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Issue Brief

UAE's Exit from OPEC and OPEC+: Strategic Drivers

Saman Ayesha Kidwai

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S*ummary*

The UAE's exit from the intergovernmental groupings of OPEC and OPEC+ has introduced a new dilemma for the global energy market. In addition to security and geopolitical drivers, simmering structural tensions within OPEC, influenced by competing interests and growing economic and energy ambitions, set the stage for the UAE's withdrawal from these intergovernmental organisations.

Introduction

The United Arab Emirates (UAE) announced its decision to withdraw from OPEC and the OPEC+ groupings in April 2026. This has come on the heels of growing discontent with the posture adopted by its Gulf compatriots following the outbreak of the latest war between the United States (US), Israel and Iran in February 2026. The UAE’s withdrawal is driven by a convergence of needs to pursue energy security and autonomy in the backdrop of regional tensions.

The UAE has been the worst affected by Tehran’s retaliation. By March 2026, approximately 48 per cent of the missiles Iran deployed were targeted at the UAE.¹ This greatly undermined its credibility as a haven for investors and tourists and as a hub for technology and logistics. This appears to have been primarily due to the lack of support from its fellow Gulf nations and, more importantly, their inconsistent approach to dealing with Iran.

The security vulnerabilities presumably proved to be the immediate causal factor in possibly accelerating the UAE’s announcement. In the backdrop of this escalating security crisis for the Emirati state, its remarks, a day before the decision to leave the oil grouping was announced, should have been viewed as a harbinger of emerging fault lines within the Arab fold, which were first sown when the UAE bore the brunt of the Iranian missile strikes.

Regional fragmentation and a lack of solidarity in the face of unrelenting missile strikes, as perceived by the UAE, suddenly brought the underlying regional tensions to the fore. Presidential Diplomatic Advisor Anwar Gargash noted that the GCC countries

supported each other logistically, but politically and militarily, I think their position has been the weakest historically. I expect this weak stance from the Arab League, and I am not surprised by it, but I haven’t expected it from the GCC, and I am surprised by it.²

The UAE, as a member of OPEC, was the fourth-largest oil producer among member states. Therefore, its exit is expected to transform global energy markets and governance on a much greater scale than the exits of other countries (such as Gabon, Ecuador and Qatar) that previously suspended their membership.

¹ Agnes Helou, [“UAE Fights Off Outsized Share of Iranian Attacks, Pulls Back on Sharing Interception Rates”](#), *Breaking Defense*, 13 March 2026.

² Toby Gregory, [“UAE Leaves OPEC, Citing National Interest in 'A New Energy Age'”](#), *Euronews*, 28 April 2026.

Security Drivers and Regional Fallout

The UAE’s decision to step back from its decades-long association with OPEC must also be assessed with the security dynamics and regional competition playing out in the West Asia and North Africa (WANA) region in mind. As the events following the UAE’s announcement would show, the Emiratis, in light of recent security concerns and the perceived diminished response from their Gulf allies, decided to tie national security considerations to energy-based geoeconomics for the foreseeable future. The growing convergence of these themes arguably proved to be the trigger for the UAE to step away from its association with other oil-exporting countries.

Since the outbreak of the Arab Spring in 2011, both the UAE and Saudi Arabia have not only supported opposing factions in the Yemeni civil war, but Riyadh has recently begun engaging the Houthis (supported by Iran), perhaps in a bid to re-establish its foothold on its southern border. At the same time, the Emiratis were gradually pushed out of the country by January 2026, with no stake in its future developments despite their decade-long backing of southern separatists to establish influence in the Gulf of Aden and the Bab el-Mandeb Strait. Notably, this Strait is an important maritime chokepoint, given that 30 to 40 per cent of dry goods transit via the Suez Canal and the Red Sea.³

Additionally, in Sudan’s civil war, while Riyadh has backed the Sudanese Armed Forces (SAF), Abu Dhabi has aligned itself with the paramilitary forces, the Rapid Support Forces (RSF). These events have collectively impacted how the UAE has viewed the changing security landscape and alignments in the wider region.

Intra-OPEC Fissures and Energy Considerations

In addition to security and geopolitical drivers, simmering structural tensions within OPEC, influenced by competing interests and growing economic and energy ambitions, set the stage for the UAE’s withdrawal from these intergovernmental organisations. The announcement, however, had been in the works, with the UAE investing significant capital to double down on surplus energy reserves while diversifying its portfolio to focus on renewable energy production. By December 2024, the UAE had invested at least US\$ 40 billion in clean energy-based projects.⁴

³ Jun Qiao, Yitong Li and Mingxuan Huang, “[The Geopolitical Importance of Bab El-Mandeb Strait: A Strategic Gateway to Global Trade](#)”, Middle East Political and Economic Institute, 28 February 2024.

⁴ Michael Tanchum, “[MENA’s Emergence as a Hub for Renewable Energy Supply Chains](#)”, Middle East Institute, 9 December 2024.

At the same time, it had consistently been struck down by the Saudi Arabia-led OPEC, even in the aftermath of the COVID-19 outbreak, as it attempted to push for the removal of existing oil production caps. The rift, which had been widening behind closed doors, became publicly evident for the first time in 2021, when the Emiratis proposed increasing production quotas, a move their OPEC colleagues promptly dismissed. This was to keep prices higher by constraining oil production.⁵

Also, with the UAE no longer a member of OPEC or OPEC+, it is expected to establish a foothold in the energy market as an alternative energy supplier, particularly during global crises. This is at a time when oil-exporting groupings would otherwise have kept exports at much lower levels to maximise revenue. The decision to withdraw from these intergovernmental organisations has been strategically explained as reflecting a continuity in the pursuit of the UAE’s

long-term strategic and economic vision and evolving energy profile, including accelerated investment in domestic energy production, and reinforces its commitment to a responsible, reliable, and forward-looking role in global energy markets.⁶

Taken together, the UAE’s decision must be viewed through the lens of festering grievances and competing ambitions of member states, and as indicative of widening structural fault lines within OPEC, rather than an isolated anomaly.

Geo-economic Calculations and Strategic Positioning

In an evolving landscape, the UAE’s approach signals its objective to assert autonomy amid rapidly shifting geopolitical alignments, conflicts, and tumultuous energy markets. At the same time, the UAE has used this strategic shift to recalibrate its partnerships with non-regional partners.

The UAE leadership might also, through this strategic manoeuvre, be signalling the intent to build a closer alliance with the United States, which, under the Trump administration, has demonstrated its disdain for OPEC and called for the liberalisation of the global oil market, and to establish itself as the alternative regional powerbroker *vis-à-vis* Saudi Arabia. President Trump has, in the past, openly called for OPEC to reduce oil prices by increasing cumulative production.

⁵ Kristian Coates Ulrichen, [“UAE’s OPEC Exit Has Been Long in the Works – And May Mark the Beginning of a Gulf Realignment”](#), *The Conversation*, 28 April 2026.

⁶ [“UAE Announces Decision to Exit OPEC & OPEC+”](#), Emirates News Agency- WAM, Government of the United Arab Emirates, 28 April 2026.

The Emirates is also positioning itself as a credible partner for countries looking to transition to reduced-carbon emissions, i.e., implementing green energy policies. This would apply particularly to European nations, which have moved towards pursuing alternative energy supplies in the aftermath of the Russia–Ukraine conflict that broke out in February 2022 and, consequently, the imposition of sanctions on Moscow.⁷

Moreover, it is crucial to note that the member states in OPEC and OPEC+ include Venezuela and Russia, two countries at odds, particularly with the United States and even Europe. The Russian case has been particularly significant in global affairs due to the events in Ukraine, with sanctions still in place against key Russian leadership, including President Vladimir Putin. The possibility of the UAE, by withdrawing from all OPEC-based intergovernmental frameworks, including the one involving Moscow, demonstrates its willingness to reduce its cooperation with Russian counterparts in exchange for more robust and comprehensive trade and investment agreements, or reconstruction assistance from Europeans and Americans, should not be outrightly dismissed. As a result, the UAE’s announcement reflects its intent to strategically recalibrate its partnerships and tap into global energy security considerations to advance its objectives.

Implications

The potential fallout from the UAE’s decision is already evident in its recalibration of energy output targets, with more profound ramifications expected to emerge once the war in Iran concludes. The groupings, which were primarily targeted at controlling the production and price of crude oil worldwide, collectively controlled approximately 40 per cent of global oil supply, along with the UAE. The Emirati exit would now allow it not only to increase oil production capacity to between 4.8 and 5 million barrels per day by 2027, but also to accelerate the timeline by three years.

This marks an increase from earlier production levels of up to 3.4 million barrels per day, around three per cent of global crude oil supply, highlighting a notable gap between its production capacity and constrained output. In addition, this decision will allow it to recalibrate the pricing of its oil exports according to its national interests, which might very well stand in direct contradiction to the wider Gulf region, which has been the worst affected by the Strait of Hormuz crisis.

⁷ Ibid.

The move also appears to be a tactical manoeuvre to carve out its niche in the global energy market at a time when the decision would not have any significantly negative repercussions on its national economy, nor hold it culpable in the eyes of energy consumers for any notable disruptions to the supply chain. Analysts note that the UAE would gain greater freedom to raise production once conditions stabilise, while the prospect of higher revenues would also support the country’s post-conflict recovery.⁸ Further, the impact on global energy markets may not be as concerning, given depleted global inventories and the need to rebuild reserves.⁹

As of now, however, the UAE, like other oil-producing nations, remains constrained in its oil exports, even after achieving the 2027 production target, unless the dual blockade imposed by Iran and the US ends. This is despite its realising its objective of producing 4.8 to 5 million barrels of oil per day. Once security conditions improve, however, a new era of energy competition could emerge across the region and the wider world.

Taken together, this implies that in a more competitive global energy market, the UAE, as an independent stakeholder rather than an OPEC member state facing production caps, could play an enabling role in overcoming disruptions caused by the ongoing regional crisis and introduce a degree of fluidity into global energy trade. In turn, this could consolidate its position as a reliable alternative-energy partner, even as its Saudi counterparts seek to wean themselves away from dependence on oil production as part of the economic reforms underway under the royal leadership.

Fallout for Saudi Arabia and OPEC’s Unity

From a long-term perspective, the change in OPEC membership will inevitably influence the trajectory of organisational unity and Saudi Arabia’s economic reform agenda, particularly Vision 2030. It must be noted that the UAE’s announcement was made without any prior notice to OPEC or OPEC+ members. Some of the key challenges now facing Saudi leaders include finding innovative ways to incentivise remaining OPEC nations to adhere to oil production quotas, while also maintaining dominance over the global energy market with emerging stakes.

⁸ Alex MacDonald, “[United Arab Emirates Says It is Leaving Opec and Opec+](#)”, *Middle East Eye*, 28 April 2026.

⁹ Hind Aldah, “[Explained: What is Opec and What Does UAE's Exit From It Mean?](#)”, *Khaleej Times*, 28 April 2026.

This transformative shift following the UAE’s departure has a direct bearing on Saudi Arabia’s economic diversification agenda, while placing a greater burden on Riyadh to ensure compliance with production quotas and stability in the global energy market. This comes at a time when its leadership may be reluctant to redirect resources and efforts, as it is focused on the country’s economic transformation through strategic initiatives. The country as a whole requires an oil barrel to be priced at an average of US\$ 80 to continue funding its ambitious programme to diversify the Kingdom’s economic portfolio and mitigate the impact of deficits.

With Abu Dhabi now able to operate independently of the regulations imposed by OPEC and its largest benefactor, the Saudi Kingdom, it might be incentivised to make domestically produced oil more competitive, perhaps by offering it at lower costs to create an independent external consumer market once the war recedes and the Strait of Hormuz blockade reverses.

As a result, one could expect that OPEC’s ability to influence the global energy market and the collective leverage it could otherwise exercise would gradually weaken over the coming decades, as over 10 per cent of its overall production is expected to decline due to the UAE’s decision. We could see flexibility and intensifying competition co-exist in a new global energy framework shaped by prominent West Asian stakeholders.

Conclusion

While countries such as India stand to benefit from this shift in the energy market by being able to independently execute agreements free from organisational guidelines and negotiate more cost-effective arrangements that further enhance India’s energy security, it must exercise great caution in insulating itself, to the greatest extent possible, against short-term energy shocks and any domino effects that might arise due to retaliatory energy market wars between former oil-exporting allies.

For New Delhi, however, which maintains close diplomatic ties with both Gulf countries, it must continue to exercise caution and walk a delicate diplomatic tightrope as it engages with OPEC-based groupings and the UAE independently, moving forward. Finally, the UAE’s withdrawal from OPEC and OPEC+ is expected not only to transform how global energy markets are regulated in the foreseeable future but also to influence how regional and global conflicts, competing ambitions, and external alignments shape the global energy order and governance debates in the immediate future.

About the Author



Ms. Saman Ayesha Kidwai is Associate Fellow at the Manohar Parrikar Institute for Defence Studies and Analyses, New Delhi.

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