

Energy infrastructure at risk amid tense security situation in UAE

Drone attacks by Yemen-based Houthi rebels targeting petroleum trucks in the United Arab Emirates (UAE), killing three people and injuring several others, has highlighted the tense security situation in the region. Further attacks on oil and gas infrastructure in the UAE, as has been the case in Saudi Arabia in recent years, cannot be ruled out, according to analysts.

Yemen's Iranian-backed Houthis militants claimed responsibility for the drone attacks on ADNOC's Mussafah Fuel Depot in Abu Dhabi on Monday. A statement from ADNOC was short on details but confirmed there had been casualties.

"ADNOC is deeply saddened to confirm that three colleagues have died. A further six colleagues were injured and received immediate specialist medical care," the Abu Dhabi-based firm said in a statement.

"We are working closely with the relevant authorities to determine the exact cause and a detailed investigation has commenced."

Although Saudi Arabia is likely to remain the primary target of Houthi missile and drone attacks, the UAE and international shipping will remain in the crosshairs of the Houthis, Torbjorn Soltvedt, principal MENA analyst at risk intelligence company Verisk Maplecroft told Gas Matters Today.

"Although it's too early to conclude that the Houthis are responsible for the attack, there is no doubt that their claim is credible. The UAE's recent increase in support for armed groups fighting the Houthis in Yemen also provides a possible explanation for the attack," said Soltvedt.

Soltvedt said suspicion would also fall on Iraq-based groups which have threatened to carry out attacks against the UAE. To this end, the attack on Mussafah Fuel Depot comes only days after Iran-backed groups threatened to strike against Abu Dhabi in response to alleged interference by the UAE in Iraqi politics, he said.

Gas infrastructure in the UAE is also exposed to attacks, according to analysts.

The UAE is a considerable oil producer at around 3 million barrels/d while gas production was around 55 Bcm in 2020, according to BP data. The country is a modest LNG exporter at annual levels just below 8 Bcm via ADNOC LNG's Das Island facility, but also imports LNG via two floating storage and regasification unit (FSRU) vessels in Dubai and Abu Dhabi respectively. In addition to LNG facilities, the UAE also boasts onshore and offshore gas fields, gas processing plants and a gas pipeline network.

Moreover, Houthi rebels now appear to have access to more sophisticated drones than in the past.

“Houthi drones are capable of delivering small warheads against targets more than 1,500 km away, placing most of the UAE within striking distance,” said Soltvedt.

“Although missile defence systems are improving across the Gulf, low-flying missiles and drones are difficult to defend against in practice. Given the Houthi’s stated ambition to target energy infrastructure in Saudi Arabia, gas infrastructure in the UAE will be vulnerable to attacks as long as regional tensions remain elevated.”

Justin Dargin, a MENA energy expert at the University of Oxford said all energy assets in the UAE are at risk of further attacks by the Houthis.

“The Houthis view the energy infrastructure of Saudi Arabia and the UAE as being uniquely vulnerable to attack, in a sense, as soft targets. Energy infrastructure in the region is quite extensive and not as guarded as the hardened military bases,” Dargin said.

“In addition, hydrocarbons are the region's economic lifeblood. The Houthis aim to send a clear message that regional energy assets will be at risk and that the Houthis will strike deep within their territories if the coalition partners continue their campaigns.”

Dargin noted that global oil prices increased to a seven-year high after the Abu Dhabi attack.

“Energy infrastructure figures highly on their list of targets as the images of burning hydrocarbon depots - such as in the aftermath of Iraq’s invasion of Kuwait - have an almost visceral impact with a sharp rise in oil and gas prices geared to bring world attention to the Houthi cause.”

The attack on Abu Dhabi was broadly condemned by governments around the world, including by the US.

“The Houthis have claimed responsibility for this attack, and we will work with the UAE and international partners to hold them accountable. Our commitment to the security of the UAE is unwavering and we stand beside our Emirati partners against all threats to their territory,” said US National Security Advisor Jake Sullivan in a statement.

Dargin said the tempo of attacks against Houthi military assets would likely be increased. The Saudi-led military coalition, in which the UAE is part of, announced that they would undertake a comprehensive deterrence operation in retaliation to the Abu Dhabi attack that would list high-ranking Houthi leaders as the campaign's priorities, Dargin noted.

“Over the next several weeks, we will witness much more retributive and pre-emptive attacks on the Houthis deep within their territory and perhaps more vicious retaliatory attacks from the Houthi in a steady escalating tit-for-tat cycle.” - AW