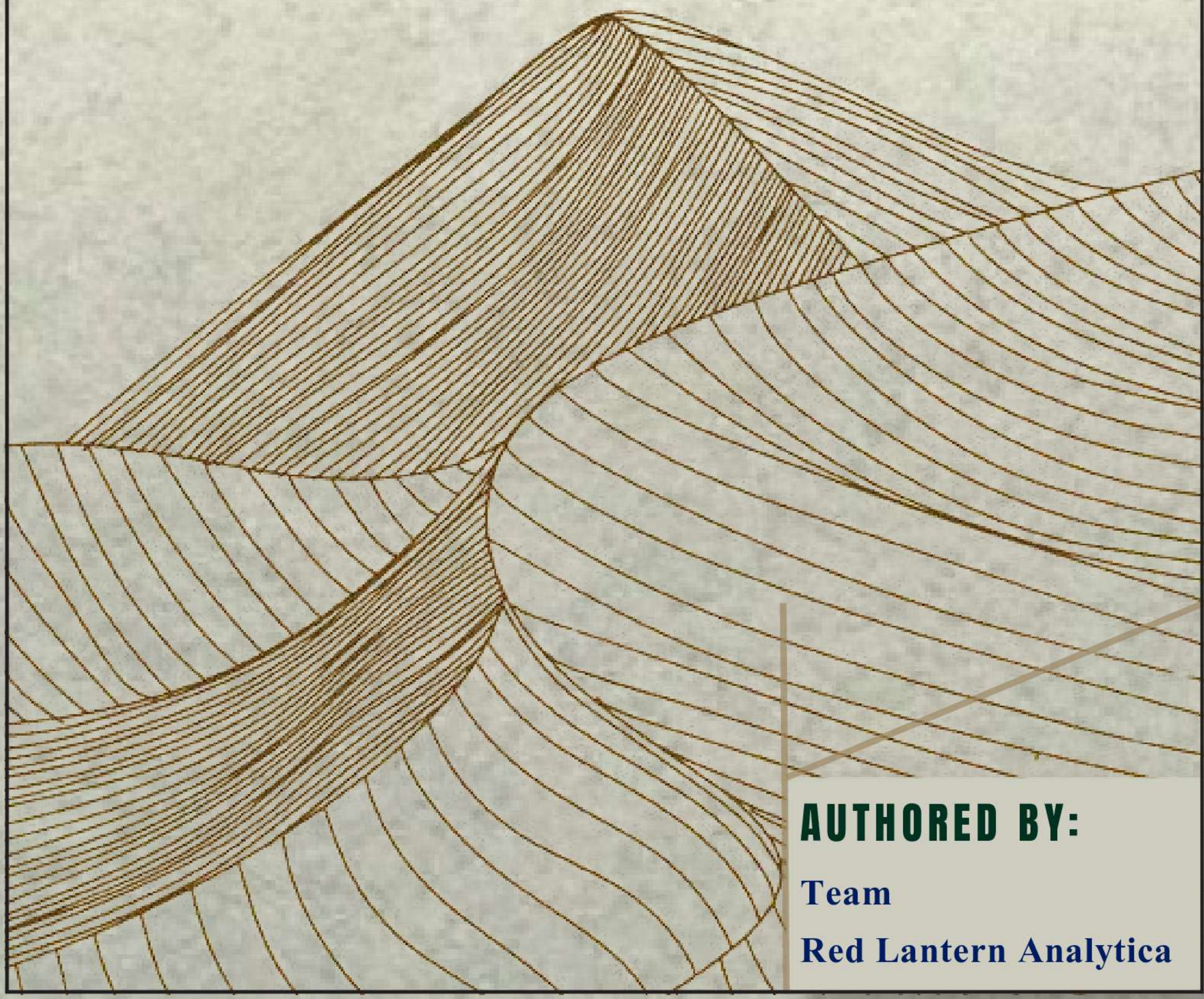
Red Lantern
ANALYTICA

UAE'S EXIT FROM OPEC:

STRATEGIC SOVEREIGNTY, ENERGY TRANSITION, AND THE FUTURE OF GLOBAL OIL GOVERNANCE



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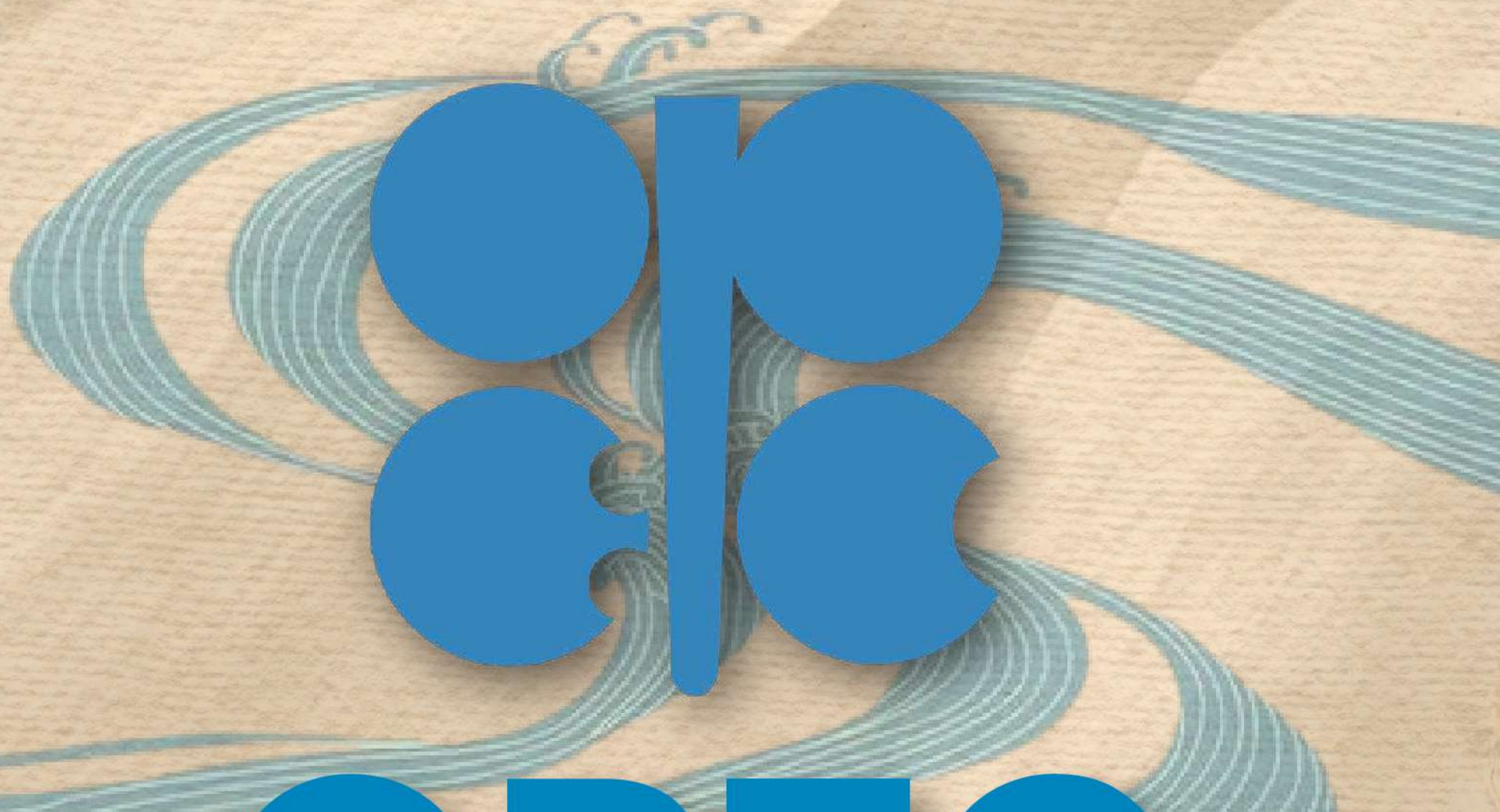
EXECUTIVE SUMMARY

On April 28 of 2026, the United Arab Emirates (UAE) announced that they were to depart from the Organization of the Petroleum Exporting Countries (OPEC) and the OPEC+ coalition, effective May 1, 2026. According to their energy minister, this decision stemmed from a lack of alignment, as the UAE diverged from the energy goals of OPEC, which is a cartel founded on the oil politics of a different time.

The core thesis of this report is as follows: the UAE's OPEC exit is a rational, sovereignly calculated act of strategic correction—driven simultaneously by economic logic, production ambition, geopolitical realignment, and the imperative to monetize hydrocarbon reserves before the long-run erosion of oil demand. This does not negate multilateralism; rather, it adjusts the basis on which Abu Dhabi participates in the global energy system.



OPEC

CORE FINDINGS

Production Constrain

When the UAE left, production capacity was around 4.85 million barrels per day, but OPEC+ quota allocations limited production typically to 3.4 million barrels per day. This required the UAE to operate at about 70% capacity, which meant they had to drop around $ 35-41 billion in gross revenue, assuming a selling price of $70 per barrel.

Investment Imperative

ADNOC has $150 billion in approved planned capital expenditures for the 2026-2030 timeframe to reach 5 mbpd of production capacity by 2027. OPEC quota discipline provided a structural obstacle to this program being executed at scale. That obstacle is removed, and credible, binding offtake commitments to international investment partners will be enabled.

Fiscal Resilience

The fiscal breakeven oil price for the UAE is about $50 per barrel, which is one of the lowest figures in the world, and less than half of Saudi Arabia's figure of $91 per barrel. Currently, the share of oil in the UAE economy is about 77.5%, which offers a significant buffer against the variances of the prices in the oil market, and, therefore, the UAE is relatively insulated compared to other countries that are dependent on oil revenues.

Geopolitical Catalyst

In early 2026, Iran's military attacks on UAE land and Iran's temporary blockade of the Straits of Hormuz, blocking the UAE's oil exports, were at about 1.9 mbpd. Iran's actions made it the UAE's economically costly and territorially strategically untenable.

Infrastructure Advantage

The Abu Dhabi Crude Oil Pipeline (ADCOP) has the capacity to transport 1.5 to 1.8 million barrels per day (mbpd) and completely bypasses the Strait of Hormuz. The pipeline directs output to the port of Fujairah on the Gulf of Oman. When the Strait of Hormuz was closed to oil tanker movement, the ADCOP made the UAE the only country in the Gulf, which can be depended on to provide uninterrupted oil exports to the Asian markets.

Strategic Implications

The UAE's exit marks the catalyzing of a structural shift in the network of global energy market governance. This means a shift away from a near fully institutionalized cartel co-ordination system towards a multi-polar governance system of mixed investment-driven, sovereignty-led oil market governance. In the immediate future, the market will likely see modest price declines with a general increase in price volatility. In the longer run, the UAE is set to become the lowest cost, highest capacity, most flexible oil producer globally. This position will fulfill geopolitical criteria as flexible alignment with major consumer collaboration/blockades of energy transition financing.

OPEC Impact

The UAE's exits remove OPEC's second largest nation for spare capacity. Spare capacity is the main variable that allows a cartel the claim it can manage a market and absorb shocks. OPEC's ability to supply interventions is severely limited.

1. INTRODUCTION

The global oil market has been shaped by two competing structures over the years. On one hand, you have the institutional arrangement of both OPEC and OPEC+ oil-producing member countries. On the other, you have the free market arrangements of those countries that are not OPEC member countries and whose input to the market is determined primarily by the prevailing oil prices. For over sixty years, the UAE, through Abu Dhabi, was part of the first, providing OPEC with its operating authority by supplying spare capacity, diplomatic credibility, and cartel discipline.

The declaration to leave on April 28, 2026, clearly marks a break of the stated institutional history. This is the first instance that provides an extensive level of context. The UAE was not an outside or structurally disadvantaged member such as Venezuela or Nigeria. The UAE was one of OPEC's most disciplined and strategically most important members. The UAE's exit is the largest loss of market credibility among member countries when you consider Qatar's exit in 2019 over LNG interests, Angola's exit in 2024 over disagreement over quotas, and member country's progressive shift toward a less supporting role.

Additionally, the exit is historically significant in that it represents a shift in a time of uncertainty and high geopolitical risks when the US, Israel and Iran in a (re)aligning, restructuring) regional security in the Middle East, and stretching (putting a strain) on global energy supplies.

This report presents a detailed analysis of the UAE's decision architecture, focusing on the phases of OPEC history and the factors that have undermined its consolidation, the UAE's own trajectory, the rational justifications for OPEC exit, the economic and geopolitical repercussions of the decision for Abu Dhabi, OPEC and the global energy system, the probable scenarios for the next decade. The analysis employs quantitative data, institutional analysis and geopolitical realism, and has been designed to cater to the requirements of policymakers, investors and strategy planners addressing the challenges of a fast-changing energy system.

2. OPEC: Historical Evolution and Structural Challenges

2.1 Formation and Founding Rationale

The establishment of the Organization of Petroleum Exporting Countries happened during the Baghdad Conference in September in 1960. The conference was attended by Iran, Iraq, Kuwait, Saudi Arabia, and Venezuela. The conference was a reaction to the 'Seven Sisters', the Western multinational oil companies, who had unilaterally reduced the posted prices of crude oil in 1959 and 1960. This series of price cuts caused a significant loss in revenue for petroleum producing countries. The founding members of OPEC designed the organization to give petroleum producing countries greater control over the prices and serve as a counterbalance to the Western oil companies.

There were two primary components to the ideas behind the organization. For one, petroleum was a nonrenewable resource, so producing countries had to control the rate that the resource was extracted. Also, petroleum producing countries had to band together because being in the organization was the only way that a country could have price control because there was no way a country could have control over the prices of petroleum in isolation. The 1960 statute was a direct result of these two components, and, in the statute, OPEC was created to have the goals of the unification of the petroleum policies in collaboration with member countries to have a fair price system and an easy and stable supply for the consumers.

2.2 Major Milestones and Institutional Evolution

One of the most powerful shows of force by OPEC was the 1973 Arab Oil Embargo. This was the first instance of Arab nations using oil exports as a weapon in trade. Rationalized by the lack of support by the West to the Arab states during the Yom Kippur War against Israel, the prices of oil jumped by 4 times, getting as high as $12 per barrel from $3 per barrel. This shift showed the strength of the oil cartels among OPEC members, and impacted trade, warfare, and economics everywhere for the next 30 years. The Iranian Revolution in 1979 and 1980 resulted in another oil shock with prices of oil getting as high as $35 per barrel.

There is a logical eroding structure hidden within the facade of success found in OPEC. The high prices of oil from OPEC led to a massive increase in the number of oil fields with production markets beyond OPEC, including the North Sea, Alaska, and the Gulf of Mexico. High oil prices also led to the economic incentives to conserve and use oil more efficiently. The result was a supply glut in the market by 1986 which led to prices crashing to below $10 per barrel. OPEC headquarters and members now have a huge and structural contradiction with OPEC which is that the policies OPEC puts in place, Saudi Arabia in this case in 1985, totally control supply and put a huge burden on only Saudi Arabia to bear.

OPEC has constantly evolved with memberships. The first members were Qatar (1961), followed by Indonesia and Libya (1962), the UAE (1967), Algeria (1969), and Nigeria (1971). After Qatar left in 2019 for focus on LNG strategy, Angola followed (2024), and the UAE left (2026). OPEC has shown to have less representation and focus on the interests of the producers worldwide.

Architected by the then UAE Energy Minister Suhail Al Mazrouei, the 2016 Declaration of Cooperation established the OPEC+ framework and included Russia, Kazakhstan, Azerbaijan, Oman, and Mexico in a voluntary coordination system. OPEC+ demonstrated the tactical capabilities of the expanded coalition when they committed OPEC+'s unprecedented cuts of about 9.7 mbpd due to demand collapse during COVID-19, but because of chronic compliance failures by Russia, Iraq, and Kazakhstan, the UAE—one of the most disciplined compliance performers—began to find it increasingly inequitable.

2.3 Structural Limitations of the Quota System

The principal structural weaknesses of OPEC's main operational mechanism—quotas on nationally allocated production—can be summarized as follows: (1) technical and bargaining frameworks are contradictory since quotas should theoretically be based on, for example, OPEC members' proven reserves, production capacity, and domestic economic priorities, but, in practice, they are based on political bargaining and true allocation agreements; and (2) there is no true compliance. Many member states are most likely to exceed their quotas, signaling adherence, in pursuit of price and revenue surpluses. OPEC's Institute of Engineering and Technical Studies attempts to resolve the compliance issue by requiring member states who exceed their quotas to perform compensatory cuts in subsequent quarters. OPEC lacks a true enforcement mechanism and, as a result, adherence is maintained diplomatically.

Three structural weaknesses have diminished OPEC's power to supply the market. These weaknesses include, but are not limited to, the following: (1) the increase of U.S. shale production (ultimately fully outside of OPEC production in the mid-2020s) caused shale to be a price responsive supply source, and a non-OPEC price compliant swing producer; (2) non-compliance of member states to quotas has continued the decay of member state compliance to the most social of market management mechanisms (steady price ceilings); and (3) the increased energy transition has diminished the only supply-and-demand balancing mechanism: a bubble ceiling on oil

price that consists of collusion to cease production spikes, around 2030-2040, exceeding oil demand. All these factors contributed to the rationale and time frame of the UAE's exit, but are not causing factors; they are a catalyst.

3. UAE WITHIN OPEC: FROM STRATEGIC PARTNER TO STRATEGIC DIVERGENCE

3.1 Historical Role and Institutional Contribution

Abu Dhabi is the most affluent of the United Arab Emirates' (UAE) seven emirates, and became a member of the Organization of the Petroleum Exporting Countries (OPEC) a mere seven years after its inception in 1960. When the member states of the UAE unified in 1971, the ADNOC became the country's chief oil industry and policy arm. For about 40 years, the UAE was a loyal, compliant, and integrated member of OPEC. The country benefitted from price stability, provided excess supply, and gave OPEC diplomatic support and credibility. The UAE is continuously seen as an innovative developing country in the world. OPEC's expectations of the member state is continuously developing as Abu Dhabi connects with the other nations in regard to oil supply and price developments.

The UAE's OPEC membership also signaled compliance with the developing country's expectations. Jan 1, 2010, UAE showed a commitment to be in line with the other OPEC countries given the world's supply. The UAE's membership indicated support of the other oil supplying nations. The UAE is compliant with providing the UN the ability to fulfill its requirements regarding the oil supply to the UN and its member states. The UAE's oil supply membership was primarily seen as support in providing the OPEC quotas to the other UN member states. The UAE was the first country in the world to support OPEC in providing oil to QADB and the other UN member states, and the first country to agree to provide an OPEC quota in addition to providing a supply membership.

3.2 The Quota Straitjacket: Accumulating Economic Divergence

Conflicting goals within the United Arab Emirates (UAE), as a producer, and the Organization of the Petroleum Exporting Countries (OPEC), as a price setter, grew sharper as the Abu Dhabi National Oil Company (ADNOC) expanded the country's oil reserves and production. ADNOC invested heavily in capital and operational resources and expanded production levels from 2.7 million barrels per day (mbpd) in 2010 to 4.85 mbpd in 2025. However, in the OPEC+ era from 2016 to the current, the production remained comparatively low due to the OPEC+ production quota, which was approximately 3.4 mbpd.

This disparity left approximately 1.4 mbpd of production capacity as not utilized, which also led to significant profit loss. At a price of $70 for a barrel of oil, the production quota left the UAE with an implied loss of approximately $35 billion per year. In the OPEC+ era, the total loss was likely greater than $200 billion. This discrepancy was confirmed in 2021 as the UAE was the first country to advocate for its OPEC production to be greater than 3.168 mbpd to approximately 3.8 mbpd, which also represented the country's greater capital investments. OPEC+ rules left UAE to greater production supports and less productive capacity with limited production to help support the OPEC+ goals.

3.3 ADNOC's Strategic Transformation

Simultaneously with the quota frustrations, ADNOC completely transformed from a standard state oil company to a commercially-focused, competitive global energy company. As part of its 2026– 2030 business plan, the company has a $150 billion capital expenditure objective to increase its upstream oil production to 5 mbpd and other investments to expand enhanced oil recovery, pipeline, refining, and petrochemical facilities, as well as the development of unconventional gases. ADNOC's commercial model — a combination of partial IPOs of its subsidiaries, international joint ventures with major IOCs, and downstream diversification — partially relies on predictable production to support the economic rationale of international partners. Structurally, the OPEC quota uncertainty negatively impacted those economics.

3.4 The Geopolitical Catalyst: Iran and the Strait of Hormuz

While there was justification for an exit on economic grounds for many years, a geopolitical shift drove the need for a quicker exit. The U.S.-Israel-Iran conflict that started in early 2026 changed everything for OPEC membership and Iran's subsequent missile + drone strikes on the UAE changed everything. The UAE was attacked by a fellow member of the OPEC organization that the UAE provided both diplomatic legitimacy and surplus capacity to. The UAE's oil exports collapsed to about 1.9 mbpd, and a 44% decrease from the normal amounts, remaining exports disrupted by Iranian activity and missile strikes during a Hormuz direction of the UAE OPEC institutional framework provided no protection or compensation.

The Hormuz dysfunction also protected the UAE on the strategic aspect of the ADCOP pipeline which completely circumvents the closure of the Strait of Hormuz. UAE continued to be able to maintain some exports while neighboring producer countries were completely paralyzed. The years of disruptive infrastructure investments were finally validated and reinforced by the UAE's self-reliant energy producer.

4. DRIVERS BEHIND THE EXIT: A MULTI-DIMENSIONAL ANALYSIS

4.1 Economic and Fiscal Drivers

The capacity production gap is one of the most influential factors in the economy. When considering the gap of installation capacity of 4.85 mbpd and OPEC production capacity of 3.4 mbpd., the UAE was systematically producing approximately 35 billion dollars in revenue at a barrel price of 70 dollars. Compared to the fiscal breakeven price of $50 per barrel, which is close to 50% of the breakeven price of Saudi Arabia at $91, the UAE can more easily lower the selling price, and without suffering a fiscal crisis, can afford to be more aggressive in selling at or near the breakeven price. From an economic perspective, this provides a more-sound example of volume maximization, in contrast to the price-maximization-through-restraint model, provided in the Architecture by OPEC.

The logic provided is further compounded by the UAE's need to diversify in accordance with the UAE vision 2031. By 2025 oil is expected to contribute to approximately 30% of the UAE's GDP, compared to approximately 40% in 2010, and other areas are expected to contribute to the UAE's overall GDP. These areas are expected to include the development of tourism, aviation, and financial services, along with the development of Artificial Intelligence and Renewable Energies. In order to fully implement this development, a large sovereign investment is needed. To fund these different areas, increased near-term revenue from oil is needed, as OPEC production quotas serve to fund the different areas, thereby reducing the overall need for oil.

4.2 Sovereignty and Production Flexibility

A defining feature of the exit is the exercising of economic sovereignty. Before the exit, the UAE's OPEC production was subject to a veto. Due to OPEC's consensus rule—and the total lock in OPEC production quota changes being a function of total OPEC agreement on request—the UAE's production was subject to a lock in which other OPEC nations leveraged, despite radical differences in their needs, constraints, and philosophies on how/interdependencies regarding the needs one could trade. For example, Iraq breaching compliance, placing the UAE's interests at the breakeven of $90 budget barrels, and Russia, with an energy policy that served his needs, breaches in compliance were a total shifting of budgets, a breaching budget of leverage, and a total shifting of policies that served the UAE's interests. Being an independent, market-driven producer, the UAE has more flexibility to change production to stay market-correct. This is unlike OPEC in which there is a cap on production changes based on interdependencies in negotiations that dictate a minister's rotation that changes every 3 months.

4.3 Monetization Before Peak Demand

There is a clear and sophisticated logic behind the timing of the UAE's decision. They know the period of time they are able to fully monetize their hydrocarbons is limited. In the IEA Oil 2024 report, the projection is that global oil demand may level off by 2030. Although, it may prove to be faster or slower than that prediction, the logic of a decarbonizing world is clear. The ultimate value of oil is declining.

With the world's largest reserves at 97.8 billion, the UAE's best course of action is to produce their oil to the furthest extent while the demand and price remain strong and supported, rather than to withhold their production. Being a member of a cartel holds the risk that the reserves are permanently left untapped. While OPEC chooses a supply restriction model, the world's most efficient oil producers are going to be better off as the ones with the lowest production costs.

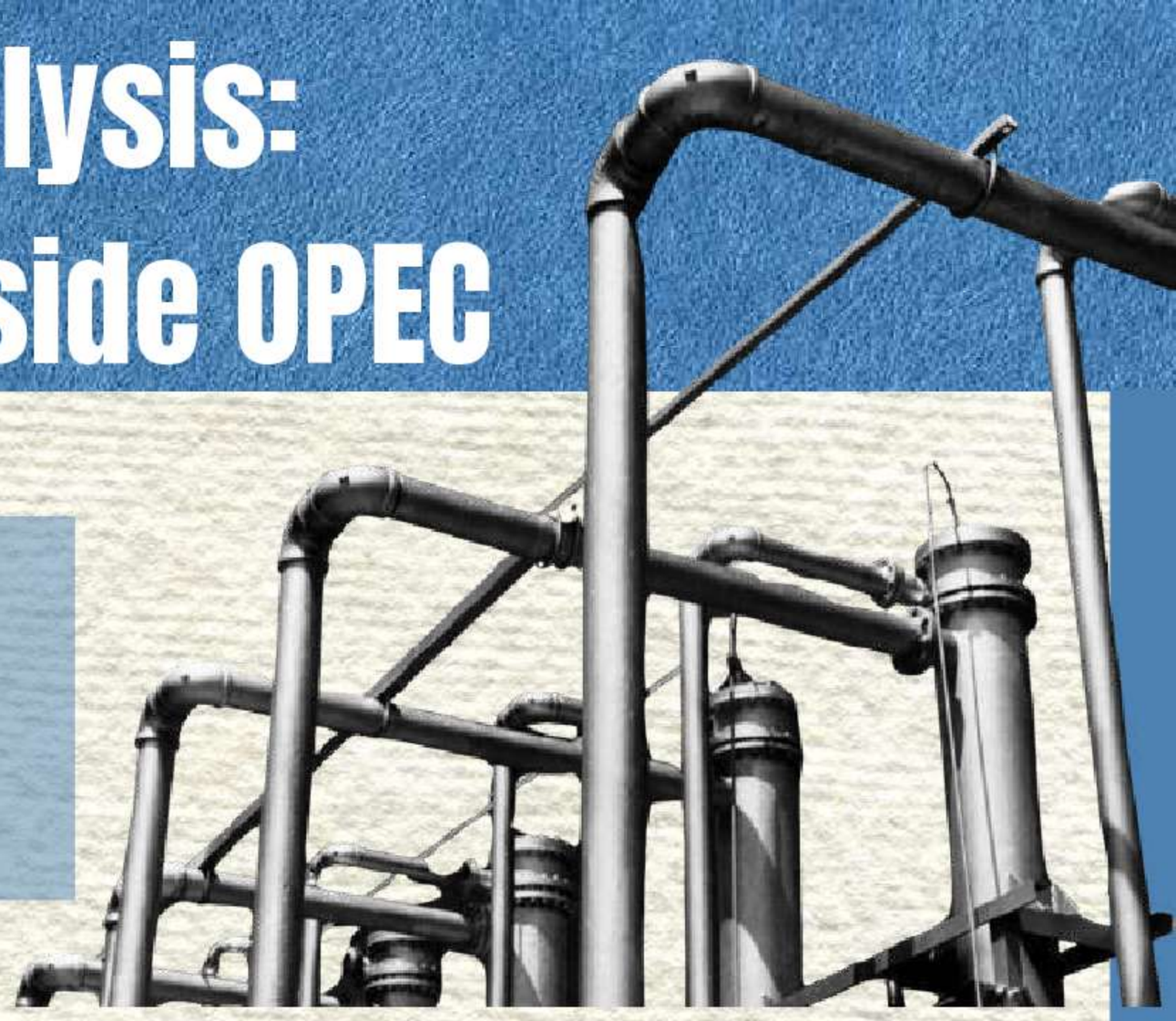
4.4 Investment Attractiveness

OPEC membership created a unique investment situation in the past. Oil companies would shy away from investing in OPEC countries because of the capacity restrictions the quotas created. The companies realized they would not be able to get the potential profits that the investment was predicated on. By leaving OPEC, the UAE gets rid of that restriction forever. ADNOC would then be able to offer foreign companies the right to unrestricted offtake. This makes the partnership a lot more appealing. The investment confidence is shown by ADNOC's creation of a $55 billion investment plan in redesign and new capacity in the upstream and downstream projects, in the two years after UAE's leaving OPEC.

4.5 Geopolitical Realignment and Diplomatic Flexibility

An OPEC exit is now also a signal of a geopolitical shift for the UAE. Membership in OPEC implied an alignment with Saudi-controlled Gulf energy strategies, which limited the UAE's room for diplomatic maneuvering. This was particularly important given Abu Dhabi's unilateral foreign policy on Yemen, the 2020 Abraham Accords, and the UAE's deepening economic relations with the US, India, and China. Membership in OPEC came with multilateral restraints on diplomatic flexibility. As an independent producer of energy, the UAE has the diplomatic room to deepen bilateral economic integrations with energy supply, strategic investments, and defense. This is also true with OPEC multilateralism. After the attack from a fellow OPEC country, even the faintest sense of institutional loyalty that would have advised restraint, was also removed.

5. Comparative Analysis: Inside OPEC vs. Outside OPEC



5.1 REVENUE AND FISCAL IMPLICATIONS

The first of many financial ramifications from the UAE's departure from OPEC will be the removal of production levies. Without these quotas, the UAE can now fully utilize its capacity to produce its maximum target of 5 million barrels per day by 2027, up from its current quota of 3.4 million. At $70 per barrel, producing at 4.85 mbpd creates almost $37 billion in gross revenue regardless of the OPEC restrictions. With gross revenue estimated to be $127.8 billion versus $86.9 billion at the constrained level, producing crude oil at 5 mbpd will be extremely profitable. Even with the global prices being driven down in the near-term due to the lack of supply restraints from the UAE, the financial benefit to the UAE will still be substantial.

The UAE possesses a cost advantage relative to this global industry at the level of $5-$7 per barrel. The UAE's fiscal structure will insulate from the price volatility impacts which accompany unilaterally losing OPEC's price floor. The Abu Dhabi Investment Authority, estimated to be worth $900 billion, Mubadala Investment Company, and Abu Dhabi Investment Council act as institutional hedges against oil price volatility. With 77.5% of the non-oil sector's GDP, a small drop in oil prices simultaneously creates no fiscal crisis and no acceleration of the loss of sovereign wealth.

5.2 PRODUCTION FLEXIBILITY AND ENERGY SECURITY

From OPEC membership, the United Arab Emirates (UAE) gained the ability to secure energy and fuel supply flows with other members' countries during crisis demands. However, collective membership offered neither protection nor compensation when Iran attacked the UAE and restricted the UAE's energy supply trade through the Strait. With Iran's supply blockade, the UAE gained better energy security after them exiting OPEC, with strategic trade agreements with consumer nations, restructuring, and trade bilateral agreements with other nations to supply energy.

The UAE gained more control on both sides of the energy supply trade with their exit from OPEC. The UAE gained the ability to more reliably control both the energy supply and the trade barriers. In times of trade conflict, control of both sides of the energy supply trade is a valuable commodity. Rystad Energy's Jorge León called the UAE, as OPEC's second largest with trade barriers, a 'core pillar' of the cartel's control with the flexibility to decide where the energy will trade.

5.3 INVESTMENT ATTRACTIVENESS AS AN INDEPENDENT PRODUCER

Elimination of quota uncertainty alters ADNOC's investment strategies through international partnerships. IOCs have the opportunity to engage the upstream and downstream sectors of projects in the UAE without the risk of production being artificially capped. Favorable financing terms are now available in long-term offtake agreements. Investment in downstream refinement and petrochemical projects are now viable with the guarantee of an unconstrained institutional producing sovereign. The accelerated award program of 55 billion dollars within two years from the exit illustrates the quick response of the market to the upgraded investment.

5.4 DIPLOMATIC LEVERAGE: REALIGNMENT, NOT ISOLATION

A frequent critique of the UAE's exit is that they lose the benefits of OPEC's multilateral diplomatic platform. The contrary assertion is that the exit provides a different—and perhaps better—type of diplomatic leverage. The UAE can create the best bilateral diplomatic relationships with the major oil-consuming economies based on the fact that they are a major oil supplier and have spare capacity, bypass oil infrastructure, and have the region's most diversified economy. Since the UAE is the most direct oil supplier that does not have bypassed oil infrastructure, India, an economy that must import over 85% of its oil and is suffering acute economic distress from the UAE's closure of the Strait of Hormuz, is forced to work with the UAE directly instead of working with Saudi Arabia. The same must be true for the USA, China, Japan, and South Korea—they are all forced to work directly with the UAE and end up on its diplomatic terms. By negotiating directly with each of these countries and avoiding any type of agreement on terms of a coalition, this exit is likely to provide the UAE a net diplomatic gain.

6. Economic and Geopolitical Implications

6.1 Impact on the UAE's Economy

For the foreseeable future, the Strait of Hormuz disruption will slightly impact oil output from the UAE due to the placement of export quotas. However, the future looks good. ADNOC's $55 billion accelerated project award program shows there is immediate optimism for investment postOPEC. With the uncertainty of production removed, bankability of upstream projects and investments in refineries will likely improve and improve the timeline to 5 mbpd capacity. The extra revenues, which depending on market conditions could be from $20-40 billion per year will provide additional capital for investment in the sovereign wealth funds and balancing investments.

The macroeconomic conditions will be further improved from the shifting focus in the UAE from oil to AI and digital infrastructure. Both G42 and MGX have been created through state sponsorship and Abu Dhabi is innovating with the Stargate UAE AI campus to achieve gigawattscale computing. The global electricity used by data centers is anticipated to increase by 100% by 2030. This presents a consistent market for investments in clean energy and natural gas. This also presents an opportunity to extend the monetization of the UAE's hydrocarbon while creating the foundation for a digital economy that will replace the economy that the UAE loses from oil.

6.2 Impact on Saudi Arabia and Gulf Dynamics

The exit will have a real effect on Saudi Arabia's standing in OPEC. Saudi Arabia loses a partner who was supportive of the Saudi-led coordination framework, provided spare capacity, and was supportive despite having a dispute regarding quotas. Saudi Arabia will have to manage the balance of global supply and demand in a process that favors the UAE. The UAE will have a takeit-or-leave-it deal that Saudi Arabia will have to stick to with a real supply and demand, and loss of revenue, for Saudi Arabia.

The separation has been diplomatically handled well by both sides. Al Mazrouei stated that has nothing to do with their “brothers” or other friends in the group, and that they have the utmost respect for Saudi Arabia. The UAE has defended its exit claim by saying that this was purely a market-timing decision. The countries have a strong economic and security partnership that they have upheld through the Gulf Cooperation Council. Both Qatar and Angola have departed from OPEC and have left precedent of a successful managed separation.

OPEC

6.3 Impact on OPEC's Cohesion and Pricing Power

The long-term impact that the rupture of OPEC signifies, and what the near-term arithmetic of production is able to measure, is more negative and more serious. The OPEC's credibility is measured by their market-take in spare capacity. Acceptance of spare capacity is the ability of OPEC to demonstrate and manage production to meet supply dis-equilibriums in the market. The UAE has the largest quantity of spare capacity among OPEC producers, second to the Kingdom of Saudi Arabia. Without spare capacity, the ability of OPEC to manage the balance of the market in-order to contain and disrupt the supply, is in-state of serious impairment.

The production share of OPEC in global supply has plummeted from approximately 55% in the 1970s to approximately 30-32% in 2026, with OPEC+, approximately 40-41%. Now, the US is able to produce 13 mbpd, and balance on the outside of OPEC. Each operable and credible, among your exits, leads to the organizations claim of market governance being further compromised. The UAE's exit may propel OPEC's relocation to a consultative forum, as is already the structure of OPEC, with the attrition of Qatar, Angola and the non-compliance of Iraq and Kazakhstan.

6.4 Impact on Global Energy Markets and Major Powers

The impact of the UAE's OPEC exit on oil prices is associated with greater short- to medium-term risk. With more freedom to adjust UAE supply, consumers are the most direct beneficiaries. However, former consumers that rely on the price to remain stable temporarily may be more exposed to risk. Former U.S. State Department Special Envoy David Goldwyn believes the risk of greater price volatility increases, but also remained optimistic that informal cooperation is possible when the price is right.

The UAE's OPEC exit suggests the U.S.'s fuel needs will be better addressed. Unconstrained UAE supply that responds to external price moderation is of significant economic interest to the U.S. because it satisfies the U.S.'s socio-economic needs. Because it serves the U.S.'s economic interests, it is of lesser geopolitical importance to the U.S. what the oil price does to Saudi Arabia. For China and India, the fastest growing consumers/demanders of Middle Eastern oil and the UAE exit suggests supply stability, particularly in the event of a disruption to the Strait of Hormuz. For Europe, the UAE's investment in energy transition with Masdar and the additional pipeline for hydrogen and LNG makes the UAE more important for energy exchange with Europe.

7. INFRASTRUCTURE AND STRATEGIC SECURITY

7.1 The Strait of Hormuz: Systemic Vulnerability

The Strait of Hormuz accounts for about 20 percent of world oil supply, which makes up 20 million barrels per day. You can find the Middle Eastern Strait located between the Arabian Gulf and the Gulf of Oman. The Strait of Hormuz has a width of about 33 kilometers. The Strait's susceptibility to be blocked by the military has been of great concern for many Middle Eastern energy geopolitics ever since the 1980's tanker wars. The 2026 Iranian military campaign against the territory and shipping of UAE is an example of how this military blocking theory can be put into an actual scenario. The the Strait blockade caused about 20 million barrels per day of Gulf energy to be locked and caused the price of Brent crude to be driven over $120 per barrel, causing extreme macroeconomic injury to all of the energy importing nations.

7.2 ADCOP: The UAE's Strategic Bypass

The Abu Dhabi Crude Oil Pipeline (ADCOP) avoids the Strait of Hormuz completely, providing direct access to the Indian Ocean shipping lanes. ADCOP runs between the onshore Habshan fields in Abu Dhabi and the Fujairah storage and export terminal. It has a capacity of 1.5–1.8 mpbd. During the 2026 blockade, the ADCOP system allowed the UAE to maintain the only Gulf export flows to major Asian partners. No other Gulf nations were able to export crude oil.

TThe significance of this system was realized during the Hormuz crisis. For India, Japan, South Korea, and the other nations that were dependent on imported crude oil during the crisis, that system allowed Abu Dhabi to go from a commodity supplier to a vital element in their energy supply chain. In order to generate the crude oil, Abu Dhabi left OPEC, thus increasing its geopolitical power. This also increased the najwyzeya indirect supply agreements in exchange for access to ADCOP.

As of 2026, the UAE has the plans to increase the capacity of the ADCOP system. Due to the uncertainty of OPEC, the UAE can now afford to densify Fujairah. Added physical, cyber, and capacity security to ADCOP is one of the best investments in the UAE.

7.3 Regional Bypass Infrastructure Comparison

The table below provides context for the UAE's bypassing capability relative to regional infrastructure:

Pipeline System	Country	Max Capacity (mbpd)	Bypass Destination	Strategic Viability
ADCOP (Habshan-Fujairah)	UAE	1.5-1.8	Gulf of Oman / Arabian Sea	HIGH — Direct, unobstructed access to Indian Ocean shipping lanes. Operational during 2026 Hormuz blockade.
East-West Pipeline (Petroline)	Saudi Arabia	5.0-7.0	Red Sea (Yanbu)	MODERATE/HIGH — Operationally viable; subject to adjacent Red Sea maritime security constraints
Iraq-Turkey Pipeline	Iraq / Turkey	1.6	Mediterranean Sea	LOW/MODERATE — Historically plagued by political and security disruptions; limited reliability.

Table 7.1: Strategic Maritime Bypass Infrastructure Comparison. Sources: IEA, Pipeline Operational Specifications, Global Maritime Security Assessments.

The benefits of the UAE's infrastructure investment are enhanced by also being the most exportdiversified Gulf state, on a per-barrel basis. Saudi Arabia's East-West pipeline has a larger capacity, but its operational capacity relies on the security of the Red Sea, which has more risks. The UAE's combination of bypass ability, Fujairah storage, and being close to the Indian Ocean shipping lanes, provide an exceptionally durable geopolitical advantage.

8. DATA & EVIDENCE

8.1 PRODUCTION CAPACITY VS. OPEC QUOTA (2020-2027)

The following table demonstrates the increasing inconsistency between the ADNOC's investment in infrastructure program and the artificial upper limit An OPEC+ quota allocations placed—the 'quota straitjacket'—that rationalized the exit.

Year	UAE Intalled Capacity (mbpd)	OPEC+ Quota Allocation (mbpd)	Idle Capacity / Revenue Squeeze (mbpd)	Utilization Rate
2020	~4.00	~2.50	~1.50	~63%
2021	~4.00	~2.70	~1.30	~68%
2022	~4.20	~3.00	~1.20	~71%
2023	~4.40	~3.02	~1.38	~69%
2024	~4.65	~3.22	~1.43	~69%
2025	~4.85	~3.41	~1.44	~70%
2026 (Pre-Exit)	~4.85	~3.41	~1.44	~70%
2027 (Target)	5.00	N/A (Exited)	0.00 (unconstrained)	100% target

Table 8.1: UAE Crude Oil Production Capacity vs. OPEC+ Quota Allocations (2020–2027). Sources: IEA, EIA, S&P Global, ADNOC official releases

8.2 UAE VS. KEY OPEC MEMBERS – PRODUCTION AND CAPACITY PROFILE

Country	Est. Production (mbpd)	Installed Capacity (mbpd)	Utilization Rate	Proven Reserves (Bn bbl)	Fiscal Breakeven ($/bbl)
UAE*	3.4	4.85	~70%	97.8	~$50
Saudi Arabia	9.0-10.0	12.0	~83%	267.0	~$91
Iraq	4.2	4.5	~93%	145.0	~$90
Kuwait	2.4	3.2	~75%	101.5	~$65
Iran	3.2	4.0	~80%	208.6	~$70
Venezuela	0.8	1.0	~80%	303.8	N/A

*Table 8.2: Comparative OPEC Member Production Profiles (Approx. 2025–2026). *UAE figures at time of exit announcement. Sources: BP Statistical Review 2024, IEA, EIA, Rystad Energy, ADNOC, IMF.*

8.3 GULF FISCAL BREAKEVEN COMPARISON

Fiscal breakeven prices—the cost of oil such that budget revenues equal budget expenditures— provide an important assessment of producer adaptability and competitive viability in an environment of persistently lower prices

Country	2024 Breakeven ($/bbl)	2025 Breakeven ($/bbl)	2026 Est. ($/bbl)	Economic Insulation Level
UAE	~4.00	~2.50	~1.50	HIGH — Non-oil GDP at 77.5%; extensive sovereign wealth buffer.
Saudi Arabia	~4.00	~2.70	~1.30	LOW — Highly dependent on oil rents to fund Vision 2030 projects.
Iraq	~4.20	~3.00	~1.20	VERY LOW — fiscal dependence, limited sovereign savings.

Table 8.3: Gulf Fiscal Breakeven Comparison. Sources: IMF Regional Economic Outlook, FRED (Federal Reserve Economic Data), UAE Ministry of Economy.

8.4 UAE ECONOMIC DIVERSIFICATION TRAJECTORY INDICATOR ~2010 ~2

Indicator: Oil % of Real GDP

2010: ~40%

2019: ~30%

2025: ~22–28%

Indicator: Non-Oil GDP Growth (Annual)

2010: ~4%

2019: ~3.5%

2025: ~4–5%

<u>Indicator:</u> Non-Oil GDP Share

2010: ~60%

2019: ~70%

2025: ~77.5%

Indicator: FDI Inflows (USD Bn)

2010: ~$7

2019: ~$14

2025: ~$30+

UAE Economic Diversification Indicators (2010-2025). Sources: UAE Federal Competitiveness and Statistics Centre, IMF, ADNOC, World Bank, ADIA Annual Review 2024.

Indicator: Tourism Revenue (USD Bn)

2010: ~$11

2019: ~$36

2025: ~$50+

Indicator: ADNOC 5-Year Capex Plan (USD Bn)

2010: N/A

2019: ~$60

2025: ~$150 (2026-30)

Indicator: ADIA Estimated AUM (USD Bn)

2010: ~$600

2019: ~$750

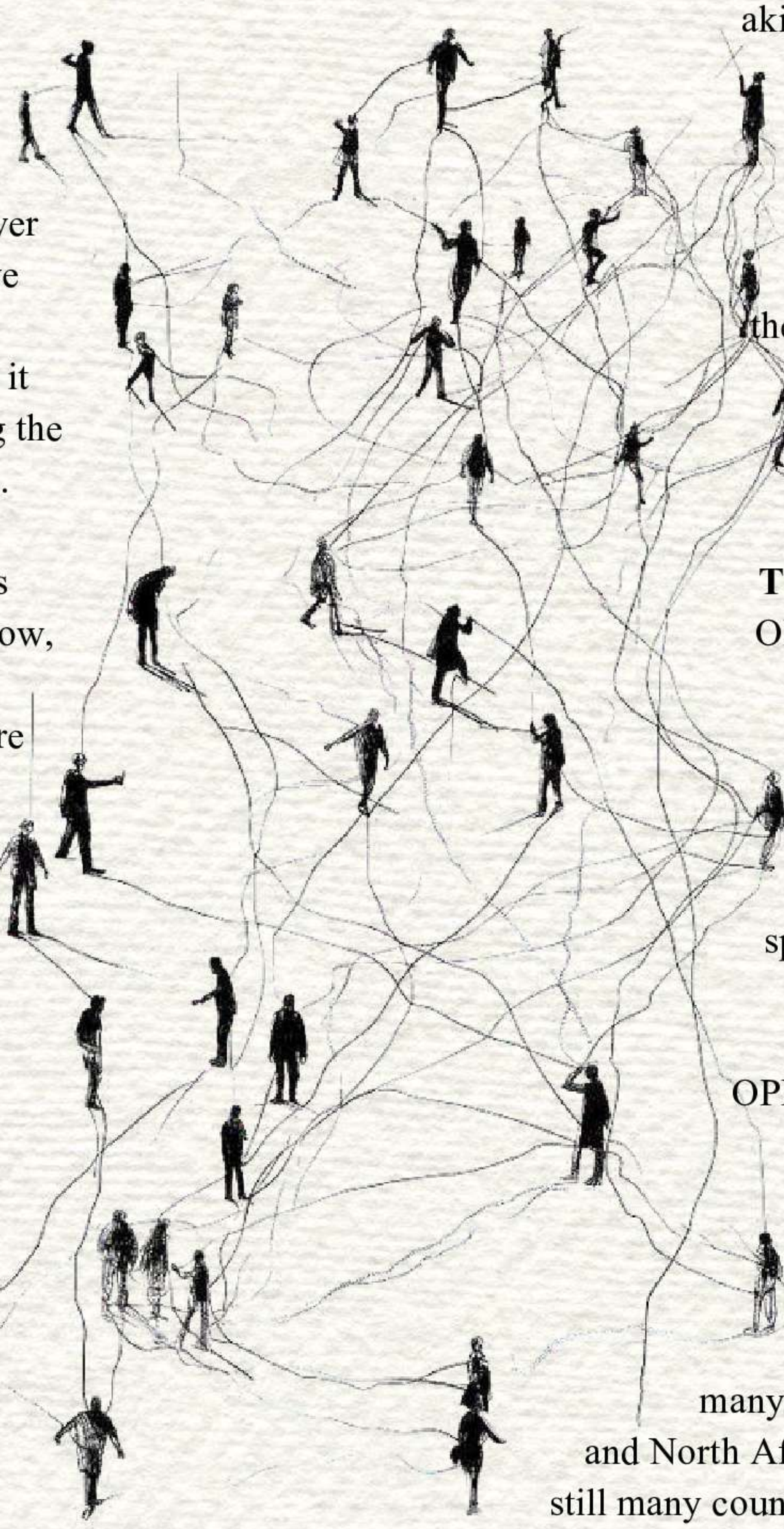
2025: ~$900+

10. COUNTERARGUMENTS AND STRATEGIC REBUTTALS

10.1 'OPEC Membership Provides Price Stability That Outweighs Volume Gains'

The Argument: Coordinated production restraint leads to higher prices. The revenue obtained from higher prices could also be larger than the revenue obtained from producing at lower prices. When OPEC's collective pricing power is operational, it results in a price premium, and it benefits all members, including the low-cost producers in the UAE.

The Rebuttal: At the time, this debate was stronger than it is now, especially after the U.S. was producing shale to a point where it became the world swing producer. The shale production was beyond the OPEC coordination of 13 million barrels per day, and the cartel was put in a position where a price of higher than $100 became structurally impossible. The UAE's cost of production was $5-7, and it was still determined that generating higher production volume was more valuable than price restraint and was also more profitable than price maximization. A fiscal breakeven price of around $50 per barrel was also evidenced, producing profit at prices much lower than what would financially stress this OPEC breed members, and even including the members with still higher cost of production than the UAE, such as Iraq, Nigeria, and Saudi Arabia. The price premium due to OPEC restraint in the past is not comparable to the opportunity cost from production.



10.2 'The UAE Loses Diplomatic Leverage by Exiting'

The Argument: For the UAE, joining OPEC was akin to a driver's license for multilateral energy diplomacy and a source of influence over oil governance. Al Mazrouei's signature on the first OPEC+ agreement is evidence of what the UAE can do on this particular path.

The Rebuttal: The UAE's OPEC exit offers new and, arguably, greater OPEC-multilateralismrelated possibilities for diplomacy. With the UAE's diverse economy, spare production capacity, bypass oil infrastructure, and more flexibility than OPEC-related Saudi Arabia, the UAE is now a key partner for all countries including the USA, Israel (through the Abraham Accords) and many of the other Middle East and North African countries, and now still many countries in Europe and Asia. The 2026 Hormuz crisis is a good example of this: with diminished energy supply, countries bypassed the UAE's mediation and directly started talking to the UAE on the terms of the UAE rather than on those of Riyadh.

10.3 'Exit Exposes the UAE to Unmitigated Price Volatility'

The Argument: Without OPEC's support, the UAE would bear the full brunt of price shock cycles, suffering revenue losses from demand and supply shocks.

The Rebuttal: Through the assets of ADIA (over $900 billion), Mubadala, and ADIC, the UAE's SPB (sovereign wealth architecture) serves as an institutional hedge to revenue cycles. The UAE's fiscal diversification (77.5% of the non-oil GDP) mitigates oil price decline and revenue loss. Contrarily, the UAE would be at a greater relative risk should OPEC's coordination mechanism become fully effective, as in the cases of the oil-dependent members (Iraq, Nigeria) with fiscal positions that collapse at around $85–90/bbl. The UAE remains resilient due to a $50 oil price breakeven, buffering price declines of around $20–40 within a year before fiscal stress occurs.

10.4 'Exit Provokes a Price War with Saudi Arabia'

The Argument: The UAE is jeopardizing production price war retaliation with Saudi Arabia, risking a crude price collapse with a mutual damaging effect.

The Rebuttal: The macroeconomic conditions are positioned in UAE's favor with a sustained low price. A certain price war and subsequent price collapse mean Saudi Arabia will be harmed financially first, compared to the systemic impact on UAE. Saudi Arabia has also a net interest on maintaining OPEC credibility. The UAE's OPEC exit and Saudi Arabia's market price flooding send a strong signal of the fragile political nature of OPEC's coordination, further accelerating the defections from OPEC. It is not a mutual interest for a price war and this is why the statements from both governments have cooperated in a cooperative tone.

10.5 'Exit Damages Relations with Gulf Partners'

The Argument: The GCC's diplomatic issues come with real costs. Saudi Arabia's relationships with partners and the dissolution of Gulf energy solidarity during high volatility will be priced at a high expense.

The Rebuttal: Qatar was able to leave OPEC in 2019 and Angola in 2024 without endangering their ties with the organization or the countries in it. The UAE's departure was emphasized to be more strategic in timing versus a fallout. The UAE has still shown productive language towards Saudi Arabia and a willingness to still be in informal agreements with the UAE. The UAE still holds the option to voluntarily produce in coordination with OPEC members should a severe drop in demand would mean production restraint would be in the UAE's self-interest. Leaving institutions formally would not mean they would still communicate and maintain informal bilateral consultations.

11. Future Scenarios (2026-2035)

This scenario framework yields projections assessed by probability in each dimension for the UAE post-OPEC trajectory. Assuming the Strait of Hormuz ultimately reopens, these scenarios differ primarily in timing, acceleration, and in what type of geopolitical context it opens.

Dimension	Best Case (~20% Probability)	Base Case (~55% probability)	Risk Case (~25% Probability)
Production	UAE reaches 5 mbpd by 2027; full capacity utilization achieved rapidly	Gradual ramp to 4.5–4.8 mbpd by 2028; some Hormuz-related delays	Prolonged conflict constrains exports; UAE stuck near 3.5 mbpd through 2027
Oil Price (Brent)	Markets absorb additional supply; stabilizes at $75–85/bbl	Moderate downward pressure; $65–75/bbl medium-term	UAE + others flood market; falls to $55– 65/bbl, partially offsetting volume gains
Revenue vs. OPEC (baseline)	Surge of $30–41 Bn/yr above constrained baseline	Net gain of $10–20 Bn/yr after price impact	Marginal net benefit; lower prices largely offset volume gains
ADNOC Investment	$55 Bn project awards executed on schedule; major IOC partnerships secured	Steady FDI growth; capex plan proceeds with modest delays	Regional instability deters some investors; capex execution delayed 12–24 months
OPEC Cohesion	UAE maintains informal cooperation; OPEC adapts to observer/associate role	OPEC weakened but functional; Saudi Arabia compensates, absorbs costs	Further defections follow UAE; OPEC fragments toward consultative forum
UAE Geopolitical Position	UAE becomes region's premier bilateral energy partner for US, India, China	Strong bilateral relationships; UAE recognized as independent middle power	Prolonged conflict limits diplomatic gains; nearterm isolation from Gulf partners
Energy Transition Progress	Masdar targets met; UAE positioned as clean energy and AI infrastructure leader	Steady diversification; non-oil GDP grows to 80%+ by 2030	Conflict diverts investment; diversification slows materially

Table 11.1: UAE Post-OPEC Exit Scenario Analysis (2026–2035). Probability assessments are strategic estimates; oil price projections are illustrative based on analyst consensus ranges as of May 2026.

11.1 Best-Case Scenario (~20% probability)

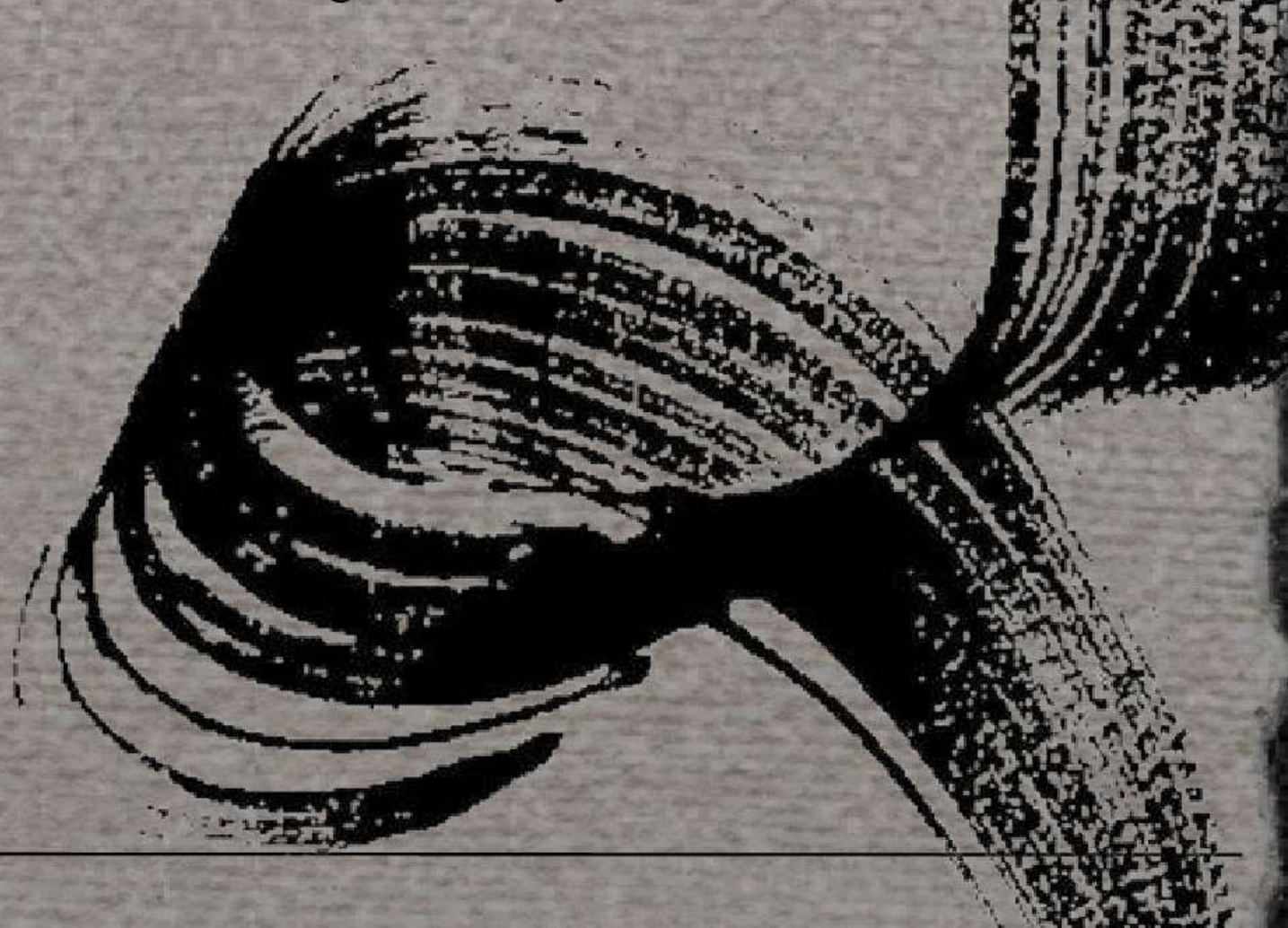
The world will see the reopening of the Strait of Hormuz after activity calms from the U.S.-Israel-Iran conflict after the diplomatic and ceasefire period. ADNOC will begin operations at their quotarestrained refined products and bring production to 5 mbpd. Additional production will be absorbed by the world after the post-conflict and oil pricing will stabilize in the $75-85 band. ADNOC will implement its $55 billion accelerated project award program on schedule and will receive interest from major IOC partnerships. With the additional programs and efforts in tourism, logistics, AI infrastructure and financial services, the country will maintain its rated 4.5% growth of non-oil GDP. As an independent producer, the UAE will be positioned to increase its energy relationship with the U.S., Europe and major Asian importers. The UAE will receive an informal observer associate position to OPEC where it will have communication channels, but will not have disciplined production quotas.

11.2 Base-Case Scenario (~55% probability)

The disruption to Hormuz will last 12 to 18 months before allowing production to recover. ADNOC's capex program will face minor delays and will not be exempt from the cost inflation associated with regional volatility. UAE production is forecast to be 4.0–4.5 mbpd by 2028. Oil prices will be in the $65–75 range. The UAE will see an annual fiscal gain of $10–20 billion compared to an OPEC constrained scenario. Saudi Arabia will be somewhat successful in offsetting the UAE's increase in production from OPEC discipline. GCC diplomatic relations will remain intact, and informal relations will be maintained. UAE's non-oil economy will carry on with its growth and will continue along its path of diversification.

11.3 Risk-Case Scenario (~25% probability)

The escalation and possibly spread of conflict around the region reinforces the disruption of Hormuz and directs conflict toward Fujairah targeting the UAE bypass infrastructure. This may also give new impetus to other OPEC members, Iraq in particular, to either violate their own quotas or leave the cartel which in turn, may result in an unconstrained supply in the market and cause the price of Brent to drop in the $55–65/bbl. price range. In these price ranges, UAE state fiscal revenue will be limited to breakeven, and the expected revenue increase from UAE's industry exit will be lost due to lower prices. The ongoing conflict in the region prevents foreign investments and slows down ADNOC's implementation of its capex. Sovereignty wealth will have to be used to ensure the continuity of investments in providing a diversification. The fragmentation of OPEC, accelerates the transition to a more market-oriented structure in the global oil system.



12. STRATEGIC FORECAST: THE FUTUTRE OF OPEC AND GLOBAL OIL GOVERNANCE.

12.1 THE LIKELY EVOLUTION OF OPEC

The post-UAE exit of OPEC is likely to lead to a restructuring of the group. In the short run, the group is likely to persist as a formal institution. Saudi Arabia is willing and able to continue the leadership bid, and the other members continue to have a collective interest in retaining pricing. In this environment, OPEC's actual market power is more likely to erode as production outside of OPEC continues to grow, the energy transition proceeds, and the disciplined members choose to exit the group to further production self-determination.

The continuation of this pace of OPEC's revisions is likely to lead the group from a production coordinated cartel to a more splintered informal body, a mechanism of vertically integration market coordination of techniques for varying production and price elasticity, a more honed mechanism of self-regulation. The UAE's more recent exit from OPEC, in conjunction to the precedent set by Qatar and Angola, is likely to bring the other more production productive members of OPEC, such as Kuwait and Iraq, to the realization that it is more productive to leave OPEC than to remain members. The exit is more likely to lead to more production self-determination than selfrestriction.

12.2 UAE'S FUTURE ROLE IN GLOBAL ENERGY

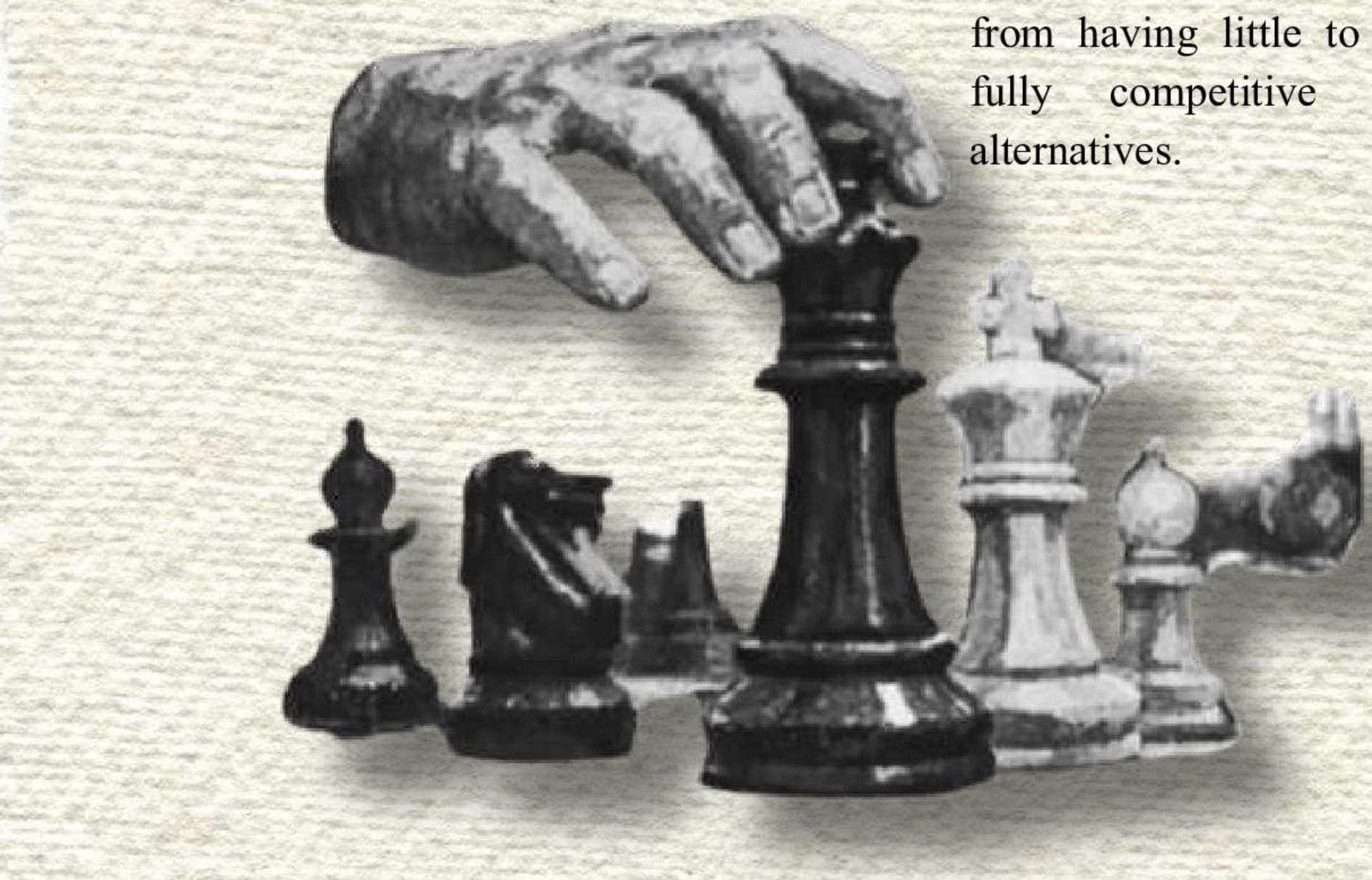
The United Arab Emirates could be the most tactically flexible country the world energy system has to offer. The UAE has low extraction costs ($5–7/bbl) combined with extensive proven reserves (97.8 billion barrels), and a developed bypass export. Together, these factors contribute to being the most advanced country in the region with the greatest economic diversity, sovereign wealth reserves, and a government with the geopolitical and institutional capability to handle a long-termenergy transition. Abu Dhabi is outside OPEC, allowing it to maximize short-term hydrocarbon profits while also establishing long-term positions of clean energy with Masdar. Abu Dhabi, in this capacity, can construct energy partnerships and use energy infrastructure as a diplomatic tool with Canada, the EU, the United States, and India, which Abu Dhabi could not do in the OPEC system, as OPEC requires alignment with their directives. Masdar represents their long-term clean energy position to the world.

12.3 IMPLICATIONS FOR GLOBAL OIL GOVERNANCE

The UAE's departure signals another stage of the evolution of global energy governance: the gradual replacement of coordination as a cartel of cartels by producer-managed systems, guided by the principles of sovereignty, and centered on the market. Historically, Norway, Brazil, Canada, and the United States have been major, non-OPEC producers. The inclusion of the UAE in this new mainstream of disciplined, self-governed producers, combined with the ongoing disintegration of the OPEC structure of compliance, indicates that the global oil market in the 21st century will be dominated by bilateral contracts, long-term supply agreements, and pricing mechanisms with the market, as opposed to the quarterly ministerial judgments of a cartel based in Vienna. This shift may not be as detrimental to global energy security as one may expect. The market being offered by multiple capable, low-cost, independent producers, with the potential for selfgoverned systems of diverse export infrastructure, will likely be more resistant to geopolitical disruption than a market characterized by collective, cartel discipline. For consuming markets, especially in Asia, the increasing number of bilateral contracts with suppliers, including the UAE, as well as Saudi Arabia and several other countries, will be more advantageous in terms of supply flexibility and diversification than the existence of OPEC as a single pricing authority

13. CONCLUSION

Departing OPEC on May 1, 2026, will mark a strategic shift for the UAE and a historic simultaneous shift for the geopolitics of oil. It will end 62 years of the UAE supporting a system where oil-rich backward economies like the UAE used the OPEC system to control the price of oil and saw the UAE participating as a fully-fledged member of OPEC with important responsibilities, the most crucial of which included Al Mazrouei's important role as OPEC's Energy Minister during the 2016 OPEC+ founding.



However, in 2026, the opened and responsive global oil economy stands in stark contradiction to 2016—and surreal to 1960. Today, a large section of the oil economy with U.S. shale acts as the swing producer, capping the price control as was the case for OPEC, a fast-tracked energy transition guarantees price control, manages demand destructively, and with a strangulation process of OPEC membership that was to fit the UAE's policy alignment to one OPEC member. ADNOC has transformed the UAE's oil and gas business from having little to no Investment, to a fully competitive state with global alternatives.

In this context, being an OPEC member has become a structural constraint that is economically costly and strategically asymmetric, and increasingly misaligned with the UAE's national interests. The economic rationale is unambiguous. While OPEC members face organizational constraints and analysts cite the $30 billion cost, for a nation with agenerational economic transformation, being 30% below the installed capacity is economically unsustainable. The geopolitical rationale is also clear. Alignment with a state in an adversarial relationship amid an active military conflict is unsustainable. Finally, the logic of investment is clear. Because of quota ambiguity, financing large-scale energy infrastructure is also economically unsustainable and difficult.

The UAE's withdrawal from OPEC does not imply the UAE is rejecting multilaterals or the logic of the market. It is actually a rational, sovereign decision to take control over the most important economic asset in Abu Dhabi's treasury. This approach also anticipates the UAE can informally integrate, bilaterally coordinate, and selectively civil engage with OPEC when collective interests arise. This is best seen when OPEC's own Al Mazrouei said the exit was chosen 'at a time when it would be the least disruptive' in terms of price impacts and disruptions to other OPEC members. It is further evident through diligence and the rational approach the UAE has taken to execute this process.

From a longitudinal view of the UAE's energy history, it is possible that the exit is seen as an early marker for the structural evolution of OPEC from being a disciplined cartel to a loose, consultative entity. Changes in market structure, geopolitical re-alignments, and a clear calculation of rational self-interests in the context of a global energy transformation have all been a result of one nation or group of nations changing their stance in the OPEC cartel.

For Abu Dhabi, the transition begins now, on terms that favor Emirati sovereignty, fiscal strength, and strategic flexibility. The UAE does not wish to detach from global energy system. Regardless, it is advancing, with significant analytical edge and the confidence of its institutions, to take the lead of it.

14. POLICY RECOMMENDATIONS FOR THE UAE

14.1 Infrastructure and Export Resilience

• To reduce dependence on the Hormuz Strait and ensure a more reliable avenue for exports to Fujairah, we will increase the capacity of the ADCOP pipeline from the range of 1.5-1.8 mbpd to 2.5+ mbpd. Given the proven susceptibility of the Gulf maritime routes, this infrastructure investment is more urgently needed and more bankable.

• Strengthen physical and cybersecurity systems of the Fujairah terminal against asymmetric attacks due to the direct targeting of UAE pillars of export infrastructure during the 2026 conflict.

• At Fujairah, additional strategic petroleum reserve capacity and storage should be developed to create an operational buffer to be utilized during various supply disruption scenarios.

14.2 Diplomatic and Commercial Partnerships

• Prioritize long-term bilateral supply agreements with major consuming nations—India, Japan, South Korea, the United States, and key European states—that provide revenue stability and embed ADCOP access as a premium strategic asset. These relationships serve both commercial and diplomatic objectives.

• Keep informal communication channels open with Saudi Arabia via bilateral energy talks, GCC ministerial frameworks, and direct executive communications. The exit should not end Saudi-UAE energy coordination at the crisis communication and market analysis levels.

• Given its standing as both a key oil producer and a leader in energy transitions, the UAE can help ADNOC become the foremost 'responsible producer' by establishing those parameters for ADNOC's role in the UAE as he lowest emitter of hydrocarbons in the region, and as a contributor to funding the clean energy transition through ADIA, Masdar, and iADSN products.

14.3 Economic Diversification and Sovereign Capital

• Investments in Artificial Intelligence and Digital Infrastructure, Renewable Energy, Advanced Manufacturing, Healthcare, and Logistics, structured to reduce long-term dependency on hydrocarbons, can be funded by channeling incremental oil revenues from unconstrained production to ADIA, Mubadala, and ADIC.

• Building the sovereign technological asset base of the post-oil economy and supporting the continued economic relevance of natural gas will be accomplished by extending the promising energy demand of data centers and fast-tracking the development of artificial intelligence infrastructure through G42, MGX, and the Stargate UAE initiative.

• Grow Masdar's international renewable energy presence to hit the 100 GW renewable energy target and establish the UAE as a green-hydrogen export center, utilizing the existing energy infrastructure and proximity to the Asian and European markets.

14.4 Market and OPEC Engagement

• Look for opportunities for selective re-engagement with OPEC+ as necessary. While formal OPEC membership is structurally inconsistent with the UAE's ambition to increase production, informal agreements to cooperate, for example, during demand crisis collapses the scale of COVID, should not be ruled out.

• Participate as an independent energy producer in multilayered energy governance forums to exert influence through G20 energy ministerials, IEA associate memberships, and the COP process, without the integrative restrictions imposed by OPEC.

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