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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

Saudi Arabia has expressed official support for **Egypt**'s stance regarding the Grand Ethiopian Renaissance Dam (GERD) crisis. The joint statement was released following a visit by Saudi Crown Prince Muhammad bin Salman to Cairo where he met Egyptian President Abdel Fattah al-Sisi. In addition, trade agreements amounting to approximately \$7.7 billion were signed by both parties.

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British Petroleum (BP) has been awarded rights by **Egypt** to explore gas in the offshore King Mariout concession, situated in the West Nile Delta area. This comes following a bid organised by the Egyptian Natural Gas Holding Company in 2021, which BP eventually won.

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Egyptian officials visited Oman and confirmed the signing of six memoranda of understanding in various fields, strengthening relations between the two states. The deals were signed by the foreign ministers of both countries, Sayyid Bahr Hamad al-Busaid (Oman) and Sameh Shoukry (Egypt). The deals came in the context of Egyptian President Abdel Fattah al-Sisi's Gulf tour which has also taken him to Bahrain.

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Protesters in the **Libyan** city of Tobruk stormed the House of Representatives, calling for the removal of the current government and for fresh elections, making references to the declining economic conditions and rise in fuel prices. Libya continues to experience a

political deadlock following the failure to hold national elections this year. Recent politically motivated oil blockades have led to a drop in output and have contributed to the dire economic situation.

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Tunisian President Kais Saied confirmed that a referendum will be held on 25 July to decide on the newly drafted constitution. Critics have asserted that the proposed constitution will expand the powers of the President and will limit the role of the parliament. Members of the constitution committee who formed the first draft have stated that Saied's proposed version contains several differences from the first draft, raising fears that Saied will increase his authoritarian grip on the country's political system.

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An IMF delegation visited **Tunisia** to discuss its loan programme and reform package with members of the government. The reforms will include a freeze in wages and public sector recruitment, reduction in energy and food subsidies, and the selling of state companies' shares. The proposed reforms have been met by resistance from the Tunisian General Labour Union (UGTT) as they believe such reforms will only contribute to rising poverty levels in the country.

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Algeria's state oil and gas producer Sonatrach has been negotiating a review of its prices with its international clients following a surge in gas prices in 2021, an

increase in demand from Europe in the context of sanctions on Russian oil and gas, and the discovery of a new deposit of gas condensate in the Hassi Rmel field. Algeria has reportedly agreed on an increase in prices with three of its partners thus far.

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Following **Algeria's** cutting of trade and tourism ties with Spain after the latter's support for Morocco's sovereignty over Western Sahara, Spain has been looking to expand its economic relations with alternative markets in North Africa. A team of economists from the Ministry of Labour and Social Economy, as well as a number of universities and institutes, has reportedly been formed to seek alternative markets in Morocco, Tunisia, Egypt and Senegal.

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Following talks between **Moroccan** Foreign Minister Nasser Bourita and Israeli Minister of Interior Ayelet Shaked, the latter expressed Israel's support for Morocco's sovereignty over Western Sahara. The statement comes in the context of recent steps made by both countries to normalise diplomatic ties while Morocco's neighbour and geopolitical rival Algeria has sought to hinder efforts at regional normalisation with Israel.

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Human rights groups are calling on **Morocco** and Spain to investigate the deaths of at least 23 migrants who

attempted to cross into the Spanish enclave city of Melilla. The Moroccan authorities stated that the deaths were caused by a "stampede", while human rights groups have been critical of excessive force used by forces on the ground to hinder the migrants' crossing into Melilla. Morocco and Spain have recently been mending diplomatic ties, especially over the issues of the status of Western Sahara and migration from Africa to Spain.

The Gulf

Saudi Crown Prince Muhammad bin Salman concluded a tour of the Middle East, including visits to Egypt, Jordan and Turkey. Talks between Saudi Arabia and the aforementioned countries were largely of an economic nature, focusing on trade and investments. Most notably, Saudi Arabia lifted its unofficial boycott of goods and products from Turkey, which had been installed following geopolitical disputes largely related to developments in Libya and Egypt.

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A report by *Middle East Eye* revealed that a secret meeting was held between **Saudi** officials and the Lebanese Hezbollah in March that led to the recent ceasefire in **Yemen**. The two sides reportedly came to an agreement on a number of issues, including the remove of former Yemeni President Mansour Hadi, the lifting of the blockade on Hodeidah and Sanaa airport, as well as the exchange of prisoners. The meeting and cooperation between both sides is unprecedented considering their history of antagonistic relations. It additionally demonstrates a certain measure of influence that Hezbollah enjoys over the Houthis in Yemen, which has thus far been publicly denied by the former.

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Despite the military truce, a new leadership and a Saudi-Emirati pledge of \$3 billion to support the **Yemeni** economy, the Yemeni current (rial) continues to experience devaluation. Divergent currency rates and banking activities across the country and a thriving

black market, arising as a result of the political divide, have been blamed for the volatility in the Yemeni currency.

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The World Food Programme (WFP) has announced that it is cutting food aid to **Yemen** due to a lack of funding. The organisation currently provides food aid to around 13 million people in the country, but from now on it will only be able to provide half of the daily food requirements of five million people and only a quarter for eight million people. Disruptions in wheat supplies as a result of the war in Ukraine and the wheat export ban by Indian have also been cited as reasons for exacerbating the lack of food supplies in Yemen.

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The Organization of the Petroleum Exporting Countries (OPEC) met to discuss planned oil output arrangements to increase production in July and August by 648,000 barrels per day (bpd). The arrangement has been confirmed at the meeting. Nevertheless, French President Emmanuel Macron mentioned earlier this week that he received information from **Saudi Arabia** and the **United Arab Emirates (UAE)** that they have more or less already reached full capacity and so will unlikely continue to increase output.

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The tourism sector in the **UAE** has experienced a substantial recovery this year following the lifting of restrictions that were imposed due to the COVID-19 pandemic. Figures from January to May 2022 show that 6.17 international overnight visitors came to Dubai,

registering a 197% increase from the same period in 2021. Expo 2020 Dubai and the arrival of Russian citizens evading Western sanctions have been cited as some of the reasons for this spike in tourism.

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The **UAE**-based Abu Dhabi Exports Office (Adex) has signed an agreement with the Ecowas Bank for Investment and Development (EBID) in a bid to increase trade between the UAE and West African states that are part of the lender bank. The agreement involves the opening of a \$20 million credit line as UAE companies seek to expand their economic influence in West Africa and to promote Emirati goods and services.

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The **UAE** is increasing its spending on providing financial support to low-income Emirati families. The spending will be raised to \$7.6 billion in an attempt to tackle rising living costs in the country. University students and unemployed individuals over the age of 45 have been earmarked to receive the extra support. Foreign citizens residing in the UAE will, nevertheless, be exempt from this support package, despite concerns they have raised regarding rising living costs.

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Qatar has hosted EU-mediated talks between the US and Iran on the Iran nuclear deal. On the sidelines of the talks, Qatar has held discussions with US and Iranian officials separately on both bilateral ties and the Iran nuclear deal. Qatar has acted as an intermediary

between Iran and the US in recent months as the Biden administration has resumed its engagement with the Iran nuclear deal following disengagement from the Trump administration.

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Qatar Foreign Minister Sheikh Mohammed bin Abdulrahman met with Lebanese President Michel Aoun and they came to an agreement on a \$60 million pledge by Qatar to support salary payments in the Lebanese army. Qatar has previously supported the Lebanese army with food aid, but this is its first commitment to provide direct funding. Public sector salaries have been hit hard by the Lebanese economic crisis of recent years.

The Levant

Lebanon has signed a deal with **Syria** and Egypt to import 650 million cubic metres of natural gas per year from Egypt through Syria. The deal was backed by the US in a bid to tackle the issue of blackouts in Lebanon. The World Bank has pledged financing for the deal and the US is seeking compliance with its sanctions on Syria in order to fulfil the deal.

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The Minister of Displaced Affairs in **Lebanon**, Issam Sharaf El-Din, has stated that plans are underway to return 15,000 **Syrian** refugees a month to their country of origin. He mentioned that an agreement has been reached to create a tripartite committee that includes the Lebanese government, the Syrian government and the UN Refugees Agency, who will coordinate the plan. Sharaf El-Din also mentioned a possible four-way committee between Lebanon, Turkey, Iraq and Jordan to work on the matter.

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World bank officials stated that **Syria** and Yemen are the most “food insecure” states in the Middle East, with **Lebanon** being the “most affected” country, with only one month of food reserves remaining. The reduction in imports from Ukraine and Russia, the lack of domestic grain reserves and production, and food price inflation have been quoted as the primary reasons for their food insecurity.

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Hezbollah’s military wing launched three drones to an area disputed between **Lebanon** and Israel in the context of the

maritime border dispute between both countries. The drones specifically targeted the Karish gas field, which is a point of contention between both states. The incident took place as the American mediator working on this issue, Amos Hochstein, visited Beirut to discuss the matter.

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Iranian Foreign Minister Hossein Amirabdollahian visited Damascus to meet with **Syrian** President Bashar al-Assad. He stated that the purpose of his visit was to “prevent a new crisis” between Syria and Turkey, amidst the Turkish plan to launch a military operation in the north of Syria. Amirabdollahian had days before travelled to Turkey to discuss the issue with Turkish officials. He has voiced his opposition to the planned Turkish operation.

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US forces stationed in **Syria** announced that they killed the leader of Hurras al-Deen, Abu Hamzah al-Yemeni. This was allegedly the second such attempt to kill al-Yemeni. The group is considered to be affiliated with al-Qaeda and is largely present in the north-eastern regions in and around Idlib province.

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Two blasts were heard at the American military base in the Omar oil field located in Deir ez-Zor province, in eastern **Syria**. Media connected to the **Iraqi** Popular Mobilisation Units (PMU) reported the incident, but no details about who many have conducted the attack were given. Following claims that Russian forces launched operations against the US-led

coalition in Syria last months, concerns have been raised by US military officials that a “miscalculation” may lead to an escalation and unintended conflict between the Russian and American forces present.

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A series of rocket attacks have targeted the area around the Khor Mor gas field in northern **Iraq**. Three rocket attacks were launched around the gas field on 22, 24 and 25 June. The attacks come amid a dispute between Baghdad and the Kurdistan Regional Government (KRG) over oil revenues. It is suspected that the attacks are aimed at pushing the KRG to make concessions to Baghdad on the issue of conceding its rights to oil revenues.

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Iraqi Prime Minister Mustafa al-Kadhimi paid visits to both Jeddah and Tehran with the aim of reviving talks between Saudi Arabia and Iran. Five rounds of talks between the two countries were mediated by Iraq, which ended in April of this year. Talks between the two sides have since stalled, however Iraq is keen on reviving those talks in order to diminish tensions between the two regional powers.

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A poisonous gas leak in the **Jordanian** port city of Aqaba killed 13 people and injured 251. A tank carrying 25 tonnes of chlorine gas, set to be exported to Djibouti, fell and caused the leak. Workers at the port staged a strike in protest. Following an investigation into the incident, Prime Minister Bisher al-Khasawneh then announced the sacking of a number of officials who were accused of “negligence”.