo-Pacific Affairs* 3, no. 2 (Summer 2020), 138–40, <https://media.defense.gov/>.

² Khalid Almezaini, *The UAE and Foreign Policy* (London: Routledge, 2011): 17.

³ Jean-Loup Samaan, “The Logic of the Rapprochement between India and the Arabian Gulf,” Carnegie Endowment for International Peace, 28 August 2019, <https://carnegieendowment.org/>.

⁴ “Mohammed bin Rashid begins state visit to China,” *Emirates News Agency*, 25 April 2019, <http://wam.ae/>.

⁵ Meia Nouwens, *China's Digital Silk Road: Integration into National IT Infrastructure and Wider Implications for Western Defence Industries* (Washington: International Institute for Strategic Studies), 28.

⁶ Jeffrey Becker, et al., *China's presence in the Middle East and Western Indian Ocean: Beyond Belt and Road* (Arlington: Center for Naval Analyses, 2019), 88.

⁷ Lisa Barrington, “UAE launches COVID-19 vaccine production with China’s Sinopharm,” *Reuters*, 29 March

2021, <https://www.reuters.com/>.

⁸ June Park and Ali Ahmad, “Risky Business: South Korea’s Secret Military Deal with UAE,” *The Diplomat*, 1 March 2018, <https://thediplomat.com/>.

⁹ Bradley Bowman, Jared Thompson, and Ryan Brobst, “China’s surprising drone sales in the Middle East,” *Defense News*, 23 April 2021, <https://www.defense-news.com/>.

¹⁰ US Department of Defense, *Military and Security Developments Involving the People's Republic of China 2020*, Annual Report to Congress, <https://media.defense.gov/>.

¹¹ Simeon Kerr, “UAE caught between US and China as powers vie for influence in Gulf,” *Financial Times*, 2 June 2020, <https://www.ft.com/>.

¹² Warren Strobel and Nancy Youssef, “F-35 Sale to U.A.E. Imperiled Over U.S. Concerns About Ties in China,” *Wall Street Journal*, 25 May 2021, <https://www.wsj.com/>.

¹³ Rajiv Chandrasekaran, “In the UAE, the United States has a quite potent ally nicknamed ‘Little Sparta’,” *Washington Post*, 9 November 2014, <https://www.washingtonpost.com/>.