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United Arab Emirates Threatens to Pull Out of \$23 Billion F-35, Drone Deal With U.S.

Gulf partner complained about security requirements aimed at guarding against Chinese espionage, officials say



The deal between the U.S. and the U.A.E. included as many as 50 F-35A fighters; F-35As at a base in Utah last year.

PHOTO: US AIR FORCE/REUTERS

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WASHINGTON—The United Arab Emirates is threatening to pull out of a multibillion-dollar deal to buy American-made F-35 aircraft, Reaper drones and other advanced munitions, U.S. officials said, in what would be a significant shake-up between two longtime partners increasingly at odds over China's role in the Gulf.

The Emirati government told U.S. officials that it intended to halt the deal because Abu Dhabi thought security requirements the U.S. had laid out to safeguard the high-tech weaponry from Chinese espionage were too onerous, and the country's

national sovereignty was in jeopardy, officials said.

It was unclear whether the \$23 billion arms deal, signed in the final days of the Trump administration, is dead, or whether the Emirati threat is a bargaining move on the eve of a planned visit Wednesday by a high-level U.A.E. military delegation to the Pentagon for two days of talks.

“The U.A.E. has informed the U.S. that it will suspend discussions to acquire the F-35,” a U.A.E. official said. “Technical requirements, sovereign operational restrictions and the cost/benefit analysis led to the reassessment.”

The U.S., the U.A.E. official said, “remains the U.A.E.’s preferred provider for advanced defense requirements and discussions for the F-35 may be reopened in the future.”

The letter communicating the threat was written by a relatively junior official in the government, suggesting the overture was a negotiating tactic heading into the meeting, U.S. officials said. Other officials said that while the U.S. has legitimate security concerns, there was a scramble to salvage the sale of weapons to a Gulf partner.

U.S. officials acknowledged receipt of the letter and the Emirati concerns. The U.S. has grown increasingly troubled over China’s influence inside the U.A.E., and has spelled out conditions that would ensure the fifth-generation jet fighter and advanced drones wouldn’t be vulnerable to Chinese espionage.

“We remain committed to these sales, and the Emiratis have raised some concerns,” said a U.S. official. “Frankly, we have some questions of our own. This sort of back-and-forth is not unusual for significant arms sales and we are hopeful we can work through these issues and we think the joint military dialogue will give us an opportunity to do so.”

On Monday, Israeli Prime Minister Naftali Bennett met with Abu Dhabi Crown Prince Sheikh Mohammed bin Zayed al Nahyan for more than two hours, in the first encounter by the countries’ leaders since they normalized diplomatic ties last year in an agreement called the Abraham Accords, which former President Donald Trump helped broker.

The normalization deal was forged with an understanding that the Emiratis could have access to more advanced American military hardware, U.S. officials have said. That raised thorny security questions for Israel, which has relied on Washington's policy of ensuring it maintains a qualitative military edge over its many regional rivals.

The Biden administration has undertaken a vigorous campaign to persuade allies to be wary of getting too close to China on security issues. China is among the U.A.E.'s closest trading partners and U.S. officials have increasingly expressed concerns about signs of nascent security cooperation between the two countries.

The collapse of the deal would fuel perceptions within the Middle East and elsewhere that America's decadeslong role as security provider of choice in the region is diminishing. Top Arab officials have expressed alarm over a series of events in recent years, including the Obama administration's initially secret nuclear talks with Iran, the U.S. failure to respond to an attack on Saudi oil facilities by Iran-backed Yemeni rebels, and the chaotic U.S. exit from Afghanistan.

The threat to cancel the contracts comes less than two weeks after the Emirati government signed a deal with France to buy 80 Rafale jet fighters and a dozen military helicopters. The nearly \$20 billion deal with the French government suggests the Emiratis are looking elsewhere for security partners.

Relations between the U.A.E. and the U.S. were rattled this spring when U.S. intelligence agencies learned that China was secretly building what they suspected was a military facility at a port near the Emirati capital of Abu Dhabi, people familiar with the matter told The Wall Street Journal.

Senior Emirati officials have said they didn't think the site the Chinese were constructing was a military installation. But it was shut down after several rounds of meetings and visits by U.S. officials, the people familiar with the matter said.

The U.S. has also long been concerned about Abu Dhabi's entanglement with Chinese telecommunications giant Huawei Technologies Co., which provides the country with its communications infrastructure. U.S. officials and members of

Congress say Huawei is a national-security threat, concerned that the Chinese government could use the privately held company's gear, embedded in telecom networks world-wide, to spy or disrupt communications. The company and the Chinese government have denied such allegations.

The weapons deal, which was completed on Mr. Trump's last full day in office, was worth an estimated \$23 billion, and included as many as 50 F-35A fighters valued at \$10.4 billion, 18 MQ-9B drones worth nearly \$3 billion and other munitions valued at \$10 billion, according to the U.A.E.'s embassy in Washington.

In his first week in office, President Biden decided to re-examine the sale while at the same time freezing some arms sales to another key Gulf ally, Saudi Arabia. The administration decided to proceed with the proposed sale, subject to continued negotiations over assurances Washington sought on the weapons' use. The F-35 jet fighters aren't due for delivery until 2027.

U.S. and U.A.E. officials have never publicly disclosed the conditions each side put on the sale. Officials have said Washington wanted assurances that the latest U.S. defense technology wouldn't be shared with third countries, and a ban on using the weapons in conflicts including Libya and Yemen where Emirati forces had been active.

The Emirates, among other requirements, wants the F-35s delivered sooner than 2027, a person familiar with the matter said.

The Emirates' ambassador to Washington, Yousef Al Otaiba, told the Journal earlier this year: "The U.A.E. has a long and consistent track record of protecting U.S. military technology, both in coalitions where we've served alongside the U.S. military and inside the U.A.E. where a broad range of sensitive U.S. military assets have been deployed for many years."

—*Stephen Kalin in Riyadh contributed to this article.*

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