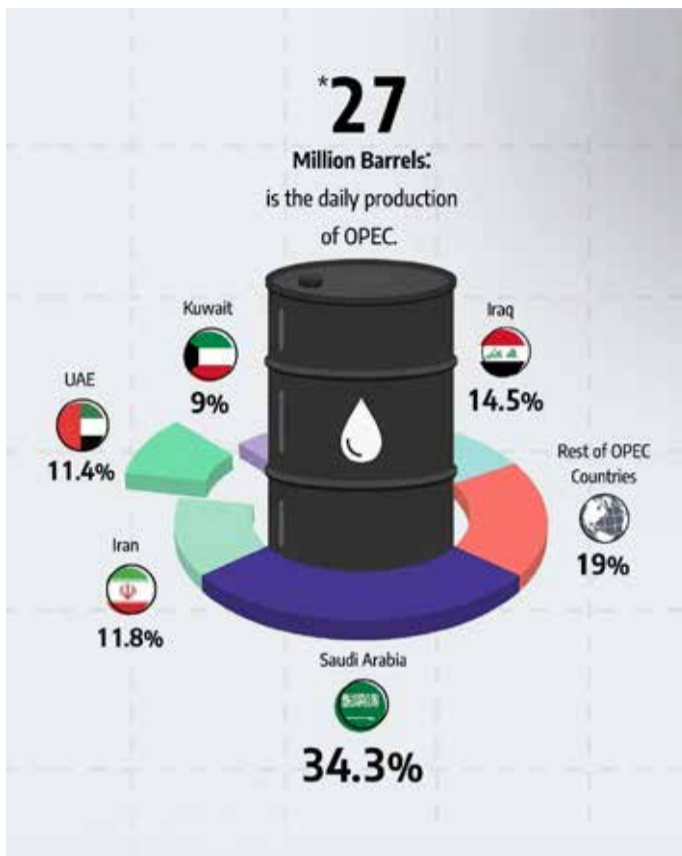


political conditions of the Persian Gulf region. Regarding market reaction, he stated that oil prices have experienced a modest increase, between 2.5% and 3%, and that this effect is projected to be short-term, whereas the long-term effect may diverge after the repercussions of the war subside. The truth is that the Emirati departure from OPEC liberates it from the quota system and bestows upon it enhanced flexibility in production and exportation. According to Al-Riyami, this factor may constitute one of the motivations for this decision, particularly given Abu Dhabi's previous challenges concerning production quotas, including its requests for baseline modification and subsequent arrangements and exemptions. Al-Riyami posits that the short-term impact may be limited, and that minor price fluctuations are possible, whereas the long-term effect could be relatively negative, especially given the persistence of competition in global markets. He explains that the Emirati departure does not necessarily signify an immediate intensification of competition because this competition already existed and will persist as long as oil production continues. Regarding OPEC, he states that this organization will be affected by the Emirati departure, given the weight and influential role

of the UAE in meetings, and that the departure will create a vacuum in the short term, particularly because other nations, including Qatar and Indonesia, have previously withdrawn from this coalition.

Potential ramifications

Sherif Othman, an Arab economist, regarding the consequences of this decision upon prices, considered the current impact upon oil prices to be insignificant and noted that there exists no direct correlation between this decision and crude oil pricing. Othman added that oil prices are currently fluctuating in accordance with broader medium-term developments, such as sanctions, prohibitions, and ongoing negotiations between Iran and the United States, with the objective of achieving an accord or reducing tensions. At the same time, he argued that this decision will possess a long-term effect, particularly upon the Persian Gulf region's control over international oil prices and its ability to influence them. Regarding OPEC's capabilities and capacities, he stated that the organization's power will diminish, following the previous departure of Qatar (in 2019) and now the Emirati departure, particularly concerning its ability to influence crude oil prices, which constitutes a considerable blow



to this organization. Nevertheless, the WAM news agency reported that the United Arab Emirates, after its departure from OPEC, will continue its "responsible" role through a gradual and precise increase in production, consistent with de-

mand and market conditions.

A test of cohesion or further political schism?

Amer Al-Shobaki, an energy affairs expert, in an interview with Al Jazeera network, stated that recent events should not be in-

The chart is based on OPEC's data as of February 2026. AL-HURRA



The Emiratis are clearly preparing for the period after the war because now that we have reached peak oil demand and we are entering a new environment — they want to be free from the constraints of OPEC.

terpreted solely as a nation's departure from an oil organization but should, rather, be interpreted as a shift toward a more profound conflict within the oil system concerning who will possess the right to lead the oil market in the forthcoming phase. According to Al-Shobaki, the Emirati departure does not signify the immediate collapse of OPEC or OPEC+, but it does strike one of the organization's most crucial assets, namely, its image of cohesion and collective discipline. From this economic expert's perspective, the peril of this decision resides in the fact that it was issued by a central Persian Gulf nation possessing high production capacity and aspiring to development, rather than by a small producer with limited influence. Al-Shobaki also stated that quotas within OPEC+ have constrained the United Arab Emirates' ability to convert its massive investments in production capacity into actual production and direct returns. Therefore, he posits that this decision represents a political and petroleum-related schism within the community of producers and could establish a precedent that encourages other producers to demand renegotiation or even to rebel against the quota system.

The article first appeared in Persian on IRNA.

Why UAE walked out on OPEC

And what it means for the cartel

By Steven A. Cook
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OPINION

The United Arab Emirates (UAE) announced last Tuesday that it is withdrawing from the Organization of the Petroleum Exporting Countries (OPEC). The decision, effective Friday, ends a 58-years membership in the cartel and deals a symbolic blow to an economic alliance that is strained by the pressures of regional war and fractured diplomacy.

The Emirati government has long taken issue with the quotas and price controls instituted by the cartel, and so it views this as in its best interest. The UAE's departure has raised some pointed concerns about OPEC's long-term cohesion, but it remains to be seen whether this change will have a serious effect on the cartel.

Significance of UAE's departure

This is a significant geopolitical move. The Emiratis began studying whether to leave OPEC around the time Qatar (not a relatively large oil producer) left the cartel at the beginning of 2019. However, it seems unlikely that Emirati decision will undermine OPEC itself — it still has 11 other members who have not shown any signs of leaving — or global oil flows.

The Emirati leadership clearly believes that OPEC decision-making, which has historically privileged Saudi Arabia, has not served Abu Dhabi's economic interests. At the same time, the Emirates and the Saudi Kingdom have returned to a period in which their bilateral relationship is fraught. The close coordination between the two



governments in recent years, around which American policymakers and analysts have developed their assumptions about the region and its trajectory, is not the norm.

Like other smaller states in the Persian Gulf, the Emiratis have more often than not resisted Saudi Arabia's efforts to dominate them and the region.

Effect of the US-Israeli war with Iran

The war has had an impact, but perhaps not in the way people might surmise. Let's take a step back and look at the months leading up to US President Donald Trump's decision to launch Operation Epic Fury. In late 2025, the Saudis and Emiratis were in conflict over Yemen. The UAE supported a power grab by the Southern Transitional Council, a Yemeni separatist paramilitary group, at the expense of Saudi partners in the country. The Saudis went so far as to undertake air strikes on Emirati allies and military equipment at the Port of Mukalla. At the same time,

Israel's recognition of Somaliland contributed further to the mutual distrust between Saudi Arabia and the UAE. The Saudis considered the Israeli move to be destabilizing and perceived Emirati complicity with it. The result was a two-months-long war of words between the two governments through mostly social media along with a campaign in Washington as both governments attempted to convince US officials that the other was to blame for the breakdown of ties.

Then came the war in Iran. With Iran's initial attacks on the Emirates and Saudi Arabia, Saudi Crown Prince Mohamed bin Salman and Sheikh Mohamed bin Zayed, the president of the UAE, expressed solidarity with each other as well as the other regional countries under Iranian attack. Yet, the UAE and Saudi Arabia diverged as the war continued as the Saudis joined the Pakistanis, Egyptians, and Turks in seeking a diplomatic solution. For their part, the Emiratis do not oppose a diplomatic solution, but given the fire

The illustration shows a rift between Sheikh Mohamed bin Zayed Al Nahyan (R), crown prince of Abu Dhabi, and Mohammed bin Salman, crown prince of Saudi Arabia. FARS



The Emirates had been weighing a break from the cartel for several years now. A war, a conflict in Yemen, and a collapsed partnership with Riyadh gave them their reason to act.

they have taken from Iran, they want to ensure that in whatever agreement is reached, the regime cannot threaten their security again. They believe the Saudis and others are willing to settle for less. This divergence has led to an erosion of the trust and solidarity that developed in early March. The Emiratis, who were already considering leaving OPEC, clearly concluded that the deterioration of their bilateral relationship with Saudi Arabia presented an opportunity to end their participation in the cartel.

A deeper threat to OPEC?

So far, other members of the car-

tel have not signaled an intention to leave. Yet the Qatari move in 2019 and the Emirati decision could conceivably lead other members to consider whether they might be better off without the cartel.

Keep in mind that geopolitics seems to have driven the move, but it seems unlikely that Abu Dhabi would have left if its leaders did not believe there was an economic benefit of doing so. If the UAE can prove that leaving OPEC is not harmful, other countries might consider following suit.

The article was first published by the Council on Foreign Relations.



The photo shows the aftermath of a Saudi air strike on the Port of Mukalla, Yemen, on December 30, 2025, after ships suspected of carrying weapons shipments arrived there from Fujairah, a port city on the United Arab Emirates' eastern coast. X