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The Emerging Saudi-Russian Partnership

by Mark N. Katz

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During the Cold War, few governments exhibited more mutual antipathy than Moscow and Riyadh. The Soviets backed regimes hostile to the Saudis in South Yemen, Iraq, Syria, and Ethiopia. The Saudis assisted the mujahideen insurgency in Afghanistan

(1979-1989) that humiliated the Soviet military, while helping to lower oil prices in the mid-1980s and thereby starve the USSR of hard currency. After the collapse of the Soviet Union, Saudi money and volunteers supported Muslim fundamentalists throughout Moscow's "near abroad" and eventually within the borders of Russia itself, while oil production and pricing issues continued to be a source of friction.

Since 2003, however, Saudi-Russian relations have witnessed a marked improvement. High oil prices have reduced friction between the world's two largest petroleum producers, while strains



TASS
Russian President Vladimir Putin and Saudi King Abdullah during the former's visit to Riyadh in February 2007

in their respective relationships with Washington have made them more accommodating to each other's concerns. This rapprochement, though, is neither the sweeping strategic realignment proclaimed by some exuberant Russian analysts nor the display of meaningless posturing dismissed by some in the West. Rather, it is a highly pragmatic partnership driven by a significant, but limited, convergence of interests. Each, however, remains unwilling to alter its relations with third parties for the sake of advancing the Saudi-Russian bilateral relationship.

Background

At the close of the twentieth century, relations between Moscow and Riyadh were soured by a multitude of disputes. Riyadh was unnerved by Moscow's close relations with Saddam Hussein's Iraq (which was reported to have illicitly received Russian weapons), its sale of missile and nuclear technology to Iran, and its budding relationship with Israel (which now has over a million Russian-speaking Jews)^[1] - the three nations viewed as most threatening to the kingdom's security.

Riyadh was also extremely unhappy about expanding Russian oil production during a period of relatively low oil prices.^[2] Although a host of private Russian oil companies set production policy during the Yeltsin and early Putin years, not the Kremlin, the latter was hardly willing to forego the increased tax receipts it gained from expanding oil production for the sake of pleasing Riyadh - particularly in light of Saudi reluctance to invest in the troubled Russian economy.

Above all, the Russians had one overarching complaint - that Riyadh was funding Muslim separatists in the Russian Autonomous Republic of Chechnya. Saudi claims to be helping refugees, not rebels, were completely dismissed by Moscow (perhaps with some good reason). Moscow also saw Riyadh as supporting Taliban efforts to harm Russian interests (the Taliban, for example, provided sanctuary to the Islamic Movement of Uzbekistan, which launched raids into former Soviet Central Asia in 1999 and 2000). In addition, Moscow accused Saudi "charities" of fostering the rise of radical Islamism among Muslims in Russia and other former Soviet republics.^[3]

Although the Saudi government always denied giving any material assistance to the Chechen rebels, it permitted its constituents to aid the Chechen refugees in part because these were oppressed Muslims whose suffering was not blamed on the United States by Muslim public opinion. Riyadh's emphasizing the suffering of the

Chechens in the years before 9/11, then, was meant to serve as a distraction from the unpopularity within the Muslim world of Saudi Arabia's continued close ties to the US.

Tensions between the two governments peaked after Russia's reoccupation of Chechnya in late 1999, leading a Saudi cabinet minister to accuse Moscow of "inhumane act(s) against the Muslim people of Chechnya" at a meeting of the Organization of the Islamic Conference (OIC) in June 2000.^[4] "Acting through its official representative, the Saudi leadership effectively provides protection to the remains of Chechen bandit formations that usurped power," the Russian Foreign Ministry responded, calling the statement an "intervention" in Russian domestic affairs.^[5] A Saudi newspaper responded by accusing the Russians of genocide.^[6]

Saudi-Russian relations deteriorated further in the immediate aftermath of 9/11. Russian President Vladimir Putin's complaints that the Kingdom was not doing enough to crack down on Islamic extremists now found a receptive audience in Washington (if not the White House). Russian officials issued frequent reminders that fifteen of the nineteen 9/11 hijackers came from Saudi Arabia. The Saudis saw Moscow as trying to improve Russian-American relations at their expense (which was essentially true).

Rapprochement

Crown Prince (now King) Abdullah's visit to Moscow in September 2003 - the highest-level Saudi official to ever make the trip - was a clear attempt to turn a page in Saudi-Russian relations. Several factors facilitated this reconciliation. One was that US intervention in Afghanistan and Iraq had eliminated two major irritants to Saudi-Russian relations (Saudi ties to the Taliban and Russian ties to Saddam Hussein).

Second, strains in the US-Russian relationship made Putin more receptive to an opening with the Saudis. After 9/11, the Russian president supported the US-led invasion of Afghanistan and clearly hoped that Washington would regard Moscow as a strategic partner - or at least support the Russian position on Chechnya, including its identification of Saudi Arabia as a common problem. When it became increasingly clear that the Bush administration intended to launch its March 2003 invasion of Iraq despite objections from both Moscow and Riyadh, Putin switched from seeing America as a potential ally against Saudi Arabia to seeing Saudi Arabia as a potential ally against America.^[7]

Likewise, strains in the Saudi-US relationship made the Saudis

more receptive to improving ties with Moscow. In the wake of 9/11, unprecedented negative publicity about Saudi Arabia in the US led many Saudis to conclude that Saudi-American relations might be permanently damaged. Improving relations with Moscow undoubtedly appeared to many in Riyadh as a useful way to signal Washington that the Kingdom had other potential strategic partners.

Over the past four years, Russia and Saudi Arabia have improved relations in a number of different areas.

Chechnya

The first clear indications of a Saudi-Russian accommodation on the issue of Chechnya came in early 2003, when Russian Foreign Minister Igor Ivanov felt the need to "clarify" (i.e., backpedal from) Putin's previous criticism of Riyadh. The Saudi ambassador in Moscow subsequently declared that Chechnya was strictly Russia's internal affair and that Riyadh's only involvement was to provide humanitarian assistance. [\[8\]](#) This, of course, was similar to previous Saudi utterances about Chechnya. Moscow, though, was now more inclined to take the Saudis at their word, especially since Riyadh's post-9/11 crackdown-at America's insistence-on the various "charities" that had been assisting anti-Russian as well as anti-American causes.

Riyadh further underscored its acceptance of Moscow's policy in Chechnya in January 2004, when the new Russian-backed president of Chechnya, Akhmad Kadyrov, visited Saudi Arabia and met with Abdallah and other top Saudi leaders. [\[9\]](#) During the September 2004 Beslan hostage crisis, the Saudi government denounced the terrorists and later gave \$100,000 to the Russian Red Cross for the victims. The two governments now claimed to hold the same views about how to fight terrorism and announced that they would coordinate their anti-terrorism efforts.

Since then, Chechnya has virtually ceased to be an irritant in Saudi-Russian relations. Contributing to this is a Saudi understanding that support for the Chechen cause is counterproductive both because the rise of Islamic radicalism there will not benefit the Kingdom and because it is an issue that Moscow is neuralgic about. There is little point, then, in irritating Moscow over a cause that Riyadh no longer sees itself as benefiting from to support.

Indeed, Riyadh has moved in the other direction to assist Moscow burnish its credentials in the Muslim world through helping it

become an observer member of the OIC in 2005. In doing this, Saudi Arabia has joined with almost all other Muslim governments in overlooking the Chechen issue in return for Russian verbal support for Muslim causes elsewhere.

And contributing to this has been the decline in the level of violence in Chechnya following Putin's transferring the Chechen problem from the Russian security services to the Kadyrov clan in Chechnya. These former rebels have essentially been given a free hand to run Chechnya as they please (which includes the claim that their rule is Islamic), so long as they do not call for independence. Saudi Arabia's allowing the Kadyrovs to visit the Kingdom as well as the reconstruction aid it has provided them further shows that Riyadh does not wish to see any change in the Chechen status quo.

Oil Production

While the September 2003 summit did not resolve Saudi concerns about Russian oil production (less than a month later, both governments were bickering about the issue),^[10] these concerns have been ameliorated by the enormous rise in oil prices in the last few years. Oil prices appear likely to remain high thanks to increasing demand from China and other growing economies while Russia's ability to further expand oil production appears limited at present.^[11]

Trade and Investment

The fact that Putin arrived for his February 2007 state visit to Saudi Arabia with a large entourage of business executives demonstrated that Russia's interest in the Middle East is "no longer about ideology . . . it's about business," noted Yevgeny Satanovksy of Moscow's Middle East Institute.^[12]

While Russian hopes for increased investment from and trade with Saudi Arabia have not materialized, some of the groundwork has been laid. In November 2006, direct flights between Russia and Saudi Arabia were initiated.^[13] During Putin's visit, the two governments signed agreements about promoting and protecting investments, expanding air traffic, preventing double taxation, and promoting cultural exchanges.^[14] There were press reports that Russian Railways hoped to become involved in Saudi Arabia's railroad expansion plans.^[15]

Although economic ties between the two countries have fallen short of Russian expectations, this has not been a source of friction. With its economy running much stronger, Russia is no longer as

desperate for foreign investment as it was just a few years ago. Nor do the Saudis, with all the investment opportunities around the world open to them, appear particularly desperate to invest in Russia. (With the cooling of Saudi-American relations after 9/11, the Saudis sought to make investments elsewhere-but not in places where foreign investments are not well protected, such as Russia.) Both sides appear content with increased Russian investment in and exports to Saudi Arabia instead.

Russian entry into the Saudi economy is most notable in the energy sector. A Saudi-Russian oil and gas accord was signed at the September 2003 summit,^[16] setting the stage for a number of joint ventures. In 2004, Lukoil signed a contract for exploration and development of natural gas in Saudi Arabia. Stroitransgaz signed a strategic partnership agreement with Saudi Oger in 2003 and won a contract worth over \$100 million to build a 124-mile oil pipeline for Saudi ARAMCO in 2007.^[17]

Russia is particularly interested in selling weapons and nuclear technology to the Saudis. Saudi Foreign Minister Prince Saud Al-Faisal proclaimed at the time of Putin's visit that "there is no obstacle" to Saudi purchases in these realms,^[18] and there were press reports of a "verbal understanding" for the sale of 150 T-90S tanks.^[19] When Crown Prince Sultan met with Putin in Moscow in November 2007, there were reports that Riyadh might purchase up to \$4 billion worth of arms from Moscow.

Since the Saudi armed forces have primarily American and secondarily West European weaponry in their inventories, tanks or other weapons from Russia may prove a challenge for them to integrate. It has been widely reported, though, that the Saudis do not make effective use of much of the weaponry they purchase from the US, but keep it in storage instead (perhaps for American forces to use in case of dire threat to the Kingdom). Acquiring Russian weapons that the Saudi armed forces might not actually use, then, would not be out of character with previous Saudi practice. Riyadh may hope, though, that even small purchases of Russian weaponry will serve to mute Congressional objections to American arms sales to Saudi Arabia as well as strengthen the ability of American arms manufacturers to argue that, "If they don't buy them from us, they'll buy them from the Russians instead."

Iran

Riyadh undoubtedly remains unhappy about Russia's continued involvement in the Iranian atomic energy program, as well as its arms sales to Tehran. Improved Saudi-Russian relations have not, in

fact, led to a diminution in Russian-Iranian ties. However, the improvement in Saudi-Russian relations, Riyadh may calculate, gives Moscow an incentive to restrain, or at least not assist, hostile Iranian behavior toward Saudi Arabia.

With the heating up of the conflict between Iraq's Shiites (whom Iran backs) and Iraq's Sunnis (whom Saudi Arabia backs), tension between Riyadh and Tehran seems likely, especially if American forces leave. If this happens, Moscow is highly unlikely to come out in favor of one side against the other. Instead, Putin is far more likely to do what he has in similar situations: attempt to exploit the rivalry by selling arms to and seeking concessions from both sides.^[20] Behaving this way will hardly endear Moscow either to Riyadh or Tehran. Putin may calculate, though, that neither Saudi Arabia nor Iran will punish Moscow (through, for example, canceling contracts with Russian firms) for fear that the Kremlin would support the other side more strongly if it did.

Neither Moscow nor Riyadh wishes to see Tehran acquire nuclear weapons. However, the Saudis (along with many others) are concerned that Russian assistance to the Iranian nuclear energy program will help Iran do just this. While too complicated a subject to review in depth here, Russian reluctance to cooperate with the US in derailing [Iran's nuclear program](#) stems in part from the lucrative contracts that Russian firms have with Tehran. If there is going to be conflict over Iran's nuclear program, Putin seems determined to avoid any part in it, while letting America (or perhaps Israel) do the dirty work.^[21]

Syria

[Saudi-Syrian ties](#) deteriorated following the assassination of former Lebanese Prime Minister Rafiq Hariri in 2005. Moscow has resumed selling arms to Syria and acting as its patron, though this issue is not likely to seriously affect Saudi-Russian relations. Syria, after all, is much less likely to use its Russian weapons against Saudi Arabia than Iran is. To the extent that Riyadh is or becomes worried about Damascus, Moscow will probably try to exploit the rivalry between them (just as it does other rivalries). It is doubtful, though, that Syrian behavior will seriously divide Riyadh and Moscow.

Iraq

Moscow and Riyadh now have similar views on Iraq. Neither is happy about American intervention there, but both are fearful about what will happen if and when US forces depart.^[22] "If the US leaves Iraq, the load of dirty work will increase for many countries,"

notes Russian political analyst Maksim Yusin,[\[23\]](#) a sentiment widely shared among Saudi leaders.

Conclusion

At the time of Putin's visit to Riyadh last year, some Russian commentators expressed the view that improved Saudi-Russian ties represented a major strategic shift. "Saudi Arabia is turning away from the West towards Russia," Moscow's NTV Mir declared.[\[24\]](#) Another commentator argued that, "the Saudis wish to go out of control of the United States and believe that Russia can help them in reaching this goal."[\[25\]](#) Indeed, the strident anti-American tone of Putin's speech in Munich prior to his arrival in Saudi Arabia suggests that he may have entertained such wishful thinking himself. *Nezavisimaya gazeta* commentator Artur Blinov felt obliged to warn that Saudi Arabia, Qatar, and Jordan (the three countries Putin visited) are "well known to have close relations with the United States, so any manifestations of anti-Americanism in our dialogue with them makes little sense."[\[26\]](#)

For all of his bellicose anti-American rhetoric, however, there's little indication that Putin (or his hand-picked successor) harbors any ambitions to overturn the Saudi-American special relationship. While some very serious differences have emerged between Russia and Washington (and increasingly between Russia and Europe),[\[27\]](#) Putin's foreign policy in the Middle East is more defensive than anything else. He has attempted to befriend all and sundry there - including Israel, pro-American Arab regimes, anti-American regimes, and anti-American movements such as Hezbollah, Fatah, and Hamas.[\[28\]](#) Moscow may have feared the prospect of America dominating the Middle East back when US-led forces invaded Iraq, but what it most fears now is the consequences of American failure in Iraq and the region. There is increasing recognition that the decline of American influence in the Middle East is less likely to lead to the rise of Russian influence than to the rise of Al-Qaeda's influence. And while Middle Eastern governments and even most opposition movements, such as Hezbollah and Hamas, are not concerned about Chechnya, Al-Qaeda is.

Indeed, to the extent that Riyadh's relationship with the US contributes to the Kingdom's security, the Saudi-American alliance helps facilitate Russia's growing investment in and trade with Saudi Arabia. For the most likely alternative to the present pro-American Saudi government is not a pro-Russian regime, but a highly anti-American and anti-Russian one.

At any rate, there are no indications that the Saudis aspire to

exchange their special relationship with America for an alliance with Russia. Saudi Arabia's relationship with Washington has not alleviated all of its security concerns (indeed, many Saudis feel that America's intervention in Iraq has exacerbated them), but Riyadh does not see Russia as powerful enough to replace the US as its principle protector.

Indeed, one of the main advantages to Riyadh of improving relations with Russia - added leverage vis-a-vis Washington - presupposes the importance of the Saudi-American relationship. Having moved to improve their relations with Moscow when their relationship with Washington was souring in the wake of 9/11 and the US-led intervention in Iraq, Riyadh likely assumes that continued close ties with Moscow will help Washington remember that the Kingdom has other suitors with regard to both arms purchases and petroleum investments. Allowing some Russian firms to participate in various projects within the Kingdom may also be useful in strengthening Riyadh's position in its ongoing negotiations with Western corporations about the terms and conditions they operate under in the Kingdom. If Western firms are unwilling to accept the terms that the Saudis offer, Riyadh can point out, there may be Russian firms that are.

On top of this, the Saudis enjoy the image of being courted by both Washington and Moscow. Given the scale of anti-American sentiment among their constituents, there could be political benefits to maintaining the *appearance* of a more diversified "strategic portfolio."

The Saudi-Russian relationship that has developed since 2003, then, can best be described as a partnership, not an alliance - and is unlikely to develop into the latter. Although this partnership was initially facilitated by strains in Saudi and Russian ties with Washington, it has continued to grow on its own merits. While it is likely to endure, there are three contingencies that could lead to strained relations between Moscow and Riyadh. First, if the simmering Chechen rebellion suddenly re-ignites or serious Islamist opposition arises elsewhere in the former Soviet Union, Moscow may well blame Saudi Arabia for this (as it did before). Further, if conflict between the Russian government and Muslims in Russia and elsewhere in the former Soviet Union became well publicized, Riyadh might feel pressured by Muslim public opinion to criticize Moscow, which would not take this well.

Second, should oil prices fall dramatically, Saudi Arabia and OPEC will likely cut back their production, while Russia will have an incentive to maintain or expand its production - a conflict of interest

that could seriously strain Saudi-Russian relations. Russia, of course, could abide by production limits or even join OPEC itself. In the past, though, Moscow has completely rejected all Saudi and OPEC requests to do either of these things. It is highly unlikely that it will change its mind and accept limits on Russia's freedom of action in this regard for the sake of pleasing Saudi Arabia.

The third scenario that could witness a deterioration of Saudi-Russian relations is a Western confrontation with Iran over the latter's [pursuit of nuclear weapons](#). An effort by Russia to shield Iran (e.g. by blocking UNSC approval for serious sanctions) could have negative consequences for its relations with Saudi Arabia (and, of course, with Washington and many European governments).

At present, though, it does not seem likely that the Chechen rebellion will burst forth anew, that oil prices will suddenly fall, or that Moscow will back Iran's nuclear ambitions to the point of disrupting its relations with the rest of the world. The Saudi-Russian partnership, focused mainly on economic issues, seems likely to continue and perhaps even deepen. While this is something that American and other Western corporations may see as impinging on their business interests, it does not appear to threaten the larger strategic and political interests of the US and its closest allies.

Notes

[1] Mark N. Katz, "Saudi-Russian Relations in the Putin Era," *Middle East Journal*, Vol. 55, No. 4 (Autumn 2001), pp. 617-20.

[2] While Saudi Arabia and other OPEC countries were trying to maintain a price level in the mid-\$20's by restricting their oil production, Russia refused to abide by any set limits. *Ibid.*, pp. 608-10.

[3] Katz, "Saudi-Russian Relations in the Putin Era," pp. 612-17.

[4] "Russia looking for scapegoat for 'failure' in Chechnya: Saudi paper," Agence France Presse, 3 July 2000.

[5] "Russia condemns pro-Chechen statements of Saudi minister," Itar-Tass News Agency in English (Moscow), 1 July 2000.

[6] "Russia looking for scapegoat for 'failure' in Chechnya: Saudi paper," Agence France Presse, 3 July 2000.

[7] Mark N. Katz, "Saudi-Russian Relations since 9/11," *Problems of Post-Communism*, Vol. 51, No. 2 (March-April 2004), pp. 4-5.

[8] "Russia: Saudi Ambassador Says Chechnya Strictly Internal Affair of Russia," ITAR-TASS, 31 August 2003 (FBIS).

[9] Ivan Sukhov, "The Prince and the Pauper," *Vremya novostei*, 19 January 2004, p. 1 (*Current Digest of the Post-Soviet Press* [hereafter referred to as *CDPSP*], 18 February 2004, p. 19).

[10] Mark N. Katz, "Assessing the Saudi-Russian Summit: Much Ado about Nothing?" *Central Asia Caucasus Institute Analyst*, 5 November 2003.

[11] Andrew Osborn, "Russia Oil Production Overtakes Saudi Arabia," *The Independent* (London), 23 August 2006, p. 37.

[12] Vasily Kashin, "Middle East Renaissance," *Vedemosti*, 1 March 2007, p. 3 (*CDPSP*, 28 March 2007, p. 17).

[13] "Direct Flights Between Russia, Saudi to Open in November," RIA Novosti, 4 September 2006.

[14] "Russia, Saudi Arabia to Protect Investments, Enlarge Air Traffic," ITAR-TASS, 11 February 2007 (FBIS); and "KUNA: Russia, Saudi Arabia Sign Cultural, Economic Agreements," KUNA, 12 February 2007 (FBIS).

[15] "Saudi Arabia Turning Away from the West towards Russia-TV Report," Russian external TV service NTV Mir, 12 February 2007 (BBC Monitoring).

[16] "Russia, Saudi Arabia Sign Oil, Gas Cooperation Accord," ITAR-TASS, 2 September 2003 (FBIS).

[17] "Russia, Saudi Arabia Sign \$100-mln Contract to Build Oil Pipeline," RIA Novosti, 31 March 2007.

[18] "Saudi Foreign Minister on Palestinian Agreement, Iraq, Deals with Russia," Saudi Al-Ikhbariyah TV, February 14, 2007 (BBC Monitoring).

[19] "Putin Offers Saudi Arabia Nuclear Energy Cooperation from Russia," AFX International Focus, 12 February 2007.

[20] For more on this on this, see Mark N. Katz, "Exploiting Rivalries for Prestige and Profit: An Assessment of Putin's Foreign Policy Approach," *Problems of Post-Communism*, Vol. 52, No. 3 (May/June 2005), pp. 25-36.

[21] For more on this issue, see Mark N. Katz, "Putin, Ahmadinejad and the Iranian Nuclear Crisis," *Middle East Policy*, Vol. 13, No. 4 (Winter 2006), pp. 125-131; and Peter Finn and Robin Wright, "'No Real Data' on Iranian Nuclear Ambitions, Putin Asserts," *The Washington Post*, 11 October 2007.

[22] Nawaf Obaid, "Stepping Into Iraq; Saudi Arabia Will Protect Sunnis If the U.S. Leaves," *The Washington Post*, 29 November 2006; and Maksim Yusin, "Now That the Americans Are There, They Should Stay," *Izvestia*, 13 March 2007, p. 5 (CDPSP, 11 April 2007, p. 14).

[23] Maksim Yusin, "Now That the Americans Are There, They Should Stay," *Izvestia*, 13 March 2007, p. 5 (CDPSP, 11 April 2007, p. 14).

[24] "Saudi Arabia Turning Away from the West towards Russia-TV Report," Russian external TV service NTV Mir, 12 February 2007 (BBC Monitoring).

[25] Kyrill Zubkov, "Against Unipolar World; Russia Helps Saudi Arabia to Go Out of Control of the USA," *RBC Daily*, 13 February 2007, p. 2.

[26] Artur Blinov, "Munich's Mideast Echo," *Nezavisimaya gazeta*, 15 February 2007, p. 3 (CDPSP, 14 March 2007, p. 23).

[27] For more on this, see Mark N. Katz, "Assertive, But Alone," *The World Today*, Vol. 63, No. 11 (November 2007).

[28] Mark N. Katz, "Moscow and the Middle East," paper presented at the 2007 American Association for the Advancement of Slavic Studies National Convention, New Orleans, 16 November 2007.

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