



CLOSE-UPS

May 2024

Close-ups is a Med-Or monthly update. Gathering together the daily work of our situation room, *Closeups* covers the main events of the Broader Mediterranean countries, offering to a wide audience, not only experts, a close and analytical look at the main issues that affect all the countries that Med-Or oversees on a daily basis. On our interactive map you can click on the single countries and their specific in-depth analyses.

Index

| | |
|----------------|----|
| ALGERIA | 1 |
| MOROCCO | 2 |
| TUNISIA | 3 |
| LIBYA | 4 |
| EGYPT | 5 |
| SAUDI ARABIA | 6 |
| TURKYIE | 7 |
| SAHEL | 8 |
| HORN OF AFRICA | 10 |



Algeria

While pursuing diplomatic activity on Gaza and the Sahel, **Algiers expands its mining sector**. The State-owned National Society for Iron and Steel (Feraal), subsidiary of the Algerian public-private Sonarem, signed two agreements with Chinese group Sinosteel, entailing the creation of an iron ore treatment unit in the mining hub of Gara Djebilet – in the western Wilaya region of Tindouf, with a capacity of 4 million tons per year – and the relaunching of activity in the Oued Amizour zinc mine. Feraal also signed, during the same days, a third agreement with the Turkish group Tosyali to set up an iron ore concentration plant in Bechara. Algeria aims to boost its exports of iron ore (as well as zinc, manganese, and phosphates) in order to diversify an economy still largely dependent on hydrocarbon revenues. The policy is regarded with interest by Türkiye – who controls roughly 60% of Algeria’s steel production through Tosyali – and by China, who ranks as the first global iron ore importer and has recently financed a sweeping railway project to connect Algeria’s mining hubs. Boosting industrial and economic cooperation was likely one of the top items discussed in the **Beijing meeting between Minister of Foreign Affairs Ahmed Attaf and his Chinese counterpart Wang Yi**, which took place on May 29 on the backdrop of increasing Chinese investment in favour of Algeria’s Moroccan rivals.

Gas remains the keystone of Algeria-EU relations. After a meeting in Ljubljana with Slovenian Prime Minister Robert Golob, Algerian president Abdelmadjid Tebboune has announced that **Algeria will boost gas exports to Slovenia by 200 mcm per year**. The supplement adds to the 300 mcm per year set down in the 2022 contract between State champions Sonatrach and Geoplin, with the resulting 500 mcm covering roughly 50% of Slovenia’s energy needs. Much like other European countries, Slovenia has sought to diversify its gas imports away from Russia in the wake of the Ukraine war. Under this light, this new Algerian deal also cements Italy’s strategic importance as the main conduit for Algerian gas to Europe through the Transmed – Enrico Mattei pipeline. The agreement might also encourage Slovenia’s 2022 plan to supply Hungary with Algerian gas by building a cross-border pipeline chipping away at Budapest’s historical dependence on Russian gas. Meanwhile, **Algeria shipped its first LNG cargo to Croatia’s KRK offshore regasification terminal**. Part of the supply will then be channelled to Hungary, that for the first time will receive Algerian gas.

Sonatrach also looks to African markets. Following Algerian Energy minister Mohamed Arkab’s visit to Brazzaville, **Algeri and Congo signed a memorandum of understanding to enhance technical cooperation in the hydrocarbon sector**, which builds upon a previous deal signed in October 2023 by the two State champions Congo’s SNPC and Sonatrach. Back in Algiers, **Arkab met with Mozambique’s finance minister, Armando Max Tonela**, to discuss Sonatrach’s potential role in the exploitation of Maputo’s vast oil and gas reserves.

Overseas, **Arkab finally announced a “historical” agreement between Sonatrach and ExxonMobil**. The deal, which represents one of the US giant’s first forays into Algeria, will enable the joint study of development opportunities in the southern Ahnet and Gourara fields. Meanwhile **Sonatrach also awarded US group Baker Hughes with a contract in the Hassi R’Mel gas field**, which covers the biggest hydrocarbon reserves in Algeria. The contract is part of a vaster deal between Sonatrach and a US-Italian consortium led by Maire Tecnimont and Baker Hughes.



Marocco

On the backdrop of the China-Arab States cooperation forum (which saw foreign minister Nasser Bourita meet with his Chinese counterpart, Wang Yi), Rabat also builds up ties with Washington. As the US-sponsored African Lions military exercise drew to a close, Washington's Department of Defense confirmed that **Rabat would receive 24 F-16 fighter aircrafts equipped with the Viper electronic system**. The acquisition is part of a series of deals first inked in 2018 between the Kingdom and the US defense giant Lockheed Martin, which also entail the upgrade and enhancement of Morocco's air force. Significant news also come from the ICT front, where **Amazon Web Services (AWS) announced the launch of cloud computing services in Morocco**: the tech champion's venture will make use of pre-existing infrastructure owned by French telecom group Orange.

Keeping up its diplomatic activism in the Sahel, **Morocco partners with Mali in water management**. On the sidelines of the Bali World Water Forum, minister of Water resources Nizar Baraka announced that his Malian counterpart, Mamadou Samake, would visit Rabat soon: the meeting will focus on the issue of water scarcity in North Africa and the Sahel, which face an existential challenge due to drought and desertification induced by global warming. In the same days, **Morocco and Cote d'Ivoire signed an agreement on the joint management of water resources**. Rabat's interest in its southern neighbourhood markedly intensified after last December when Morocco launched his Atlantic initiative, a trade corridor aimed to link Sahelian countries with the West Saharan port of Dakhla and the riverine partners of ECOWAS.



Tunisia

Cooperation between Italy and Tunisia develops under the Piano Mattei program. Following minister of Enterprises and Made in Italy Adolfo Urso's visit to the North African country, **Rome and Tunis inked a memorandum of understanding on connectivity and digital transition.** The agreement sets up a joint working group on cross-border connectivity and an AI research centre. Aiming to position itself as a digital hub between Europe and North Africa, Italy looks to Tunisia's strategic role as a keystone of Mediterranean telecommunications: three optic fibre underwater cables (Didon, Hannibal and KELTRA-2) connect Kelibia, to Sicily, through the Strait of Sicily, while a tract of the Medusa cable project – which aims to connect eleven European and North African countries by 2025 – is set to run from the port of Bizerte to Marseille. Moreover, Bizerte port has just launched a new extension of the PEACE and SEA-ME-WE cable systems, which rank among the main digital arteries connecting the Mediterranean, the Gulf and the Indo-Pacific regions.

Italy, however, is not alone in looking to Tunisia. **Chinese president Xi Jinping and his Tunisian counterpart Kais Saied signed a strategic partnership between their countries:** the agreement follows the meeting between the two leaders in Beijing, on the side lines of the Chinese-Arab States cooperation forum. In the throes of a chronic economic crisis, Tunisia looks to China as a creditable financial alternative to its Western partners. Already in the summer of 2023, in the wake of foundering talks with the International Monetary Fund, Tunisia had expressed its readiness to implement its 2018 agreement to join the Belt and Road Initiative and to seek out BRICS membership.



Libya

Government of national unity (GNU) prime minister, Abdul Hamid Dbeibah, met in Brussels with the president of the European Commission, Ursula Von der Leyen, as well as with the President of the European Council, Charles Michel. The meeting focused on migration and energy diversification investments. Dbeibah remarked the necessity of implementing the EU-Libya border agreement to stem irregular migration, a sensitive issue as the Union approaches elections in early June.

Meanwhile, France works to stabilize the country's military equilibria. **French, US, British and Italian representatives met in Paris to discuss the constitution of a unified Libyan army,** which would reintegrate Khalifa Haftar's Libyan National Army and GNU-affiliated militia under a single command centre. Entrusted to the Elysée's Special Representative Paul Soler, the initiative is still in its planning stage and should rely upon the 5+5 military Committee, which was formed in 2020 by officers of both the eastern and western Libyan governments.

Russian activity in eastern Libya continues apace. **The Russian deputy minister of Defense, Yunus-ben Yevkurov, flew to Benghazi to meet Government of national stability's (GNS) Defense minister, Ahmed Houmei:** the latter was accompanied by Khalifa's son Khaled Haftar, who is known for his pro-Russian stance. **Yevkurov's** visit – the fifth since last August – follows reports of Russian troops moving into the al-Jufra and Brak al-Shabti military bases, while inflows of Russian military supplies have been signalled in the port of Tobruk. According to several observers, the operations herald the reorganization of the Wagner Group's contractors into an official army unit, directly answering to the Russian Ministry of Defense. The meeting between Khaled Haftar and Yevkurov is reportedly matched by **a meeting in Rome between Khaled's brother, Saddam Haftar, and a group of US industrial representatives seeking to invest in the deep-water site of Susah.** Yet unconfirmed, the news – which was reported in May by internal sources – may mirror Saddam's greater proclivity to do business with Western partners.

Significant news regards, finally, the energy sector. Tripoli's Administrative Control Authority has officially revoked Oil minister Mohamed Aoun's suspension from office following accusations of embezzlement. However, **Gnu Prime Minister Dbeibah has confirmed that undersecretary Khalifa Rajab Abdul Sadiq** – who had taken over Aoun following the latter's suspension – **will maintain his post as acting minister even after the closure of the investigation.** Aoun's suspension had sparked rumours of tensions between the former minister and the head of Libya's National Oil Company, Farhat Bengdara, who had taken charge of the State champion through an Emirati-negotiated deal between Dbeibah and Haftar. The bone of contention might be the controversial agreement between NOC and a Eni-ADNOC-TotalEnergies consortium for the exploitation of the Hamada NC7 hydrocarbon field – which is openly opposed by Aoun, while it is favored by Bengdara and Dbeibah.



Egypt

Egypt once again has had to deal with the effects of the Gaza crisis on its eastern borders. On a diplomatic level Cairo has shown growing concerns with how the Israeli authorities are handling the current crisis. The Egyptian government has decided to support the initiative of the International Court of Justice, which requested an arrest warrant against the prime minister of Israel Netanyahu and the leader of Hamas Haniyeh for war crimes. The decision to support South Africa's proposal represents the culmination of Cairo's dissatisfaction. The ongoing war in Palestine has forced the Egyptian government to confront not only the humanitarian crisis but also the growing activism of its population in solidarity with the Palestinians; a dynamic that, combined with the ongoing financial crisis, worries the administration led by Al-Sisi. In this context, Cairo has undertaken a strategy of mediation to resolve the crisis, starting with the ongoing efforts to mediate between Israel and Hamas, and the humanitarian relief airlifts to Gaza coordinated with the United Arab Emirates. In this context Israeli offensive on Rafah and the tensions at Egypt's borders are the principal elements that have prompted Cairo to make its first real diplomatic move against Israel. Israel's military advance into Rafah coincided with increased pressure on the Egyptian border, culminating in Israeli and Egyptian soldiers opening the fire causing the death of an Egyptian trooper. The Egyptian military authorities have launched an investigation to shed light on the incident, likely as an effort to mitigate the diplomatic fallout. It is important to notice, in fact, how the situation in the Sinai represents a red line for the Egyptian government from the beginning of the crisis in Gaza; and how the signals sent by Egypt on the necessity to avoid fallouts inside its territorial borders have been completely ignored.

Meanwhile, Egypt's Pivot to Asia continues. On May 28th, Al-Sisi visited China, where President Xi Jinping invited him. During the meeting, the two heads of state expressed their satisfaction regarding the advancement of bilateral relations ten years after the launch of the comprehensive strategic agreement between the two countries. Cairo also confirmed its intention to continue the implementation of the Belt and Road Initiative (BRI) and to actively take part in it in the near future.

On the economic front, despite public finances being in a better shape and despite political activism in foreign policy, the country remains in the grip of the cost-of-living crisis. At the end of the month, the Egyptian authorities announced a 300% increase in the price of so-called "subsidized bread," a product that was subject to subsidized for the most disadvantaged segments of the population. The price of bread had not been raised since 1988 and, beyond its economic impact, this move has become a symbol of the crisis affecting the Egyptian population. Prime Minister Madbouly stated, when announcing the initiative, that the price adjustments for bread should be considered as the precursor to a broader social welfare reform program, which will focus more on providing subsidies rather than offering goods at discounted prices as has been done until now. The risk for the country is that, following the increase in food prices, the government may opt for a new increase in energy prices in the coming months in anticipation of the upcoming heatwaves. In that scenario a financial pressure could come back in Egypt.



Saudi Arabia

The United States and Saudi Arabia are reportedly “closer than ever” to reach a significant defense agreement. Economically, there has been a setback in projects related to the Vision 2030 initiative in the kingdom.

In recent weeks, significant progress has been made in the negotiations between Washington and Riyadh regarding a mutual defense agreement between the two countries. Specifically, the agreement would be based on the existing agreements between the United States and its Asian allies (Japan and South Korea) with an anti-China perspective. During the recent visit to the Middle East by U.S. National Security Advisor Jake Sullivan, he met with Saudi Crown Prince and Prime Minister Mohammed bin Salman to discuss the necessity of formalizing the defense pact with a view towards a more integrated Middle East. Subsequently, Sullivan traveled to Israel, where he met with Prime Minister Benjamin Netanyahu. Additionally, on May 26, the U.S. Department of State announced its intention to lift the ban on exporting “offensive weapons” to Saudi Arabia. In the early months of its administration, the Biden administration had taken a hardline approach towards Riyadh, justifying the export ban with the kingdom’s campaign in Yemen and the murder of Jamal Khashoggi. However, starting last January – coinciding with Houthi attacks in the Red Sea – Washington has revised its stance. Although the difficult normalization of relations between Israel and Saudi Arabia seems to be a fundamental point of the defense agreement, it is possible that a bilateral agreement between the United States and the Saudi kingdom could be reached.

Economically, the projects related to Saudi Arabia’s Vision 2030 strategy seem to be experiencing a setback. Specifically, Bloomberg reports that the plan for the futuristic city in the Saudi desert (170 km long and named The Line) is significantly scaled back due to excessive costs and the challenging feasibility of certain works. The kingdom’s government expected the city to be completed and operational by 2030, with 1.5 million people expected to settle there, but by that date Riyadh now expects to complete only 2.4 km of the project, which would accommodate about 300,000 residents. The major obstacle to the project’s realization lies in several material difficulties, such as the scarcity of technological means and labor available.



Turkiye

Ankara aims to diversify its energy supplies through an agreement with the American petrol company ExxonMobil. Meanwhile, commercial relations with Israel are being suspended, while diplomatic relations appear to be gradually resuming.

Turkish Energy Minister Alparslan Bayraktar stated that the American company ExxonMobil has signed an agreement with the Turkish company BOTAŞ for the purchase of substantial quantities of LNG. This news has been confirmed by the American energy company. The agreement provides for the annual supply of 2.5 million tons of LNG to Turkey, valued at over \$1.1 billion. This amount of natural gas corresponds to approximately 7-8% of the country's total energy consumption in 2023. The agreement is expected to last ten years, making it a long-term contract. The agreement between BOTAŞ and ExxonMobil adds to those already signed by Ankara with Nigeria and Algeria. This will allow Türkiye to diversify its gas supplies, reducing its dependence on Russian exports. According to the Turkish Energy Regulatory Authority, Russia accounted for over 40% of Türkiye's gas imports in 2023, making it the leading supplier; furthermore, Russia is also the leading country for oil exports to Ankara. Minister Bayraktar, however, stated that the energy agreements with Moscow are highly competitive and have helped the country avoid the energy crisis that hit many European countries in 2022. Bayraktar added that Türkiye has made a great effort to expand its regasification infrastructure, increasing LNG imports from 15% in 2014 to 30% last year. Additionally, the Ministry of Energy announced that during Bayraktar's recent visit to Washington, the two countries launched the energy and climate program, an initiative aimed at involving American investors and financial institutions in Türkiye. This confirms the improvement of relations between Ankara and Washington since Erdogan's re-election and the removal of Türkiye's veto on Sweden's entry into NATO.

There are updates regarding Turkish-Israeli relations: at the beginning of May, Türkiye announced the suspension of trade relations with Tel Aviv in response to military operations in Gaza. Israeli Foreign Minister Katz described the measure as a "dictatorial attitude" of the Turkish state, which does not consider the interests of its citizens and businesses. The trade exchange between the two countries amounted to €6.4 billion in 2023, a modest figure considering Türkiye's overall economy, valued at around \$900 billion. Over the past decade, bilateral trade relations between Ankara and Tel Aviv had doubled, thanks to geographical proximity and competitive production costs. Although 2022 saw a revival of diplomatic relations, since October 7, relations have rapidly deteriorated, with the two countries recalling their respective Ambassadors and part of their staff following the start of the war in Gaza. However, on the 13th of May, Israel re-sent part of its diplomatic mission to Türkiye; this news was confirmed by both Turkish and Israeli authorities.

Sahel

The month of May has been rich in developments for the region. On the military front, the armies of the newly formed alliance of Sahel states held a joint exercise with the armies of Chad and Togo. This operation was described as "significant" by their respective chiefs of staff in a joint statement. The ultimate goal of the exercise is to improve coordination among the region's armed forces; but the political message conveyed by the operation is one of increasing cooperation between coup-led regimes and other countries in the region.

In this context, the Presidential elections in Chad concluded amidst controversy, with the expected victory of Mahamat Déby. The first political effect of the elections was the resignation of Prime Minister Succés Masra, leader of the political party Les Transformateurs, who announced appeals against the election results, having secured 19.8% of the votes (a result much lower than expected). Déby swore to be the President for all the citizens and now faces the challenge of continuing military cooperation with the USA and France, a factor that, considering the current dynamics in the Sahel, is predicted to be particularly turbulent.

Meanwhile, the Nigerien junta has returned under the spotlight following recent reports of ongoing negotiations with Iran. According to these reports, the colonels in Niamey are negotiating with the Ayatollahs for the sale of 300 kilograms of uranium that Tehran could use in its nuclear program. These negotiations have reportedly provoked American criticism and led to Tiani's subsequent request for the withdrawal of stationed troops in the country. Although Niamey officially denies that there have been active negotiations, the sale of uranium would align perfectly with the junta's policy of addressing the financial crisis affecting public accounts, in which the sale of raw materials represents the main form of income. Niamey has indeed engaged in a standoff with Beijing over the past month, which concluded with the signing of a MoU between China's CNPC and the Nigerien government worth \$490 million for the sale of Nigerien oil via the Niger-Benin pipeline. In this context, there have also been tensions with the government of Porto-Novo, which blocked the sale of Nigerien oil following Niamey's failure to reopen the borders. The impasse was resolved only thanks to the mediation of a high-level Chinese delegation that managed to break the deadlock situation, ensuring the export of the first barrels of Nigerien crude.

Meanwhile, the consolidation of the juntas in Mali and Burkina Faso continues, not without setbacks. Regarding the latter, the government led by Traoré announced the extension of the transition period until 2029, a widely expected decision that raises international concern, especially in light of the ongoing humanitarian crisis. However, the transition remains unstable. On May 26, gunfire was reported in front of the Burkinabé presidency, causing yet another alarm over a possible coup and the usual mobilization of Ouagadougou's population in defense of the presidency. Despite the extension, Burkina Faso's transition does not seem stable, with burkinabe security forces that must take into account the first cases of defections even in the VDP, the pro-government militia.

In Mali, there is a substantial realignment of factions within the context of the transition. In the North of the country, the CSP announced that it has initiated talks with the pro-jihadist groups of JNIM to negotiate what the Tuareg delegation described as a "non-aggression pact." This long-anticipated event confirms that the national transitional government's war against the Tuaregs has so far only led to the consolidation of the northern front. Finally, there are reports of splits between civilians and the military in the transitional government, particularly between the presidency and Prime Minister Choguel Maïga. The prime minister harshly criticised the management of the transition and supported the positions of the political movement from which the M5-RFP originated, which criticised the suspension of political parties, the prolongation of the transition and the government's inability to manage the state. In this context, the opposition announced the establishment of a government in exile, which according to reconstructions are supposed to be based in Geneva. The prime minister of the government is Mohamed Cherif Kone, a historical figure in Malian politics and currently in exile after the rise of Goita.

Horn of Africa

Ethiopia experienced both positive and negative circumstances both lights and shadows in the past month. Relations with the United States have hit a new low after the statements of the American Ambassador Ervin Massinga. In a public event, the U.S. diplomat attacked the government of Abiy Ahmed, accusing it of human rights violations and urging the Ethiopian establishment to cease armed repression in Oromia and Amhara to facilitate a political solution to the crisis and the release of political prisoners. The government of Addis Ababa protested against Massinga's statements, branding them as misinformed and ill-advised. Subsequently, Massinga tried to calm the controversy, reiterating that relations between Ethiopia and the United States remain strong. Meanwhile, Ethiopia announced it has elevated its diplomatic representation in Somaliland from a consular mission to an embassy, further signaling Abiy Ahmed's intention to continue along the path of implementing the Red Sea agreement. The month concluded with the visit of South Korean President Yoon Suk Yeol in preparation for the Africa-South Korea summit. On this occasion, the Seoul government announced the allocation of one billion dollars for the funding of development projects to be agreed upon by the parties. This is a significant commitment for Ethiopia, considering the ongoing stalemate in negotiations with the IMF.

Meanwhile, Russia aims to become actively involved in the generals' war in Sudan. The Sudan Sovereign Council announced that the army is in talks with Moscow to proceed with the opening of a naval logistics base on the Red Sea coast (a project long cherished by Vladimir Putin), in exchange for military support to the SAF in the fight against Hemedti's RSF. Russia would be the second foreign actor to support the SAF, which already benefits from Iranian support. On the diplomatic front, U.S. Secretary of State Blinken had a phone call, so far unsuccessful, with General al-Burhan in an attempt to restore access to humanitarian aid in the country and resume peace talks through the so-called Jeddah platform. On the ground, however, the war continues with a stalemate in the Al-Fasher area, where the RSF continue to pressure SAF garrisons without attempting to break the front for now. In this context, fighting also continues in Omdurman, but the general situation remains one of stalemate between the parties on the ground, amid a growing humanitarian crisis.

Finally, William Ruto flew to Washington for a state visit to the USA at the invitation of his counterpart Joe Biden. Beyond the purely symbolic value, three of the most important results obtained by the Kenyan president are: Biden's promise to designate Kenya as a "major non-NATO ally"; the signing of an agreement with Microsoft and the Emirati company G42 for an investment of one billion dollars in the country's digital sector; and Google's announcement of the construction of a new submarine cable connecting Africa and Australia with a landing point in Kenya. The visit confirmed the solidity of relations between the United States and Kenya and Nairobi's role as a privileged partner for Washington in the Horn of Africa.