

Can Oil-Rich UAE Hit Net Zero Carbon Emissions?

A prominent UAE official made headlines last month by hinting that the UAE may become the first oil-rich nation to introduce a net-zero carbon target. Speaking to Bloomberg, the Minister for Climate Change and Environment Qais Al Suwaidi said that the country was considering such an announcement in the near future.

To date, some 44 countries have made net-zero proposals, although only 10 of those are enshrined into their national legislation. For countries like the UAE, which depend upon the fossil fuel industries for much of their revenue, adhering to such a target could be far more complicated than others. Could they make it happen?

Rapid progress – but a long way to go

As recently as 2015, a mere three governments had committed to a net-zero pledge. In 2019, the UK became the first major economy to join their ranks, while there are 44 governments who have done so today. Bhutan and Suriname have already achieved their targets, becoming the first carbon-neutral (and even carbon-negative) countries in the world.

However, it should be remembered that only 10 of those 44 nations have made achieving the targets a legally binding objective. That means that for many of the others, their proposals amount to little more than official aspirations. Should the UAE follow their example and introduce its own targets, it would likely take a similar form.

Cleaning up its act

Due to its vast reserves of oil and gas, the UAE economy has become dependent on these polluting industries. Indeed, the World Bank recently named the UAE as one of the four biggest emitters of carbon dioxide per capita, alongside their regional counterparts Bahrain, Kuwait and Qatar. But while other Middle Eastern nations have shown little enthusiasm to change their ways, the UAE has made some strides towards a cleaner tomorrow.

This includes the development of renewables in the country. Several large solar power farms are already operational, while a massive 5GW capacity facility in Dubai is scheduled for completion in 2030. Abu Dhabi is also the headquarters for the



International Renewable Energy Agency and is being touted as possible host for the COP28 talks in two years' time.

Difficult challenges

Nonetheless, there's no getting away from the fact that complying with net-zero goals represents a huge challenge for oil-rich countries like the UAE. Just as <u>making air</u> <u>travel sustainable is a difficult but not impossible goal</u>, so too is transitioning a towards cleaner economic portfolio and reducing its carbon emissions.

Crucially, any oil or gas which is exported to other countries would not be counted in the UAE's emissions. Given that it's one of the biggest exporters on the planet (it was responsible for producing 3.7 million bpd of oil and 55.4 billion cubic metres of gas in 2020), that could make achieving its goal that much simpler. Of course, the flipside to that argument is that the fuel will still be combusted, and the carbon still emitted in another part of the world. As such, meaningful change will only be realised when the demand for oil and gas falls away across the globe.