

Egypt's Morsi Plans Russia Trip, Wheat and Oil in Focus

By [The Moscow Times](#)

April 13, 2013



Police preventing clashes between anti- and pro-Hosni Mubarak demonstrators during his trial on Saturday. **Amr Abdallah Dalsh**

CAIRO — Egyptian President Mohamed Morsi will visit Russia this week, a state-run newspaper reported, in a visit market sources expect to focus on the cash-strapped Arab state's energy, wheat import and financing needs.

Mursi will meet President Vladimir Putin for talks that would explore "ways to strengthen cooperation between the two countries in all fields," Al Gomhuria reported Friday, citing an anonymous source.

The Syria crisis would be high on his agenda, it said. The presidency could not immediately be reached for comment.

Egypt is grappling with an economic crisis caused by more than two years of political

instability. The country's foreign currency reserves are at critically low levels and the government is struggling with an unaffordable deficit.

Shortages of imported fuel are disrupting transport and causing power cuts in the country of 84 million. The situation is expected to worsen as summer approaches and Egyptians switch on their air conditioning.

The world's biggest importer of wheat, Egypt has cut back on international purchases this year in the hope of a bumper local harvest.

In a boost to Egypt's finances, Qatar this week agreed to buy \$3 billion in government bonds and to supply natural gas in the summer when it is needed. Libya also signed a deal to give Egypt a \$2 billion, five-year, interest-free loan, according to the Egyptian state news agency.

The government is also in talks with the International Monetary Fund on a \$4.8 billion loan deal that would unlock billions more in international support.

Several sources on European commodities and energy markets said the Egyptians might discuss financing needs and oil and wheat supplies during their visit to Russia.

"Talk is that an Egyptian delegation to Russia has both oil and gas as a focus," said one European trader. "Imports by Egypt with delayed payment seem to be on the wishlist."

Egypt's wheat stocks are likely to plunge below 1 million tons by June 30 as its economic crisis cripples purchases from the international market, a U.S. Department of Agriculture report said.

A second Moscow-based source said Egypt also planned to discuss a possible \$2 billion loan from Russia.

Russia, which is a net creditor, has been sought out by countries in financial difficulty that are seeking easier terms than those offered by the IMF with recent examples including Cyprus and Serbia.

Egypt is likely to discuss wheat supplies from the next crop, as Russia has already run down the exportable surplus from last year's poor harvest.

Currently there is no clarity on the wheat supply volume, timing or payment method, the sources added.

Russian Agriculture Minister Nikolai Fyodorov met with Essam Haddad, an assistant to the Egyptian president for foreign relations on Thursday, but wheat supplies were not discussed, his ministry said.

Russia's new crop is likely to arrive in June or July, its 2013 grain harvest is officially expected at 90 to 92 million tons with an exportable surplus of about 20 million tons.

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