

**Political-Economic Relations Between
Russia and North Africa**

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Working Paper (WP) 22/2006

7/11/2006



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Introduction

This paper addresses the recent relations between Russia and the countries of North Africa. After practically terminating in their entirety in the 90s, in the present decade relations among these countries have grown and it appears that significant changes have been underway in recent years. In the first place, an account will be given of the relations with Algeria, followed by Egypt and Libya and finally Morocco and Tunisia. In all cases recent developments in political relations between Russia and each one of these countries shall be set forth and, subsequently, the economic relations shall be explained. In all cases reference shall be made to sales of armament from Russia to these countries, where appropriate, and special attention shall be given to relations in the energy sector, in other words, to cooperation in the gas and petroleum sectors.

ALGERIA

The Soviet Union and Algeria established diplomatic relations in 1962, which expanded from then on. For the Soviet Union it was an essential enclave in North Africa and close to Europe, while for Algeria the USSR was a source of inexpensive financing for the construction of its productive fabric as well as for the acquisition of armament. However, during the 90s mutual relations practically came to an end: on the one hand, as a result of

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the internal problems in Algeria and, on the other, due to the disintegration of the Soviet Union and to the economic and political crisis in Russia.

By the end of the 90s and following the disappearance of these two obstacles, both parties came together again, with shared strategic interests. For Russia, increased relations with Algeria are of the utmost geostrategic importance. First, because it constitutes an essential link in North African dynamics; secondly, because it could have a not inconsiderable impact on the Arab world; thirdly, because of its proximity and relations with Europe; and, fourthly, because it is a producer of hydrocarbons, particularly gas, sharing markets with Russia and having relations, whether in cooperation or competition, which are of relevance to Russia's foreign energy strategy.

For Algeria, the establishment of fluid relations with Russia could mean the recovery of some of the highly-positive results it gained from its cooperation with the Soviet Union. On the one hand, investments and joint projects in Algeria could increase, thus vitalising the economy of this country. On the other hand, Russia constitutes a source of modern weapons at reasonable prices, and is also the most important agent for the repair and maintenance of the large quantity of Soviet armament in Algeria. Both aspects would contribute to increasing Algeria's regional power role, which is one of the country's aspirations, as it was to a certain extent some years ago. Nevertheless it should be borne in mind that while the latter aspiration makes Russia an important country with which to establish relations it is not the only one and, in any case, given Algeria's energy base, its ambitions go beyond being a mere pawn for another country.

Political Relations

During the 90s, political relations between Russia and Algeria had practically come to an end, but they were rekindled in 1999. In the energy sector and given Russia's strategic interest in creating an association of gas producers-exporters, a meeting took place in December 1999 between Russians and Algerians in Algeria, which later led to conferences in both Iran and Algeria. In this manner Russia and Algeria strengthened their relations in the gas sector and began to outline an organisation for coordination among gas-producing countries.

On the one hand, an agreement for military cooperation was signed between both countries in March 1999, which led to an additional strengthening of their political relations. As of that moment official visits were repeatedly made to Moscow by the Algerian Chief of Staff. This starting point gave way to an increased capacity for cooperation between the two countries, which manifested itself in 2001 when, first, the President of Algeria visited Russia and, secondly, two documents were signed that reinforced mutual relations: the Agreement of Cooperation between the respective Ministries of Defence and the Declaration of Strategic Cooperators between both countries.

On the other hand, in the second half of the 90s conversations were established between both countries in an endeavour to define the terms for the reimbursement of Algeria's debt with Russia, inherited from loans granted by the Soviet Union. However no rapprochement of their respective positions was possible until the start of the following decade. The debt, therefore, constituted an obstacle in the development of relations between the two countries.

Under these conditions of rapprochement between Russia and Algeria, at the end of 2005 the Russian Minister of Foreign Affairs, Sergei Lavrov, visited Algeria and made a comprehensive proposal affecting several of the strategic sectors considered by both countries, although the reimbursement of the debt took priority on the discussion agenda. Of the US\$4.7 billion, US\$1 billion would be returned in cash and the rest compensated

by the purchase of Russian armament. Specifically, each quantity of cash allocated toward the purchase of Russian armament would redeem the same volume of debt. The solution of the debt problem was therefore associated with a significant armament transaction. Furthermore, Lavrov suggested closer cooperation, one in which Russian petroleum companies could access the exploitation of Algerian deposits without the need for participation in assignment tenders.

As a result of the optimistic expectations for the development of the relations between both countries, two events worthy of mention took place early in 2006. First, early in 2006 and within the Russian Arab Business Council, Russia created a section specialising in Algeria. Mijail Gutseriev, Director of the private Russian petroleum company RussNeft,¹ was designated as the Russian representative to the forum. Secondly and more importantly, an official visit by Vladimir Putin to Algeria was scheduled. This was of high political relevance, since for 30 years no high-ranking Russian-Soviet leader had visited Algeria, but also of high economic relevance, since plans called for the discussion of essential strategic problems such as the regulation of Algerian debt, the sale of armament and cooperation in the energy sector.

In order to define the proposals raised by Lavrov, the Russian Minister of Finance, Aleksei Kudrin, visited Algeria one week prior to Putin's arrival. In the meetings held, it was specified that the entire debt would be redeemed in exchange for the purchase of an equivalent quantity of armament, although the Algerian Government committed itself to an acquisition of almost twice the amount of the debt. Nevertheless the Algerian side refused to make any written commitment, generating a negative reaction from its Russian counterparts. The response from Moscow was that the visit by Putin, scheduled for two days, was reduced to six hours on March 10.

Five documents were signed as a result of Putin's visit to Algeria. The two most important ones were the Economic-Financial Agreement of Cooperation between both countries and the Agreement on the regulation of Algerian debt. These were completed by three more: an agreement for the avoidance of dual taxation, an agreement for the promotion of mutual investments and an agreement of cooperation between chambers of commerce.²

While these agreements illustrate a significant political rapprochement between both countries, they were too general from the Russian viewpoint. While confirming that in recent months agreements had been concluded for the sale of armament to the amount of US\$7.5 billion, which could increase appreciably during the remainder of the year, none of the petroleum or gas companies participating in the trip concluded any agreements, not even of a generic nature, with the Algerian company Sonatrach.³

In light of the results of Putin's visit to Algeria, two types of problems can be perceived in the political relations between both countries. On the Algerian side, maximum priority is given to the redemption of its debt and to an endeavour to reduce the commitments linked to this financial regulation. In particular, it appears that the Algerian authorities had a firm desire to sever any connection between the redemption of the debt and cooperation in the energy sector.⁴ This is why Algeria proposed that these relations be discussed specifically and separately in the course of the forthcoming visit to Moscow by the Minister of Energy Chakib Khelil, scheduled to take place in 2006.

¹ *Nezavisimaya gazeta*, 24 January 2006.

² *Nezavisimaya gazeta*, 10 March 2006.

³ *Novaya gazeta*, 13 March 2006.

⁴ *Nezavisimaya gazeta*, 13 March 2006.

Moscow showed prudence in light of these conditions. In fact, Putin ordered Russian Prime Minister Mijail Fradkov to monitor the purchases of armament actually made by Algeria so that the redemption of debt could be made progressively in accordance with the terms of the agreement.⁵ It nevertheless appears that the ambiguities that had arisen were partially clarified and, at the start of June 2006, Putin ratified the agreement on the regulation of debt with Algeria. Furthermore, by the start of July 2006 the Russian Government included Algeria in its list of countries to benefit from State support in mutual trade.

Economic Relations

Trade and Investment

In aggregate terms, trade relations between Russia and Algeria are insignificant. This statement is made evident by the fact that in the year 2001 Russian imports from Algeria amounted to US\$39,300 and its exports totaled US\$115.8 million. While mutual trade has increased continuously over recent years until reaching around US\$0.8 million in Russian imports and US\$163.6 million in exports in the year 2005, the volume continues to be marginal. In fact, in 2005 joint trade of both countries reached only 0.06% of Russia's overall trade flow. When considering the situation of North Africa overall, Algeria is far behind. In truth, considering overall Russian imports and exports for the period 2002-05, Algeria represents only 10.6% of these flows with North Africa, second-last and ahead of only Libya (see Tables 1 and 2).

In terms of investments, the results are similar to those from trade activities. In fact, in 2005 Russian investments in Algeria amounted to US\$50 million.

These relations are based on the development of activities by a reduced group of companies. These include Sel'jozpromeksport, which took part in the construction of the Beni-Zid (1993) and Zit-Emba (2002) dams. At present this company is carrying out maintenance and repair tasks on those dams, as well as on the Uled-Melluk one. Since 1994 Tejnopromeksport has been responsible for the operation and maintenance of the third block of the Jijel thermal power plant. Since 2004 Zarubezhvodstroj has participated in the construction of the Tilezdit dam. Tyazhpromeksport constructed the metallurgical company of El-Hadjar and is now performing maintenance and repair tasks. The activity of these companies explains a significant part of the aforementioned aggregate trade flows.

The Energy Sector

Cooperation in the energy sector merits a separate mention. The group of companies participating in this sector is likewise very small. In 2000 Stroitransgaz was awarded the tender for construction of the northern part of the Haud El Hamra-Arzev petroleum pipeline, valued at US\$80 million and, in 2003, assumed the maintenance tasks for this pipeline. In 2001 Rosneft, together with Stroitransgaz, were awarded the tender for the exploration of hydrocarbon resources in block 245-South, which appears to be commercially exploitable.⁶ Another project on which these companies are cooperating (Stroitransgaz) is the construction of the gas pipeline that will connect Algeria directly with Spain (Medgas), and which is scheduled to enter into operation in 2008.⁷ On the other hand, in 2005 Stroitransgaz was awarded a tender for the construction of a 273 km gas pipeline⁸ and in 2004 SoyuzNefteGaz was awarded a tender for the supply of drilling equipment. It is worthy of mention that in Russia it is estimated that energy is the most

⁵ *Nezavisimaya gazeta*, 14 March 2006.

⁶ <http://www.rosneft.ru/projects/algeria.html>

⁷ <http://www.oxan.com/display.aspx?ItemID=DB125394> (7 April 2006)

⁸ <http://www.stroytransgaz.com/pages/geo/geo.html>

economically-attractive production sector, and that access could be gained to investment projects valued at US\$24 billion.

Russian energy companies have made several attempts to penetrate more forcibly in Algeria, but these have been somewhat unsuccessful. While in the course of the Putin visit it was not possible to embark upon formal relations in terms of gas and petroleum cooperation, Russian companies have not given up hope. While Rosneft' and Stroitransgaz have shown interest in the construction and fitting out of five petroleum terminals, RussNeft', led by Gutseriev, is attempting to create a joint venture with an Algerian company to participate in one or two tenders scheduled to take place before the end of this year.⁹

In parallel, Gazprom has found itself in a position similar to the Russian petroleum companies, but with the peculiarity of being one of the driving forces towards strengthening relations between both countries in the energy sector. During Putin's visit to Algeria, Gazprom obtained a verbal commitment that a declaration of intent would soon be signed with Sonatrach.¹⁰ From May 29-31, a delegation from Gazprom visited Algeria to define the terms of such a document.¹¹ Finally, at the beginning of August 2006 and during the visit to Moscow of the Algerian Minister of Energy, a protocol of cooperation was signed not just between Gazprom and Sonatrach, but between Lukoil and the Algerian petroleum company as well. Gazprom and Lukoil seek to participate in the prospecting and exploitation of hydrocarbon deposits, as well as in the modernisation of energy infrastructures in Algeria and the creation of joint companies for undertaking projects and exchanging experiences in the energy sector.¹² Such an agreement also envisages the creation of a committee for the coordination of activities and a joint working group.

The final aspects of the August agreement may serve as the basis to go beyond technical cooperation into a more political sphere.¹³ Specifically it opens up the possibility of distributing the market, establishing production quotas and setting prices. In other words, the idea insinuated in 1999 by Russia and Algeria for the creation of a 'gas cartel' might be developed. A tendency towards coordination by both countries is foreseeable. In fact, Algeria had already indicated its interest in sharing the gas market by means of the assignment of sales quotas to Europe and the US. Specifically, Sonatrach could supply liquefied gas to the US on behalf of Gazprom, while the Russian company would in turn sell the gas in Europe. This type of agreement had already taken place in the autumn of 2005 between Sonatrach and Gas de France.¹⁴ With respect to Russia, the intensification of this type of agreements eliminates competitors, particularly with regard to Europe, and provides it with a privileged position in economic as well as political terms.¹⁵

Military Relations and Weapons

As of the establishment of diplomatic relations between the USSR and Algeria, the latter country has been a constant consumer of Soviet armament. During the period between 1962-1989, the Soviet Union delivered armament to this North African country to the value of around US\$11 billion, consisting of aircraft (MiG-21, MiG-23 and Su-24), tanks (T-55 and T-72), armoured vehicles and several ships (corvettes, frigates, patrol boats and submarines), as well as light weapons and munitions.

⁹ *Rossiiskaya gazeta*, 11 March 2006, and *Nezavisimaya gazeta*, 25 May 2006.

¹⁰ Declarations of the Algerian Minister of Energy, Shakib Jalil, *Vremya novostei*, 13 March 2006.

¹¹ <http://www.mnr.gov.ru/news/?act=print&id=460> (1 June 2006).

¹² *Nezavisimaya gazeta*, 7 August 2006.

¹³ *Nezavisimaya gazeta*, 8 August 2006.

¹⁴ <http://www.oxan.com/display.aspx?ItemID=DB125394> (7 April 2006).

¹⁵ *Nezavisimaya gazeta*, 20 March 2006.

During the 90s Algeria's purchases from Russia fell drastically and it was only in 1999-2000 that the situation began to progressively change. In the year 2000, 22 Su-24MK tactical bombers were commissioned together with six IL-78 tanker aircraft to refuel them. In 2002 an order was placed for 42 Mi-171Sh military transport helicopters. Likewise, one frigate and corvette in the Algerian fleet were repaired and modernised and, in 2005, two submarines were repaired.

However an essential change occurred in Algeria's purchase of armaments in 2006. As of the start of the year, several contracts have been concluded which, at the time of Putin's visit to Algeria, amounted to US\$7.5 billion.¹⁶ The contracts refer to 36 MiG-29SMT light interceptors, 28 Su-30MKI multipurpose heavy interceptors, 16 Yak-130 trainers, eight divisions of S-300PMU2 'Favorit' anti-aircraft missile systems (SA-10, according to NATO), 300 T-90S tanks, anti-aircraft missiles and anti-tank missiles, as well as modernisations of the T-72 tanks, two submarines and two corvettes. It should be emphasised that only 10% of the new set of contracts comprises armament modernisation or repairs. Furthermore, at the end of June a complementary contract was signed for the sale to Algeria of two modern Project 636 (kilo) class submarines, to the value of US\$400 million.¹⁷ The first are to be delivered in 2007 and the second in 2008. These additional orders might amount to an additional US\$2-3 billion.¹⁸

One of the peculiarities of this massive armament purchase is the form of financing. In the first place, the purchase is tied to the redemption of Algerian debt: for a purchase of US\$4.7 billion of Russian armament, the Algerian debt would be redeemed. Therefore, such a demand is justified partially by the subsidy for the purchases. In addition, the purchase of MiG-29SMT aircraft includes an additional subsidy in the sense that partial payment is made by returning the old MiG-29 aircraft from the Algerian Air Force to Russia.¹⁹ Nevertheless, in terms of the total transaction amount, Algeria has become the third most important customer for Russian armament, after China and India.

In spite of the magnitude of the recent arms purchases, certain qualifications surface with regard to Algeria's behaviour. During the Soviet era this country was a fief of the USSR, but at present Algeria is also considering the purchase of arms in the West. The monopolistic position of Russia in this sector is therefore being questioned. To this respect, it should be emphasised that the US has sold C-130 military transport aircraft to Algeria and, in 2006, it is pressing the sale of armament to this North African country. Algeria appears to have purchased light military material from France, particularly related to the antiterrorist campaign. Furthermore EADS has sold C-295M transport aircraft to Algeria. In this regard, the Spanish company CASA is opening the market in Algeria to the aforementioned European aviation company. Specifically, four aircraft were sold in 2003, followed by another six in 2004. On the other hand, the South African company ATE has already modernised 33 Mi-24 helicopters, while the Czech Republic sold 17 L-397 'Albatros' aircraft to Algeria in 2002-03.

Algeria's option is therefore to maintain a certain degree of diversification in the supply, maintenance and repair of its armament, which weakens Russia's position. Nevertheless, it is estimated that even if Russia is unable to sell all the armament to Algeria, it is expected to maintain at least an 85% market share.

EGYPT

¹⁶ *Nezavisimaya gazeta*, 26 January 2006.

¹⁷ *Kommersant'*, 18 June 2006.

¹⁸ *Moscow Defence Brief*, nr 2, 2006, y <http://www.lenta.ru> (14 March 2006).

¹⁹ *Nezavisimaya gazeta*, 26 January 2006.

In the year 2000 relations were rekindled between Russia and Egypt, and that same year, Igor' Ivanov, the Russian Minister of Foreign Affairs, made an official visit to that North African country.²⁰ While the practical results of this trip were nonexistent, it did pave the way for a visit to Russia by Egyptian President Hosni Mubarak the following year. As of that time a mutual rapprochement was attained by means of the signing of an official Declaration of Friendship and Cooperation between the two countries.²¹ Subsequently, in mid-2002, the Egyptian Minister of Foreign Affairs visited Moscow, although the agenda was more political and related to the regulation of the crisis in the Middle East and, in particular, the Iraqi problem.²²

Early in 2003, an Egyptian delegation headed by the Minister of Supply and Commerce, Hassan Jodr and comprised of Egyptian businessmen, visited Moscow and, at the end of that same year, there was a meeting of the Russian-Egyptian intergovernmental commission. In September 2004 the Russian Minister of Foreign Affairs, Syergyey Lavrov, went to Egypt and prepared the visits of Fradkov in November 2004 and Putin himself in April 2005. The presence of Putin in Egypt was highly significant because no Russian-Soviet leader had visited the country in 40 years and because the Egyptian President had already made four official visits to Moscow.²³ This official act led to the signing of a global agreement for cooperation between Russia and Egypt, although no specific programmes were analysed.²⁴ Nevertheless by mid-2006 a protocol of cooperation was signed among the highest State institutions for financial control²⁵ and an agreement was concluded on the joint fight against terrorism.²⁶

In short, Egypt has consolidated itself for some time as a country outside the Soviet orbit with no desire *a priori* to establish strategic relations with Russia. However, within the context of an aggressive foreign policy under development by the US and changes in international relations, it appears that a space is being consolidated for mutual understanding between Russia and Egypt, as well as the possibility of reaching agreements for mutual support (for example on United Nations reform).²⁷

Egypt is the Arab country in North Africa with the most extensive economic relations with Russia. In fact, for the period 2002-05, this country concentrated 51.3% of the overall trade flow from Russia to this geographical area (Table 2). As in the case of the other countries in the area, trading consists mainly of exports from Russia to Egypt. During the period 1999-2003 there was a tendency to reduce exports from Russia to Egypt. In fact, in 1999 exports amounted to US\$482.2 million, while in 2003 they amounted to US\$359.8 million. However in the past two years this type of exchange has been on the rise, and exports doubled in 2005, reaching US\$1,052.2 million. Acquisitions of grain are among the most significant items; they have increased in recent years and will continue to grow in the future (Table 1).²⁸

Russian imports in 1999 amounted to US\$69.3 million and, as of that time and for the next decade there was a decrease in the trade flow until it practically ceased in its entirety

²⁰ *Nezavisimaya gazeta*, 7 March 2000.

²¹ *Rossiiskaya gazeta*, 29 April 2005.

²² *Nezavisimaya gazeta*, 21 May 2002.

²³ *Nezavisimaya gazeta*, 26 April 2005 and 27 April 2005.

²⁴ *Sovmestnoe zayavlyenie o dal'neishem uglublenii druzhestvennyy otnoshenii i partnerstva mezhdru Rossiiskoi Federatsiei i Arabskoi Respublikoi Egiptet* (Joint declaration on the future relations for friendship and cooperation between the Russian Federation and the Arab Republic of Egypt), 27 April 2005 (adopted in Cairo and signed by the President of Russia, Vladimir Putin, and the President of Egypt, Hosni Mubarak).

²⁵ *Rossiiskaya gazeta*, 15 June 2006.

²⁶ *Nezavisimaya gazeta*, 29 June 2006.

²⁷ *Rossiiskaya gazeta*, 28 April 2005.

²⁸ *Nezavisimaya gazeta*, 24 January 2003.

during the first years of the following decade. Only in 2004-05 did imports from Egypt register a level similar to the one attained in 1999: in 2005 imports amounted to US\$79.6 million which, all in all, is a meagre volume (Table 1).

Along with trade, tourism also stands out. Contrary to trade exchanges, tourism is beneficial for Egypt. In recent years the Russian tourists who have chosen Egypt as their destination are constantly on the rise, amounting to 114,000 persons in the year 2000 and 586,000 in 2004. The significance of Egypt as a Russian tourist destination is made evident by the fact that it has gone from absorbing 2.7% of Russian tourists to attracting 10.1%. In fact, in 2004 Egypt was the third destination of preference for Russian tourism. Under these circumstances, Egyptian interest in developing these relations with Russia is obvious (Table 3).²⁹

With respect to cooperation on investment projects, many years ago the Soviets undertook large projects such as the Aswan dam. However, following a lengthy separation period such an experience has yet to repeat itself. Russians are participating on some isolated projects, such as the repair of the Aswan dam turbines and the construction of factories for the assembly of Russian automobiles and trucks.³⁰ One of the most important projects underway is the purchase of a large batch of Tu-204 aircraft by the private Egyptian aviation company Sirocco.³¹

Perhaps one of the sectors where the interests of both countries coincide is space. In 2001 Cairo called a tender for the acquisition of three satellites, which was awarded to Russia though later halted. Subsequently in 2003 a memorandum of cooperation was signed between Russia and Egypt for the putting into orbit of satellites, but without any practical results. In 2004 the Egyptian Ministry of Defence again brought to light the need for its own satellites, although later steps for the materialization of this desire were never taken.³² When Putin visited Egypt in 2005 space cooperation of this type was also brought to the table, but without any further consequences. The systematic standstill of this type of cooperation is due to obstacles imposed by the US, but points to a significant scope for future cooperation between Russia and Egypt.³³

Another line of cooperation stressed by the Egyptians but which is currently under study is civilian atomic energy.³⁴ In particular, the creation of an atomic energy centre based on the nuclear reactor it already has is sought for research purposes, in addition to promoting the current project for a distillation system from nuclear reactors.³⁵

The sale of arms is one of the areas to which Moscow gives special attention. However Egypt leans essentially toward the US and Eastern Europe in this type of imports. The only relevant results have been the modernisation and repair of Soviet armament in the Egyptian armed forces during the 90s. In isolated cases anti-aircraft missiles have been sold to Egypt for infantry divisions (ZRK 'Volga-3'), anti-aircraft missiles for Soviet 'Kvadrat' (SA-6) anti-aircraft complexes, as well as RLS 'Oborona-14' and P-18 aircraft detection radars. During the period 2000-03, 50 'Pechora' anti-aircraft systems (S-125) were modernised and in 2006 the second phase of modernisation commenced to update them to the advanced 'Pechora-2M' model, with maintenance services continuing for 15 years. Furthermore several batches of Mi-8/17 helicopters were recently sold to Egypt. And, in addition, there is an agreement for the training of Egyptian military in Russian institutions.

²⁹ *Nezavisimaya gazeta*, 28 April 2001.

³⁰ *Rossiiskaya gazeta*, 26 August 2003, and *Stroitel'stvo i nedvizhimost'*, 3 December 2004.

³¹ *Rossiiskaya gazeta*, 30 November 2005.

³² *Nezavisimaya gazeta*, 27 April 2005.

³³ *Gazeta.ru*, 27 April 2005, and *Nezavisimaya gazeta*, 27 April 2005.

³⁴ *Nezavisimaya gazeta*, 27 April 2005.

³⁵ *Rossiiskaya gazeta*, 28 April 2005.

One of the sectors in which Moscow is most interested in participating is energy, particularly in the gas and petroleum sectors.³⁶ Traditionally Russian hydrocarbon companies have had a scant presence in Egypt. In fact, only two are worthy of mention: Lukoil and Gazprom.³⁷ Lukoil participates in Egyptian fields: Meleiya (24%), in the WEEM block (50%) and in North-East Geysum and West Geysum, the latter two with 100% shares, in which prospecting and the first drilling are currently underway. In total, Lukoil's investments in Egypt total around US\$12 million.³⁸ In the meantime, by the end of 2004 Gazprom began trying to establish closer ties in Egypt to increase cooperation in the gas sector, for extraction as well as transport and processing.³⁹ Gazprom's renewed interest in activating relations with Egypt is based on the growing role that this North African country is playing in the gas sector. In fact, the main Russian priority is gas and not petroleum, due to the depletion of the latter hydrocarbon in this country.

In March 2006 the Russian Deputy Minister of Industry and Energy met with his Egyptian counterpart to discuss aspects of cooperation between the two countries and, in particular, the participation of Russian petroleum companies in Egyptian tenders for the exploitation of gas and petroleum deposits.⁴⁰ Egypt's new projection in the gas sector likewise opens the way to businesses related to the sale of this hydrocarbon. This is due to the existence of several projects for the construction of gas liquefaction plants, as well as for the extension of the transcontinental gas pipeline Arab Galine (which begins in Akaba and runs to Jordan, although the extension would cross Syria to Turkey and could reach a capacity of 3 billion cubic metres per year). Gazprom is greatly interested in participating in each and every one of these projects.

It should be emphasised that in 2005 two gas liquefaction stations entered into operation, with a total capacity of 12 billion mt per year. It is planned that by 2010 the production of liquefied gas will reach 50 billion cubic metres and more than 90,000 million cubic metres by 2030, exporting the major part of the production.⁴¹ In 2005 Egypt began exporting gas to Spain and seeks to extend sales to Italy and other European countries.⁴²

From a strategic viewpoint, Egypt could become a key country in the transport of hydrocarbons, petroleum as well as gas, from the Middle East to Europe. This situation may derive from the movement of petroleum through the Suez Canal as well as through the Sumed petroleum pipeline, which connects Ain Sukhna in the Red Sea with Sidi Kerir in the Mediterranean Sea. In fact, it is estimated that by the year 2030 4% of the world's petroleum and 9% of liquefied gas will pass through the Suez Canal, doubling the current figures.⁴³

In conclusion, the relations between Russia and Egypt in political and economic terms have recently grown closer, but their significance continues to be slight. The increased interest shown by Russia in Egypt corresponds to participation in gas exploitation, liquefaction plants and in the transport of this hydrocarbon. The underlying problem is that Egypt is a place for the transit and generation of hydrocarbons for Europe, a strategic market for Russia. However Russia has a limited capacity with which to access such resources, on the one hand because they are already occupied by other agents, and on

³⁶ Declarations of Sergey Kogan, a highly influential banker in the Kremlin.
<http://www.minprom.gov.ru/expertise/meeting/archive/11/comm/13/print> (24 March 2006).

³⁷ *Rossiiskaya gazeta*, October 20, 2005.

³⁸ *Neftegazovaya vertikal'*, 15 November 2004, and <http://www.lukoil.ru>, 5 September 2006.

³⁹ *RusNergy*, 17 November 2004.

⁴⁰ <http://www.minprom.gov.ru/activity/inter/news/81/print>, 23 March 2006 and
<http://www.minprom.gov.ru/activity/energy/news/84/print>, 24 March 2006.

⁴¹ *Al-Ahram Weekly*, 1-7 December 2005.

⁴² *Kuwait News Agency (KUNA)*, 8 April 2005.

⁴³ *Al-Ahram Weekly*, 1-7 December 2005.

the other because the Gazprom proposals themselves do not appear excessively attractive and, finally, because the rest of the relations between Russia and Egypt are not sufficient to be used as a means of leverage for opening up the gas sector.⁴⁴

LIBYA

In 1992 sanctions were imposed on Libya by the United Nations Security Council. By the end of the 90s, Tripoli began to change its attitude with regard to the isolation to which it was subjected and began to open up. In September 2003 the UN sanctions were lifted and Libya accelerated the changes in order to improve its international integration. In this regard, Libya has discontinued its plans for the creation of weapons of mass destruction, while promoting and supporting activities to combat the consumption and trade of narcotics and international terrorism.⁴⁵ Therefore and as of a few years ago, Libya has begun a process for the normalisation of its foreign relations.

Under these new conditions, the EU and the US have also opted for a rapprochement with Libya, on the one side, for geopolitical reasons and, on the other, for its energy riches, in the midst of a context of instability in the Middle East. As of mid-2004, some of the most important European leaders began visiting Tripoli, but one of the most prominent changes was perhaps the one experienced by the US. Washington partially annulled the sanctions against Libya in April 2004 and in June of that same year resumed purchases of petroleum from this North African country and allowed its petroleum companies to access this new market. Finally, in 2006 Washington ordered the reestablishment of diplomatic relations with Libya and removed it from the list of State sponsors of terrorism. The US attitude towards Libya has been increasingly tolerant due to the energy issue, since this country could be an alternative source of hydrocarbons and, in the political sphere, because its 'transformation' is considered an alternative model that is more positive than the Iraq of Saddam Hussein.⁴⁶ On the other hand, in mid-2006 the Libyan Minister of Foreign Affairs, Abdel Rahman Salkam, declared his satisfaction over cooperation with the US.

The opening up of Libya has also meant a change in attitude towards Arab and African countries. Libya has been moving away from Arab countries, perhaps because it is still resentful of their lack of support when it was feeling the weight of the embargo. An instance of this change is its rapprochement with Israel.⁴⁷ The other important change is the development of Libya's African aspect. This is partly in response to the attitude assumed by the African Union in 1998 when it was one of the first organisations that decided not to respect the embargo against Libya.

With this background, Russia has also endeavoured to promote relations with Libya. In political terms, Libya is becoming an important influence in Arab and African problems, while in the energy sector it is a highly significant source of hydrocarbons.

While Russia would supposedly start from a privileged political position in the development of its relations with Libya because of its close ties with the USSR, in practice the consent by Russia to the imposition of sanctions against Libya has been considered by Muammar al-Gaddafi as both a national and personal betrayal. For this reason, the various attempts by Moscow to grow closer to Libya have been met with several obstacles. In fact, while at the end of the 90s it tried to partially reestablish bilateral relations, it was not until Putin became President of Russia that such endeavours were

⁴⁴ *Nezavisimaya gazeta*, 20 March 2006.

⁴⁵ *Rossiiskaya gazeta*, 22 December 2003.

⁴⁶ *Nezavisimaya gazeta*, 26 June 2006.

⁴⁷ *Nezavisimaya gazeta*, 8 May 2001 and *Rossiiskaya gazeta*, 24 May 2004.

pursued more intensely. In 2000 the Libyan Minister of Foreign Affairs visited Moscow and proposed the idea that Putin should visit Libya.⁴⁸ A meeting of the Russian-Libyan Intergovernmental Commission was planned for the end of that same year to stimulate relations between both countries.⁴⁹ Perhaps the most prominent element of the activation of relations between both countries was the entry into operation in 2000 of an intergovernmental agreement on the gas/petroleum and energy sectors that included the reconstruction of the distribution system for the nuclear research centre located in the city of Tadzura and the construction of the Homs-Tripoli gas pipeline.⁵⁰

Subsequently, in mid-2001, the Russian Minister of Foreign Affairs Igor' Ivanov visited Tripoli and the lines for possible cooperation between both countries were defined. Among these, the sale of arms, the role of Russian petroleum companies, participation in the gas sector, railway transport projects and irrigation, the construction of a thermal power plant and a high-voltage network, the creation of a space communications station and cooperation in civil aviation are worthy of mention.⁵¹ However, the specific results of the visit are practically nonexistent.

Moscow has recently tried to give a new boost to its relations with Libya. In mid-2006 a delegation of Russian companies, the majority involved in gas and petroleum, visited Tripoli in order to promote economic relations between the two countries. The most important result was the establishment of the Libyan-Russian Business Council to stimulate joint economic activities. The structure was created by an agreement signed by the Libyan Minister of the Interior, Mohamed Saleh Mansuri, and the President of the Committee for International Cooperation with Libya, Yuri Safranik. It should be noted that Yuri Safranik is closely tied to the Russian petroleum sector, since he heads the Union of petroleum and gas producers of the Russian Federation and the gas/petroleum company Soyuzneftegaz.⁵² Furthermore, since modest results have been obtained, the Russian authorities have promoted the use of paraofficial channels to deepen relations between the two countries. Specifically, during the second half of 2006 an invitation was extended by Muammar al-Gaddafi himself to Vladimir Zhirinovskii, leader of the opposition Liberal-Democratic Party of Russia, to visit Tripoli.⁵³

In aggregate economic terms, the economic relations between Russia and Libya are practically nonexistent and are the least of those held by Russia of all the countries in North Africa. Russian imports in recent years have been virtually nonexistent. Exports from Russia, while insignificant, have grown since the year 2000. While in 1999 these amounted to US\$2.3 million, in 2004 they reached US\$53.5 million, although in 2005 they amounted to US\$30.8 million (Table 1). Exports are linked to the agreements for cooperation in force with the Libyan Centre for Nuclear Research in Tadzura, the enlargement of the Tripoli-West thermal power plant and the construction of the Homs-Tripoli gas pipeline, with the involvement of the Russian companies Atomeksport, Tejnopromeksport and ZanGas.

Greater economic activity between both companies is foreseeable in the future, which appears to include cooperation within the gas and petroleum sector and the sale of commercial aircraft and ships, as well as certain types of arms. The development of certain joint projects for the extension and reconstruction of the high-voltage and railway networks as well as the creation of a space communications centre for Libya is also possible.

⁴⁸ *Nezavisimaya gazeta*, 2 August 2000.

⁴⁹ *Nezavisimaya gazeta*, 20 October 2000.

⁵⁰ *Rossiiskaya gazeta*, 30 December 2003.

⁵¹ *Nezavisimaya gazeta*, 8 May 2001.

⁵² www.prime-tass-ru/news/print-asp?id=594731&ct=news, 23 May 2006.

⁵³ *Nezavisimaya gazeta*, 2 August 2006.

In this respect, the recent Libyan proposal for the construction of a jointly-managed free trade zone could represent an important qualitative step in the development of relations between both countries.⁵⁴ In this same regard, Libya's intention to cancel the accumulated debt with Russia could serve as grounds for increasing relations between both countries. In fact, as a result of the elimination of the sanctions, Russia began considering the possibility of recovering the debt with Libya, which amounts to more than US\$10 billion.⁵⁵ It should be emphasised that in this case and due to the country's energy resources, repayment does not seem to pose a problem and is rather a question of how and when payment should be made. To this respect, Russia will probably use the amount of the debt as a means of pressuring for access to projects in Libya and, in particular, to activities related to petroleum and, particularly, gas.

One of the politico-economic relations that Moscow seeks most to develop may perhaps be the sale of arms to Libya. These were only able to recommence following the lifting of the embargo. Although the statements of cooperation in this sector have been mutual, the only real relevant action in this respect was the granting in 2004 of a licence to Libya for the production of Kalashnikov assault rifles.⁵⁶ It should be emphasised that, to date, arms sales are conditioned by the distrust that still exists in the US and significant EU countries, which either establish restrictions upon that country for sales of this type of material or apply pressure so that other countries refrain from selling certain types of armament to it (the US in particular).

One of the most significant problems for Russia in increasing its sales of armament to Libya is in the desire of Tripoli to diversify its purchases as much as possible, moving away from the Soviet armament it has had in the past. In this respect, facing Russia are important competitors such as the US and France and the Ukraine as well, which has been selling certain types of armament to Libya, or Pakistan itself, which has good relations with Libya in this sphere. Within this context, Russian possibilities to sell armament to Libya may be reduced to the export of certain armoured vehicles and helicopters, granting some licences for production and activities involving the maintenance and modernisation of the Soviet armament still in the Libyan armed forces' inventory. The only possibility of broadening these limits lies in the restrictions that certain countries might impose on the sale of the armament desired by Tripoli, in which case this country would be destined to purchase it from Russia. For example, the consolidation of France's refusal to sell Rafale aircraft and Tigre helicopters to Libya could increase the possibilities for Russia to export Su-30MKI or Su-35 aircraft, or bombers such as the Su-34.

Perhaps one of the priority sectors for Russia in which to establish cooperation with Libya is the energy sector and, specifically, the gas and petroleum sectors. The reactivation of relations between both countries at the start of this decade has revealed Russia's interest in participating in gas and petroleum projects in Libya. In fact, in certain cases Russian representatives present in bilateral negotiations either belonged to this economic lobby, or the gas and petroleum companies themselves accompanied the political leaders.

While Russian plans in this respect are very important, the results obtained have been very modest. In 2000 it managed to participate in the construction of the gas pipeline mentioned above. However, subsequent attempts by other hydrocarbon-related companies have been futile, as in the cases of Stroitransgaz and Lukoil.⁵⁷ The most

⁵⁴ www.prime-tass-ru/news/print-asp?id=594727&ct=news, 23 May 2006.

⁵⁵ *Nezavisimaya gazeta*, 14 January 2004.

⁵⁶ <http://finance.mail.ru/news/article0F59B/default.asp>, 20 July 2004.

⁵⁷ *Vedomosti*, 17 September 2001.

conspicuous case of Russia's inability to break into the Libyan hydrocarbon sector occurred in 2005, when two major tenders took place for the assignment of petroleum extraction areas (15 and 26 petroleum areas, respectively). In the first, the big winners were the Americans, while in the second they were the Europeans and Asians. In considering the two licensing waves, the US was the big winner. Meanwhile, Russia was relegated to a very marginal place, with only Tatneft' awarded a tender.⁵⁸

In 2006 Russian companies are endeavouring to gain a share of the Libyan hydrocarbon market. To this respect, Lukoil has opened a representation office in this African country, deemed an essential condition for working in Libya. Russneft' is trying to expand its businesses in this North African country and Gazprom is studying several projects for entry in the country.⁵⁹

In conclusion, the politico-economic relations between Russia and Libya are practically nonexistent, although they could be deemed to be latent. The possibility of extending them depends at present upon the degree of distrust or blockade that, in particular, the EU and the US maintain towards this North African country. The restrictions on sales of arms to Libya may mean a massive sale of this type of products by Russia. Therefore Russia might build a new means of applying pressure and penetrating the Libyan gas sector, and making decisions regarding this hydrocarbon. Under these conditions, Russia could seek to have Libya included in a future international association of gas producers in which Russia's weight would obviously be a determining factor. In fact, Russia had already suggested such an idea to Libya, although at the time it was not considered by the North African country.⁶⁰ The materialisation of such a project could increase insecurity over the supply of gas to the EU due to the fact that it could eliminate one of its alternative sources of gas, which is what Libya currently represents for Europe.

OTHER MAGHREB COUNTRIES

Morocco

Morocco is fully under Western influence. On the one side, it has an agreement for preferential treatment with the EU and, on the other, it has signed an agreement with the US for the creation of a free trade zone. In addition, it maintains close ties with Saudi Arabia and has recently increased its cooperation with Israel.

Although it is a country traditionally removed from Soviet and Russian influence, during the first years of this decade relations between both countries intensified. For example, at the beginning of 2002, Sergey Mironov, spokesman for the Russian Senate, visited Morocco, although it should be qualified that the objective of the conversations focused on the Palestinian-Israeli problem.⁶¹ A turning point in the relations between Russia and Morocco was at the end of 2002, when King Mohamed VI made an official visit to Moscow. An indicator of the political significance of this visit was the fact that the last visit to Moscow by a Moroccan monarch was made by Hassan II in 1966. The results of the visit were the signing of several documents for cooperation between the two countries.⁶² At the end of 2005, the Russian Minister of Foreign Affairs Sergei Lavrov visited Morocco⁶³ and Putin subsequently made an official visit at the beginning of September 2006. The President of Russia was accompanied by a large delegation of Russian

⁵⁸ <http://sp.rian.ru/onlinenews/20051005/41609039-print.html>

⁵⁹ <http://www.tribuna.ru>, 17 March 2006, and *Nezavisimaya gazeta*, 19 June 2006.

⁶⁰ *Rossiiskaya gazeta*, 30 December 2003.

⁶¹ *Nezavisimaya gazeta*, 20 March 2002.

⁶² *Gazeta.ru*, 15 October 2002, and *Nezavisimaya gazeta*, 16 October 2002.

⁶³ *Rossiiskaya gazeta*, 30 November 2005.

businessmen and during the visit a session of the Russian-Moroccan Business Council took place.⁶⁴

In economic terms, Morocco is Russia's second-largest trade partner in North Africa. In the period 2002-05 it concentrated 24.1% of Russian trade transactions in this geographic area. While these are modest figures in absolute terms, in recent years Russian exports have undergone significant growth. Specifically, while in 1999 exports amounted to US\$53 million, in 2005 sales from Russia amounted to US\$352.8 million. While Russian exports consist mainly of petroleum, metal sheets, ammonia, grain, sulphur, fertilisers and sawed wood are also sold. Purchases from Russia in that country, which concentrate mainly on citrus products, have increased during the same period: in 1999 imports amounted to US\$47.9 million, while in 2005 they reached US\$143.5 million (Table 1). While the trade relations between the two countries are modest and the Russian Government does not pay them much attention, in July 2006 Russia included Morocco in its list of countries for the granting of State guarantees regardless of the volume of exports.

The interest of Morocco in Russia lies in its desire to increase the volume of tourism. In this respect, Morocco has recently changed the system for visas with Russia and some Russian investments have even taken place in this type of economic activity. The result has been an increase in the number of Russian tourists to this North African country.

Russia has participated in a relatively limited number of projects in Morocco. Among these and worthy of note is the Dzherada thermal power plant, the Mansur Eddahbi hydraulic station and the Mulay Yusef hydraulic plant, but particularly the Al-Vajda hydraulic complex, which is one of the largest built in an Arab country. On the other hand, worthy of emphasis is the fact that Russia signed an aerospace agreement with Morocco that has ultimately led to the placing in orbit of a Moroccan satellite.⁶⁵ While cooperation between the two countries might increase appreciably as a result of Putin's visit to Morocco, it will continue to be scarcely relevant. Such cooperation might consist of the participation by Russia in the construction of a nuclear power plant (apparently to be located close to Casablanca), in space or irrigation projects. Furthermore in light of a singular event that occurred in 2005, relations may extend to the purchase of arms. At that time, a significant order of armoured vehicles took place incorporating anti-aircraft artillery (Tunguska-M1). This purchase may be indicative of a change that might manifest itself with the emergence of new orders following the visit of Putin to Morocco. Nevertheless, the demand for Russian armament is not expected to be massive.⁶⁶

In the energy sector, Morocco produces small quantities of gas and petroleum, and depends upon the outside for hydrocarbons. It is worthy of note that the discovery of petroleum in Mauritania has raised the possibility that Morocco might have more reserves than have traditionally been attributed to it. In this regard, Rabat is trying to promote the search for petroleum and, in fact, 15 foreign companies are working in the country.⁶⁷ For this reason, the materialisation of these expectations may increase Russia's interest in the country. In fact, both countries are soon expected to sign a series of documents for cooperation in the energy and transport sectors.⁶⁸ In addition, Russia could be interested in participating in the construction of a petrochemical complex in order to meet Moroccan needs for fuel consumption and for export to African countries, as well as some thermal

⁶⁴ *Rossiiskaya gazeta*, 8 September 2006.

⁶⁵ *Rossiiskaya gazeta*, 30 November 2005.

⁶⁶ *Voенно-promyshlennyi kur'er*, nr 50, 2004, p.4, and *Nezavisimaya gazeta*, 8 September 2006.

⁶⁷ *Arabic News*, 16 April 2005.

⁶⁸ *MidEast.ru*, 9 June 2006.

power plants, or the creation of infrastructures for the import of liquefied gas or, if possible, the management of the gas pipeline located in the country.⁶⁹

Tunisia

Over the past decade Tunisia has leaned toward the EU (to a large extent because of its traditionally close ties with France), due to the proximity and economic dynamics of this economic zone. These relations have furthermore grown even closer due to the agreement on the creation of a free trade zone between Tunisia and the EU, which anticipates the elimination of part of the trade barriers and which will become fully operational in 2008. Furthermore, Tunisia has intensified its relations with the US so that, together with Morocco, it constitutes one of the US's major political-military allies in North Africa. Tunisia is therefore highly integrated in the foreign relations of both the EU and the US.

In contrast, relations between Russia and Tunisia are practically nonexistent. An attempt was made to activate these as a result of the Intergovernmental Commission on economic-commercial and scientific-technical cooperation between both countries in 1999. In their first meeting, some agreements were signed on cultural and educational aspects. In 2000 Putin and Ben Ali met for the first time in New York and the Russian Minister of Foreign Affairs, Igor' Ivanov, subsequently traveled to Tunisia, which meant the first visit of political magnitude made by a Russian-Soviet leader to Tunisia. After that, in 2001, the Tunisian Minister of Foreign Affairs, Ben Yahya, made an official visit to Russia. In 2003 the second meeting of the Intergovernmental Commission took place and, at the end of 2005, the Russian Minister of Foreign Affairs, Sergei Lavrov, visited Tunisia.⁷⁰ Therefore, relations were relaunched with Tunisia during the Putin era, while still on a small scale.

Economically, Tunisia is the third country in terms of commercial volume with which Russia maintains contact in North Africa, constituting 11.5% of this type of flow. In recent years Russian exports as well as imports have grown, until reaching US\$224.1 million and US\$12.7 million, respectively, in the year 2005 (Table 1). Specifically, Russian exports to Tunisia include sawed wood, paper, ammonia, sulphur and equipment. For Tunisia the most important aspect of its relations with Russia is tourism. While the growth in the number of tourists to this North African country is constant, it continues to be a marginal destination for Russians. Among the measures adopted by Tunisia for stimulating tourism is the establishment of direct flights to Moscow as of the year 2003.⁷¹

Russian projects for cooperation in Tunisia are isolated. Worthy of mention are the construction and maintenance of the Sidi al-Barrak hydraulic complex as well as the construction of dams in four Tunisian rivers. The greatest interest shown by Russia is the possibility of participating in gas and petroleum projects and, in particular, transport projects, those in existence as well as any that may be constructed in the future such as, for example, the gas pipeline that will link Libya and Tunisia.⁷²

CONCLUSIONS

During the initial years of this decade Russia's attitude towards the countries of North Africa has changed substantially. It has progressively shown itself to be more active and has endeavoured to stimulate relations for cooperation in the energy sector (gas and

⁶⁹ *Rossiiskaya gazeta*, 30 November 2005, and A. Mañé (2006), 'The Maghreb from a geo-energy perspective', *Afkar-Ideas*, nr 9.

⁷⁰ *Rossiiskaya gazeta*, 30 November 2005.

⁷¹ *Nezavisimaya gazeta*, 6 August 2004.

⁷² *Nezavisimaya gazeta*, 5 April 2004, and *Rossiiskaya gazeta*, 30 November 2005.

petroleum) as well as in the sale of armament. Over the past two years this tendency has become increasingly obvious. Algeria constitutes the most important example of this new tendency towards Russian cooperation and, in short, foreign policy. While it is unlikely that a situation such as the one in Algeria will occur in Egypt, Morocco and Tunisia, a broadening of the relations of those countries with Russia is anticipated, not only in the energy sector but in atomic energy and space as well.

For Russia, Algeria takes priority due to its reserves of petroleum and, in particular, gas. Libya has a renewed interest for Russia as well, given its supply of hydrocarbons and its projection towards Africa. Egypt is a gas reserve for Russia, which may play a very active role in upcoming years as a route for the transport of energy between Africa, the Middle East and Europe. The role of Morocco and Tunisia is more marginal and has to do with their role in the transit of hydrocarbons.

Therefore, one of the most controversial aspects affecting this region is energy. The consolidation of Russian relations with these countries or its consolidation in their respective sectors of gas and petroleum (extraction as well as transport) could mean the emergence of energy security problems in the EU. In particular, the broadening of Russian influence on gas and petroleum activities –particularly over transport channels– could mean a significant weakening of energy security in the EU.

Under these circumstances, the EU should redefine its economic and political relations with North Africa. To a large extent, this will require paying more attention to them politically and allocating greater economic and financial resources, while stimulating projects for EU investment in these countries. Otherwise, these countries might increase their dependency on their energy riches and utilise them as a means of draining resources from countries dependent upon gas and petroleum (such as the EU), with the subsequent energy insecurity that this would generate.

Table 1. Russian foreign trade with countries of North Africa (in thousands of US\$)

	1999	2000	2001	2002	2003	2004	2005(*)
Russian Imports							
Algeria	14,490	7,031	39.1	19.3	69.4	115.7	823.8
Egypt	69,308	4,910	11,983.1	21,270.1	38,407.0	58,088.7	79,588.2
Libya	0	0	0	6.3	5.8	36.4	0.0
Morocco	47,898	59,188	46,110.7	57,637.1	77,800.2	87,436.6	143,543.5
Tunisia	5,397	4,553	5,570	1,252.1	2,278.2	5,373.2	12,740.3
Total Russian Imports	30,277,600	33,906,100	50,545,739	40,753,583	50,545,739	68,125,074.39	92,340,586.1
Russian Exports							
Algeria	197,134	119,650	115,828	126,996.5	141,187.1	149,292.7	163,648.5
Egypt	482,191	448,943	417,554.7	465,023.8	359,771.8	754,188.3	1,052,176.5
Libya	2,378	22,588	8,996.8	13,512.5	36,005.2	53,529.5	30,778.0
Morocco	53,034	61,060	133,744.2	192,716.9	108,467.5	308,342.9	352,832.5
Tunisia	37,471	93,507	54,831.7	108,894.7	98,361.8	183,244.5	224,096.0
Total Russian Exports	72,885,200	103,011,800	68,415,962.2	75,483,859.5	95,610,997.9	136,926,488.4	186,345,413.6

(*) Data originally in euros. To obtain the US\$/€ exchange rate the mean of the monthly averages has been taken of the US\$/rouble and €/rouble exchange rate throughout the year 2005. With this result an average US\$/€ exchange rate equivalent to 1.2464 was obtained. Data from FSGS (2006), Rossiya. Rosstat, Moskva, p. 49.

Source: Customs Service of the Russian Federation, *Tamozhnyennaya statistika vneshej trgovji: Rossijskoj Federatsii* (Customs Statistics on Foreign Trade of the Russian Federation), Moscow, several years (in Russian).

Table 2. Russian foreign Trade with the North of Africa, by country (percentage)

	2002-2005		Overall foreign trade		Ranking of each country in Russian foreign trade (2005)	
	Imports	Exports	Imports	Exports	Imports	Exports
Algeria	0.2	11.8	10.6	131	68	68
Egypt	33.6	53.4	51.3	69	31	31
Libya	0.0	2.7	2.4	205	95	95
Morocco	62.5	19.5	24.1	58	46	46
Tunisia	3.7	12.5	11.5	98	57	57
Total M	100	1000	1000			
% NA of the Russian total	0.23	1.00	0.74			

Source: the author with data from the Customs Service of the Russian Federation, *Customs Statistics on Foreign Trade of the Russian Federation*, Moscow, several years.

Table 3. Russian Tourism in Egypt

	2000	2001	2002	2003	2004
Total (thousands of persons)	4,252	3,972	4,426	4,615	5,791
Egypt (thousands of persons)	114	157	234	368	586
% from Egypt of the total	2.7	4.0	5.3	8.0	10.1
Egyptian Location	6	7	5	4	3

Source: the author with data from Goskomstat Rossii (2001), *Rossiia v tsifraj. 2001*, Goskomstat, Moskva, p. 136; Goskomstat Rossii (2002), *Rossiia v tsifraj. 2002*, Goskomstat, Moskva, p. 138; Goskomstat Rossii (2003), *Rossiia v tsifraj. 2003*, Goskomstat, Moskva, p. 136; FSGS (2004), *Rossiia v tsifraj. 2004*, FSGS, Moskva, p. 139; y FSGS (2005), *Rossiia v tsifraj. 2005*, FSGS, Moskva, p. 141.