



The Contradictory Impacts of Western Sanctions on Economic Relations between Russia and Sub-Saharan Africa

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► Key Takeaways

- Since 2010, economic relations between Russia and Sub-Saharan Africa have experienced renewed momentum. This revival has resulted in modest trade, with a structural surplus in Russia's favor, and investments in the mining and hydrocarbon extractive sectors.
- While Western economic sanctions have hampered the expansion of Russian investment in Sub-Saharan Africa and affected trade, Russian-African dialogue on economic cooperation continues, focusing on the energy sector.
- This paradox can be explained by political factors, the most important of which is the African desire not to align itself with the Western-promoted policy of isolating Russia.
- The strategic lesson of this paradox is that economic sanctions must be accompanied by political discourse, aimed not only at the sanctioned regimes or public opinion in the sanctioning countries, but also at third countries. Currently, such a discourse appears to be seriously lacking.

The economic dimension of “RussAfrica”

While Africa recently moved from last to sixth place in the ranking of the 10 priorities of the Russian Foreign Policy Concept,¹ the revival of Russian-African economic exchanges actually dates back to the years 2010-2012, after two decades of limited exchanges following the collapse of the Soviet Union (USSR). In 2021, trade reached \$22 billion and included sales of arms, refined petroleum products, fertilizers and manufactured goods.² This limited exchange had the advantage of being a surplus for Russian trade, as arms sales accounted for the bulk of Russian-African trade (Russia at the time held 40% to 50% of the African market).³ In addition, Russian extractive companies were looking for opportunities on the continent and beginning to invest there. Major Russian oil companies were present in Africa's main production region, the Gulf of Guinea, and signaled their interest in the newly discovered gas fields of Mozambique. Russian mining companies were investing in Southern Africa, in particular. The most expensive project was signed in 2014 in Zimbabwe. The Great Dyke Investment was a partnership between a Russian consortium (Vi Holdings, Rostec, and Vnesheconombank) and a Zimbabwean

The revival of Russian-African economic exchanges actually dates back to the years 2010-2012

company, Landela Mining Venture, to develop one of the world's largest platinum deposits, at an estimated cost of \$3 billion.⁴ Furthermore, the world's leading diamond producer, the Russian company Alrosa, became the second-largest shareholder in the Catoca diamond mine in Angola in 2018.

During the past decade, Russian companies Lukoil and Rosneft have entered the upstream hydrocarbon production sector in partnership with Western companies acting as operators. Among Russian hydrocarbon companies, Lukoil has made the largest investments in Africa, for an amount between one and two billion dollars. It has acquired stakes in the development of several projects in the Gulf of Guinea.⁵ Its most expensive acquisition was an \$800 million stake in the development of the Marine XII concession, off the Congolese coast. ENI is the operator of this gas field, in which Lukoil is a 25% partner. Similarly, Lukoil has partnered with companies in Ghana (Pecan field), Cameroon (Etinde field) and Nigeria. In 2019, Rosneft also signed a memorandum with the National Hydrocarbons Company of Mozambique to develop

1. “Konceptiâ vnešnej politiki Rossijskoj Federacii” [Foreign Policy Concept of the Russian Federation], Foreign Affairs ministry of the Russian Federation, March 31, 2023, available at: <https://mid.ru>.

2. The same year, trade between Turkey and Sub-Saharan Africa reached \$40 billion and trade between France and Sub-Saharan Africa reached \$30 billion.

3. A. Verdebout, “Ventes d’armes russes en Afrique: les effets contrariés des sanctions occidentales”, *Note d’analyse du GRIP*, GRIP, May 31, 2023, available at: www.grip.org.

4. “Darwendale Platinum Project”, *NS Energy*, May 7, 2025, available at: www.nsenergybusiness.com; “On the First Phase of Constructing Darwendale Platinum Mine”, Embassy of the Russian Federation in Zimbabwe, May 7, 2025, available at: <https://zimbabwe.mid.ru>.

5. See below the table 1 “Lukoil’s African investments before 2022”, p. 3.

natural gas fields in this country, where it had won a tender in 2015.⁶ Russian companies had also signed contracts for oil infrastructural projects (refineries, pipelines, etc.), particularly in Nigeria, South Sudan and Uganda.⁷

However, the expansion of Russian companies in sub-Saharan Africa has also suffered setbacks. Rosneft's chairman, former Russian Deputy Prime Minister Igor Sechin, a close associate of Putin, tried, unsuccessfully, to acquire stakes in Angola and Gabon. Gazprom failed to enter the Mozambican offshore gas sector, and Lukoil's ambitions in the new Senegalese offshore production area were thwarted.⁸ In 2020, the Australian company Woodside Energy successfully prevented Lukoil from joining the consortium operating the Sangomar offshore field.⁹ In Mozambique, the Russian state-owned bank VTB Capital was implicated in the major hidden debt scandal that erupted in 2016. This scandal sparked tensions between the International Monetary Fund (IMF) and the Mozambican regime and led to the arrest of the finance minister.¹⁰ Overall, the revival of economic relations did not enable Russia to catch up with China and the European Union in Sub-Saharan Africa, where it remained a negligible trading partner and investor.

Russia remained a very negligible trading partner and investor for the continent

6. T. Coloma, "La stratégie économico-sécuritaire russe au Mozambique", *Notes de l'Ifri*, Ifri, May 20, 2020, available at: www.ifri.org.

7. "South Sudan, Russia Seal Oil, Mining Deal", *Golden Times South Sudan*, 17 April 2024, available at: <https://goldentimesouthsudan.com>; "Russian firm Wins Contract to Build Uganda's First Oil Refinery", *The East African*, February 17, 2015, available at: www.theeastafrican.co.ke.

8. The discovery of the offshore fields dates back to the years 2015-2017, while their effective exploitation is quite recent.

9. B. Augé, "La Russie est un nain dans l'exploration et le développement des hydrocarbures en Afrique", *Le Monde*, October 25, 2019, available at: www.lemonde.fr.

10. T. Coloma, "La stratégie économico-sécuritaire russe au Mozambique", op. cit. After being extradited to the United States in 2024, the former finance minister of Mozambique was sentenced for embezzlement and corruption. He is currently jailed in the United States.

Lukoil's African investments before 2022

Country	Partners	Investment year	Present situation
Nigeria	Nigeria National Petroleum Corporation (30%) Oil and Gas Nigeria (30%) Chevron (22% operator) Lukoil (18%)	2009	Unknown
Congo-Brazzaville	ENI (65% operator) State oil company (10%) Lukoil (25%)	2014	Working
Ghana	Aker Energy (50%, operator) Lukoil (38%) Ghana National Petroleum Corp (10%) Fueltrade (2%)	2014	Stalled
Cameroun	New Age (30%, operator) Lukoil (30%) Bowleven (20%) State oil company (20%)	2015	Stalled

Source: Lukoil—[International Projects](#).

Russian mining, oil, and gas investments have also been a strategic tool that connected oligarchs with African leaders.¹¹ For example, Viktor Vekselberg, the head of the Renova Group (a multi-sector company founded in 1990), invested in a financial company linked to the African National Congress (ANC) in South Africa's second-largest manganese mine. He also donated \$826,000 to the ANC. The hidden financial relations between the South African ruling party and this oligarch then sparked a heated political controversy.¹²

In the landscape of Russian-African economic relations, Yango, the “Russian Uber”, represents a two-fold exception. On the one hand, this company, which began expanding into Africa in 2018 and is now present in 13 African countries, is part of the tertiary, not industrial, sector. It offers passenger transport and delivery services in Africa, Europe and Asia. On the other hand, unlike many companies in the Russian extractive sector, its Chief Executive Officer, Arkady Volozh, who has lived in Israel since 2014, was not affiliated with the Russian regime. After being sanctioned by the European Union (EU) in 2022, Arkady Volozh was rehabilitated in 2024.¹³

11. D. Van Rensburg, “The ANC's Manganese Gold Mine”, AmaBhungane, May 9, 2022, available at: <https://amabhungane.org>.

12. A. Sguazzin, “Vekselberg-Linked Firm Helps Pay for ANC's Electoral Conference”, Bloomberg, March 2nd, 2023, available at: www.bloomberg.com.

13. “L'Europe lève les sanctions qui pesaient sur le cofondateur de Yandex”, *Le Monde*, March 13, 2024, available at: www.lemonde.fr.

The impact of Western sanctions

Before the outbreak of war in Ukraine in 2022, Russia had a portfolio of projects in African extractive sectors and a modest but structurally positive trade surplus with Sub-Saharan Africa. But Western economic sanctions have shifted the balance. Doing business with Russian companies has become both more complicated and more expensive, particularly in the hydrocarbons sector.

Sanctions have hampered the expansion of Russian investments. Deprived of the financing necessary for their expansion abroad, Russian extractive companies have had to adopt withdrawal strategies that vary depending on the investor. Some firms have formally withdrawn, others have suspended their partnerships, and the last category of companies have kept their assets but reduced their operations and ambitions. Finally, some of their Western and African partners have terminated their partnerships with Russian companies.

As early as 2022, Vi Holdings, a Russian international investment group, announced that it was abandoning the Great Dyke Investment.¹⁴ Similarly, two Russian companies abandoned their projects in South Africa. At the end of 2023, Nor Nickel sold its stake in the Nkomati mine in South Africa to its local partner African Rainbow Minerals. At the beginning of 2025, the South African government confirmed that it was seeking an alternative financier to Gazprombank, which had been chosen in 2023 to finance the revival of the Mossel Bay gas refinery.¹⁵ In Angola, in 2024, the government announced the end of a long-standing partnership with Alrosa, notably in the development of the Catoca diamond mine.¹⁶

Russian companies that have disengaged from African projects since 2022

Country	Company	Sector	Withdrawal year
Zimbabwe	Vi Holdings	Platinum mine	2022
South Africa	Nor Nickel	Nickel mine	2023
Angola	Alrosa	Diamonds mine	2024
South Africa	Gazprombank	Hydrocarbons	2025

Sources: *Mining.com* and *Africa Intelligence*.

14. "Zimbabwe's Kuvimba Mining House to Raise 950 M\$ for Mining Assets Development", *Mining Technology*, February 14, 2025, available at: www.mining-technology.com.

15. "Afrique du Sud: une banque russe pour financer les travaux de la raffinerie de gaz liquide de Mossel Bay", *Energies Media*, December 15, 2023, available at: <https://energies-media.com>.

16. "Angola: poussée par Luanda, la Russie vend ses parts dans ses mines de diamants angolaises", *RFI*, November 30, 2024, available at: www.rfi.fr.

As in the mining sector, Russian investments in the hydrocarbons sector have been thwarted or even blocked. In Cameroon, the offshore project needs a new partner to ensure development. The Franco-British company Perenco, which had considered buying New Age's shares and becoming its operator, reversed its decision in 2023, deeming a partnership with Lukoil too risky.¹⁷ In Ghana, following rumors of a sale of Lukoil's shares,¹⁸ the Norwegian operator Aker recently withdrew from the project and sold its shares to a Nigerian company. Only the liquefied natural gas (LNG) production project carried out in partnership with ENI in Congo-Brazzaville is progressing well.¹⁹

While it is easy to determine whether or not hydrocarbon projects are developing, it is more complicated to assess the evolution of trade relations between Russia and sub-Saharan Africa. As in the case of other sanctioned countries (Iran, North Korea, etc.), economic sanctions against Russia have led the authorities to opt for "economic secrecy". Statistics are no longer published, and trade and business relations are hidden. However, it appears that arms sales have declined, and the export of refined petroleum products has increased.²⁰

Russia has gained market share in the refined petroleum products sector

Western sanctions have had a paradoxical effect on oil trade between Sub-Saharan Africa and Russia. On the one hand, by capping the price of Russian oil, Russia has gained market share in the refined petroleum products sector. Many tankers from the ghost fleet have been supplying ports in West and East Africa on behalf of new trading companies that have emerged in Dubai since 2022.²¹ Cheap Russian oil benefits not only the Asian market but also the African market. On the other hand, as previously mentioned, Russian oil companies have been forced to disinvest from some African projects.

Unlike Russian oil, Russia's cheap wheat policy had only a limited effect in sub-Saharan Africa, where Russia mainly exported fertilizers until 2022. At the last Russian-African summit in 2023, Vladimir Putin announced free provision of wheat and fertilizers to friendly regimes, which was carried out in 2024. While the free wheat shipments were intended for six countries (Somalia, Mali, Burkina Faso, Central African Republic, Eritrea

17. Petro, "Perenco a refusé d'entrer dans un projet auquel participe Lukoil au Cameroun", *Petroleum Info*, January 25, 2024, available at: <https://petroleum-info.com>.

18. N. Verma, R. Bousso and D. Zhdannikov, "Russia's Lukoil Looks to Sell Stake in Ghana's Pecan Field", *Reuters*, February 27, 2023, available at: www.reuters.com.

19. "Congo: Lukoil renforce ses engagements pétroliers avec un nouveau contrat", *Finances AO*, September 30, 2024, available at: <https://financesao.com>.

20. G. Muñoz, "Conférence Russie-Afrique: Moscou poursuit sa promotion d'un monde multipolaire", *Le Monde*, November 7, 2024, available at: www.lemonde.fr; A. Verdebout, "Ventes d'armes russes en Afrique: les effets contrariés des sanctions occidentales", *GRIP*, June 1st, 2023, available at: www.grip.org.

21. "Négoce de pétrole russe: Dubaï sort le grand jeu pour supplanter la Suisse", *Public Eye*, January 2024, available at: www.publiceye.ch; B. Hilgenstock, O. Hrybanovskii and A. Kravtsev, "Assessing Russia's Shadow Fleet: Initial Build-Up, Links to the Global Shadow Fleet, and Future Prospects", *KSE Institute*, June 10, 2024, available at: <https://kse.ua>.

and Zimbabwe)²², the free fertilizer shipments were sent to southern African countries (Malawi, Mozambique, Tanzania, and Zimbabwe).²³

The biggest mystery in Russian-African trade is gold, which plays an important role in Russian monetary strategy.²⁴ Although it is difficult to estimate volumes, Africa is probably Russia's largest gold supplier. Russian gold import networks consist of official companies, such as NordGold operating in Guinea and Burkina Faso, and mafia-like paramilitary organizations, such as the Wagner Group, which operates several gold mines in the Central African Republic.²⁵ Before the outbreak of war in Sudan, the Wagner Group was involved in gold trafficking, thanks to its alliance with General Hemedti's rebel forces, who control gold-mining areas.²⁶ But in Sudan and Burkina Faso, ongoing conflicts have significantly impacted gold mining. NordGold had to close its Taparko mine for security reasons in 2022,²⁷ while international sanctions forced this company to change refiners and conceal its exports through intermediaries.²⁸

Whether it is oil or gold, one country plays a central role in Russian-African trade: the United Arab Emirates (UAE). This country hosts many Russian front companies and is one of the main trading centers for gold. The teams of Litasco, Lukoil's trading company, quickly relocated from Switzerland to the UAE in 2022, while most of the new trading companies suspected of selling Russian oil are based in Dubai.²⁹ Although it denies it, the UAE has played and continues to play an important role in circumventing the economic sanctions imposed against Russia.³⁰ In response to pressure on the Emirati authorities, the accounts of several front companies have been closed,³¹ but others continue to operate. Thus, NordGold's gold refining, which was relocated from Switzerland to Dubai, is now carried out by a Turkey-based refiner owned by the Turkish

Africa is probably
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22. "Russia Says It Shipped 200,000 Tons of Free Grain to Six African Countries", Reuters, February 21, 2024, available at: www.reuters.com.

23. J. Surtees, "Growing Foothold: How Russia Donates Fertilizer to Deepen African Alliances", *The Guardian*, March 13, 2023, available at: www.theguardian.com.

24. J. Kennedy, E. Grossfeld, Z. Wolford et al., "Gold Rush: How Russia Is Using Gold in Wartime", RAND Corporation, September 9, 2024, available at: www.rand.org.

25. "Allez creuse bébé: contes russes de l'or en Afrique centrale" [Dig Deep, Baby: Russian Tales of Gold in Central Africa], All Eyes on Wagner, May 2, 2025, available at: <https://alleyesonwagner.org>.

26. A. Soliman and S. Baldo, "Gold and the War in Sudan: How Regional Solutions Can Support an End to Conflict", Chatham House, March 2025, available at: www.chathamhouse.org.

27. "Sanctions: malgré la fermeture de Taparko, le russe Nordgold assure avoir sauvé son or africain", Africa Intelligence, April 21, 2022, available at: www.africaintelligence.fr.

28. *Ibid.*

29. C. Ravel, "De Dubaï au Cap: l'offensive africaine de l'intrigant trader Coral Energy", Africa Intelligence, November 20, 2023, available at: www.africaintelligence.fr; "Sous sanctions, le trader dubaïote Coral Energy se métamorphose encore", Africa Intelligence, February 18, 2025, available at: www.africaintelligence.fr; "Le pétrole russe coule encore à flots", *Public Eye*, No. 41, April 2023, available at: www.publiceye.ch.

30. T. Vircoulon, "Des trous dans la raquette: les sanctions contre les exportations de pétrole russe", *Revue Esprit*, July 2023, available at: <https://esprit.presse.fr>.

31. B. Faucon and C. Paris, "Russia's Backdoor to the Global Banking System Is Slamming Shut", *The Wall Street Journal*, March 19, 2024, available at: www.wsj.com.

subsidiary of an Emirati bank.³² While the UAE is trying to be more discreet, it has not renounced its role as a broker for Russian trade.

Maintaining the illusion of economic partnership

In sub-Saharan Africa, the effects of economic sanctions against Russia have been mixed. While Russian companies' investment policy on the continent has been hampered, Russian-African trade continues, and discussions on economic cooperation between Moscow and African governments are ongoing. Russian-African trade is suffering primarily from the decline in Russian arms exports, due to the conflict with Ukraine. Paradoxically, while Russia's investment portfolio in Africa has contracted since 2022,

Russian-African dialogue on economic projects continues. For example, a Tanzania-Russia business forum was held in Dar-es-Salaam in October 2024. Similarly, the governments of Nigeria and Kenya have discussed plans for Uralchem to establish fertilizer plants.³³ In 2024, an agreement to construct a pipeline in Congo-Brazzaville and an agreement to build a refinery in South Sudan were concluded with Moscow.³⁴ African presidents continue to send requests for economic aid to Moscow (Central

African Republic, Guinea-Bissau, Equatorial Guinea, etc.), while Rusal is considering a major infrastructure project (port and railway) to connect friendly regimes in the Alliance of Sahel States to the Atlantic, via Guinea-Bissau.³⁵ At the same time, Alrosa is considering opening mines in Zimbabwe,³⁶ while NordGold has just obtained a new gold concession in Burkina Faso,³⁷ and Rosatom plans to build small nuclear power plants in several African countries.³⁸ Most of the major economic cooperation projects put forward by Moscow in Africa concern the energy sector, the point of convergence of African demand and Russian expertise.³⁹ But this economic cooperation for large energy infrastructure

Russian-African trade is suffering primarily from the decline in Russian arms exports

32. "Ukraine War Turns Ankara into Hub for Russia's African Gold", Africa Intelligence, June 28, 2022, available at: www.africaintelligence.com.

33. "Ruto tente la carte russe pour relancer son usine d'engrais d'Eldoret", Africa Intelligence, January 21, 2025, available at: www.africaintelligence.fr; "South Sudan, Russia Seal Oil & Mining Deal", *Golden Times South Sudan*, April 17, 2024, available at: <https://goldentimesouthsudan.com>.

34. M. Hajbi, "Comment la Russie avance ses pions dans le pétrole au Congo", *Jeune Afrique*, October 2nd, 2024, available at: www.jeuneafrique.com.

35. O. Traoré, "Rusal propose son aide à la Guinée-Bissau pour la construction d'un chemin de fer reliant l'Afrique de l'Ouest", *Mali Actu*, May 18, 2024, available at: <https://maliactu.net>.

36. "Russia's Diamond Miner Alrosa to Set Up in Zimbabwe", *Africanews*, January 16, 2019, available at: www.africanews.com.

37. "Le Burkina Faso octroie un nouveau permis d'exploitation d'or à la société russe Nordgold", *Jeune Afrique*, April 26, 2025, available at: www.jeuneafrique.com.

38. M. de Vergès, "L'Afrique n'a qu'une centrale nucléaire, mais une multitude de projets", *Le Monde*, January 15, 2025, available at: www.lemonde.fr.

39. A. Darc, "Les ambitions de la Russie dans l'énergie africaine", *NewAfrican*, April 1st, 2025, available at: <https://magazinedelafrique.com>.

projects is more apparent than real, due to a lack of sufficient financial capacity.

The ongoing dialogue on economic partnership reflects a convergence that is more political than economic. For the Russian government, it is about projecting the image of a major economic power capable of exporting its expertise, sharing it with poor nations under the yoke of the “collective West”, and demonstrating the failure of the latter’s policy of political and economic isolation. Moscow, therefore, maintains “economic dialogue” with African governments to promote its political image, thanks to various organizations created specifically for this purpose. In July 2024, the Chamber of Commerce and Investment for Africa, Russia & Eurasia was inaugurated in Dakar in the presence of Mikhail Bogdanov, Special Representative of the Russian President for the Middle East and Africa, and Yassine Fall, Senegal’s Minister of African Integration and Foreign Affairs. According to Senegalese diplomacy, this organization aims to strengthen “the strategic partnership between Russia and Africa [...] across a wide range of key sectors such as the economy, trade, security, agriculture, energy, industry, and transport”.⁴⁰ For their part, African governments have at least four motives to engage with Moscow on an illusory economic cooperation: a historical Russophilia, the absence of alternatives, the success of Russian propaganda, and the desire not to align themselves with the policy of isolating Russia promoted by the Europeans.

Russia wants to
project the image of
a major economic
power

While some African leaders are fooled by Moscow’s claims, others lack donors and have no alternatives (Eritrea, Guinea-Bissau, South Sudan, Equatorial Guinea, etc.). In addition, many African governments do not want to participate in the strategy of isolating Russia promoted by the EU. This diplomatic approach stems from several rationales. Rising tensions between major powers and the multi-dependency in which many African countries find themselves encourage neutrality. But it may also involve asserting greater distance from Europe through a different diplomatic stance. The four reasons to engage with Moscow are not mutually exclusive. Thus, the government of Congo-Brazzaville has been signing agreements with Moscow, probably for all four reasons simultaneously. Conversely, the new Senegalese government, which is currently the focus of the Kremlin’s attention in Africa, is above all concerned with distancing itself from European diplomacy.

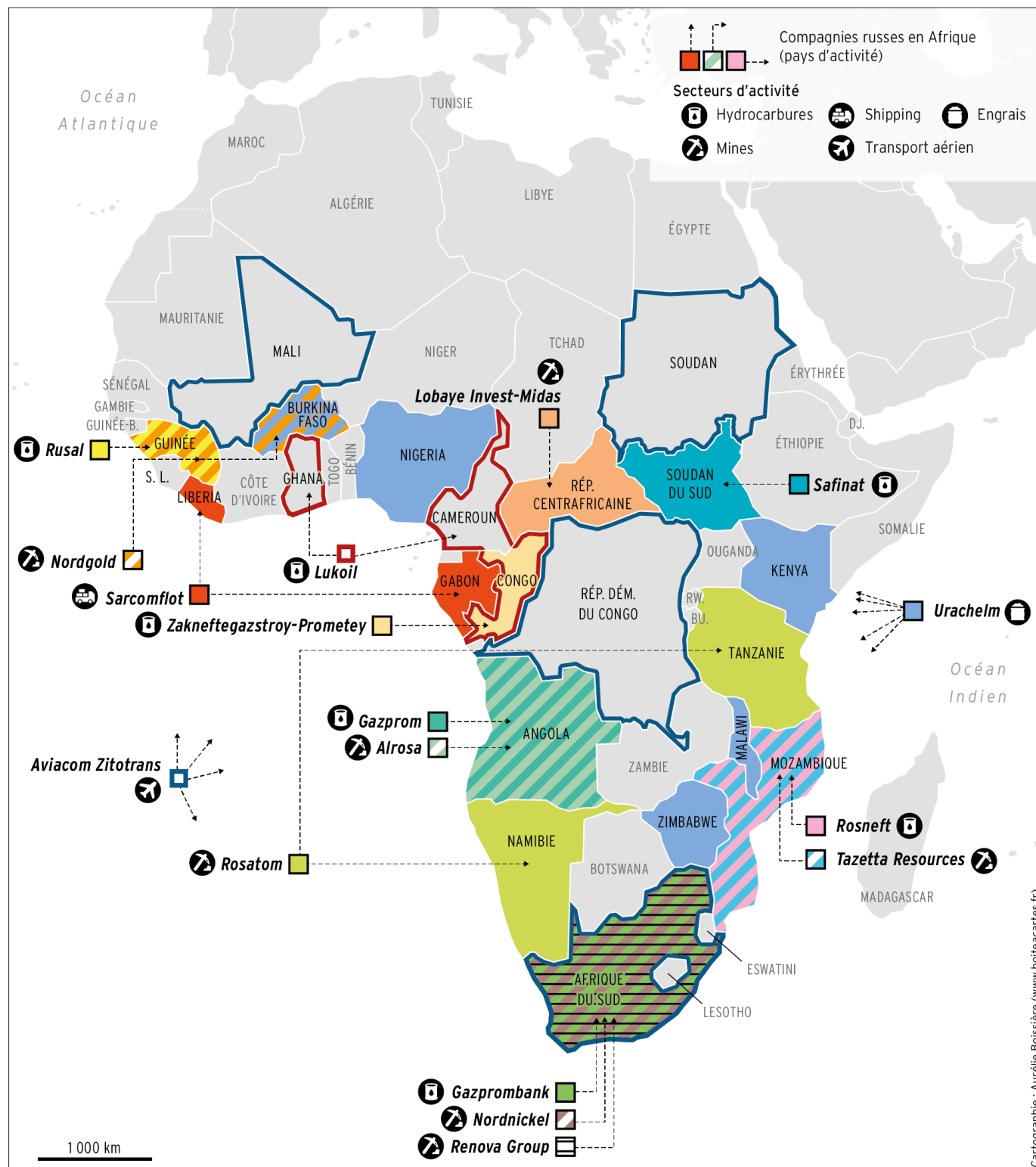
40. “Inauguration de la Chambre de Commerce et d’Investissement Afrique-Russie-Eurasie”, Ministry of the African Integration and Foreign Affairs of Senegal, July 10, 2024, available at: www.diplomatie.gouv.sn.

Conclusion

The revival of economic relations between Russia and sub-Saharan Africa from 2010 to 2012 resulted in modest trade, albeit structurally a surplus for Moscow, as well as Russian investments in the African mining, oil and gas sectors. Although limited, these exchanges had a strategic dimension, insofar as they concerned sectors such as arms and energy, and involved key players in both the Russian and African regimes.

Western economic sanctions against Russia affected Russian-African economic relations in contradictory ways. They reduced investments by major Russian extractive companies on the continent and forced Russian-African trade into the economic underground. At the same time, they allowed Moscow to increase its sales of refined petroleum products, and importantly, this did not lead to a breakdown in dialogue on economic cooperation. The continuation of dialogue is certainly misrepresented by Moscow as proof of the ineffectiveness of economic sanctions, but it is rich in lessons about the behavior of third countries. Economic sanctions against a country like Russia are not enough; they must be accompanied by a political discourse with third countries, a discourse that is seriously lacking.

Annex: Russian companies in Africa



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How to quote this publication:

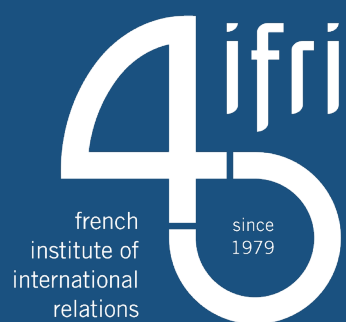
Thierry Vircoulon, "The Contradictory Impacts of Western Sanctions on Economic Relations between Russia and Sub-Saharan Africa", *Briefings de l'Ifri*, Ifri, May 28, 2025.

ISBN: 979-10-373-1055-2

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Cover: First Russia-Africa Summit held in Sochi, Russia © GCIS/Flickr.com



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