# ISLAM IN FOREIGN COUNTRIES

## ELENA DMITRIEVA. FOREIGN ECONOMIC STRATEGIES OF EGYPT AND PROSPECTS FOR COOPERATION WITH RUSSIA. *Condensed abstract.*

*Keywords: Egypt, Russia, foreign economic activity, international trade, cooperation, Russian industrial zone, trade agreements.*

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1. Vobolevich A.A. The Current Foreign Economic Strategies of Egypt // *Svobodnaia mysl, 2021, № 3 (1678). P. 161–174.*
2. Nemkevich S.Yu., Shafiev R.M. Investitsionnaia privlekatelnost Egipta dlia Rossii // *E-Scio, 2021, № 7 (58). P. 277–283.*

A.A. Vobolevich [1], a senior lecturer at the Peoples' Friendship University of Russia, analyzes Egypt's foreign economic activity. Egypt, which is one of the most developed countries in Africa, has economic ties with many countries of the world, including Russia. In recent decades, Egypt has significantly liberalized foreign trade, although strategies toward trading partners differ. Egypt largely exports low-cost goods instead of those that are in global demand. Export of commodities with higher value is limited by outdated industrial and agricultural production technologies, poor storage and transportation infrastructure, and lack of land and water resources. Egypt exploits tariffs to protect the primary sector, but by doing so puts the whole economic system in a protectionist trap.

The author believes that understanding of foreign trade strategies of Egypt should allow partner countries, including Russia, to determine prospects for development of foreign trade with Egypt. The structure, dynamics and regulation of foreign trade of Egypt reflect its foreign economic strategy. The author maintains that a country's exposure to external economic shocks increases as trade openness increases. Product and geographical diversification helps to prevent extreme fluctuations in export revenues. Product diversification into more complex and higher value-added products could increase productivity and ensure long-term economic growth. Scaling up production and improving quality of existing products would boost export growth.

According to the author, Egypt is making progress in diversifying its exports both in directions and assortment. However, the bulk of exports remain concentrated and highly dependent on a few markets. Over the last decade, the EU and the US have been the most crucial trading partners, but the importance of the US has been steadily declining in favour of Arab countries. The EU, the US and Arab countries account for about 70 percent of Egypt's exports. Trade links with neighbouring African countries leave much to be desired.

The author points out that Egypt imports far more than it exports. Such trade imbalances are due to several factors that could determine foreign trade policy strategies implemented by Egypt. The author suggests the following typology of Egypt's foreign economic activities:

1. Egypt is actively cooperating with its strategic partners, such as the US, the EU, China and Russia. Egypt is working to increase the volume of exports and imports of goods.

2. Egypt is not largely engaged in trade with the countries of the African region, although it does enter in trade agreements, albeit superficial ones. In this case, Egypt means to formally establish links.

3. As for neighbouring countries, the Gulf countries impose restrictions on imports from Egypt, leaving the country to adapt to the current situation.

The study conducted by the author shows that the volume trade with many countries is not enough as compared with Egypt's economic potentials. The fact that major trading partners of Egypt are not neighbouring countries with the lowest trade costs, but the US, the EU, China and Russia, suggests that foreign economic strategy of Egypt is strongly influenced by political factors.

Shafiev R.M., PhD(Econ.), Russian Customs Academy (RCA), and S.Yu. Nemkevich, a master student at RCA [2] discuss partnership between Russia and Egypt and prospects for bilateral cooperation on the construction of the Russian Industrial Zone (RIZ) in Egypt. The study also analyzes the risks related to investments during the COVID-19 pandemic.

The authors note that Russia and Egypt have a history of business relationship and are partners today, e.g. Egypt is currently the largest importer of Russian wheat. The authors name the conditions for the optimal investment cooperation between Russia and Egypt that should create the platform for Russian companies to build on in the Middle East. Egypt is a promising country, which is advancing cooperation with Russia.

According to the UN official GDP figures for Egypt, it ranked 8th most developed country in Africa in 2021; its population exceeds 101 million people; it has high GDP per capita of $3.058; in 2020, the minimum wage was $127.41; and gold and foreign exchange reserves were estimated to be $42 billion by the end of 2021.

The authors point out that investment attractiveness of Egypt resulted in a considerable increase in foreign direct investment in the country over the recent years, especially in gas and oil extraction. At the same time, the government is carrying out monetary reform, working to stabilize the exchange rate and adjusting the management structure, which is designed to reduce and subsequently eliminate bureaucracy. In February 2021, Egypt started to supply gas to the EU after the launch of a liquefied natural gas (LNG) terminal. The Zohr gas field, discovered in 2015, changed the foreign trade situation by making Egypt a gas exporter again. Natural gas production began in 2017 to supply the domestic Egyptian market. The Zohr field is operated by the Italian energy company Eni, while Rosneft owns 30 percent of its portfolio. Russia could have been engaged in hydrocarbon production abroad to a greater extent, if not for the 2014 sanctions by the US that can impose restrictions on foreign projects with the share of any Russian companies exceeding 30 percent of the authorized capital. Relations between Russian companies and foreign partners have consequently deteriorated since foreign partners fear US sanctions. The author concludes that cooperation between Russian and Egyptian companies in the energy sector are unlikely.

In March 2018, the governments of Russia and Egypt signed an agreement on the establishment and operation of the Russian Industrial Zone in Egypt. The project is designed to promote Russian companies in the Middle East. The project will take approximately 13 years to complete. Russia expects that resident companies will be able to start production as early as 2022. Investment cooperation between Russia and Egypt in the transport field also appears promising, i.e. construction and modernization of railways; establishing a railway transportation control center; supply and assembly of wagons; shipbuilding and modernization of shops of shipbuilding factories; and building oil tankers and floating workshops. The industrial zone in Egypt is a pilot project for Russia on the African continent that may set an example for similar industrial zones in other countries. There are already a large number of free economic zones in Egypt, giving rise to high competition between them. Initially, 90 percent of jobs created by the project are meant for the Egyptians, but over time the quota may be revised in favour of the Russians. The location of the RIZ can be deemed beneficial due to its proximity to the Suez Canal, which significantly reduces the production costs. The authors also note that the profit from the industrial zone will be directed to the Russian budget, and not to private companies.

## OLGA BIBIKOVA. ON SYSTEMIC RACISM IN THE LEBANON SOCIETY

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*Abstract. On the example of Lebanon, the features of the functioning of the system of hiring foreign workers (kafala) in the Arab countries are considered. In Lebanon, this system applies to domestic workers, especially women. However, employers often do not fulfill their obligations under the contract. In addition, the economic crisis that broke out in the country made its own adjustments.*