**The Effect of the Normalization of UEA-Israel Bilateral Relationship on the Improvement of the Economies of the Both Countries In 2020-2022**

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**Abstrack**

*Relations between the UAE and Israel have been frosty for decades, but in the 2010s, informal ties between the two countries improved greatly and began to engage in extensive informal cooperation based on their shared opposition to Iran's nuclear program and regional influence. In 2020, the UAE and Israel finally officially agreed to normalize bilateral relations as embodied in the Abraham Accords. The text of the UAE-Israel normalization agreement outlines several areas in which the country is trying to cooperate, including in several sectors of the economy. The purpose of this study is to determine the dynamics of normalizing bilateral relations and the influence of the normalization of bilateral relations between the UAE and Israel on increasing the economies of the two countries in 2020-2022. The method used in this study is a qualitative explanatory method. Data collection techniques were obtained by literature study, namely in the form of books, journals, and other literature related to this research. In addition, this study uses the concept of bilateral cooperation and the economic growth approach as a framework for economic analysis. The results of this study indicate that there has been an economic increase between the UAE and Israel after the normalization agreement in 2020 which will affect the normalization of bilateral relations between the UAE and Israel in 2021-2022.*

*Keywords: UAE, Israel, Normalization of bilateral relations, economic* growth

**INTRODUCTION**

The United Arab Emirates (UAE) is a federation of seven states which are the most important economic centers in the Middle East region. WTO released data that the wealth of the UAE from the sale of oil and natural gas reached 33% of the country's GDP. Based on this, the UAE has become one of the most attractive countries for countries in the world to establish diplomatic relations with.1

1 Mohamad Rosyid din dkk, Analisis Kepentingan Nasioanal Uni Emirat Arab dalam Normalisasi, Journal of International Relations, Vol 8, no 3, 2020, hal. 25

Israel is one of the countries that has long established diplomatic relations with the UAE. In the economic field, cooperation between the UAE and Israel has existed since the 1990s which then continued to develop rapidly into other fields such as security cooperation and the sale of cyber technology. In its development, for the last fifteen years the UAE has marked Israel as a significant trading partner among other Gulf countries.2

The most significant economic cooperation between the UAE and Israel occurred in 2010, to be precise after the incident of the assassination of a senior Hamas official, Mohammad al-Mahbhouh, accompanied by the emergence of a common security threat from Iran's nuclear existence which disrupted regional security stability. Israel is the largest arms supplier, occupying the eighth position in the world with an increase in the value of weapons exports by 55% for the last seven years.3The UAE and other GCC countries have become major markets for the sale of these weapons to the point where they are categorized as the third consumer in Israeli arms sales.

Relations between the UAE and Israel have been frosty for decades, but in the 2010s, informal ties between the two countries improved greatly and began to engage in extensive informal cooperation based on their shared opposition to Iran's nuclear program and regional influence. In 2015, Israel opened an official diplomatic mission in Abu Dhabi to Renewable Energy International.

The agreement on the normalization of relations between the UAE and Israel is the result of secret talks that have been carried out in recent decades. The United Arab Emirates is the third country to normalize relations with Israel. After the countries of Egypt and Jordan a few decades ago. The peace agreement agreed upon by both parties is known as the Abrahamic Covenant. This agreement was announced on August 13, 2020 which was mediated directly by Donald Trump as

2 Katie Wachsberger, Opportunities and Challenges for Israel-UEA Economic Relations, *MITVIM: The Israeli Institute for Regional Foreign Politicies*, 2021, hal. 1

3 Adi Pick, "Israel is the Eight Largest Arms Exporter in the World" https://www.calcalistech.com/ctech/articles/0,7340,L-3758095,00.html

President of the United States.4The content of the agreement is a peace agreement for the normalization of relations between Israel and the UAE. The signing of the agreement was carried out at the White House on September 15 2020 by Israel, represented by Prime Minister (PM) Benjamin Netanyahu and the UAE, represented by the Minister of Foreign Affairs and International Cooperation, Abdullah bin Zayed al-Nahyan.5

In this case, the factors that led to the birth of the Abrahamic Covenant were due to the UAE's interest in technological trade relations with Israel. Apex Group, a UAE company, has signed a cooperation agreement with an Israeli company. With this normalization, the focus on the UAE and Israel is related to the fields of travel, trade and economic cooperation.6The agreement between the UAE and Israel under the Abraham Agreement cannot actually be confirmed as a final decision, because there are still several issues that must be negotiated before the final agreement is signed.

Nevertheless, there are several main aspects that have been agreed upon by the two countries: 1) The UAE and Israel agreed to establish full bilateral economic and diplomatic relations known as "normalization". Delegations from both countries were announced to meet (after signing in August) in order to sign agreements on investment, security, tourism, direct flights and other agreements. 2) The US, Israel and the UAE will implement a strategic agenda for the Middle East region in order to expand diplomatic, trade and security cooperation. 3) Israel will postpone its plans to expand into the Palestinian part of the West Bank (West

4 Anna Zakiah, Toni Kurniawan, Normalisasi Hubungan Israel dan Arab dalam Konteks Israel-Palestina, *Konsentrasi Kajian Timur Tengah, Pascasarjana UIN Sunan Kalijaga Fakultas Syriah dan Hukum,* 2020, hal 6

5 Raden Mas Try Ananto, Normalisasi Hubungan Uni Emirat Arab dengan Israel: Kepentingan Nasional Versus Solidaritas Negara Muslim terhadap Palestina, *Jurnal ICMES,* Vol 4, no 2, 2022 hal 1

6 Danny Zaken, Free Trade Agreement Opens new Horizons for Israel-UEA, *al-Monitor*, April 2022, hal.8

Bank) to focus on normalization with UAE. 4) Granting the right for UAE citizens to be able to visit and worship at the Al-Aqsa Mosque in East Jerusalem.7

Seeing the increasing intensity of UAE-Israel cooperation after normalization in 2020, the author wants to analyze the broad partnership between the UAE-Israel in various economic sectors in 2021-2022 as the biggest influence on the normalization of bilateral relations between the UAE-Israel in 2020. Although some of them may be uncovering previously classified or indirect trades is expected to double by 2022.

The United Arab Emirates and Israel agreed to fully normalize relations between the two countries. This implementation wants the UAE and Israel to formalize relations between the two countries and broaden the economic cooperation framework that benefits both sides. The series of cooperation frameworks include: investment, tourism, direct flights, security, telecommunications, technology, energy, health, culture, environment, opening of embassies in both countries, and other mutually beneficial fields.

Based on the description above, it can be seen that the UAE and Israel entered into an economic cooperation agreement, in which the bilateral cooperation between the two countries was motivated by the national interests of the two countries. So normalization took place in 2020 and to get the national interest, the UAE and Israel established long-term economic cooperation.

In an anarchic international system, cooperation or alliances will not exist without specific aims and objectives. In essence, the national interests of each country are the main goal of each country in establishing foreign relations. Likewise with the dynamics of bilateral relations between the UAE and Israel, the various national interests of each country are the reasons for continuing bilateral cooperation. This research will focus on the analysis of the effect of the

7 Haaretz, Historic Diplomatic Breakthrough: Read the Full Statement on Israel-UEA Agreement'Historic Diplomatic Breakthrough': Read the Full Statement on Israel-UAE Agreement - Israel News - Haaretz.com

normalization of bilateral relations between the UAE and Israel on the economic growth of the two countries in 2020-2022.

**RESEARCH METHODE**

This research uses qualitative methods, this qualitative research method aims to understand, analyze, and describe a problem that occurs. Qualitative research according to Bogdan & Biklen explains that qualitative research is a research procedure that produces descriptive data in the form of speech or writing and the behavior of the people being observed.8 A qualitative approach is expected to be able to produce in-depth descriptions of observable speech, writing and/or behavior of an individual, group, community or organization in a certain context setting which is studied from a whole, comprehensive and holistic perspective. Qualitative research aims to gain a general understanding of social reality from the perspective of the participants.

This study used a literature study data collection technique. By using data obtained from secondary and primary sources. Where the data obtained is primary data obtained by researchers from the official websites of the governments of the United Arab Emirates and Israel. While secondary sources for researchers are obtained from various books, scientific papers such as journals and articles that are accurate according to the discussion.

In this research, the data analysis technique used by the author is qualitative data analysis with a secondary analysis approach which is used to describe as a practical analysis of secondary data. Referring to the understanding according to Melissa P and Johnston PhD, secondary analysis of qualitative data is a method that is appropriate to be used in the investigation process when systematic procedures are followed in presenting a study as well as in collecting

8Pupu Saeful Rahmat, *Penelitian Kualitatif, Jurnal Equilibrum,* vol. 5, 2019, hal. 1-8

and evaluating data.9 With the secondary analysis technique, researchers make it possible to find new research answers from original research or previous research.

**DISCUSSION**

**Dinamika Normalisasi Hubungan Bilateral Uni Emirat Arab - Israel**

Relations between the United Arab Emirates and Israel in the field of security have existed for a long time before the opening of diplomatic relations between the two countries where the security sector is an important sector for the United Arab Emirates' foreign policy, this relationship in the field of security is clearly visible since Iran plans to develop nuclear weapons and development The countries in the Middle East are wary of these nuclear weapons, especially Israel and several countries in the region such as Saudi Arabia and including the United Arab Emirates so that the issue of developing Iran's nuclear weapons is considered a real and dangerous threat to countries in the Middle East region.10

The development of Iran's nuclear weapons prompted several countries in the Middle East region to lobby at the United Nations and finally in 2020 Israeli Prime Minister Benjamin Netanyahu delivered a speech at the United Nations general assembly with a "red garrison" speech with the aim of asking the the international community to pay attention to Iran's nuclear development and prevent Iran from being given or obtaining uranium as the main material for nuclear weapons so that Iran's development of nuclear weapons can be stopped for the sake of regional security and stability and global security stability, the speech delivered by Netanyahu received a good response from the United Arab Emirates which has the same goal of stopping Iran's nuclear development.

9 Melissa P, Johnston, PhD, Secondary Data Analysis : A Method of which the time Has Come, School of Library and Information Studies, *Qualitative and Quantitative Methods in Libraries (QQML),* 2014, hal 20

10 Steve Hendrix, Inside the secret-not-secret courtship between Israel and the United Arab Emirates, *The Washington Post Democracy Dies in Darkness,* 2020, https://www.washingtonpost.com/world/middle\_east/inside-the-secret-not-secret-courtship between-israel-and-the-united-arab-emirates/2020/08/14/3881d408-de26-11ea-b4f1- 25b762cdbbf4\_story.html

Iran's nuclear program has pushed the political interests of the United Arab Emirates towards Israel where these two countries have the same objections to Iran's nuclear program which according to them the nuclear program will disrupt regional security stability so that both the United Arab Emirates and Israel both reject and object to the program. Iran and Israel both reject and object to Iran's nuclear program and the nuclear deal with Iran.11 Israeli Prime Minister Benajmin Netanyahu on an occasion at the United Nations in 2013 called Iran's nuclear program and the Iran nuclear deal a real regional threat to Israel and countries in the Middle East region and at the same time opened opportunities for good cooperation with the wider Arab world. to maintain common interests and challenges to create a more peaceful future.

In the process of normalizing bilateral relations between the UAE and Israel formed in economic, political and cultural relations. Therefore the author uses the concept of bilateral cooperation for a form of relationship between the UAE and Israel that influences each other or the occurrence of a reciprocal relationship which is manifested in the form of cooperation. From the bilateral cooperation which includes the process of normalizing the bilateral relations of the UAE-Israel, it is seen based on the extent to which the mutual benefits obtained through this cooperation can support the conception of the interests of the UAE-Israel. So, cooperation cannot occur if a country can achieve its own goals. So it is felt that bilateral cooperation will be created, because of the dependence of each country to achieve its internal interests.

The UAE and Israel before having official diplomatic relations had established several collaborations and officials of the two countries were known to have met several times. For example, in September 2012 at the UN general assembly in New York, the Minister of Foreign Affairs of the UAE, Sheikh Abdullah bin Zayed al-Nahyan and the Prime Minister of Israel, Netanyahu held a

11 Uzi Rabi dan Chelsi Mueller, "Negara-negara Teluk Arab dan Israel sejak 1967: Dari 'Tanpa Negosiasi' menjadi Kerjasama Tacit, *British Journal of Middle East Studies 44,* 2017, hal. 576-592

meeting which was held in secret.12 The incident was uncovered several years later, one of the Israeli media, namely Hareetz, reported the incident. In the meeting, the two countries discussed common interests related to the derailment of Iran's nuclear development plan.

In an unexpected joint announcement by the United States, Israel and the UAE in August 2020, Israel and the UAE "agreed to a full normalization of relations". The deal was signed on August 13, 2020, between President Donald Trump, Israeli Prime Minister Benjamin Netanyahu and Sheikh Mohammad Bin Zayed, crown prince of Abu Dhabi. The deal, known as the Abraham Accord, was brokered by senior adviser Jared Kushner, US Ambassador to Israel David Friedman, Secretary of State Mike Pompeo, Middle East envoy Avi Berkowitz, and White House national security adviser O'Brien.13 The content of the agreement is a peace agreement for the normalization of relations between Israel and the UAE.

Seeing that the intensity of UAE-Israel cooperation has increased after this normalization, the authors analyze the broad partnership between the UAE-Israel in various economic sectors in the following years 2021-2022 as the biggest influence on the normalization of bilateral relations between the UAE-Israel in 2020. Although some of them are expected to double in 2022.

The United Arab Emirates and Israel agreed to normalize relations between the two countries in full. This implementation wants the UAE and Israel to formalize relations between the two countries and broaden the economic cooperation framework that benefits both sides. The series of cooperation frameworks include: investment, tourism, direct flights, security, telecommunications, technology, energy, health, culture, environment, opening of embassies in both countries, and other mutually beneficial fields.

12 Idan Zonshine, Israel, Arab Emirates agree to sign commercial aviation deal, *The Jerusalem Post,* 2020, https://www.jpost.com/arab-israeli-conflict/israel-united-arab-emirates agree-to-sign-commercial-aviation-deal-646139

13 Manuel Fernandez, Economic Dividens of the Abraham Accords, *EJBMR (European Journal of Business &Management Research,* Vol. 6, No 6 (2021)

The integration of Islam in the study of International Relations is a natural thing that should be done. Based on the Islamic view, international relations are not value-free. Various actors, whether human, group or state, must realize that international relations are built on divine values. International Relations is governed by a number of values and norms which are based on the normative basis of the Shari'a propositions (Al-Qur'an and Sunnah), as well as practical foundations (the political policies of the Prophet Muhammad SAW).14

Based on this, in the classical study of Islamic law, the world is divided into two regions, namely dar al-Islami (Islamic area) and al-Harb (war area).15 Dar al-Islam is an area whose government system has used Islamic law (controlled by Islam) while dar al-harb is an area whose legal system has not used Islamic law (not yet controlled by Islam). Relations between the two regions are always in a tense relationship (conflict). Meanwhile, if there is a peace agreement between the two regions, it is actually temporary. This means that peace relations are carried out until the dar al-harb becomes dar al-Islam or is subject to the orders of Islamic law.16

Imam Syabani in Siyar Al-Sagir with the title The Islamic Law of Nations: Syahbani's Siyar published by John Hopkins Press in 1996 said that international agreements and reciprocity are considered in fiqh al-siyar or Islamic international law. Indeed, in practice it is not unknown that there is an agreement between Dar al-Islam and Dar al-Kuffar, or considerations of reciprocity. It should be noted that according to Jack Goldsmith and Eric Posner in The Limits of International Law said that reciprocity on a large scale forms customary international law.

14 Jalaluddin Rizqi Mulia, Studi Hubungan Iternasional dan Upaya Integrasi Perspektif Islam, *Oqureta,* 2022, https://www.qureta.com/post/studi-hubungan-internasional-dan-upaya integrasiperspektifislam#:~:text=Untuk%20meringkasnya%2C%20Islam%20dalam%20HI,mashal ih)%20umat%20manusia%20secara%20umum.

15 Tina Roeder, "Traditional Islamic Approaches to Public International Law – Historic Conceptts, Modern Implications", *Heidelberg Journal of International Law,* Vol. 72. 2012, hal.521-522

16 Fajri Matahati, Shania Dwini, The Role of Fiqh Al-Siyar In International Law-Making Escaping the Lethargy, *Al-Jami'ah: Journal of Islamic Studies*, Vol. 60, No 2, 2022, hal. 510

Thus, this international law cannot absolutely be generalized as infidel law but needs to be seen case by case.17

The United Arab Emirates and Israel agreed to fully normalize relations between the two countries. This implementation wants the UAE and Israel to formalize their relationship and broaden the economic cooperation framework that benefits both sides. When viewed from the perspective of Islamic law, the treaty law between the UAE as a Muslim country and Israel as an infidel state is allowed to refer to the opinion of contemporary scholars, namely Sheikh Abdul Aziz bin Baz. For the reason that it is in line with the Medina charter, this charter is a sincere attempt by the Prophet Muhammad to build good relations between the entire heterogeneous population of Medina, both Muslims and non-Muslims.18 those involved in the charter have a commitment to live together peacefully and work together to build Medina into an advanced civilized city.

However, there are different opinions here on this issue, in that there are hundreds of decrees that it is not permissible to conclude a peace treaty with Israel, or in any form of peace settlement, or hand over to them any part of the land of Palestine, or any other land from the lands of the Muslims. This fatwa was endorsed by a large number of Islamic scholars, jurists and thinkers. This is for the reason that Israel is a usurper state, which was established after the occupation of the land of Palestine and the displacement of its people, occupation of their cities, villages and lands. Therefore it can be said that the majority of contemporary scholars have agreed on a prohibition on making a peace treaty with Israel, and a prohibition on selling a piece of Palestinian land to Jews and a prohibition on intermediary, intermediary and facilitating this sale in any way, they consider that recognizing the state of Israel is a betrayal of Israel.19 God, Messenger, Amanah and all Muslims.

17 Dr. Shahzadi Pakeeza & Javeria Kanwal, Fiqh al-Siyar and Modern International Law (Applications and Challenges), *Al-Wifaq (Research Journal of Islamic Studies),* Vol 02, 2019, hal. 4

18 Ibid

19 Dr. Noureddin Abdul Hakim, Putusan Hukum tentang Normalisasi Israel, 2020, https://mubasher.aljazeera.net/opinions/2020/8/16/%D8%A7%D9%84%D8%AD%D9%83%D9% 85-%D8%A7%D9%84%D8%B4%D8%B1%D8%B9%D9%8A-%D9%81%D9%8A-

From the several opinions above, it can be concluded that the normalization of the UAE-Israel from an economic perspective is good, but from a religious and Islamic brotherhood aspect it is not quite right. Economically the UAE-Israel agreement is advanced and the two countries are mutually beneficial. But from another point of view, the UAE is not quite right in cooperating with non-Muslim countries because it seems that it does not respect other Muslim countries, especially the Palestinian people.

**Analisis Pertumbuhan Ekonomi Sebagai Faktor yang Mempengaruhi UEA Israel Sepakati Normalisasi Hubungan Bilateral Tahun 2020-2022** An economy is said to experience growth if the amount of goods and services produced increases. That is, economic growth shows an increase in economic activity in society which causes an increase in the production of goods and services, and leads to an increase in national income. While in the study of macroeconomics, the definition of economic growth is a process of changes in economic conditions that occur in a country on an ongoing basis to lead to conditions that are considered better for a certain period of time.20 Economic growth shows a change in a country's economic conditions which is a symbol of successful development.

While the theory of economic growth is a concept to explain the factors that can influence or determine economic growth in the long term. Growth theory also explains how these factors interact with one another so that they can lead to a process of economic growth in a country. One example of an indicator of economic growth is gross domestic product (GDP), which can be calculated in three months (quarter) and annually.21 GDP measures two things, namely the total income of all residents in an economic area, and the total value of goods and services in that economic area. Therefore, GDP is defined as the market value of all goods and services produced in a country in a certain period.

%D8%A7%D9%84%D8%AA%D8%B7%D8%A8%D9%8A%D8%B9-%D9%85%D8%B9- %D8%A5%D8%B3%D8%B1%D8%A7%D8%A6%D9%8A%D9%84

20 Najeb Masoud, A contribution to the theory of economic growth: old and new, *Journal of Economic and international Finance,* 2014, hal 47

21 Syafitra, Nurjanah, "Faktor-faktor yang mempengaruhi pertumbuhan ekonomi", *JIEM (Jurnal Ilmu Ekonomi Mulawarman),* Vol 6, No 4, 2021

As with UAE-Israel economic interests with a strong ecosystem, Israel has many companies looking to develop and market their products. As such, the degree to which relations with the UAE generate opportunities for Israeli companies will be a factor on the Israeli side in determining the momentum and depth of the economic relationship. Given the long-term complementary economic interests between Israel and the United Arab Emirates, and the deep rooted ties, the relationship is likely to continue to grow.

Adam Smith put forward several views regarding several factors that play an important role in economic growth. His first view is the role of the free market system. Smith argues that a system of market mechanisms will create efficient economic activity and steady economic growth. The second is market expansion. Companies carry out production activities with the aim of selling it to the public and making a profit. The third is specialization and technological progress. Market expansion, and the economic expansion it promotes, will make it possible to specialize in economic activity.22 Onward specialization and expansion of economic activity will promote technological development and productivity will increase worker incomes and increase will expand markets with other countries.

According to Adam Smith, the growth process will occur simultaneously and have a related relationship with one another. The emergence of increased performance in one sector will increase the attractiveness of capital accumulation, encourage technological progress, increase specialization, and expand markets. This will encourage faster economic growth.

Based on the process of economic growth put forward by Adam Smith, seeing that the strategic goals and strengths of each, the UAE-Israel seems very suitable for sustainable economic cooperation. This synergy has provided many opportunities for these countries, which can be seen from the many agreements and partnerships that have been established between them and the acceleration of implementation. From travel and tourism to planned investment and joint

participation in multilateral business forums, these tangible developments support

22 Ayhan Ucak, Adam Smith: The Inspirer of Modern Growth Theories, *Procedia Social and Behavioral Scinces,* 2015, hal 6-10

the opening up of economic cooperation by demonstrating that relationships can bring direct and tangible economic and social benefits.

Since Israel and the UAE agreed to normalize relations, private companies have benefited from access to new markets. Between September 2020 and the end of January, there was at least $272 million in trade between Israel and Dubai. The value of Dubai's imports from Israeli companies is estimated at $88.5 million and exports around $165.2 million. In addition, there is about %26.9 million in transit trade.23

The economic growth outlook for Israel and the UAE is relatively strong, with recessions of -2.2% and -7.7% respectively in 2020. Although the global pandemic will continue to hamper private consumption and external demand in the near future, Israel and the UAE are two a prime example of the rapid rollout of a coronavirus vaccine. The recent recovery in global oil prices the easing of oil production cuts imposed by OPEC+ will soon gradually lift the UAE oil economy out of years of misery. Non-oil economic activity is expected to recover by 3.5% this year and will continue to be supported by reforms to attract foreign investment and talent.24

From Covert to Open during the decades of boycott, several trade and business transactions took place between the UAE and Israel. These transactions are usually carried out through intermediaries in third countries. The direction of trade appears to be largely one-way from Israel to the UAE and trade types are limited to high-end items such as technology and diamonds. Since the peace agreement, normalization has taken place between the two countries, namely increasing cooperation in several economic sectors. A cooperation agreement has been signed between the UAE and Israel's export credit agencies. According to various sources including officials from both countries, annual bilateral trade could be in the range of USD 4.0-6.5 billion which is equivalent to around 1.0%-

23 Dubai Chamber, " Dubai Chamber and Tel Aviv Chamber Sign Agreement to Foster Bilateral Cooperation", 2020, https://www.dubaichamber.com/en/media-center/news/dubai chamber-and-tel-aviv-chamber-sign-agreement-to-foster-bilateral-cooperation/

24 Jamie Ingram, " Abu Dhabi Meningkatkan Hubungan Israel dengan Rencana Pembelian Tamar Mubadala", *survey Ekonomi Timur Tengah,* 30 April 2021.

1.5% of each country's GDP.25 A large increase from near zero trades recorded in official trading data.

The results of economic growth from the normalization of bilateral relations between the UAE and Israel affect the economic growth between the two countries. This was proven after the normalization of bilateral relations between the UAE and Israel in increasing economic growth caused by the emergence of agreements in various economic sectors. Thus the normalization of UAE-Israel relations in economic growth is mutually beneficial for both countries.

The economic cooperation relationship between the UAE and Israel has grown since the 2020 deal. Trade in 2021 between the two countries is $1.2 billion, compared to just under $200 million in 2020.26 Although some of this may reveal covert or indirect trade previously thought to be double by 2022. Mubadala Petroleum, a unit of the Abu Dhabi sovereign wealth fund (which also owns a 10% stake in Egypt's Zohr natural gas field, the largest discovered so far in the sub-region, bought a 22% stake in Delek Drilling. The gas field Alam Tamar, which is operated by Chervn, for one billion dollars (reportedly planning to sell half to Israeli investors.

On the other hand, normalization between the two countries also provides maximum benefits to the economic sector in 2021. This is evidenced by the recent agreement between the United Arab Emirates and Israel which allows 95% of traded products to be duty-free or in other words a free trade agreement.27 This agreement, known as the Milestone Deal, minimizes obstacles to export-import activities between the two countries, namely by reducing or eliminating tariffs on various products, increasing market access for services, and promoting investment flows. In addition, this agreement will also increase the number of jobs and increase economic activity significantly.

25 Rory Jones, Dov Lieber, " UEA baru saja Menginvestasikan $100 juta di Sektor Teknologi Israel sebagai keduanya Negara Semakin Dekat ", *Jurnal Wall Street,* Januari 2022. 26 Biro Pusat Statistik Israel, Negara Perdagangan: Impor dan ekspor. Angka ini tidak termasuk pariwisata, dan perdagangan jasa.

27 Danny Zaken, "Perjanjian perdagannngan bebas membuuka cakrawala baru bagi Israel, UEA", *al-Monitor,* 8 April 2022.

In addition to the free trade agreement, the UAE and Israel have also signed investment deals worth $10 billion. In March 2021, the United Arab Emirates announced that it had set up a $10 billion investment fund dedicated to strategic sectors in Israel. This investment agreement then makes it possible to improve economic relations between the two countries and encourage progress in socio-economic progress, as stated in the Abraham Accords agreement.

On April 1, 2021, Israel and the UAE signed a comprehensive free trade agreement on Jerusalem, covering regulations, customs, services, government procurement, e-commerce and intellectual property protection, the first between Israel and an Arab country. About 95 Percent of all products traded between the two countries. Exemption from duties and treaties will also promote trade in services by ensuring regulatory clarity and protection of intellectual property rights.28 From Israel's point of view, the agreement will allow it to tap into the UAE's highly developed regional and global trade network. On the Emirati side, it should allow more access to Israeli-owned technology, and ease their ability to invest in Israeli companies.

On the other hand, in July 2021 Israel suspended a transit agreement signed between an Emirati company and the secret government of Israel's European Pipeline Company (established originally to handle secret oil shipments from pre-revolutionary Iran), for oil arriving from the Gulf, flowing via a pipeline from Eila. to Ascalon, to the Mediterranean. This was due to environmental concerns in Israel regarding the possible danger in the Gulf of Eilat, and wider concerns about the transparency of the deal on the Israeli side, with several key ministries not being consulted. While supporters of the deal warn of adverse effects on bilateral relations, this appears to have been exaggerated.29 In addition, the quiet fuss over what Dubai authorities deemed as unreasonable and onerous Israeli security demands, led to flight restrictions between Tel aviv and dubai for a month and the grounding of dozens of flights, until finalized by the end of March.

28 Michal Raz-Chaimovltz, " Tel-Avv-Penerbangan Dubai dibatalkan karena pertengkaran keamanan terus berlanjut " *Bola dunia,* 2022.

29 Mona Elinat Massalha, Efek Ekonomi Integrasi Ekonomi Regional: Kasus Abraham Accord, *Scientific Research Publishing Buku Jurnal Ilmu Politik,* 2020, hal. 707

Within the scope of economic growth integration between the UAE-Israel, the UAE-Israel free trade agreement signed on April 2022 to strengthen bilateral trade relations was signed by Arab countries and Israel.30 The agreement will lead to reduction of mutual tariffs on most imported and exported products, as well as increase and facilitate trade. On the export side, the agreement is expected to provide competitive advantages for Israeli companies and facilitate business activities in the Emirati market, thereby strengthening Israeli exports and increasing economic growth. On the import side, the deal will help reduce the cost of living by lowering the cost of imports into Israel. The agreement is expected to increase the volume of trade between the parties by hundreds of millions of dollars in the first years after signing.

According to the publication of Israel's Ministry of Economy (2022), in exports, more than 96% of customs goods traded between countries and exported to the UAE will receive customs benefits. After the agreement, 82% of the customs items are immediately reduced to zero (6458 customs lines) and another 14% will be reduced gradually to 0 within 3 (283 customs lines) or 5 years (824 customs lines). An additional 2% of customs goods (152 customs lines) receive the benefit of the customs tariff. Among other things, tariffs on chemicals, fertilizers, cosmetics, plastic products, ceramic products, jewelry and diamonds, electronic machinery and components, and medical equipment, as well as vegetables and fruits, juices, grains, and meat and fish products, have been set.31

Regarding imports, over 96% of Israeli customs goods (8602) received customs benefits, 72% customs tariffs decreased, with immediate exemption to zero (6453 customs lines), and another 21% were reduced gradually to zero within 3 ( 514 customs lines) or 5 years (1345 customs lines). Discounts on customs and quota rates are given for another 3% of goods (290 customs lines). Some of the products that benefit significantly from imports from the UAE to Israel are pharmaceuticals, plastic and rubber products, ceramics, machinery and electronic

30 Joshua Krasna, A Tale of Two Normalizatons: Israeli Normalization with the United Arab Emirates (UEA), *Telaviv notes an update on middle eastern development by the Moshe Dayan Center,* Vol 16, No 6, 2022, Hal. 5

31 Ibid

components, production cables, jewelry and vehicles, as well as meat and meat products.32

It can be seen that the parties give each other suppliers and companies access to their government procurement market and open up the possibility to participate in government procurement tenders issued by government ministries in both countries. In some tenders, suppliers from both countries can participate in government procurement tenders on equal terms with local suppliers. In addition, new fields are included in the modern free trade zone agreement. The parties agree to promote cooperation, including identifying ways to assist small and medium enterprises and make the commercial use provided by the agreement.

Based on the description above, it can be seen that the agreement to normalize bilateral relations between the UAE and Israel in 2020-2021 is colored by the interests of each country that wants to improve the country's economy after the normalization agreement in 2020. The normalization of bilateral relations between the UAE and Israel affects economic growth. Factors of economic interests have influenced the opinion of the UAE to make policies in order to reconstruct its diplomatic relations with Israel. As a result of the many economic improvements in several sectors, which in the end are mutually beneficial for the two countries. Economic growth refers to the choice where each country will choose the best way to get its economic growth. Thus, the normalization of the UAE-Israel bilateral relations in 2020-2021 is assumed by the two countries as the best way to accumulate their economic growth.

**CONCLUSION**

Based on the results of the analysis using the concept of bilateral cooperation and economic growth theory, the authors conclude that in the analysis the economic growth of the UAE-Israel has six characteristics which are economic improvements that will affect the normalization of the UAE-Israel in 2020-2022 caused by the increasing intensity of economic cooperation between the two countries. Especially after the normalization agreement in 2020, which ultimately benefits both countries. The UAE-Israel can be used as a benchmark to

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see the progress of a country and how the results of the economic improvements carried out by the UAE-Israel during that period, especially in 2021-2022 after normalization took place in 2020.

The United Arab Emirates and Israel agreed to fully normalize relations between the two countries. This implementation wants the UAE and Israel to formalize their relationship and broaden the economic cooperation framework that benefits both sides. When viewed from the perspective of Islamic law, the treaty law between the UAE as a Muslim country and Israel as an infidel state is allowed to refer to the opinion of contemporary scholars, namely Sheikh Abdul Aziz bin Baz. For the reason that it is in line with the Medina charter, this charter is a sincere attempt by the Prophet Muhammad to build good relations between the entire heterogeneous population of Medina, both Muslims and non-Muslims. those involved in the charter have a commitment to live together peacefully and work together to build Medina into an advanced civilized city.

Likewise, the UAE-Israel are countries with a different majority population by country. The UAE has a Muslim majority, and Israel has a Jewish religion. The UAE-Israel agreement agreed to normalize bilateral relations towards economic improvement in 2020-2022 is to achieve the national interests of the two countries. Economically the UAE-Israel agreement is advanced and the two countries are mutually beneficial. But from another point of view, the UAE is not quite right in cooperating with non-Muslim countries because it seems that it does not respect other Muslim countries, especially the Palestinian people. Therefore it can be said that the majority of contemporary scholars have agreed on a prohibition on making a peace treaty with Israel, and a prohibition on selling a piece of Palestinian land to Jews and a prohibition on intermediary, intermediary and facilitating this sale in any way, they consider that recognizing the state of Israel is a betrayal of Israel. God, Messenger, Amanah and all Muslims.

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