

Saudi Arabia and the United Arab Emirates: Contest and Cooperation in the Arabian Gulf

Yoel Guzansky | No. 1747 | August 1, 2023

Relations between the United Arab Emirates and Saudi Arabia have deteriorated recently. Underlying the disputes between these two countries, which pursue a pragmatic approach toward Israel, whether publicly or behind the scenes, are considerations of prestige and status in the regional and international arenas. The “awakening” Saudi Arabia has an interest in reestablishing what it sees as its preferred status over the UAE, which in recent years has enjoyed improved regional and international standing. While disputes between Abu Dhabi and Riyadh are not new, they have become more intense; they puncture the image of a united regional front against Iran and may also affect moves toward normalization with Israel.

Over the past decade cooperation between Saudi Arabia and the United Arab Emirates characterized the geopolitics of the Middle East and was the driving force behind important developments, but currently relations between them are in crisis. The trend toward détente in the region seems to have bypassed these two neighbors, and their relations have reportedly deteriorated – and in many senses have evolved into a competition, with consequences for the global energy market, regional stability, and Israeli interests.

Over the previous decade, their respective interests converged, and the two countries worked together in various fields, sometimes as a revisionist force and sometimes in order to maintain the status quo, to the extent that it promoted their objectives in the Middle East. The UAE led Saudi Arabia to impose a blockade on their neighbor Qatar in 2017, and played a central role as its ally in the war in Yemen. The two countries also cooperated in

one way or another in the early stages of the civil wars in Syria and Libya, and both were a pillar of support for the el-Sisi regime in Egypt, the opposition to Erdogan's Turkey, and the "front" against the foremost threat to both of them – Iran. Today these two neighbors are the leading Arab states, and they set the tone in the Arab world. For various reasons, partly linked to its political structure, the nature of its leadership, and the size of its population, the UAE usually precedes Saudi Arabia in its political maneuvers. It was the UAE that back in 2018 proposed normalization of relations with Assad, in 2019 sought détente with Iran, and in 2020 talked of normalization with Israel, with Saudi Arabia trailing behind.

Tensions between Saudi Arabia and the UAE are nothing new in the Gulf landscape, and over the years they have had a negative influence on the ability to muster unity among the Gulf Cooperation Council states. Competition between Riyadh and Abu Dhabi damages, inter alia, the ability to advance toward a monetary union, including a joint currency and a central bank (which was supposed to be established in Abu Dhabi). It is deeply entrenched in tribal and territorial disputes, mainly based around oil-rich areas and centering on the UAE's wish to escape the Saudi grip. In the past the effects of the competition between the two were largely limited to their immediate environment, but now, because of their economic and political power, these disputes can have consequences that reach far beyond the borders of the Arabian Peninsula.

At the same time, it is possible to see the connection between the rising status of Mohammed bin Salman, the Saudi Crown Prince and acting ruler on the one hand, and the coolness and competition that characterizes relations between the countries, and the nature of his relationship with UAE President Sheikh Mohammed bin Zayed on the other hand. The Saudi Crown Prince is no longer as internationally isolated and no longer hides his ambitions to lead the Arab world, not alongside but ahead of the person who was previously considered his mentor – bin Zayed. In July 2023, the *Wall Street Journal* reported that the rift between the countries and their leaders is severe, and that bin Salman had made very bitter remarks against bin Zayed. He was [quoted](#) as saying, "They stabbed us in the back...They will

see what I can do. It will be worse than what I did with Qatar.” Due to the tension, bin Zayed did not attend the summit of Arab leaders around the visit of Chinese President Xi nor the Arab League conference in the Saudi capital.

What disputes currently cast a shadow on relations between the countries?

- Sudan: Both countries have been dabbling in the politics of Khartoum for some time and now each supports hawkish parties in the bloody conflict in Sudan, which could have implications for the duration of the fighting and indirectly for the future of Sudan’s normalization process with Israel, which depends on its stability.
- Yemen: Without military cooperation between them, Saudi Arabia and UAE would not have scored any achievements, however modest, in the war against the Houthis. However, particularly since the ceasefire in April 2022, they have followed different policies and support competing forces. While Abu Dhabi supports the isolationists in Southern Yemen, Riyadh backs the central government, and wants the country to be as united as possible, largely in order to prevent the establishment of a Houthi state in the north.
- Qatar: It was Riyadh that pushed for the end of the blockade on Doha in 2021, and since then relations between Saudi Arabia and Qatar have warmed considerably, compared to the foot-dragging by the UAE,
- Iran: Iran was and is the main threat for both Riyadh and Abu Dhabi. Both seek to limit the risks it poses and have currently adopted a reconciliatory approach vis-à-vis Tehran. Saudi Arabia followed the UAE and renewed diplomatic ties with Tehran in March 2023, apparently without prior coordination with the UAE, which according to reports is not pleased with the move.
- Israel: The UAE decided in 2020 to make public its relations with Israel and forge formal relations. It is not clear to what extent Saudi Arabia knew all the details, but when the process began it was supportive behind the scenes and subsequently also gave Bahrain a green light to join the framework of agreements with Israel. After

three years, the UAE is concerned that Israel's strengthening ties with Saudi Arabia could be at its expense.

- Oil: Over the last two years the countries have adopted different positions on regulating oil prices and cooperation within the OPEC+ cartel. The UAE has started a process of increasing its oil production capacity to 5 million barrels per day and wishes to expand its export quotas so that it can maximize its profits and increase its market share also by reducing prices, unlike Saudi Arabia which, together with Russia, promotes a policy of limiting production in order to control prices.
- Economy: The Saudi ultimatum that all companies wanting to do business with the Kingdom, the largest economy in the Middle East, must locate their headquarters within its territory will expire at the end of 2023. This was interpreted as aimed first and foremost against Dubai, which is today the main economic center in the Middle East. Saudi Arabia has also launched a new airline and developed glittering tourist destinations, thereby placing itself in direct competition with its neighbor.

These disputes aside (and they should not be underestimated), the chill that characterizes relations between these two countries is also, and perhaps principally, linked to considerations of prestige and status in the regional and global arenas. The importance of the UAE has risen over the past decade; the country is now a regional and world leader, and as such has overtaken its larger neighbor in many areas, such as medicine, space, agriculture, and nuclear research. The impressive leap forward in Abu Dhabi's importance is a thorn in the side of Riyadh, which for many years considered itself as the element setting the tone for its neighbors. Now the UAE sees itself as equal and in some areas even superior to its larger neighbor. For the "awakening" Saudi Arabia it is important to reestablish what it deems its preferred status over the UAE, partly due to controversial decisions taken by Saudi Arabia that have damaged its status.

It is too soon to know to what extent the competition between these two important actors will affect regional geopolitics, how it will present, and to

which arenas it will spread in the future, but it has already had negative implications. Riyadh and Abu Dhabi are considered the main proponents of the pragmatic approach to Israel among Middle East countries, and cooperation with them and between them had a positive geostrategic effect for Israel. At the center of this cooperation was the view of Iran and its proxies as a source of threats and instability in the region. Indeed, the disputes between Riyadh and Abu Dhabi are (still) damaging the united regional front against Iran and could also influence moves in support of normalization.

Even if the two are unable to resolve all the differences between them, the estimation is that they will reach understandings, even if only partial, that will govern their relationship. The power and influence of these two countries depends to a large extent on their (image of) unity; hence their interest in sending out a message of business as usual and downplaying the depth of any disagreements. In general, other elements in the region, and above all Iran, have an interest in driving a wedge between them, because rightly or wrongly, Tehran perceives cooperation between them as largely aimed against it. Israel has an interest in this situation, and in expanding further its relations with the UAE, while achieving normalization with Saudi Arabia, but it must make sure that one effort does not come at the expense of the other. Both countries perceive Israel, in spite of its current weakness, as a regional power, and Israel must not be seen to be taking sides, even implicitly and indirectly, in the competition between them.

Editors of the series: Anat Kurtz, Eldad Shavit and Judith Rosen