

# GLOBALIZATION'S LITMUS TEST? MIDDLE EAST & NORTH AFRICA

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The current international negotiations about [Syria](#) in Geneva are of great interest for the international community. But as talks demonstrate, the international community is such a vague concept, a flimsy idea that does not depict the complexity of the relationships involved, now more than ever.

It comes as no surprise the peace negotiations are making little or no progress. The Russian Foreign Minister Sergei Lavrov recently dismissed a draft UN security council resolution. This clearly suggests that different countries have different interests.

As said at the [Middle East and North Africa Energy 2014](#), a two-day conference organized by Chatham House, the only way to overcome the impasse in the region is to create overlapping interests. The case of [Israel](#) signing a long-term gas contract with Palestinian Authority is the main example: the contract made interests merge. Both parties will oppose the disruption of the gas flow from the Leviathan field.

In this sense, more than other sectors, energy investors have inevitably taken a high stakes position on Middle East and the North Africa (Mena). Oil and gas companies have an important role in shaping the future of this fast-changing land.

After the signing of a 25-year contract by [Russia's SoyuzNefteGaz](#) and the Syrian government in December, many media outlets saw similarities between [Ukraine](#) and this area. But that is only partly true.

On the one hand, it is undeniable that Ukraine is not the only battlefield for an open-face confrontation between the West and some (re)emerging economies. On the other hand, the situation in the Mena region is much more complicated. Whereas, the turmoil in Kiev resembles a tug of war between the West and Russia, here it resembles a chess game.

The situation is much more complicated. Russia is not the only actor involved. Asian companies and governments are gaining a bigger foothold in the area.

As a result, Mena countries could soon look out the window and see a completely different panorama. The [United States](#) and Europe will remain important stakeholders, but new actors are relentlessly stepping in.

WHAT IS CHANGING?

According to several panellists at the Chatham House conference, the balance is clearly moving east, and Asia is set to dwarf Europe.

“We are witnessing increasing strategic relationships between Asia and Mena countries,” said one expert speaking under the Chatham House Rule (participants are free to use the information received, but cannot reveal the identity of the speakers).

The growing interdependence of Mena countries with [China](#), [India](#), South Korea, Malaysia and [Japan](#) is also said to be changing in nature.

“Mena countries had historically the upper hand. But things are moving. Gulf countries reckoned an increasing reliance on Asia. They are getting concerned. And they are right,” said another panellist.

In other words, the relationship between Mena countries and Asia is getting more complicated, with business and diplomacy overlapping to define cross investments through bilateral agreements.

“Thinking about energy in the future, it seems clear the need to define a new set of rules and relationships,” concluded one panellist.

## GOOD SIGNS

After a few years of insurmountable diplomatic hurdles, some good signs recently arouse from the region: the progressive normalization of Iran and the increasing economic relationships between Israel and Palestine could easily hint at rosy prospects.

Many European attentions are increasingly focused on Iran, whose normalization triggered a frenzy of diplomatic activity. The presence of President Hassan Rouhani at the World Economic Forum has increased expectations of investors even further. French, Dutch, Italian, German and South Korean delegations bet on the recovery of the country that sits astride the world’s second-largest reserve of natural gas.

At the same time, 4.75 billion cubic meters of gas will be exported from [Israel’s Leviathan](#) to the Palestinian authority over 20 years. The [\\$1.2 billion contract signed by the Leviathan partners](#) ([Noble Energy](#), [Delek Group](#) and Ratio Oil Exploration) with the Palestine Power Generation Company indicate that the Israel could use its gas reserves to mend its relationship with Palestine.

In this sense, good signs further corroborate the notion that the confrontation is a chess game. The results will unfold in a few years, but there is little doubt at the increasing role of Asian stakeholders.

In the future, the peace tables are going to be even larger and somehow more complicated as more interests will be involved. If international community does not say much, globalization is a sharper conceptual tool through which to understand the Mena region. The growing interdependence between Asia and Middle East is changing the political and economic geography of this area. Here the results of increasing

international integration are as evident as in Beijing. And it will be even more in the near future, if the region will be stabilized, thus meeting the expectations of several energy companies.