



# Russia–South Africa Relations: Beyond Revival

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## EXECUTIVE SUMMARY

### RECOMMENDATIONS

- The revival of Russia–South Africa bilateral relations should be enhanced in all fields: political, economic, trade, scientific, technological, and cultural.
- Obstacles to the broadening of Russian–South Africa relations should be addressed. These include in particular the lack of knowledge in Russia about the situation in South Africa, and vice versa.
- Bilateral relations should be improved further through the opening of a Russian cultural centre, and the establishment of specialist units of Russian studies in South African universities.

The policy brief analyses the main features of Russia–South Africa relations following a revival of bilateral interests in the context of the, so-called, new scramble for Africa and recent 5<sup>th</sup> BRICS summit in Durban, South Africa, on 26–27 March 2013.

## INTRODUCTION

It is important to define the path best suited for the fruitful development of a bilateral partnership between Russia and South Africa. However, in order to do so it is essential to first understand the history and nature of Russia–South Africa relations. This includes identifying the main mechanisms of bilateral relations employed by both countries, and the kind of challenges and opportunities that would help to enhance their bilateral partnership.

At the start of the 1990s both Russia and South Africa were undergoing radical changes that strongly influenced relations between the two countries. During his visit to Pretoria on 28 February 1992, Russian foreign minister, Andrei Kozyrev, signed a joint statement on establishing diplomatic relations. In June 1992 an official visit to Russia by President Frederik Willem de Klerk took place, Nelson Mandela was not received at the time, although a national hero and icon of freedom for the South African people.

A new stage of development in bilateral relations began with a visit to Moscow by Deputy President Thabo Mbeki on November 1998, followed by President Mandela in April 1999. During his visit Mandela signed the Declaration on Principles of Friendly Relations and Partnership between Russia and South Africa. Although the text of the Treaty of Friendship and Partnership, based on the Declaration, was initialled in 2000, the signing only took place six years later, during the visit of President Vladimir Putin to South Africa on 5–6 September 2006, the first visit of the Russian head of state to Africa south of the Sahara. A number of intergovernmental agreements and contractual documents between large companies of both countries were also signed during the visit.

## POLITICS

Today South Africa and the Russian Federation tend to co-ordinate their positions on international issues at various levels. In political terms, Russia and South Africa acknowledge the '[necessity] to build a more just system of international relations based on the sovereign equality of all states and peoples and supremacy of the law under the central role of the United Nations Organization'.<sup>2</sup> Only minor differences can be noted between the two countries, such as Russia abstaining from the Ottawa Anti-Personnel Mine Ban Convention.

President Jacob Zuma paid an official visit to Moscow on 5–6 August 2010; and President Putin took part in the 5<sup>th</sup> BRICS summit in Durban on 26–27 March 2013 and conducted a working visit to South Africa. As in 2006, during this visit bilateral agreements were signed in various fields, and a number of agreements were reached between South African and Russian companies. Putin's visit was followed by the reciprocal visit on 15 May 2013 of President Zuma to Sochi to review bilateral relations and exchange views on 'critical regional and global issues'.<sup>3</sup>

## MECHANISMS

There is an active dialogue on a wide range of international issues through the countries' diplomatic channels on the basis of the 1994 Protocol on Consultations between the Department of Foreign Affairs of the Republic of South Africa and the Ministry of Foreign Affairs of the Russian Federation. There are Russian and South African embassies in Pretoria and Moscow respectively; a Russian consulate-general in Cape Town; and a South African honorary consul in Vladivostok. There are also plans to open a trade mission in Johannesburg.

The Russia–South Africa Joint Intergovernmental Committee on Trade and Economic Co-operation (ITEC), which held its first session in April 1999 in Moscow, is an important mechanism for the development of bilateral relations. The latest meeting of ITEC, currently chaired by Sergey Donskoi, the Russian Minister of Natural Resources and Ecology, and Maite Nkoana-Mashabane, the South African Minister of International Development and Co-operation, was held in November 2012 in Moscow and showed the convergence of interests on many issues.

The parliamentary dimension of bilateral co-operation

reflects a regular exchange of visits by delegations of parliamentarians.

In September 2006 the Russia–South Africa Business Council was formed, bringing together representatives of business (with Vladimir Kremer and Robert Gumede as the current co-chairs). Although the structure has good intentions, tangible results and more active work are yet to be seen.

## CIVIL SOCIETY

Civil-society linkages are far weaker than the ties at governmental level. Attempts to create bilateral friendship societies or to revive those that existed earlier have so far failed. Contact between trade unions, and youth and women's organisations is weak.

There are some interparty contacts, particularly the consultations between the United Russia party, headed by Prime Minister Dmitry Medvedev, and the ANC, the most recent taking place in Johannesburg in April 2013. A Just Russia party is a partner of the ANC in the Socialist International (SI) and participated at the SI congress in Cape Town in September 2012, while the Communist Party of the Russian Federation maintains its traditional contacts both with the ANC and South African Communist Party.

There are agreements signed for the development of inter-regional relations between the Moscow region and the provinces of Gauteng, Moscow and Pretoria, Cape Town and St Petersburg. But, as in the other spheres, the results of the implementation of such agreements are yet to be seen. Cultural exchanges between the two countries are also limited, though a successful South African Film Festival took place in Moscow in 2012.

There are links through religious organisations as well. In 2008 the Metropolitan of Smolensk and Kaliningrad, now the patriarch of Russia Kirill, visited South Africa, resulting in the building of a Russian Orthodox Church in Midrand. The opening of a Russian cultural centre in South Africa is overdue, though the Russkyi Mir Foundation recently opened its office in Midrand and hopes to provide Russian language courses there.

Another significant constraint is the biased and often negative images portrayed by the Russian and South African mass media (both largely foreign owned) in relation to both countries. Such reporting has had an impact on commercial and other initiatives, such as tourism between the two countries.

## TRADE AND INVESTMENT

A considerable number of agreements have been signed regulating various aspects of trade and development issues. These include agreements on the promotion and reciprocal protection of investment; avoidance of double taxation; co-operation in the peaceful uses of atomic energy; and the intergovernmental agreement on co-operation in exploration, extraction, processing and mineral processing. However, the implementation of these agreements falls short of the potential of the relations.

The development of mineral resources – particularly diamonds, gold, manganese, platinum group metals, and rare earth elements – is one of the most promising areas of bilateral co-operation.

South Africa is one of the leading Russian partners in Africa. In 2002 bilateral trade amounted to \$138.1 million and to almost \$1 billion in 2012.<sup>4</sup> The trade balance is in South Africa's favour. Russian exports in 2012 constituted \$278.7 million. The bulk of these exports are oil products, production of chemical industries, equipment, transport, machinery, food and agricultural products, and wood. Russian imports in 2012 were \$685.6 million, comprised of metals, aluminum, wood, and fertilisers. Imports from South Africa consist of foods, in the form of fruits and vegetables, raw materials, metals, and alcoholic and non-alcoholic beverages.

Big Russian companies operating in South Africa include the Renova Group (exploration and production of manganese ore), Norilsk Nickel (production and mining of nickel), and Evraz Group (production of vanadium and steel). South African companies operating in Russia include SABMiller (beer production), Naspers (information technologies), and Mondi (pulp).

In 2012 Renova invested \$350 million in the development and modernisation of a manganese mine for the joint United Manganese Kalahari project. Currently Renova is preparing a large-scale project to renovate a ferrous metals factory (estimated at \$250 million). It is also interested in developing a solar energy park in South Africa.<sup>5</sup> Norilsk Nickel operates the successful Tati Nickel Mining Company in Botswana and the Nkomati Joint Venture (together with African Rainbow Minerals) in South Africa, and is seeking beneficial opportunities to further develop its business. The company has already invested more than \$100 million in the reconstruction of a copper and nickel factory.<sup>6</sup> Evraz Group has a share in one of the leading suppliers of vanadium and metal

production in South Africa. Severstal and Renaissance Capital have a small involvement as shareholders in some of the ventures.

The March 2013 meetings also achieved results in aviation. There is a plan to build a joint helicopter and to establish a centre providing technical support for Russian helicopters (MI-17) in Johannesburg.

Basic service agreements for the multipurpose helicopters, Mi-8 and Mi-17, were signed between Russia and South Africa in September 2012. The agreements resulted in the establishment of a joint centre for the maintenance of helicopters used by civilian companies in South Africa at end of March 2013. The memorandum of understanding (MoU) signed in August 2013 by the State Corporation, Rostekhnadzor, and the South African company, Denel, at MAK-2013 in Zhukovsky, near Moscow, will expand the function of the previously created maintenance centre and will complement facilities for the maintenance, repair and modernisation of weapons systems of combat vehicles. In addition, the parties will be able to share technologies.

In the area of nuclear energy co-operation, Russian OAO TechSnabExport and South African ESCOM Holdings Ltd signed a supply agreement of Russian-beneficiated uranium for the Koeberg power plant. The contract is valid for 10 years and was implemented in 2011.

Bilateral co-operation is gaining momentum in the banking and financial sector. Several agreements have been signed on co-operation between the leading banks in both countries, including the Bank of Russia and The Reserve Bank of South Africa. Vnesheconombank and Gazprombank have offices in Johannesburg.

Despite all this, co-operation in the economic sphere faces several difficulties associated with insufficient knowledge of Russian and African partners and their mutual capabilities and needs. The untapped potential lies in the development of direct economic ties between representatives of small and medium-sized businesses, including through the subjects (republics and regions) of the Russian Federation and provinces of South Africa.

## RESEARCH AND EDUCATION

Russia–South Africa co-operation in the areas of science and technology mainly lies in the nuclear sphere, space, and mining research. Russia supports the radio telescope project, the Square Kilometer Array. In 2009 Russia launched a South African satellite from its space

centre in Baikonur, Kazakhstan. There are negotiations about a joint project on monitoring the satellites. The South African Astronomical Observatory is going to be used to obtain the signal from the Russian satellite, Radioastron. There are also plans for the implementation of a quantum-optical system for amelioration of the signal from the GLONASS (Russian navigation system) in the Southern hemisphere.

Research co-operation is achieved particularly through an MoU between the Russian Foundation for Basic Research and the National Research Foundation of South Africa signed in 2010, with joint projects in the areas of biomedicine and biotechnology, nanotechnology, nuclear technology, laser technology, chemistry of the Platinum Metal Group, astronomy and space technology, and alternative sources of energy.

There are also some inter-institutional linkages. These include a co-operation agreement between the Academies of Sciences; an MoU between the Africa Institute of South Africa and Moscow Institute for African Studies; and relations between the University of Pretoria and the Moscow State Institute of International Relations.

Although serious South African studies are conducted in several Russian universities and research institutes, the picture in South Africa is quite different. At the beginning of the 1990s there were four centres or departments of Russian studies in South Africa. Today, however, these studies are limited to a Russian language course at UNISA. Only one diplomat at the South African Embassy in Moscow is proficient in Russian; and the number of South African students undergoing education in Russia is extremely limited.

A new milestone in bilateral relations was the Joint Declaration on the establishment of a Comprehensive Strategic Partnership between the Russian Federation and the Republic of South Africa, signed by Presidents Putin and Zuma on 26 March 2013. The declaration's distinct feature is the detailed elaboration on the fields of co-operation: including political, economic, trade, scientific, technological, and cultural.

## CONCLUSION

Although ANC leaders and activists still value the

support and assistance Moscow provided during the liberation struggle, more important is the current place of Russia in Tshwane's foreign policy. The policy briefing illustrates an unfortunate imbalance between the political and economic dimensions of Russia–South Africa relations. Close on 20 years of bilateral relations between democratic South Africa and Russia have been characterised by both successes and failures. There is certainly potential for further development in the future, facilitated by the expansion of the BRIC grouping (Brazil, Russia, India and China) into the BRICS, following South Africa's inclusion in April 2011.

## ENDNOTES

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- 2 Russia, President of Russia, 'Joint Declaration on the establishment of a Comprehensive Strategic Partnership between the Russian Federation and the Republic of South Africa', 26 March 2013, [http://eng.news.kremlin.ru/ref\\_notes/98](http://eng.news.kremlin.ru/ref_notes/98).
- 3 South Africa, South African Government Information, 'President Zuma arrives in the Russian Federation for a working visit', 15 May 2013, <http://www.info.gov.za/speech/DynamicAction?pageid=461&sid=36483&tid=107085> (foreign website).
- 4 Russia, President of Russian Federation, 'Visit to South Africa', 26 March 2013, <http://www.kremlin.ru/news/17746>.
- 5 Personal interview, representative of Renova group, Johannesburg, 19 November 2012.
- 6 Krasnoyarsk, Independent Information Agency, 27 March 2013, <http://www.24rus.ru/more.php?UID=95829> (foreign website).

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