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Geopolitical briefs on:
The Gulf • North Africa • The Levant



Integrity UK publishes bi-monthly geopolitical briefs to provide an overview of recent political, economic, social and security affairs in the MENA Region.

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North Africa

The first ever direct flight between Israel and **Egypt** took place on 2nd May. The flight, operated by Air Cairo, was the first to take place over the new air route that was agreed by Egyptian and Israeli leaders during a meeting in September. The first flight was reportedly “filled to the brim” with Israel tourists who expressed interest in visiting the tourist resort of Sharm el-Sheikh. Egyptian tourism experts noted that there is high demand in Israel for tourism to Egypt.

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Egypt launched a new tourism campaign to boost visitor numbers over the summer holidays as the country looks to compensate for the loss of tourists from Ukraine and Russia. The campaign mainly targets relatively-prosperous Arab countries such as Kuwait, Jordan and Saudi Arabia. A major religious tourism project in the South Sinai was also launched. In combination with tourists from Israel, the campaign may help Egypt avert a difficult summer season.

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The International Monetary Fund (IMF) announced that it expects the ratio of public debt to GDP in **Egypt** to decline to its pre-pandemic levels by 2025 or 2026. According to its regional outlook report, the IMF expects public debt to reach 94% of GDP during the current financial year, with next year forecast at 89.6%. The IMF report also anticipated consumer price inflation to peak at 1.4% this year before declining.

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Egypt's government has pardoned as many as 3,000 prisoners prominent activists and journalists. The pardons came amidst renewed efforts from Cairo to reach out to critics, which could suggest a softening of the repressive environment present in the country over the past decade. US officials have warned that deaths in Egyptian jails, including the recent death of a prominent economic research Ayman Hadhoud, allegedly as a result of torture, need to be investigated credibly.

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Egypt has reached an agreement with India to buy Indian wheat exports in a bid to make up for its shortfall following the eruption of the war between Russia and Ukraine, two countries Egypt relied on for its imports. As the second-largest wheat producer, India has sought to step into the gap left by Russia and Ukraine.

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Libya's National Oil Corporation (NOC) announced that it will resume operations at the Zuetina oil terminal which was shut down much of last month due to militia activity. Describing the lifting of the blockade as “temporary”, the NOC announced that it was loading tankers with crude oil to reduce stock and free up storage. With no permanent solution found to the political crisis that led to the closure, Libya is at risk of missing out on the oil windfall other states reaped since March. Indeed, Libya's Oil Minister said the country lost \$60 million a day due to shutdowns.

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The United Nations Security Council has approved a resolution to extend the mandate of the UN Support Mission to **Libya** (UNSMIL). The decision, fourth to be issued since mid-September 2021, will extend the mandate until late July. The decision may lead to renewed diplomatic efforts to find sustainable peace in the country.

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Tunisia's President, Kais Saied, announced the launch of a “national dialogue” process to help resolve the political crisis that has gripped the country since he seized power last year. The dialogue, demanded by G7 nations and the European Union, will not include the Ennahda Party which Saied blames for the country’s current state. However, other opposition organisations, including the powerful Tunisian General Labour Union (UGTT), will be represented.

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Libya's Tobruk-based House of Representatives (HoR) accused **Algeria** of “interference in Libya’s sovereign affairs”. The accusations erupted after Algeria's President, Abdelmajid Tebboune, invited the Prime Minister of the Tripoli-based Government of National Unity (GNU), Abdul Hamid Dbeibah, to Algiers during which he expressed support for the GNU. Algeria had taken an active role in the country’s peace talks. Perception of Algiers favouring one side could damage the talks which have already been deadlocked over myriad factors.

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Algeria threatened to scrap its gas export deal to Spain. The spat erupted after **Morocco** approached Spain to import fuel, a development that raised heckles in Algiers which had shut down its gas exports to Morocco following a breakdown of diplomatic relations last year. Algiers warned that any Algerian fuel that ends up in a country not specified in the contract would be a violation of the agreement and could lead to its dissolution. The development is concerning for Europe, which sought to encourage Algerian oil exports to Europe to make up for the loss of Russian hydrocarbons.

The Gulf

Kuwait announced that it allocated \$22 million for improvements to its oil infrastructure in northern Kuwait. The project, operated by the Kuwait Oil Co, will see improvements to chemical injection and monitoring systems. The decision comes after several major refineries in the country experienced production delays. If applied without delays, these upgrades could increase Kuwait's oil export capacity, which rose significantly since March due to the war in Ukraine. Some export destinations, such as Japan, have raised their demand for Kuwaiti crude by as much as 12% since March 2022.

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Saudi Arabia recorded GDP growth of 9.6% in the first quarter. This marks the fastest GDP growth Saudi Arabia recorded in a decade and was achieved thanks to the globally-high price of crude oil resulting from the war in Ukraine. However, the gains are also indicative that the country's income continues to rely on oil despite attempts to diversify revenue streams. Nevertheless, in the short term, the windfall will likely relieve many of the economic pressures facing the country

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Regional rivals **Saudi Arabia** and **Iran** held a fifth round of talks in the Iraqi capital Baghdad. The talks, which are aimed at improving bilateral ties, have reportedly yielded "positive" outcomes according to Iranian officials. While no announcements regarding the outcomes have been made, there have been rumours that the two

sides made some progress vis-à-vis their positions in Lebanon and Yemen.

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Saudi Arabia is mulling extending the terms of its \$3 billion deposit in Pakistan's central bank to help the country's faltering economy. The announcement came after Pakistan's new Prime Minister, Shehbaz Sharif, visited several Gulf countries in a bid to resolve the economic troubles he inherited. Among Saudi pledges are means to enhance financing of petroleum products to alleviate the frequent blackouts in Pakistan. **Kuwait** has also expressed interest in investing in projects across Pakistan valued at \$750 million.

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Saudi Arabia's King Salman, alongside the Crown Prince Mohammed bin Salman, met with the Turkish President, Recep Tayyip Erdoğan. Marking their first meeting in five years, the two sides expressed a desire to improve bilateral ties that gradually eroded over the 2010s and hit rock-bottom in 2018. In recent months, Ankara has accelerated its efforts to reach a détente with several regional rivals that also include Egypt and the United Arab Emirates.

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Qatar has once again become the world's top exporter of liquefied natural gas (LNG). Following low demand over the winter, Qatar's exports for April 2022 surpassed 7.5 million metric tons. The demand was bolstered by renewed interest in Gulf hydrocarbons as several

European countries aim to cut their reliance on Russian hydrocarbons.

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The UN warned that the humanitarian situation in **Yemen** is worsening. Experts say that there is a need for \$4.3 billion to reverse a deterioration of humanitarian conditions in the country. Nevertheless, the organisation expressed optimism that the two-month truce could be instrumental in improving conditions and provide people with services. Although the initial days of the truce were marred with clashes and violations, it has largely held. Since then, oil tankers have arrived at the port of Hodeidah, likely easing the shortages in the Houthi-held areas.

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Yemen's President, Rashad al-Alimi, called on all segments of the Yemeni society to unite behind the newly-established Presidential Council. Al-Alimi said that the council is already working on improving conditions in the country and achieve lasting, sustainable peace. Since he was appointed President, al-Alimi has visited the **UAE** and **Saudi Arabia**, likely in a bid to improve cooperation between the various backers of the UN-recognised government of Yemen.

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Oman's Foreign Ministry announced that it has secured the release of 14 foreigners who were held captive by the Houthi Movement in Yemen. The captives included citizens of the United Kingdom, India, Philippines, Indonesia, Ethiopia and Myanmar. No details were given about why they were detained. Oman has been deeply engaged in diplomatic efforts in Yemen, partially due to its neutrality with regards to the Saudi-Iranian tensions.

The Levant

Jordan received another batch of payment from the World Bank as part of a programme to help the country's economic recovery and job creation. The payment of \$107 million is the second batch of payments, bringing the sum sent by the World Bank to \$230 million, with the total committed sum listed as \$500 million.

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Jordan's Ministry of Tourism reported that 780,000 tourists visited Jordan during the first quarter of 2022, with nearly half of them arriving in March alone. This represents an increase of 298% compared to last year. According to officials, the Eid holidays and the easing of COVID-19 restrictions were all influential factors in the recovery.

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Jordan's Deputy Prime Minister and Foreign Minister, Ayman Safadi, held a phone call with the UN Secretary-General Antonio Guterres, to discuss the on-going tensions in Jerusalem. Safadi urged Israel to respect the legal and historical status of the mosque and lift all restrictions for worshippers. He also called for new efforts to find "a real political horizon" that improves confidence in peace. Jordanian officials had been deeply concerned about tensions around Al-Aqsa Mosque in the lead-up to the month of Ramadan.

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At least six people drowned off the coast of **Lebanon** after a boat carrying around

60 people capsized. The boat, which was old and overcrowded, was carrying mostly Lebanese people (with some Syrians reported among them) who were reportedly fleeing the country. A relative of the survivors confirmed that they were fleeing the country due to the state of deprivation and economic collapse. The incident is emblematic of the worsening conditions on the ground and may herald a new Mediterranean refugee crisis if Lebanon's socio-economic collapse is not brought to a halt.

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In another sign of growing exodus from **Lebanon**, authorities in the country announced that they will stop issuing new passports due to demand outstripping supply. Lebanon's General Security Organisation said that the applications for passports have increased tenfold over the past two years even as capacity dwindled. Far from stopping the exodus, however, there is a risk that the suspension of passports will push more people towards seeking travel through dangerous means.

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Saudi Arabia and France have pledged a new assistance package to **Lebanon**. Saudi Arabia is expected to provide \$38.2 million towards food, nutrition and health needs while France will provide \$31.8 million towards humanitarian and development projects. Saudi Arabia's involvement is especially notable, given that Riyadh's relations with Beirut had been chilly until recently. However, it seems Saudi Arabia has opted to re-engage with the country to counter Iranian influence.

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New round of clashes erupted in northern **Iraq** after Iraqi Security Forces (ISF) launched operations against the YBS, a Yazidi militia with alleged ties to the Kurdistan Worker's Party (PKK). Turkey launched an operation against the group in April. So far, the clashes saw the death of one Iraqi soldier and the exodus of as many as 3,000 people from the Sinjar region. As the clashes continue, the Pentagon claimed that some Iran-backed militias have started coordinating with the PKK against Turkey's presence in northern Iraq.

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The Prime Minister of the Kurdistan Regional Government (KRG) called on attacks by groups linked to Iran in northern **Iraq** to stop. The rebuke came after six missiles landed near a large refinery outside Erbil, not far from the area that was targeted by another rocket attacks in March and April. The missiles were found to have launched from Bartella where Iran-backed groups are present. With Iran-linked political organisations also accused of hampering the government formation process, there is a growing possibility that Iran's ties with Iraq may deteriorate in the coming months.

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Members of the **Syrian** Opposition expressed alarm after reports emerged that Ankara and Damascus have entered talks over the "voluntary and safe" return

of Syrian refugees. The talks, which were confirmed by Turkey's Foreign Minister, also hinted at talks over security and intelligence. In conjunction, permits allowing Syrians in Turkey to visit Syria for Eid were cancelled. So far, Turkish officials have ruled out forcing the return of Syrians to areas under the control of Damascus.

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A newly-released footage of a **Syrian** intelligence officer killing civilians has shed light on a known but previously-unseen element of the Syrian conflict. The footage, dated 2013, shows an officer identified as Amjad Youssef, a member of Branch 227, executing as many as 41 civilians and dumping their bodies in a pit before torching the corpses. Experts analysing the footage note that footage directly implicating Syrian intelligence in massacres is rare and could bolster the case for prosecution of individuals linked to the country's feared intelligence apparatus.

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A statement from **Syria's** presidency announced the appointment of Ali Mahmoud Abbas as the country's new defence minister. Abbas replaces General Ali Abdullah Ayoub. While such high-level reshuffles aren't unusual in Syria, Abbas is known to be very close to the Assad family, having been the nominal head of the 4th Division formally led by Maher al-Assad. This suggests a renewed consolidation of the army under the Assad family after years of fragmentation.