



Iran following the UAE-Israeli Normalization Agreement: Responses and Analysis Dr. Raz Zimmt

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Main Argument

The agreement to normalize relations between the United Arab Emirates (UAE) and Israel, **was, as expected, met with harsh criticism in Iran.** Senior Iranian officials presented the agreement as a betrayal of the Palestinian cause and the Muslim world, and threatened the Emirates not to grant Israel a foothold in the Persian Gulf. **Senior Iranian officials conveyed explicit threats toward the Emirates of the grave consequences of expanding Israeli activities and influence in the country to the security and stability of the Emirates, and even the lives of the Emirates' rulers.**



“Betrayal” (Iranian Twitter account @sh_AmirBj70, August 15, 2020)

- ▶ The Iranian reactions to the normalization agreement reflect, first and foremost, **a growing Iranian concern about the impact of the agreement on the balance of power in the region as a whole and the Persian Gulf in particular.** Iran fears mostly the expansion of the agreement to the military and security spheres, in a manner that would increase Israel’s presence and military, security and intelligence activities in the region. Iran also fears the UAE gaining access to advance technologies and new weaponry, which may assist it in addressing the military threats emanating from Iran, such as in the sphere of missile defense.
- ▶ The normalization between the Gulf states and Israel, which may expand to include other countries, **is perceived by Iran as a “conspiracy” led by the United States, Israel and**

several Arab leaders, which is intended to form a regional, anti-Iranian coalition, exacerbating Iran's isolation in the region, weakening it and violating the balance of power vis-a-vis its Arab rivals in the Gulf. The threat perception in Tehran due to the agreement is amplified even further **due to the growing challenges Iran has faced in recent years in the domestic, regional and international arenas.**

► The normalization agreement between Israel and the UAE **will likely exacerbate even further the existing tensions between the UAE and Iran.** The relationship between Iran and the UAE has been characterized by ups and downs in recent years. **On the one hand,** Iran increased its hostile activities toward interests and targets of the UAE in the Persian Gulf, which heightened the threat perception of the Emirati leadership of Iran. **On the other hand,** the countries continue to maintain **significant trade and economic ties.** The UAE is considered to be one of Iran's largest trade partners, and in the past has served (particularly Dubai) **as a central hub for sanction-busting by Iran.** More so, the past year witnessed an improvement of diplomatic relations between the two countries, which stemmed from an attempt of the Emirati leadership to defuse tensions in the Persian Gulf.

► **Iran's overall security, economic and political interests will likely continue to dictate Iran's policy toward the Emirates into the foreseeable future. Iran has an interest in maintaining cordial relations,** to the extent possible, with the UAE, particularly in the economic sphere. Despite this, Iran's significant concern about the ramifications of the agreement on its national security **may encourage Iran to increase its subversive activities and even initiate militant attacks in the Emirates to exact a price from it for normalizing relations with Israel,** and to deter it from allowing Israel to expand its footprint in the region, particularly in the security and military spheres, as well as to dissuade other Gulf regimes from following in the Emirates' footsteps.

► **Iran can respond in a number of ways:**

- ◆ **Attacks on oil export infrastructure:** Iran may resume the (low-signature) activities against oil tankers and vessels used by the UAE that operate in the Persian Gulf or dock in Emirati ports.

- ◆ **In the military sphere:** attacks on targets and facilities in the Emirates utilizing missiles. Since such an attack, if carried out from Iranian soil, may expose it to direct retaliation, **Iran may operate through proxy groups, such as the Houthis in Yemen.** In addition, Iran may intensify its military activity and civilian presence in the three

disputed islands (Abu Musa, Greater Tunbs and Lesser Tunbs) in the Hormuz Straits, controlled by Iran.

◆ **Terrorism and subversion:** Iran may carry out terror attacks against local and foreign targets in the UAE and through subversive activity, which would seek to **engender an oppositional and terrorism networks in the UAE to destabilize its security and stability**. Iran may also consider in the future **hitting Israeli or Jewish targets in the UAE, particularly as Israeli presence in the country expands** (whether Israeli companies, tourists, diplomatic presence, and military and security facilities).

◆ **In the sphere of cyber:** Low-signature activity against Emirati targets.

► **In our assessment, the likelihood of direct Iranian activity against the Emirates will rise to the extent that Tehran perceives a growing sense of threat to its national security following the expansion of Israeli security, military and intelligence on Emirati soil;** or due to a significant upgrade in the UAE's military capabilities, which may be turned against Iran. Past experience shows that the **Islamic Revolutionary Guards Corps (IRGC) will be the ones behind such activity**, likely one that would provide it with plausible deniability, while possibly relying on **local agents and proxy organizations** to mask its direct responsibility.

The Iranian Responses to the Normalization Agreement: Condemnation and Threats

► As expected, the normalization of relations was lambasted by Iran. Senior Iranian officials presented the agreement as a betrayal of the Palestinian cause and the Muslim world, and warned the Emirates against granting Israel a foothold in the Persian Gulf.

► The Supreme Leaders of Iran, Ali Khamenei, assailed the normalization agreement and labeled it “a betrayal of the world of Islam, the Arab world, the countries of the region and Palestine.” He insisted that this treachery will not last for long, but the shame of the deal will be recorded in posterity. Khamenei blamed the UAE for opening the region to the Zionists and forgetting the Palestinian question. He expressed regret that while the Palestinian people are placed under immense pressure from all directions, the Emirates are collaborating with the “Zionist regime” and with “criminal American elements” including “that Jew in the Trump family” [Jared Kushner, the son-in-law and senior adviser to

President Trump] against the interests of the Muslim world and the region. Khamenei expressed hope that the UAE will soon realize the harm they have done and will make up for their mistake (Fars, September 1, 2020).



“The dangerous consequences of the UAE’s normalization agreement; Resistance is the only alternative to struggling against the conspiracies” (Tasnim, September 1, 2020)

- ▶ The Iranian Minister of Foreign Affairs, Mohammad Javad Zarif, labeled the agreement “a treacherous act.” In a phone call with the Secretary General of Palestinian Islamic Jihad, Ziad al-Nakhle, Zarif averred that the agreement will not have any impact on the Palestinian resistance. (Tasnim, August 14). Prior to this, the Iranian Ministry of Foreign Affairs issued a statement condemning the agreement between the UAE and Israel, in which the agreement was labeled as “strategic foolishness on the part of Abu Dhabi and Tel Aviv” which will bolster the “resistance axis in the region.” The statement also argued that the Palestinian people and all peoples supporting freedom around the world will never forgive the normalization of relations with the “occupying and criminal regime of Israel” and that Iran sees the “shameful step” by the UAE to normalize its relations with the “fake, illegal and inhumane Zionist regime” as a dangerous step. (ISNA, August 14, 2020).
- ▶ The IRGC’s statement of condemnation described the agreement between the UAE and Israel was described as a “treacherous act,” “strategic foolishness,” and “a poisonous sword in the back of the Muslim nation [umma].” The statement claimed that not only will the agreement fail to accomplish anything for the United States, “the Zionist regime” and the Saudi royal family, but it will in fact accelerate the elimination of the “Zionist regime.” In their statement, the IRGC called on the leadership of the UAE to reconsider their decision, warning against the decisive response of the citizens of their country, due to the “historic humiliation.” The conclusion stated that the United States and supporters of the deal must

know that the agreement will not serve the interests of the “Zionist regime” and will even derail the vision of the “new Middle East” and will usher a dangerous future for them, and particularly for the residents of the “glass palace of the Emirates” (Fars, August 15, 2020).

► The Supreme Leader's Representative to the IRGC Qods Force , Hojjat-ul-Islam Ali Shirazi, stated that the agreement between Israel and the UAE will place the Zionists in the range of the “resistance.” He accused the Emirates for opening the gates of the region to “the forces of the Zionists” and stressed that this is a foolish attempt, which will bring the forces of Israel closer to certain death (Tasnim, September 8, 2020).

► Iranian officials not only condemned the agreement, but also warned the UAE to not allow Israel to gain a foothold in the Persian Gulf. **Senior Iranian officials warned the Emirates of the grave consequences of expanding Israeli presence and influence in the country to the security and stability of the Emirates, and even the lives of the Emirates’ rulers.**

◆ **The President of Iran, Hassan Rouhani**, condemned the agreement and labeled it “a betrayal of the aspirations of the Palestinian people, the Muslims and Jerusalem.” He declared that the leaders of the Emirates are wrong to think they can buy their security by becoming closer to the enemies of Islam and Iran. Rouhani cautioned the Emirati leadership that if it allows Israel to gain a foothold in the Persian Gulf, Iran will make them pay the price and will adopt a different policy toward them (Tasnim, August 15, 2020).

◆ **The Chief of Staff of Iran’s Armed Forces, Mohammad Baqeri**, declared that Iran’s approach toward the UAE will undergo a fundamental shift. He warned that Iran will see the Emirates responsive for anything that will occur in the Persian Gulf that will threaten Iran’s national security (Fars, August 16, 2020).

◆ **Ali Rabei, the Spokesman of the Government of Iran**, also warned that the Emirates bears responsibility for any action that the “Zionist regime” will take against Iran. Rabei labeled the decision of the Emirates to normalize relations with Israel “a major strategic mistake” and added that Iran expects the Emirati government to supervise the activities of the “Zionist regime” on its soil and prevent any action that may jeopardize Iran’s security. He stressed that Iran can not remain nonchalant in the face to steps by the “Zionist enemy” that may endanger its security close to its shores (Tasnim, August 25, 2020).

◆ **The Adviser to the Speaker of the Majlis on International Affairs, Hossein Amir Abdollahian**, warned in an interview to the Arabic-language Iranian channel al-Alam (September 6, 2020), that Iran will not retaliate against the UAE and not just Israel against any act carried out by Israeli intelligence in Iran or the region. He insisted that the agreement between Israel and the Emirates may create “a very difficult future” for the Emirates, and offered the UAE to recall the fate of the (assassinated) Egyptian President, Anwar Sadat, and change their behavior. He called on the UAE and Saudi Arabia to leave the erroneous path they are on, and not to toy with the security of the region.

What Is Behind the Iranian Response to the Normalization Deal?

- ▶ The statements of senior Iranian officials in response to the normalization deal between the UAE and Israel in a manifestation of the hostility of the Islamic Republic toward Israel, and **a reflection of a significant Iranian concern about the repercussion of the deal on the balance of power in the region as a whole and the Persian Gulf in particular**. The fundamental hostility toward Israel remains one of the consistent and uncompromising principles of the official policy of the Islamic Republic.
- ▶ Senior Iranian officials, chief among them the Supreme Leader, Ali Khamenei, continue to express an extreme anti-Israel attitude, which openly calls for the destruction of the state. The hostility toward Israel and the open support for the Palestinians and the “resistance” to Israel is being used by the Iranian regime as a sign of its ideological consistency and adherence to the values of the Islamic Revolution, and to display Iran’s regional leadership to further its position in Arab and Muslim public opinion. The statements of senior Iranian officials against the normalization deal between Israel and the UAE provides Iran with another opportunity to stress its commitment to the Palestinian cause and present itself as the one true supporter of the Palestinians and the “resistance” camp against Israel in the region.



“The shameful agreement between the Emirates and the phony Zionist government is the greatest betrayal of Jerusalem’s hopes” (Tasnim, August 15, 2020)

- ▶ The extremely negative responses from Iran to the normalization deal reflect, first and foremost, an Iranian concern about increased Israeli presence in the Persian Gulf region and a change in the regional balance of power to its disadvantage. The visit of the head of the Mossad, Yossi Cohen, to the Emirates in mid-August 2020, and the late August 2020 visit of the American-Israeli delegation comprised of senior officials, led by the head of the Israeli National Security Council, Meir Ben Shabat, and the adviser to the U.S. president, Jared Kushner, further increased Tehran’s fear of an Israeli footprint in the Gulf, which may jeopardize vital Iranian interests and threaten its national security. Tehran is particularly concerned about the extension of the normalization agreement to the spheres of security and military, in a manner that would expand the military, security and intelligence presence of Israel in the region, and would allow the UAE to obtain advanced technologies and new weaponry, which may assist it in tackling military threats emanating in Iran, such as its ballistic missiles.
- ▶ The normalization between the Gulf states and Israel, which may expand to include other countries, **is perceived by Iran as a “conspiracy” led by the United States, Israel and several Arab leaders, which is intended to form a regional, anti-Iranian coalition, which will exacerbate Iran’s isolation in the region**, weaken it and violate the balance of power between it and its Arab rivals in the Gulf. The threat perception in Tehran due to the agreement is amplified even further by statements of senior Israeli and American officials following the conclusion of the deal. Thus, for example, the American Secretary of State, Mike Pompeo, remarked in an interview to the TV channel Fox News (September 6, 2020) that Israel and the UAE found a way to build relations that may facilitate the creation of an

anti-Iran coalition, which will ensure that the Iranian threat will not reach U.S. shores or harm anyone in the Middle East.

► The commentator on international affairs, Ali Bigdeli, addressed in an interview to the website Iranian Diplomacy (September 6, 2020) the dangerous ramifications of the normalization agreement as far as Iran is concerned. He assessed that the agreement may lead to Israel establishing military bases on Emirati soil, and the intensification of the “security and intelligence siege” placed on Iran by Israel and Arab states, which from now on could monitor Iran’s movement in the Persian Gulf, Hormuz Straits and the Arabian Sea more closely. He added that the agreement is not limited to the establishment of diplomatic relations between Israel and the Emirates, but stems from a joint perception of the Iranian threat. Therefore, the relationship between the countries will not remain confined to the political and diplomatic sphere, but will develop into full-blown security and intelligence cooperation against Iran in the most important and sensitive area as far as it is concerned: the Persian Gulf.

► The Iranian threat perception of the consequences of the agreement is further bolstered by the growing challenges Iran has faced in recent years in the domestic arena (the deep economic crisis, waves of protests, the COVID-19 outbreak, a series of explosions and unexplained events that happened in Iran in recent months, some of them in sensitive sites); the regional arena (the assassination of Qasem Soleimani, the growing criticism of Iran’s meddling in the region during the popular protests in Iraq and Lebanon, the ongoing efforts by regional and international actors to counter Iran’s regional influence); and in the international arena (the collapse of the nuclear accord [JCPOA], the re-imposition of U.S. sanctions and the conflict with the United States surrounding the Maximum Pressure policy of the American administration vis-a-vis Iran).

The Emirati-Iranian Relationship: Political and Security Tensions Alongside Economic Cooperation

► The normalization agreement between the UAE and Israel will likely further exacerbate the already-existing tensions between the UAE and Iran. In recent years, the relationship between Iran and the Gulf Arab regimes, including the UAE, has gone through ups and downs. The relationship between the UAE and Iran has been characterized, on the one hand,

by increasing Iranian activity against Emirati interests and targets in the Persian Gulf, which increased the threat perception of Iran in the Emirates. On the other hand, the two countries have maintain expansive economic and trade relations, and over the past year, political relations improved as well.

► The escalation of the confrontation between Iran and the United States, following the withdrawal of the Trump administration from the nuclear accord, the re-imposition of economic sanction and adoption of the Maximum Pressure strategy against Iran have led, starting in May 2019, to increased Iranian aggression against Emirati interests in the Gulf, as part of an overall Iranian move that is intended to exact a price from the United States and its allies for the American policy. This included, among other things, attempts to disable oil tankers and commercial vessels in the Persian Gulf, in an effort to disrupt the freedom of navigation in the area. On May 12, 2019, Iran carried out a sabotage attack against four oil tankers (two Saudi, one Norwegian and one Emirati) near the Emirate of Fujairah in Gulf of Oman.



**The explosion of one of the tankers near Fujairah
(Tabanak, May 15, 2019)**

► Shortly afterwards, Iran took over the MT Riah tanker, which belongs to the UAE. The attack in Fujairah was likely carried out by a force belonging to the IRGC's naval commando. The findings of an international investigation, which was led by the UAE, showed that the sophisticated and well-coordinated attack was carried out by a number of teams of divers who, using speedboats, reached the tankers to sabotage them by attaching limpet mines to the sides of the tankers.

► The ongoing war in Yemen also led to an escalation between Iran and the Emirates, which is a member of the coalition established in 2015 by Saudi Arabia against the Houthis in Yemen. In recent years, the Houthi rebels, supported by Iran, fired a number of missiles toward the Abu Dhabi international airport and other vital infrastructure in the country.

Meanwhile, Iranian media issued threats against the Emirates, and warned it of further missile strikes from Yemen against it. Thus, for example, the hardline daily newspaper Kayhan warned (November 6, 2017) in a front-page report of further missile launches by the Houthis toward Dubai. The report covered the launch of a long-range Scud missile from Yemen, which hit the international airport in the Saudi capital, Riyadh, and stated that the launch was a cause of concern even for the leaders of Abu Dhabi and Dubai, who finally understood that the threats of the leader of the Houthis in Yemen are utterly serious, and that Yemen's missiles have the ability to make precise hits, and that the time has come for the UAE to pay the price for their assault on Yemen.



“The missile launch of Ansar Allah [the Houthis in Yemen] against Riyadh, the next target, Dubai” (the front page of the daily Kayhan, November 6, 2017)

- ▶ Despite the escalation between Iran and the Emirates in the sphere of security, the extensive economic cooperation between them has remained in place, and the Emirates remains one of Iran's largest trading partners. Iran and the Emirates (particularly Dubai) have a long history of trade and tourism. In 2017, the volume of trade between the two countries reached over 11 billion dollars (Iranian exports to the Emirates totaling in 4.458 billion dollars and Iranian imports from the Emirates totaling 6.656 billion dollars) (al-Khaleej, September 4, 2020).
- ▶ In 2019, the volume of Iranian exports to the Emirates reached 4.5 billion dollars (about 11 percent of all Iranian exports), while the volume of Iranian imports from the UAE rose to 8.9 billion dollars (over 20 percent of Iranian imports) (Donya-e Eqtesad, April 25, 2020).
- ▶ According to data of the Iranian Customs, during the first months of the current Persian year (March-July 2020), the Emirates was the third largest export market for Iran, with an export volume of 4.62 millions of tonnes of non-oil goods, totaling in 1.21 billion dollars (about 14 percent of Iranian exports). At the same time, the UAE was the second largest

exporter to Iran during that period, with 1.33 million tonnes of goods totaling in 2.47 billion dollars (about 23 percent of Iranian imports) (Financial Tribune, August 22, 2020).

► The Iranian investments in the Emirates are estimated to total in about 300 billion dollars (al-Khaleej, September 4, 2020). The Emirates are home to a large community of hundreds of thousands of Iranians. According to various estimates, 454,000 Iranians lived in the Emirates in 2018 (about five percent of the UAE's population), most of them in Dubai (Iran Migration Outlook, 2020). In addition, about 8,000 Iranian traders operate in the UAE, along with thousands of Iranian-run businesses. There is also a social-cultural Iranian club in Dubai, financed by the Iranian Foundation of the Oppressed (Bonyad-e Mostazafan), Iranian schools and an Iranian hospital. Prior to the COVID-19 pandemic, airlines operated about 200 flights on a weekly basis from various cities in Iran to the UAE, which brought in about 100,000 Iranian tourists into the country on an annual basis (al-Khaleej, September 4, 2020).



The Iranian club in Dubai (Khabar Online, January 12, 2019)

► The UAE, and particularly Dubai, has also served as a major conduit for Iran to bypass sanctions. In March 2019, the United States sanctioned five companies operating in the UAE (Petro Grand FZE, Alphabet International DMCC, Swissol Trade DMCC, Alam Althrwā General Trading LLC, Alwaneo LLC Co), which assisted the National Iranian Oil Company in smuggling oil through the UAE (Reuters, March 19, 2019). In August 2020, the American Department of Treasury placed sanctions on two companies from Dubai (Parhia Cargo and Delta Parts Supply), which provided spare parts and logistical services to the sanctioned Iranian airliner, Mahan Air (CNBC, August 19, 2020).

► Despite this, in recent years, the trade relations between the two countries were negatively affected due to the re-instating of the American sanctions on Iran, the political and security tensions between the two countries, and the economic crisis that Dubai experienced. The activity of many Iranian businesses and companies in Dubai saw a marked decline, and

several tens of thousands of Iranian traders and businessmen left the UAE and return to their countries (Washington Post, August 13, 2019).

► Iran has an interest in maintaining a cordial relationship with the Emirates and preserve the cooperation between the two countries, particularly in the economic sphere. A manifestation of this Iranian desire to maintain the economic ties despite the normalization agreement between the UAE and Israel came in the form of a statement by the Chairman of the Joint Iranian-Emirati Chamber of Commerce, Farshid Farzangan, who declared after the announcement of the deal that Iran and the Emirates are determined to expand their business ties, despite the political controversy. In an interview to the Iranian economic news website, Eqtesad Online (August 24, 2020), Farzangan insisted that the Iranian private sector and the government seek to expand ties with neighboring countries, and that this approach is applied to the Emirates too. He added that the data of the first four months of the current Persian year (March - July 2020) indicate the continuation of development of commercial ties between the two countries. He insisted that due to the UAE's importance, economic relations with it must continue to be developed.

► Over the past year, a certain improvement in the relationship between the two countries could be observed. In mid-October 2019, the President of Iran, Hassan Rouhani, declared that relations between Iran and the UAE improved in recent months, and that talks and mutual visits of officials of the two countries have taken place (IRNA, October 14, 2019). These diplomatic efforts included the visit in October 2019 to Tehran of Tahnoun bin Zayed, the National Security Adviser of the UAE and brother of the Crown Prince, Mohammad bin Zayed (MBZ) (Tasnim, October 14, 2019).

► In late October 2019, a member of the Iranian Majlis, Akbar Toriki, declared that the UAE released frozen Iranian funds and property worth about 700 million dollars, following the improvement of their relations in the sector of banking and foreign exchange services, as well as the restart of the operation of Iranian foreign exchange shops in Dubai. He stated that the UAE is aware of the fact that the trade, banking, energy and flights are dependent on security, and it is not possible for them to flourish financially without ensuring their safety (Qods Online, October 20, 2019).

► The outbreak of the COVID-19 pandemic was also used to further improve relations between the two countries. In March and June 2020, the Emirates sent several shipments by cargo planes to Iran full of medical supplies and humanitarian assistance, to help the

country deal with the major health crisis (Gulf News, March 2, 2020; The National, June 29, 2020).

► On June 2020 the Senior Military Adviser to the Supreme Leader, Yahya Rahim Safavi declared that relations between Iran and the UAE have improved, and that Abu Dhabi's approach toward Iran (which is known to be hawkish) has changed (Tehran Times, June 24, 2020).

► On August 2, 2020, the Iranian Minister of Foreign Affairs, Mohammad Javad Zarif, held a video call with his Emirati counterpart, Abdullah Bin Zayed, and discussed regional affairs, bilateral relations and cooperation in the sphere of COVID-19 response (ISNA, August 2, 2020). This was the first call between senior Iranian officials of this rank since the cutting of diplomatic ties between the two countries in early 2016, following the attacks of the Saudi consulate in Tehran and the Saudi consulate in Mashhad.



The video call between the foreign ministers of the UAE and Iran (IRNA, August 2, 2020)

► The improvement in relations between the two countries stems from the desire of the Emirates to reduce tensions in the Persian Gulf, which threatened the freedom of navigation in the Gulf and vital economic interests of the Emirates. The change in the Emirates approach also stemmed from the sense of lack of American backing, after the United States failed to respond to the attack on the oil tankers in the Persian Gulf in May 2019, the downing of an American drone by Iran in June 2019, and the Iranian missile strike on Saudi oil installations on September 14, 2019. These attacks exposed the vulnerability of Saudi Arabia and other Gulf states to Iranian escalation. The improvement of relations was also facilitated by the decision of the UAE to withdraw most of its forces from southern Yemen, which distanced it from the Saudi camp, and placed it in a more conciliatory position vis-a-vis Iran.