The Many Faces of al-Bashir
Sudan’s Persian Gulf Power Games

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Executive Summary

Recent shifts in the politics of the Persian Gulf could benefit the ruling coterie in economically isolated and politically ostracized Sudan. Sudan’s inclusion in the broader Arab coalition against the Houthis in Yemen, the recent agreement in April on a framework for a nuclear deal to be finalized between Iran, the United States, and others, and the rapprochement between Ethiopia and Egypt sealed by the Nile waters agreement, all dramatically alter Sudanese President Omar al-Bashir’s view of his opportunities. At first glance, these evolving relationships may make it harder for American policymakers, who are now part of the same fighting coalition as Sudan in Yemen, to exercise pressure on Sudan’s ruling National Congress Party (NCP). However, Western diplomats are not without options. Sudan’s growing economic dependence on Persian Gulf countries means that those countries now have even more leverage to press the NCP to agree to the political reforms and the negotiated compromises with the opposition that are needed to forge a lasting peace. American policymakers seeking to influence outcomes in Sudan should take advantage of their strong ties with the Gulf and the Gulf’s strong ties to Sudan.

Sudan’s traditionally strong relationships with Persian Gulf countries, particularly Iran, Saudi Arabia, and Qatar, have been a cornerstone of foreign policy in Khartoum for decades. Sudan’s relations with the Arab Gulf countries have seen ebbs and flows over time, but Sudanese leaders have historically placed a premium on strong bilateral relations with those states. Although Iran, Qatar, the United Arab Emirates, and Saudi Arabia have been at odds with one another on many issues, Sudan’s leaders have managed to...
maintain fruitful relations with all sides. According to a leaked transcript of internal government deliberations, Sudan’s Director General of Intelligence and Security Gen. Siddiq Amer allegedly suggested that “the Arab World got divided into two [axes] or alliances, the Resistance axis and the Moderate axis. We must have a foot hold in both camps.” This two-faced approach to foreign relations has become Sudan’s signature geopolitical move. In Libya, Sudan and Qatar have collaborated militarily in their support to Islamist rebels for years. Then, in 2014, after joint Emirati and Egyptian airstrikes on those same rebels, the Sudanese government publicly pledged its support to Libya’s internationally recognized government. Similarly, Sudan first worked with Iran to channel support to the Houthis in Yemen, but then Sudan reversed its policy and joined the Saudi coalition.

A Foot in Both Camps

As a result of this adept balancing act, Sudan’s ruling NCP benefits from financial support from Qatar, military cooperation with Iran, and commerce with Saudi Arabia (described in further detail below). Additionally, Sudan’s burgeoning gold trade means that its business links with refiners and dealers in the United Arab Emirates have grown increasingly important as well. On the whole, Arab Gulf countries—economic heavyweights in the region and strong American allies—have provided Sudan with vital foreign direct investment, foreign currency transusions, banking ties, remittances, military aid, and significant trade ties. Political alliances with Sudan have now been cemented by Sudanese participation in the Saudi campaign against the Houthis in Yemen. Since joining the coalition, senior Sudanese government officials have boasted about Saudi deposits into the Central Bank and an impending cash infusion from newly solidified ties with Gulf allies.

Saudi Arabia and the United Arab Emirates have had significant ties with Sudanese banks. A suspension in these ties in early 2014 revealed the extent to which Sudan’s currency liquidity relies on financial flows between these banks and others that link Sudan to the international banking system. When Saudi and UAE banks suspended ties, Sudanese economists warned that the disruption would result in the loss of remittances from more than three million Sudanese people working in Saudi Arabia and could exacerbate a trade imbalance between Sudan and Saudi Arabia. Agricultural products, including shipments of livestock to Saudi Arabia, were affected, and the development was noteworthy for a food-insecure Gulf country that relies heavily on such imports from Sudan. The Sudanese government, however, dismissed these claims and denied that the suspension had had any negative effect on the national economy. There were, however, several reports indicating that the suspension in Saudi and UAE banking ties also affected wire transfers, export payments, shipments of goods (including gold), and other forms of commercial exchange between Sudan and the Persian Gulf countries. Sudan’s inclusion in the Yemen coalition has quieted many of the fears within Sudan that were raised by the Gulf’s 2014 suspension of banking ties.

Persian Gulf countries are not only important investors, bankers, and military backers for Sudan; they are also significant trade partners in labor and goods for Sudan. Generations of Sudanese people were born and raised in the Persian Gulf; hundreds of thousands of Sudanese professionals and laborers live and work in that region. These Sudanese expatriates send home remittances that have provided the Sudanese economy with an important source of revenue and hard currency. Sudan also relies on Persian Gulf trade partners for imports and exports of goods. Sudan imports packaged food, petroleum products, electronics, and motor vehicles from the Persian Gulf countries. These countries in turn import agricultural products and livestock from Sudan.
Although few official verifiable public records exist, Sudanese officials claim that Persian Gulf countries have provided significant foreign direct investment (FDI) to Sudan. Saudi Arabia, Qatar, Bahrain, and the UAE have investments in Sudan’s agriculture (including livestock) as well as infrastructure (including oil transit infrastructure). Kuwait has invested in real estate and sugar production. Sudan has received critically important military support, humanitarian aid, and infusions of foreign currency from Qatar in particular. Qatar has pledged $2 billion in foreign exchange to the Central Bank of Sudan and delivered a portion of that sum, according to news reports. Qatar has also provided humanitarian assistance and pledged more than $88 million for the development of Darfur. Qatar has also diplomatically supported peace talks surrounding the Doha Document for Peace in Darfur, though insistence on the Doha process has undermined progress toward a comprehensive peace for conflicts in Darfur, South Kordofan, and Blue Nile. International consensus has coalesced around the need for a comprehensive process.

Beyond its economic reliance on Qatar and Saudi Arabia in particular, Sudan also depends heavily on Iran for industrial production of military materiel that serves as a significant source of revenue. Iran reportedly has a 35 percent share of the Sudanese military industrial complex, El-Yarmouk, operated by Sudan’s National Intelligence and Security Service, where Iranian technical experts and Revolutionary Guard Corps members also work. Small Arms Survey and Conflict Armament Research have found that Sudan manufactures for its use and sale several types of artillery, rockets, and machine guns at El-Yarmouk. Sudan’s Iran-supported military manufacturing sector has grown and is continuing to grow. This industry has not only armed Sudanese forces and their allied militias but also armed state and non-state actors in many conflict zones in Africa. Revenues from these weapons sales provide Sudan with income and foreign currency. Iran’s investment in Sudan includes the auto manufacturing sector. The Iranian group Société Anonyme Iranienne de Production Automobile (SAIPA) works with GIAD Motors Co. in Khartoum to distribute vehicles, including light pickup trucks, small vans, and cars. GIAD also manufactures armored personnel carriers, with the help of advanced vehicle manufacturers from the West like France’s Renault and Germany’s MAN and Japan’s Nissan, among others.

The Muslim Brotherhood Remains a Wedge Issue in the Gulf

Sudan’s NCP traces its roots to the political Islamist Muslim Brotherhood movement, which originated in Egypt and has since spread internationally. Sudan’s ruling junta is one of the world’s oldest and longest-running political Islamist Sunni regimes. While the regime has held on to power for over a quarter of a century, many Sudanese people strongly oppose the type of Islamist ideology and identity that the NCP has promulgated in Sudan. Nevertheless, the international political Islamist movement has established Islamic banks in Sudan in order to help the movement grow. Sudan’s Islamist movement and its supporters have brought hundreds of millions of dollars in investment to Sudan and helped establish and develop influence within banks. These banks have helped build the modern foundations of Sudan’s economy and infrastructure and have attracted additional investment, particularly by wealthy Arab states. When an unprecedented rift involving Saudi Arabia and Qatar developed in 2014 over support for Islamist movements, Sudan’s NCP also felt the fallout. As Gulf neighbors renegotiate their relations after pursuing their campaign in Yemen, continued economic support for the international Muslim Brotherhood and Sudan’s NCP hang in the balance.

Qatar currently supports the international Muslim Brotherhood more strongly and overtly than Saudi Arabia, the UAE, and Bahrain. The latter three recalled their ambassadors from Doha between March and November 2014, accusing Qatar at the height of the rift of violating the Gulf Cooperation Council’s security agreement and principles. Saudi Arabia, Bahrain, and the UAE asked Qatar to comply with an
undisclosed seven-point plan that was said by leaked sources to include expelling international Brotherhood leaders from Qatar and reallocating funds earmarked for support to the Brotherhood. Gulf states are now mending fences with one another.41 Saudi Arabia and the UAE have pressured Qatar to alter its policy toward the international Islamist movements, including the international Muslim Brotherhood, and withdraw its support to these entities in order to align with the policies of its Persian Gulf neighbors.

Because Sudan is economically isolated, distressed, and heavily dependent on a small number of financial backers, it is more vulnerable than ever to any loss of support. Sudan has long relied on natural resources and agriculture for its national revenue. Years of increasing internal economic hardship in Sudan, combined with external economic isolation, including international sanctions, have created a severe financial crisis for the NCP. Double-digit inflation is rising as Sudan has lost revenue from oil in South Sudan’s independence, and Sudan has subsequently lost oil transit fees in South Sudan’s protracted conflict. Sudan has seen its own oil revenues and foreign currency reserves drop. NCP leaders face a cash crunch in battling these factors as they also continue to arm, equip, and pay those who lead the protracted violent attacks in Darfur, South Kordofan, and Blue Nile.42

In response to severe economic pressure, the Sudanese government has sought to capitalize on gold discovered in Darfur—an important potential revenue source for the regime, but one that does not fully compensate for the loss of oil revenue.43 Exports of gold, particularly gold from North Darfur mines that have been the site of conflict, are currently a significant source of foreign exchange for the Sudanese government. Gold purchases by Sudan’s Central Bank have, however, also exacerbated currency inflation and further complicated the economic crisis, continuing to leave Sudan heavily dependent on Persian Gulf countries for funds, foreign exchange, and investment.

A New Source of Leverage

The NCP’s grip on power remains firm, but its tendency to use the same tactics to meet increasingly daunting political and economic challenges is not sustainable. To encourage greater constructive engagement from the government of Sudan, U.S. policymakers should take advantage of strong relationships with Gulf allies to ask that these states use their considerable leverage to support a push for an end to Sudan’s deadly internal wars, which will require serious compromises by the NCP regime that will not be made absent much greater pressure to alter its cost-benefit calculations. As part of that leverage, U.S. policymakers should encourage Qatar to avoid making further cash infusions into Sudan’s Central Bank and dissuade Saudi Arabia from entertaining Bashir’s requests for financial support in exchange for Sudanese participation in the Yemen coalition. The Dubai Multi Commodities Centre’s recent decision to remove Kaloti from its list of approved refiners, in large part due to suspicions about conflict-affected gold from Sudan entering the supply chain, illustrates the willingness by the United Arab Emirates to remove conflict-affected gold from the global supply chain. The gesture also shows the UAE government’s potential to serve as a constructive partner in international efforts to change the calculus of Sudan’s leaders. As U.S. relations with Iran evolve, a nuclear deal with satisfactory terms for both parties and a normalization of relations could present new opportunities for future cooperation on Sudan policy.
Endnotes


According to one account, Saudi banking officials tasked with countering money laundering and terror financing issued a bank circular banning ties with Sudan’s banks on March 4, 2014 out of concern for Sudanese leaders’ ties with the Muslim Brotherhood and Iran. Unnamed Western diplomats in other press accounts also alluded to tensions over Iran as a possible explanation for the banking gesture. Other reports noted that it was unclear whether the Saudi Arabian Monetary Agency had issued a statement blocking ties or whether individual Saudi banks had taken the decision. Responses from Sudanese officials were inconsistent. The Central Bank of Sudan reportedly attributed the move by Saudi banks to routine procedures. Some Sudanese officials refused to comment, some denied that the Saudi decision had political motives, and others said that U.S. pressure had played a role in the decision. Unnamed U.S. officials quoted in press reports denied the latter claim. In a March 12 *Sudan Tribune* article, the manager of Bank of Khartoum said his bank’s ties with Saudi Arabia were intact and seeing higher wire transfers from expatriates given restrictions with other Sudanese banks. *Africa Confidential*, “Saudi Arabia targets Khartoum,” April 18, 2014, available by subscription at http://www.africa-confidential.com/article/id/5585/Saudi_Arabia_targets_Khartoum; *Sudan Tribune*, “Sudan says Saudi decision to suspend banking transactions not politically motivated,” March 4, 2014, available at http://sudantribune.com/spip.php?article50164; *Sudan Tribune*, “Sudanese bank says dealings with Saudi Arabia unaffected,” March 12, 2014, available at http://www.sudantribune.com/spip.php?article50261; *Agence France-Presse*, “Sudan isolation mounts as Europe, Saudi banks stop dealings,” March 14, 2014; *Al Jazeera* and agencies, “Sudan isolation grows as major banks pull out,” March 14, 2014, available at http://www.aljazeera.com/news/africa/2014/03/sudan-isolation-grows-as-major-banks-pull-out-201431410522391481.html.


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17 In a May 2013 estimate in U.S. dollars of bilateral remittances for 2012 using migrant stocks, host country incomes, and origin country incomes, the World Bank found the following estimates of remittances to Sudan: $407 million from Saudi Arabia, $99 million from Yemen, $58 million from the United Arab Emirates, $19 million from Oman, and $4 million from Bahrain. Estimates on remittances from these countries in 2011 were lower, with $160 million from Saudi Arabia, $39 million from Yemen, $23 million from the United Arab Emirates, $7 million from Oman, and $1 million from Bahrain. World Bank, “Migration and Remittances Data” Bilateral Remittance Matrices from 2012 and 2011, available at http://econ.worldbank.org/WEBSITE/EXTERNAL/EXTDEC/EXTDECPROSPECTS/0,,contentMDK:22759429~pagePK:64165401~piPK:641665026~theSitePK:476883,00.html (last accessed May 2015).


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28 Small Arms Survey noted that Sudan’s Military Industry Corporation was one of the largest presenters at the late February 2015 International Defence Exhibition and Conference (IDEX) in Abu Dhabi, with a large increase in volume and variety of weapons compared to Sudan’s display at IDEX in 2013. Many of these Sudanese-manufactured weapons were of Iranian and Chinese design. Small Arms Survey Human Security Baseline Assessment (HSBA) for Sudan and South Sudan, “Sudan’s Military Industry Corporation display at the 2015 IDEX [International Defence Exhibition and Conference] convention,” March 9, 2015, available at http://www.smallarmssurveysudan.org/fileadmin/docs/facts-figures/sudan/HSBA-IDEX-2015.pdf; Peter Dörrie “Sudan Is Arming Africa and No One Cares: Khartoum’s weapons and ammo fuel conflicts across the continent,” Medium, War is Boring blog, February 6, 2015, available at https://medium.com/war-is-boring/sudan-is-arming-africa-and-no-one-cares-3bf740d47304.


30 See SAIPA’s list of overseas distributors, including Oday and GIAD Motors Co. in Khartoum, list available at http://www.saipacorp.com/en/agencies/overseasdistributor (last accessed May 2015).

The Muslim Brotherhood ("Brotherhood"), founded in Egypt in 1928, began as a community-based social organization that gained a broader political vision and developed into an Islamic resistance movement that sought to counter Western colonialism and neo-colonialism. The Brotherhood sought to unite like-minded Muslims throughout different countries and adapted its struggle in each context to the unique settings of individual countries. In 1954, the Brotherhood established a presence in Sudan, which had long struggled before that point to reconcile divisions between religious and secular political currents. The Brotherhood in Sudan established a political platform around an issue that united many Sudanese Muslims: the establishment of an Islamic constitution. The Brotherhood formed the Islamic Front for the Constitution (IFC), a political pressure group which countered secularist political agendas in Sudan. With the collapse of Sudan’s military dictatorship in 1964, the Brotherhood reorganized itself with Hasan al-Turabi as its leader. Turabi in turn transformed the IFC into the Islamic Charter Front, a political party in its own right that was separate from the Brotherhood but represented the Brotherhood’s interests. Turabi and the ICF were both marginalized and included from Sudanese governments between the late 1960s and the late 1970s, but Sudan’s Brotherhood grew significantly in size and political, economic, financial (banking), and social influence in the mid-1970s. Prior to Sudan’s 1988 elections Turabi reorganized his movement into a political party known as the National Islamic Front (NIF), which appeared to enjoy the support of urban, well-educated elites in the Khartoum area. While NIF was a strong political force, the prime minister at the time was unable to reconcile NIF’s political platforms and interests with those of others. In 1989, NIF military supporters, led by Omar al-Barshir, seized power; in the early 1990s, NIF members formed Sudan’s present ruling National Congress Party. Mohammed Zahid and Michael Medley, “Muslim Brotherhood in Egypt & Sudan,” Review of African Political Economy 33 (10) (2006): 693-698.

Sudanese leaders who have taken state power have done so with the support of the Brotherhood and have in turn welcomed Muslim Brothers as frequent visitors to Sudan. Hassan Turabi has acted as a kind of magnetic force field for drawing the most powerful Muslim Brothers from Algeria, Tunisia, Egypt, Somalia, Turkey, Qatar, Malaysia, and Indonesia. Muslim Brothers worldwide support Sudan because they view Sudanese Islamists in the government as alynchpin in advancing their global interests. Sudan represents one of the few successes Muslim Brothers have had—and would like to replicate—in controlling political power in the world of Sunni Islam. Shi’a counterparts to the Muslim Brotherhood had seen similar success decades earlier in Iran.

When they seized power in Sudan in 1989, Islamists worked hard to strip the traditional political parties of their power and exclude them from political processes. The new leaders adopted Sharia’a law, prompting escalation of war in the south and intensifying opposition by those across Sudan who favored secularism and recognition for Sudan’s African identity.


