

Secretive Israel-UAE oil deal endangers prized Eilat corals



A clandestine oil deal struck last year as part of the historic agreement establishing formal diplomatic ties between Israel and the United Arab Emirates is turning Eilat into a waypoint for Emirati oil headed for Western markets [File: Omri Omessi/Israel Nature and Parks Authority via Reuters]

Eilat, August 16 (RHC)-- A clandestine oil deal struck last year as part of the historic agreement establishing formal diplomatic ties between Israel and the United Arab Emirates (UAE) is turning Eilat into a waypoint for Emirati oil headed for Western markets.

Initially hailed as a move that could cement fledgling diplomatic ties and further Israel's energy ambitions, the deal is now in question after Israel's new government opened a review. The decision has upset investors and risks a diplomatic spat with Israel's Gulf allies.

The UAE and Israel, which normalised relations last year as part of the US-brokered "Abraham Accords," have since signed more than \$830m in trade deals and inked numerous trade and cooperation agreements.

But the deal between the Europe Asia Pipeline Company, an Israeli government-owned corporation, and MED-RED Land Bridge, a joint Israel-Emirati venture, remains a secret. Senior officials in former Prime Minister Benjamin Netanyahu's government – including his former energy, foreign and environment ministers – said they did not know about the deal until it was announced last September, after the accords were signed at the White House.

The pipeline company, known as EAPC, was founded in the 1960s to bring Iranian oil to Israel when the countries had friendly relations. Its operations are shrouded in secrecy, ostensibly for security reasons.

Israeli environmental groups have asked the country's Supreme Court to halt oil shipments, citing EAPC's questionable safety record and the risk posed by parking supertankers alongside Eilat's fragile coral ecosystems.

As for an oil spill, it is "not a question of if it will happen, but when it will happen", said Assaf Zevuloni, a Nature and Parks Authority ecologist in Eilat. Even a small rupture or human error would have disastrous consequences, he said.

Israel suffered its worst ecological disaster in February when a spill in the eastern Mediterranean coated virtually all of its 270km (170-mile) coastline with oil. The petitioners – three Israeli environmental groups – argued that incident would "be dwarfed alongside a massive oil spill" off Eilat.

Israel long lacked natural resources. But that began to change after the 2009 discovery of natural gas in the Mediterranean Sea and Israel's first exports. The deal with the UAE would expand this fledgling energy sector, with oil shipped across Israel in a pipeline to the Mediterranean port of Ashkelon and on to European markets.

Yona Fogel, executive of one of the Israeli partners in the project, told public broadcaster Kan in June the UAE deal "will produce for EAPC earnings of hundreds [of millions] and perhaps billions of dollars" without "raising the risk to the environment whatsoever."

Ksenia Svetlova, an ex-lawmaker and director of Middle East relations with the Mitvim Institute, an Israeli think-tank, said the project is especially appealing because it provides an alternative to the Suez Canal. The canal, the main waterway for Gulf exports to the West, was paralysed early this year when a massive tanker ran aground there.

The Emiratis are gaining “a cheaper, alternative route, something that they can use in case they need to divert some of the tankers to this direction”, she said.

But opponents say the potential cost is irreversible damage to a natural wonder.

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