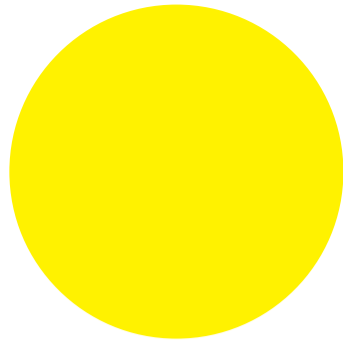


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The photo shows portraits of teachers and pupils killed in a US strike on Shajarah Tayyebah elementary school in Minab, southern Iran. The airstrike claimed the life of 168 people, including 26 teachers and 120 schoolchildren, on February 28, 2026.

AP

UAE exit from OPEC unlikely to move oil markets in long term

INTERVIEW EXCLUSIVE

The United Arab Emirates' exit from the Organization of the Petroleum Exporting Countries (OPEC) could be seen as one of the most significant recent developments in the global energy market, with the potential to shift the balance of power within the organization and influence oil pricing trends. At the same time, regional geopolitical dynamics and the fallout from ongoing conflict in the region have further added to the complexity of the situation. Amin Noorbakhsh, an oil market expert, told Iran Daily that the decision would have no immediate impact on global oil markets and would be unlikely to bring



Amin Noorbakhsh

about any substantial change in the long term, though expected to yield benefits for the UAE.

IRAN DAILY: What political factors led the UAE to decide to leave OPEC and OPEC+?

NOORBAKHSH: Both political and economic factors were involved. From a political standpoint, Israel appears to have had an influence, given that the UAE is ultimately a key regional partner of the regime. With energy being one of the areas of cooperation. The idea is that energy output from Persian Gulf countries, including the UAE, could be routed through Israel to the Mediterranean. In practical terms, oil and petroleum products would be transported via the Red Sea to the port of Eilat, and from there through an existing pipeline with a capacity of 1.2 million barrels per day to the Mediterranean port of Ashkelon.

This arrangement would not only generate economic revenues for the regime but would also help shore up its position as a regional entity. Its primary advantage lies in the fact that when UAE energy is exported through this route, the stability of that territory—namely Israel—becomes directly linked to the energy security of multiple countries. As such, the regime is expected to actively pursue this pathway. Given recent developments in the Strait of Hormuz, the UAE is likely to have stronger incentives to follow through on this option. For the United States, increased oil supply in global markets enhances its ability to control prices, making this development favorable from Washington's perspective. It is therefore likely that the US has supported—or even encouraged—the UAE in this direction. Another contributing factor is the UAE's disagreement with Saudi Arabia. This has been evident in past OPEC decisions,

where the UAE consistently sought higher production quotas but was typically granted lower levels.

From an economic standpoint, capital flight and declining exports due to disruptions in the Strait of Hormuz have also played a role. The UAE is likely seeking to offset these pressures by increasing oil exports, especially with oil prices rising.

Given the consequences of the Iran war and the closure of the Strait of Hormuz, how will global oil markets react in the long term once this decision is implemented?

In the short term there will be no impact on the market. As long as the Strait of Hormuz remains closed and Iran continues to impose restrictions, countries that rely on the strait for exports will face constraints. Even at current production levels, the UAE is unable to export all its output, meaning it must either store surplus oil or scale

back production.

The UAE has a production capacity of around 4 million barrels per day for oil and condensates. Using 2025 as a reference, its average output stood at approximately 3.4 million barrels per day, meaning about 600,000 barrels per day of capacity remained unused due to OPEC quotas. The country also plans to increase its capacity by an additional one million barrels per day over the next one to two years, bringing total capacity to 5 million barrels per day.

Although exiting OPEC is a process rather than an instantaneous move, once completed, the UAE could add 600,000 to 700,000 barrels per day to its production, most of which would likely be directed toward exports. Its exports last year stood at around 2.6 to 2.7 million barrels per day, and this figure could potentially rise to about 3.4 million barrels per day.

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