

Saudi Arabia pivots to Russia

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12 October 2017

Last week, the aging and ailing King Salman undertook a first-ever visit by a Saudi monarch to Russia, accompanied by a massive 1,000-strong entourage of business executives.

Russian President Vladimir Putin pulled out all the stops to impress his guests, mobilising the leaders of Russia's Muslims—from Chechnya, Ingushetia, Tatarstan and Bashkortostan—who have business and other connections with the kingdom, to greet him.

Salman and Putin signed more than 15 cooperation agreements worth billions of dollars covering oil, petrochemicals, military and space exploration. Russian Foreign Minister Sergei Lavrov stated that the visit marked the moment when Saudi-Russian relations “reached a new qualitative level.”

Salman's four-day visit comes just months after President Donald Trump flew to Riyadh as part of his first overseas visit. Trump lavished praise on the arch-reactionary monarch and stressed their close strategic cooperation on regional political issues, above all in the struggle against Iran, Saudi Arabia's regional rival.

The visit to Moscow thus marks a turning point in Middle East politics and the operation of the world oil markets. It testifies to Russia's increasing influence in the Middle East, and Riyadh's tacit acceptance of the Syrian regime of President Bashar al-Assad in Syria, whom Saudi Arabia, along with the CIA, the Gulf States and Turkey, has sought to overthrow at vast expense.

The king is seeking to shore up his own tottering regime by stabilising the price of oil, securing investment in Saudi Arabia, reducing Riyadh's dependency on US imperialism, and winning Moscow's support in countering the rise of Iran, the kingdom's main regional rival.

This follows the sharp fall in oil prices over the last three years that has led to acute political, economic and social tensions within Saudi Arabia, threatening

stability. While oil prices have risen this year to around \$56 a barrel, they are still around half the level they were in mid-2014 when they provided 90 percent of state revenues.

This has been met with a series of austerity measures, the introduction of a value-added tax and plans to privatise part of state-owned oil giant Saudi Aramco, along with airports, electricity, water, transport, retail, schools and health care.

Riyadh is keen to extend the agreement to curb oil production and increase prices reached with Moscow in January. Energy Minister Khalid Al-Falih said that the January agreement “had breathed life back into OPEC [Organisation of Petroleum Exporting Countries].” He added, “The success of this collaboration is clear.”

While Russia is not a member of OPEC, it too needs an increase in oil prices to support its ailing economy.

The move to stabilise oil prices and reduce the fiscal deficit, expected to reach \$53 billion in 2017, also serves to ensure a higher valuation for Saudi Aramco.

Saudi Arabia and Russia also plan to set up a \$1 billion fund to invest in energy projects. These could include the provision of drilling services in Saudi Arabia, a joint venture with Russia's Novatek to produce liquefied natural gas (LNG) in Russia, and cooperation between Saudi Aramco, Saudi Basic Industries Corp. (SABIC) and Russia's biggest petrochemical firm, Sibur, to build petrochemical plants in the two countries.

They also agreed to invest \$100 million in transport projects in Russia via the Russian sovereign wealth fund and Saudi Arabia's Public Investment Fund.

Crucially, the Saudis announced they would purchase the Russian S-400 surface to air missile system at a cost of \$3 billion—making them the second US ally after Turkey to purchase Russian weaponry. They also agreed to buy Russia's Kornet-EM anti-tank guided missile systems, TOS-1A heavy flamethrowers,

AGS-30 automatic grenade launchers and Kalashnikov AK-103 assault rifles.

Moscow in turn agreed to help Riyadh develop its own military industries and “transfer the technology and localise the manufacturing and sustainment of these armament systems.” The details of these agreements are to be thrashed out at a Russian-Saudi meeting later in October.

The king met Russian Defence Minister Sergei Shoigu, along with Chechen leader Ramzan Kadyrov, to discuss “the bilateral military cooperation and the broader security situation in the Middle East.” Saudi Arabia has played a leading role in inciting Islamist militants against the Russian-backed Chechen government.

Salman’s visit to Russia unfolds amid worsening relations between Washington and the kingdom that has—since 1945—constituted an essential prop of US imperialism and a bulwark of reaction and repression. The US-led interventions in Iraq, Libya and Syria to assert Washington’s hegemony over the Middle East and North Africa’s vast energy resources have destabilised the entire region, threatening Saudi Arabia.

Riyadh’s relations with Washington became strained following the 2003 US invasion of Iraq, which served to strengthen Tehran’s influence by removing Saddam Hussein’s largely Sunni-based regime and installing the Shi’ite majority in power. Riyadh sought to undermine the newly installed Iraqi regime through direct or covert military interventions, the use of Islamist fighters as proxies, and economic aid.

Relations deteriorated further following the US’s failure to sustain its support for Hosni Mubarak against the Egyptian masses in 2011.

Tensions increased following the Obama administration’s subsequent pragmatic manoeuvrings, including the retreat on its promise to intervene decisively in the war to overthrow Bashar al-Assad in Syria in 2013—allowing Russia to intervene to shore up the regime—and its deal with Iran in 2015.

While Riyadh hoped that relations would improve under Trump, who is opposed to Obama’s deal with Iran, insisting that Iran poses a security threat to the region, it is taking no chances. The Islamophobic rhetoric of Trump and some of his inner circle and the call for Saudi Arabia to be included in his travel ban, since 15 of the 19 hijackers in the 9/11 terror attacks

were from the kingdom, have raised hackles among the ruling clique. In addition, 800 families of 9/11 victims and 1,500 first responders, along with others who suffered as a result of the attacks, have filed a lawsuit against Saudi Arabia over its alleged complicity in the 2001 terror attacks.

Trump’s visit to Riyadh in May sought to mend relations and cement a broader alliance against Tehran, with a \$110 billion arms sale to the kingdom and an option to purchase \$350 billion worth of weapons over the next 10 years, to support “the long-term security of Saudi Arabia and the entire Gulf region” against Iran. But the Trump administration’s failure to give the Saudis unequivocal support in its dispute with Qatar further soured relations.

The House of Saud faces increasing discontent over the lack of jobs for the country’s predominantly youthful population—two thirds are under 30 years of age—and strife in the predominantly Shia Eastern Province, the centre of the kingdom’s oil production.

Last month, the authorities arrested dozens of people, including influential clerics, in a coordinated crackdown on dissent. Many of those detained were opposed to the 32-year-old Crown Prince Mohammed Bin Salman’s bellicose foreign policy that includes the genocidal war against Yemen, its southern neighbour, and the blockade of Qatar, as well as his austerity measures, subsidy cuts and privatisation of state assets.



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