

# Israel-UAE Pipeline Deal Delayed by Environmental Concerns

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Simon Henderson is the Baker fellow and director of the Bernstein Program on Gulf and Energy Policy at The Washington Institute, specializing in energy matters and the conservative Arab states of the Persian Gulf.



Brief Analysis

## A bureaucratic skirmish in Naftali Bennett's coalition government could impede Jerusalem's growing ties with Abu Dhabi.

On July 25, Israel's Environmental Protection Ministry (EPM) announced it was delaying implementation of a key element in the 2020 Abraham Accords: allowing the United Arab Emirates to use the oil pipeline that extends from the Red Sea port of Eilat across the Negev desert region to the Mediterranean coast. According to the ministry, the Israeli firm operating the route—the Europe Asia Pipeline Company (EAPC)—provided an inadequate risk assessment.

Yet the ministry appears anxious to avoid a major row, stating in a letter to EAPC that the delay was an interim measure until “the government has a discussion and reaches a decision.” Similarly, the prime minister's office stated that it had asked the court adjudicating the issue “for an extension of time, in order to respond to the petition filed by the environmental organizations.”

The operations of the pipeline, originally built in the late 1960s to import oil from pre-revolutionary Iran, are cloaked in secrecy, but the route's proximity to environmentally and strategically sensitive locations is well known. The Eilat terminal lies between tourist beaches and coral reef reserves. The desert portion of the route includes a nature reserve that was damaged during a 2014 pipeline break. And the Mediterranean terminal at Ashkelon is just a mile or so from the border with Gaza, making it especially vulnerable to militant rocket fire. A blazing storage tank at the facility was one of the most published photos during the recent fighting between Israel and Hamas.

The UAE's logic for using the pipeline seems as much diplomatic as commercial. Like other Gulf oil exports, most Emirati production is sold to Asia. Israel's oil purchases do not originate from the UAE, but from Russia and other

producers (including Azerbaijan, which sends it via pipeline to Turkish ports for shipping across the Mediterranean). Reports suggest that the UAE would use the Eilat route for occasional oil product sales to Europe, even though it may be faster to conduct such transactions by other means (e.g., sending tankers through the Suez Canal, or using Egypt's much higher capacity [Sumed pipeline \(https://www.washingtoninstitute.org/policy-analysis/israel-secures-egyptian-gas-export-route\)](https://www.washingtoninstitute.org/policy-analysis/israel-secures-egyptian-gas-export-route), which extends from the Suez across the desert to the Mediterranean).

The latest intervention by Israel's EPM—a ministry led by Tamar Zandberg of the left-wing Meretz Party—reflects the strength of the country's environmental lobby, with Energy Minister Karine Elharrar and Transport Minister Merav Michaeli supporting such issues as well. Environmental protests have [previously been lodged \(https://www.washingtoninstitute.org/policy-analysis/obstacles-still-facing-israels-leviathan-gas-field\)](https://www.washingtoninstitute.org/policy-analysis/obstacles-still-facing-israels-leviathan-gas-field) against natural gas projects in recent years, even though this fuel has replaced much dirtier coal-fired power plants. On July 23, the new government announced it would reduce carbon emissions 85 percent by 2050, with an intermediate target of 27 percent by 2030.

Aside from the pipeline, the UAE is trying to [invest in Israel's Tamar offshore natural gas field \(https://www.washingtoninstitute.org/policy-analysis/uae-wealth-fund-buy-share-israeli-gas-field\)](https://www.washingtoninstitute.org/policy-analysis/uae-wealth-fund-buy-share-israeli-gas-field) by purchasing Delek Drilling's 22 percent share for \$1.1 billion. But the transaction has been slow and needs an extension by July 31 if it is to proceed. Although Israeli officials have attributed the delay to due diligence, the respected regional energy newsletter MEES suggested that Abu Dhabi had “second thoughts” when the latest Gaza conflict erupted soon after the deal was announced.

Meanwhile, Prime Minister Bennett spoke with [de facto UAE leader \(https://www.washingtoninstitute.org/policy-analysis/mbz-and-future-leadership-uae-sudden-succession-essay-series\)](https://www.washingtoninstitute.org/policy-analysis/mbz-and-future-leadership-uae-sudden-succession-essay-series) Prince Muhammad bin Zayed of Abu Dhabi on July 23, ostensibly to send best wishes for the Muslim holiday of Eid. An Emirati statement indicated that they discussed ways to enhance cooperation “in addition to a number of issues.” Whether Bennett mentioned the pipeline fuss was not stated.

*Simon Henderson is the Baker Fellow and director of the Bernstein Program on Gulf and Energy Policy at The Washington Institute.* ♦

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