

# EGYPT GAINS STRENGTH

WHAT WILL ISRAEL'S RELATIONS WITH ITS SOUTHERN NEIGHBOR LOOK LIKE?



**הביטחוניסטיים IDSF**  
ISRAEL'S DEFENSE & SECURITY FORUM

Research Department

June 2024

**IDSF – Israel's Defense and Security Forum, Habithonistim** is a movement with more than 20,000 senior officers, commanders and combatants in the reserves and civilians who are former members of all the security forces. It was founded in order to defend the state of Israel's security needs in a way that will enable it to exist and prosper for generations to come.

**Our policy is clear:** We are committed to Israel's right to safe borders, the borders of the land of Israel; we believe that Israel's security needs head the national priorities; and we believe that Israel does not have the privilege of losing any war. The IDF must act freely in the entire area in order to fulfill its responsibility and to defend Israel.

We clarify that the movement is non-partisan, but puts the values and the vision that define it at the forefront.

**The movement's management:** Brigadier General (res.) Amir Avivi (chair and founder), Lieutenant Colonel (res.) Yaron Buskila (VP), Or Yissachar, Assaf Voll, Jessica Barazani, Ortal Ron, Moshe Davis, Elie Pieprz, Keren Balila, Ronit Farkash, Eva Nagar, Tal Nir, Yitshak Lev

**The movement's board of directors:** Major General (res.) Gershon Hacoheh, Major General (res.) Yitzhak Gerry Gershon, Commissioner (res.) Shlomo Katabi

**Among the members of the movement:** Major General (res.) Yossi Bachar, Major General (res.) Kamil Abu Rukun, Major General (res.) Yossi Mishlav, A., a former senior officer in the Mossad, M., a former senior officer in the General Security Services, former Commissioner Shlomo Katabi, Brigadier General (res.) Hasson Hasson, Brigadier General (res.) Harel Knafo, Brigadier General (res.) Avigdor Kahalani, Brigadier General (res.) Yossi Kuperwasser, Colonel (res.) Tal Braun, Prof. Alexander Bleigh

**Author:** Shachar Citron

**Professional advice:** Brigadier General (res.) Yossi Kuperwasser

**Editor:** Or Yissachar

**Graphic design:** Odelya yegudayev

**Published:** June 9, 2024 / 3 Sivan 5784, updated July 2024



IDSF • Registered Association 580697472 • [idsf.org.il](https://idsf.org.il)



## About the Research Department

Published: June 9, 2024 / 3 Sivan 5784, updated July 2024

The Research Department of the Israel Defense and Security Forum aims to be a leading, relevant and dynamic voice in the public debate in Israel that through actionable research provides the public and the decision makers with the tools necessary to cope with the developing political-defense situation, while implanting the principles and values of the national security of the state of Israel so that it will flourish for generations as the nation state of the Jewish people.

We advance fact-based, professional and inviting discourse that bases itself on the principles and values of Zionism and Israel's national security as a self-evident departure point. These include Israel's identity as a Jewish and democratic state, based on the Zionist vision, national security that is built from the inside outwards from which the principles of governance and sovereignty are derived, full security control by the IDF in the area, power as a source of peace, nurturing human capital and the principle of the enlisted nation.

The Department's activity revolves around two complementary levels: research and its mediation. We provide reports, studies and position papers that focus on our core subjects, together with professional recommendations. This research is made accessible to the public and to decision makers by different means, from meetings with decision makers through appearances in the media and open lectures.

We set ourselves the aims of education and teaching the public in general and the younger generation in particular.

**Head of the Department:** Or Yissachar

**Director of the Department:** Brigadier General (res.) Yossi Kuperwasser

**The team of researchers:** Major General (res.) Gershon Hacohen, Brigadier General (res.) Oren Solomon, Colonel (res.) Ronen Itzik, Lt. Col. (res.) Maurice Hirsch, Lt. Col. (res.) Dr. Mordechai Keidar, Major (res.) Lilach Eshtar, Dr. Ruth Cabessa Abramson, Dr. Martin Sherman, Att. Yifat Segal, Eran Lahav, Yoram Ettinger, Att. Eli Kirshenbaum, Atar Porat, Bar Shichrur, Captain (res.) Tamir Barhum, Shachar Citron, Itai Katz

Executive Summary .....	6
Introduction: Egypt and Israel .....	8
Egypt: Overview of Current Situation .....	8
Regional Status .....	8
The Economy .....	10
Military and Security .....	13
Sinai .....	16
Gaza .....	17
Israeli-Egyptian Relations in the Context of the Swords of Iron War .....	17
Initial Egyptian Responses to Swords of Iron .....	18
Mediations in Hostage Release and Ceasefire Negotiations .....	19
Humanitarian Aid .....	19
Ground Manoeuvres in Gaza, Rafah, and the Philadelphi Corridor .....	20
Refugees .....	21
The Military in Sinai .....	21
U.N. Votes .....	22
The Suez Canal .....	22
The Future .....	22
Implications .....	23
The Short Term .....	23
The Long-term View .....	24

# EGYPT IS GETTING STRONGER

## Population

113 million

## Area

1 million sq km

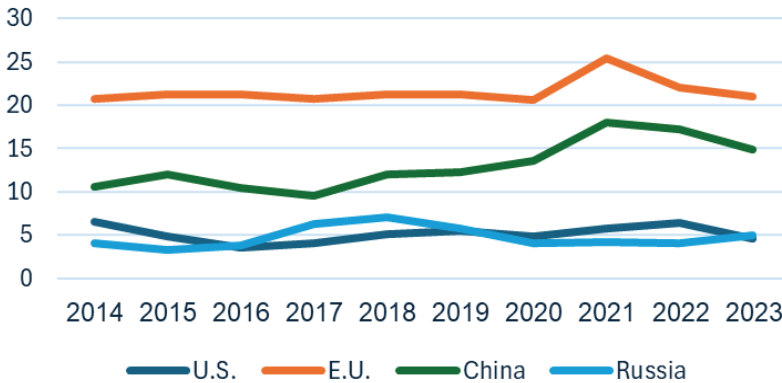
## President

Abdel-Fattah al-Sisi

## Capital

Cairo

## Egyptian imports, in \$ billion



\$

GDP per capita

4,295\$



Regular army

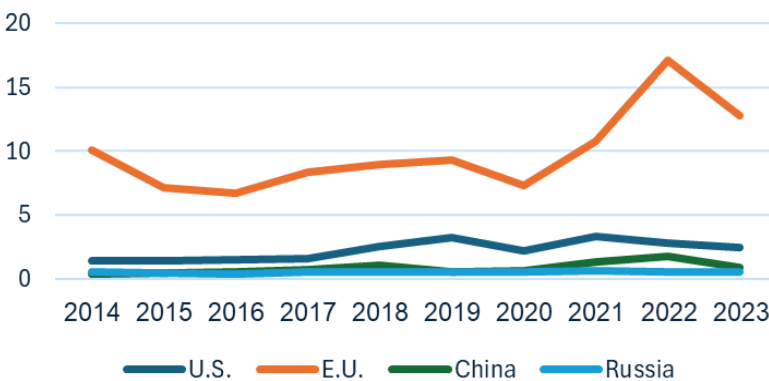
440,000 soldiers



Inflation

34%

## Egyptian exports, in \$ billion



Life expectancy

years 70.2



Foreign debt

175 \$ billion



Unemployment

6.96%

## Executive Summary

The complicated relations between Israel and Egypt go back to long before the establishment of the Jewish state. At first, Israel and Egypt were bitter enemies. The two nations fought five wars, all of which ended favorably for Israel, though it sustained heavy losses and endured difficult battles. But after the 1977 peace initiative, when Egyptian President Anwar Sadat visited Israel and addressed the Knesset, relations changed, climaxing in the signing of a peace treaty in 1979. Since then, Egypt and Israel have collaborated in different areas, including economic ventures (joint ventures, such as gas exports from Israel to Egypt) and security (fighting ISIS in Sinai and destroying Hamas tunnels between the Gaza Strip and Egypt). Furthermore, Israel has leveraged Egypt's status to act as a mediator with Hamas in the various rounds of fighting between the sides. The present war between Israel and Hamas poses challenges and opportunities before the two nations at a time when Egypt is undergoing processes producing other challenges and opportunities. These may be divided into two: those affecting the near future and those with implications for the long term.

## The Near Future: The Swords of Iron War

Given the events of the war, **Egypt is a potential ally, and cooperation with it is both vital and necessary to determine the post-war reality in Gaza and attain the goals of the war.** Relations are somewhat tense, mostly because of Egypt's obligation to support the Palestinians, the Egyptian worry that Palestinians from Gaza will enter Sinai, and the concern that the war might result in threats to Egypt's internal stability (to date, unlike Jordan, the situation has been relatively calm). However, generally speaking, Egypt is one of the Arab nations with the greatest potential for cooperation due to its strong ties with the West and the United States, as well as its rivalry against the Muslim Brotherhood. **In this context, immediate challenges and opportunities in Israel's relations with Egypt include:**

- **Cooperation with Egypt in achieving the goals of the war:** Egypt borders the southern Gaza Strip and controls the Philadelphi Corridor, a 14-km. long passage roughly 100 m. wide, which constitutes the major smuggling route for most of Hamas' - and the other Gazan terrorist organizations' - weapons. To achieve the war goals – destroying Hamas and rescuing the hostages – Israel must continue its ground maneuver in Rafah and in the Philadelphi Corridor, and maintain control of it after the war is concluded. In light of Egypt's opposition to Israel's plans and the threats it has issued, Israel must **strive to reach agreements with the Egyptians about future actions, which will allow Israel both to realize its goals and demonstrate maximal**

**sensitivity to Egypt's interests and desires.** Moreover, the tension around the IDF's entrance to Rafah, the increased stridency of Egypt's tone, and its desire to keep Hamas from achieving any gains, may enable Egypt to play an important mediating role in achieving a hostage release deal. And, in fact, Egypt has finally taken the baton from Qatar in leading the hostage negotiations, is in direct communication with Sinwar, and is proposing new compromises. At first, it was to keep Israel away from Rafah, but now it is aimed at ending the fighting.

- **Leveraging economic aspects:** Egypt has been mired in an economic crisis since long before the war in Gaza, with high inflation (34% in 2023), high poverty rates (29.7% in 2019), widespread devaluation of the Egyptian currency, and a foreign debt crisis (estimated at more than \$165 billion). At the same time, President al-Sisi is carrying out grandiose projects costing billions with no immediate payoffs; these include the New Administrative Center, a new Nile Delta development, and a new seaside city. In the meantime, the construction of the Grand Ethiopian Renaissance Dam, which spans the Blue Nile – the most important tributary of the Nile, along whose banks most of Egypt's population lives – is raising the risk not only of creating new problems but also exacerbating existing ones, such as increased unemployment, higher food prices, higher energy costs, and decreased agricultural output. **Israel can use economic tools such as its gas exports, its ties with the United States, and its diplomatic relations with Ethiopia to help Egypt face its issues in exchange for promoting Israel's interests in the war and gaining Egyptian support for them,** including willingness to allow passage through Egypt to refugees from Gaza.
- **Using the Houthis' activities to Israel's ends:** The Houthi attacks on ships at the gateway to the Red Sea have resulted in a dramatic drop of some 40 percent in Egypt's revenues from the Suez Canal. In light of this, Israel can and must **enlist Egyptian support for military action against the Houthis begin taken by Western nations** for the sake of shared goals, such as degrading the capabilities of the Houthis and Iran, which provides their financing and guides their actions.
- **Enlisting the West:** At the same time, the United States and the European Union have, like Israel, the ability to influence Egypt. U.S. aid to Egypt currently stands at \$1.3 billion a year (Egypt requested \$1.44 billion for 2024), and the EU has extensive loans, investments, and arms deals there. If the political will is there, **they will be able to influence Egypt to spearhead a change in Egyptian policy touching all issues related to the war in Gaza.** This requires a change in policy on both the part of the U.S. administration and the EU. It should be



noted that any pressure must be **applied with care and moderation** lest Cairo be pushed to trade in the West's economic support for China's, whose commercial ties with Egypt have grown in the last decade.



IDF soldiers in Gaza Photo: IDF spokesperson, Yedaya Cohen

## The Long-term View

For the long term too, **it is reasonable to assume that Egypt's commitment to the pragmatism that currently characterizes it and to the bloc of moderate Sunni Arab nations as well as the relationship with the United States and the West will last. Thus, its commitment to the peace treaty with Israel and opposition to the Muslim brotherhood as well as support for the Palestinians will also continue.**

**Nonetheless, Israel's partnership with Egypt cannot be taken for granted. At present, Egypt is experiencing several processes and trends (military buildup, tensions with the United States, winks and nods to Russia and China) that raise the concern about the future of Israeli-Egyptian relations. Therefore, Israel must keep its eyes open and have contingency plans available in case of change, as well as a solid intelligence assessment and military force construction tailored to circumstances. In this context, challenges and opportunities in relations with Egypt over the long term include:**

- **Improved relations with problematic regional elements ("the axis of evil"):** Given the decrease in U.S. support in recent years and doubts about the administration's commitment to defend U.S. allies, Egypt has expanded its policy of diversifying its military supply sources and is now buying weapons and munition worth billions of dollars from many nations, including Russia and China, both of which have increased their investments

in Egypt. A continued drop in U.S. and Western support and closer ties with other nations as well as the unsure, deferential approach the West is taking towards the axis of evil might **push Egypt towards agreements with those nations. Furthermore, there is a thaw in relations with Iran and the countries associated with the Muslim Brotherhood, i.e., Qatar and Turkey, with which Egypt had tense relations until quite recently.** Right now, this growing closeness looks like a tactic designed to improve Cairo's bargaining power and strengthen its regional standing and ability to handle its economic challenges. But should this continue and turn into Egypt's new strategy, **it will have worrying implications for Israel's security and damage the West's zone of influence.**

- **Egyptian military buildup:** Even as the nation has hewn to the peace agreement and maintained security cooperation with Israel, the Egyptian army has for many years been undergoing modernization and force construction processes: it has armed itself with many advanced weapons systems, upgraded its infrastructures, and improved its training programs. These processes **create the potential for posing a threat to Israel's security especially because Israel is not preparing for the possibility of Egypt turning from a potential to a real threat.** After the war ends, the Israeli government and security establishment must hold a strategic discussion about Egypt and examine how best to prepare from such an eventuality, and especially what must be done now, e.g., improving intelligence familiarity with the Egyptian army's capabilities.
- **The peace agreement: At present, there doesn't seem to be a real danger of the peace agreement being suspended or abrogated despite differences of opinion about Israel's actions in Rafah. Nonetheless, Israel must consider that the ongoing and worsening economic crisis in Egypt, especially those aspects affecting the younger generation and the educated classes, as well as the anti-Israel public sentiment that the Egyptian government isn't doing enough to support the residents of Gaza might lead to protests.** Such protests might grow to a scope that will make it difficult for the government to control, **affect Egypt's decision-making processes** on all matters, including those related to the war, bilateral relations, and the peace agreement. In the extreme scenario, popular protests might **lead to regime change and the rise of a government that does not favor maintaining the peace agreement with Israel.** In tandem with this possibility, Israel must try to forge closer relations with Egypt and increase Egypt's dependence on it, using its economic leverage and political tools. This would preclude the scenario of the peace agreement being violated no

matter what government happens to be in power, just as the Muslim Brotherhood government led by Muhammad Mursi refrained from doing so.

# Egypt and the Swords of Iron War

Bilateral Israel-Egypt strategic relations and challenges to them in light of developments in recent years, especially the ongoing war between Israel and Hamas

## Introduction: Egypt and Israel

The complicated relations between Israel and Egypt extend to long before the establishment of the Jewish state. At first, the Israel and Egypt were bitter enemies. The two nations fought five wars, all of which ended favorably for Israel. Egyptian President Gamal Abd al-Nasser, who ruled the country with an iron fist from 1954 until his death in 1970, took an antagonistic policy on Israel aimed at uniting the entire Arab world under Egypt's zone of influence based on his pan-Arab vision. He even managed to realize this in the form of a temporary unification with Syria (the United Arab Republic) and the destabilization of the Iraqi and Jordanian regimes. Nasser's belligerent foreign policy resulted in the Suez Canal crisis (peaking in the Sinai Campaign in 1956), preparations for the Six-Day War in 1967, and significant impact on the Eisenhower Middle East doctrine, which favored appeasing Egypt to draw it into the orbit of the West. Appeasing Egypt meant abstaining from harsh rhetoric about it and applying pressure, both on Great Britain vis-à-vis the Suez Canal and on Israel to make political concessions and display military restraint. Nasser chose to move closer to the USSR and the non-aligned movement while keeping the West as a political asset to benefit his nation. This conduct was typical for the Egypt's historic megalomania, a nation that had always seen itself as the rightful leader responsible for the Arab world as a whole. Thus, the headquarters of the Arab League was, of course, established in Cairo.<sup>1</sup>

However, after the 1977 peace initiative, when Egyptian President Sadat visited Israel and addressed the Knesset, relations thawed, climaxing in the signing of a peace treaty in 1979. Since then, Egypt and Israel have collaborated in different areas, including the economy (joint ventures, such as gas exports from Israel to Egypt) and security (the war on ISIS in Sinai and the demolition of Hamas' tunnels between Gaza and Egypt). Furthermore, Israel has used Egypt's position to serve as a mediator with Hamas in the various rounds of fighting between the

sides. The Swords of Iron War poses challenges and opportunities for relations between the two nations.

## Egypt: Overview of Current Situation



Map of Egypt. Photo: Shutterstock.com

## Regional: Regional Status, Conflict with Ethiopia, and Unstable Borders with Libya and Sudan

In the middle of the 20th century, the Arab world considered Egypt a major leader. After the Sinai Campaign and the Yom Kippur War, Egypt was seen as a victor, the nation that managed to defeat Israel, **garnering it admiration and prestige throughout the Middle East and in the Arab nations.** But after it signed the peace treaty with Israel in 1979, **the Arab world perceived Egypt as a traitor** to the Arab cause. In recent years, Egypt's regional status has deteriorated further in the eyes of the Arab world: as a consequence of the Abraham Accords, Egypt is no longer unique as an Arab country having diplomatic relations with Israel. Moreover, Saudi Arabia has sent clear signals that it is willing to sign a normalization agreement with Israel. Nonetheless, it should be noted that despite the Abraham Accords, Egypt remains Israel's most important neighbor and a significant factor in its strategic interests. At the same time, the status and influence of other Middle East players, such as Saudi Arabia, Iran, and Turkey, have risen and are playing an increasingly greater role in the region's geopolitics at the expense of Egypt's traditional role, which peaked during the rule of Gamal Abd al-Nasser.

Still, Egypt is far from conceding its primacy, and is working to position itself as **one of the leading players in the region.** To achieve this, Egypt is engaged in a host of initiatives and developments to improve its economy, modernize its army (more below), and expand its political influence.

Beyond its broader geopolitical difficulties, Egypt also has problems with its neighbors. To its east, it



borders Israel and the Gaza Strip, to the west Libya, and to the south Sudan (the Mediterranean lies to its north). In recent years, it has **experienced challenges from Libya and Sudan in addition to having a worsening conflict with Ethiopia**, also located to its south, **and a power struggle with Turkey, all of which is generating an environment of instability nearby:**

**Libyan internal strife:** In 2011, as part of the Arab Spring, a popular uprising toppled the regime of dictator Muammar Gaddafi, at the end of which he was deposed and killed. Since then, the nation experienced a civil war from 2014 until 2020.<sup>2</sup> In that war, Turkey, headed by Muslim Brotherhood sympathizer President Recep Tayyip Erdoğan, placed military troops in Libya and is now trying to enlarge its foothold there to benefit its economic and political interests.<sup>3</sup> Even now, Libya is plagued by internal strife between the Government of National Accord (**GNA**) in Tripoli, in the country's west, and the rival forces in the east led by the Libyan National Army (**LNA**), and there is growing concern that the situation will escalate and turn into another round of civil war. Egypt does not want another war in Libya **in light of the economic implications of such an event and the security risk it might pose**, especially given the growing Turkish involvement in Libya.

**Civil war in Sudan:** Another challenge to the Egyptian regime comes from the south. Over the past years, Sudan, which has a history of blood-soaked internecine fighting, has experienced a civil war<sup>4</sup> between the Sudanese Armed Forces, commanded by Abdel Fattah al-Burhan, and a militia called the Rapid Support Forces, commanded by al-Burhan's former second-in-command, Muhammad Hamdan Dagalo. Since the outbreak of hostilities, thousands of Sudanese citizens have been killed and millions have fled their homes. This is a challenge to Egypt, which in the past took in tens of thousands of Sudanese refugees and has taken in many more tens of thousands in the past year alone, **despite the economic challenge represented by hundreds of thousands of refugees in the country. In part, it has done so also because Egypt needs Sudan's support in the ongoing conflict with Ethiopia.**

**Risk of war with Ethiopia:** Another challenge from the south is the Grand Ethiopian Renaissance Dam, also known as **GERD**, Ethiopia's ambitious project to build a magnificent new dam spanning the Blue Nile, the most important tributary of the Nile and Egypt's most important water source.<sup>5</sup> The conflict, which goes back to the early 1900s, worsened in 2011 when Ethiopia decided to build the new dam. The project aims to provide electricity for Ethiopia, suffering a severe energy shortage, and export electricity to other African nations. The downside is that the project

might damage the water supply to Egypt and result in vast economic losses because of the role agriculture plays in the Egyptian economy as well as damage to its own electricity supply, a scenario that is raising concern among many of Egypt's decision makers. Consequently, **tensions between the two nations are rising daily and there is real worry about an Egyptian attack on Ethiopia, which might lead to a war between the two or even a regional war.** In the context of the conflict, Egypt has asked Israel to serve as a mediator in talks with Ethiopia given the relations Israel has with the nation. While the 36th government was reportedly willing to assume this role, it is not known if there is any movement in that direction today.

**Complex relations with Turkey:** Turkey is an **Egyptian rival for Middle East and regional influence**, in part because it sees itself as a strong, influential player with a large, strong army. After al-Sisi's revolt, which ousted the Muslim Brotherhood's Muhammad Morsi, relations between the two **cooled to the point of hostility** as the two found themselves on opposite sides of various issues. For example, each supported a different side in the Libyan conflict, with Turkey trying to enlarge its economic and political foothold there. Since 2021, there has been **a certain warming of relations**, with the scope of Egyptian exports to Turkey growing from \$3 billion in 2021 to \$4 billion in 2022.<sup>6</sup> In addition, in August 2023, the Egyptian minister of commerce announced that he was hoping to increase bilateral trade to \$15 billion over the next five years. At the same time, Turkey is also interested in importing Egyptian gas for its energy needs. But there is still friction between the two as they compete in different arenas, including the search for natural gas in the Mediterranean Sea. Egypt (together with Greece) opposed the agreement on delineating maritime borders that Turkey signed with Libya, declaring the agreement illegal.<sup>7</sup> It would seem that **relations between Egypt and Turkey are complex, and despite a measure of thaw, there is still friction over several issues.** Finding gas in the area in dispute between the two would almost certainly **increase tensions.**



Egyptian President Abed al-Fattah al-Sisi / Photograph: Shutterstock.com



Egypt and the Nile, photo from space/ Photograph: Shutterstock.com

### The Economy: A Nation in Crisis Undertaking Ambitious Economic Projects

Egypt, with a current population of 113 million, which is expected to grow significantly over the next several decades (with a projected population of 160 million in 2050), is **mired in a severe economic crisis**, revealed by the following data: **high inflation** (about 34 percent in 2023), **high poverty rates** (29.7 percent in 2019), **widespread devaluation of the Egyptian currency**, and a **foreign debt crisis** (estimated at more than \$165 billion).

The construction of the GERD could affect the flow of the Blue Nile, which is increasing concerns about a significant rise in unemployment (some 20 percent of Egyptians work in agriculture), a decrease in Egypt's ability to produce food, damage to its ability to provide electricity, and a drop of billions in Egypt's GDP. This would require Egypt to acquire goods from foreign nations, increase its debt, and **exacerbate the existing economic crisis**. It should be noted that until the war in Ukraine, Egypt imported almost all its wheat from Ukraine and Russia, but since then (and the damage to those two nations' wheat production) there has been **an increase in wheat prices globally** and Egypt has been forced to turn to other countries for its wheat imports.<sup>8</sup>

### Economic Projects

In tandem, al-Sisi decided to embark on **several grandiose projects to be executed within the next few years, projects costing the Egyptian public billions of dollars and forcing the nation to assume more loans, thus enlarging its already formidable debt**. One of the largest is the construction of the new Nile Delta region, designed to expand Egypt's agricultural lands to provide for the rapidly growing population, already numbering 113 million. As part of the project, water pipes will be laid over 22 kilometers and an artificial river will extend over 92 kilometers to bring water from the Nile to the intended destination to irrigate agricultural produce.<sup>9</sup> At present, Egypt is one of the world's largest food importers; it is first in wheat and second in corn and it imports sizeable quantities of lentils, sugar, oil, and more. Egypt hopes that after the completion of the expanded Nile Delta region, it will be able **to produce large quantities of the food it requires and lower its costs as well as create new job opportunities for millions of citizens**.

Another project is the New Administrative Capital, **the establishment of a new, advanced capital city sprawling over 725 square kilometers<sup>10</sup> and which is supposed to become home to millions**. The new city is being built between Cairo, the current capital, and Suez; in addition, 14 new cities are springing up in different parts of the country. The cost of building the new capital is estimated at \$58 billion, a particularly large sum.<sup>11</sup> Given the country's economy and its debt, many are wondering if the new project is necessary and if it wouldn't be better to invest the money elsewhere. One explanation for the initiative is al-Sisi's desire **to distance himself and his government from the masses and thus render himself immune to riots and coup attempts**, a



lesson learned from the 2011 revolt. Furthermore, although large parts of the projects are already complete, the city remains unpopulated; the forecast is that by the end of 2024, some 10,000 families will have moved in.<sup>12</sup>

As the nation is working to erect its New Administrative Capital, **Egypt is also building a new seaside town** on 170 square kilometers.<sup>13</sup> It is meant to have new residential towers, hotels, tourist attractions, hospitals, universities, and other structures **designed to attract tourists and investments and inject foreign currency into the economy.** To build the city, Egypt signed an agreement in February 2024 with the UAE to **finance \$35 billion of the project.**<sup>14</sup> The Abu Dhabi Development Holding Company (ADQ), a wealth fund, will be in charge of the project. Some \$24 billion will come from buying some of the project's rights, a fact that is raising eyebrows regarding Egypt's sovereignty of the region, and \$11 billion will be provided in the form of investments of UEA money deposited with the Central Bank of Egypt.<sup>15</sup> Egypt expects that **all investments accruing from the project will amount to at least \$150 billion.**

It is important to note that, despite the projects, **the rate of unemployment among young people, especially the educated, remains high<sup>16</sup>** and it doesn't seem that they are producing enough jobs for the younger Egyptian generation.<sup>18</sup> Given the difficult economic situation of the young, especially the educated, al-Sisi understands that they represent one of the greatest risks to the stability of his regime. An uprising on their part, similar to the demonstrations in 2011 at Tahrir Square where they young played a key role, might result in his deposal. Consequently, he is, on the one hand, trying to improve their economic prospects, and, on the other, is maintaining a policy of "lengthy prison terms, torture, arrests without due process [ , which] have become a formative experience of the young people of the revolution."<sup>19</sup>



Demonstrators against the Egyptian regime in Tahrir Square, Cairo, 2011 / Photograph: Shutterstock.com



The New Administrative Capital under construction / Photograph: Shutterstock.com

## Debt Crisis

As noted above, Egypt is suffering a debt crisis, with **its foreign debt amounting to \$165 billion.** In the 2023-2024 fiscal years, some 56 percent of budget expenditures were designed to repay past loans and interest, while some 49 percent of government income was expected to come from loans.<sup>20</sup> This means that Egypt **is taking large loans to repay old loans, thus managing only to deepen its crisis.** Given this reality, in December 2022,

Egypt reached an agreement with the International Monetary Fund<sup>21</sup> according to which it would receive a \$3 billion loan in exchange for executing a program of economic reforms. Although Egypt had trouble making the required changes, the IMF, in March 2024, agreed to expand the loan by another \$5 billion<sup>22</sup> and compromised on the execution of the program, which included four major issues:<sup>23</sup> switching to a flexible currency valuation system; tightening monetary and fiscal policy; safeguarding the budget aimed at protecting vulnerable households; and balancing the ratio between the public and private sectors.

## Economic Ties with Israel

From a blue-and-white perspective, relations between the nations are manifested in several ways. Many tourists from Israel travel to Egypt (mainly Sinai), there is trade between the two, and Israel exports gas to Egypt. In 2021, commerce between Israel and Egypt, excluding the gas deal, amounted to about \$330 million.<sup>24</sup> Israel exported goods worth \$120 million to Egypt and imported goods worth \$210 million from Egypt. In 2022, there were mutual visits by economic delegations and representatives; there was talk about expanding the QIZ agreement;<sup>25</sup> there were meetings about establishing an aerial route between Tel Aviv and Sharm al-Sheikh; and



the Israeli government submitted a plan to expand the two nations' bilateral economic relations, one of whose goals was to expand commerce between the nations to \$700 million within three years.<sup>26</sup>

The heart of economic relations between the nations is the **Israel-Egypt gas agreement** as part of which Israel exports natural gas from the Leviathan and Tamar fields to Egypt. The first export agreement was signed in February 2018, which stated that **gas worth \$15 billion would be provided over 10 years.**<sup>27</sup> The gas is meant primarily for domestic consumption, but some goes to Egyptian liquefaction plants whence it is exported to Europe.<sup>28</sup> In 2023, Egypt applied pressure to Israel to increase the amount of gas after Israel, in 2022, agreed to an initial boost in exports. In February 2024, the partners in the Tamar field announced that, as of July 2025, the amount of gas exported to Egypt will again grow.<sup>29</sup>

The agreement between the two nations **did not go down smoothly in Egypt** and criticism came from Islamic organization, incensed by cooperation with Israel and by the gas, which they claimed was stolen from Egypt, as well as from opposition movements expressing concern with relying on Israel, criticizing the economic benefits to the Egyptian public, and questioning the transparency of the process involved in the agreement's signing.<sup>30</sup> But despite domestic grumbles, the Egyptian government feels the agreement strengthened Egypt's status and positioned it as a regional energy center.

At the end of October 2023, Israeli exports to Egypt came to a halt<sup>31</sup> because of the stoppage of activity at the Tamar field, a result of the Swords of Iron War. The interruption of gas supply led to an increase in the incidence of electrical outages in Egypt and diminished income from Egypt's LNG exports.<sup>32</sup> After a short time, supply was resumed but at a lower than usual scope.<sup>33</sup> It is obvious that **Egypt depends on Israel to supply its energy needs and the expansion of exports based on the last few agreements has only increased this dependence.**



The Sphinx and the Great Pyramid in Giza, near Cairo /  
Photographer: Shutterstock.com

## Economic Relations with Other Nations

**The United States:** In 2023, the United States exported goods worth \$4.5 billion, a 30 percent drop compared to 2022. At the same time, the United States imported goods worth \$2.4 billion, a drop of some 14 percent compared to 2022, when the United States imported goods worth \$2.8 billion. In tandem with trade between the two nations, U.S. investments in Egypt totaled some \$12.7 billion in 2022.<sup>34</sup> Moreover, Egypt received U.S. aid from two main sources:<sup>35</sup> money from the Foreign Military Financing (FMF), aimed at military assistance, and from the Economic Support Funds (ESF), meant for non-military purposes. In 2023, Egypt received \$1.3 billion from the FMF and \$125 million from the ESF. **Since 1978, the United State has provided military assistance to Egypt to the tune of \$50 billion as non-military aid totaling \$30 billion.**

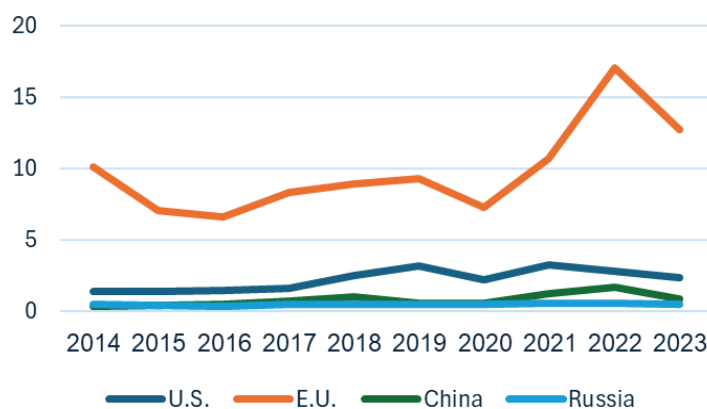
**The European Union: The EU is Egypt's largest trade partner, totaling some \$33.6 billion in 2023.** That year, EU nations imported goods worth \$12.7 billion from Egypt, while Egypt imported goods worth \$20.9 billion from EU nations.<sup>36</sup> This represents a decrease compared to 2022 but still leaves the EU as Egypt's largest trade partner. In addition, the EU invests billions of dollars in Egypt; based on 2021 EU data, its investment in Egypt in 2021 totaled €38.8.<sup>37</sup> **The EU also allocates hundreds of millions of euros to maintain ties with Egypt and has provided grants worth hundreds of millions of euros over the years.**<sup>38</sup> **In March 2024, it was reported that the EU would provide Egypt with €7.4 billion by 2027** to help Egypt in various areas:<sup>39</sup> political relations; economic stability; commerce and investments; immigration; security; and personnel and skills. As part of the agreement, Egypt will receive a loan of €5 billion, €1.8 billion in the form of investments, and some \$600 million in grants.

**China:** Egypt and China have maintained good relations for many years, going back to the founding of the People's Republic of China in 1956. In recent years, the scope of trade between them has been on the rise:<sup>40</sup> exports to China rose from \$330 million in 2014 to \$900 million in 2023. In the same period, imports grew from \$10.1 billion to \$14.9 billion, and China emerged as Egypt's largest single nation provider. In addition, **China has given loans to Egypt and made investments in the nation totaling billions.**<sup>41</sup> For example, in 2016, the Chinese bank CDB granted a \$1.4 billion loan to Egyptian financial institutions, with \$900 million earmarked for the central bank.<sup>42</sup> In addition, that same year, 21 Chinese companies agreed to invest \$15 billion<sup>43</sup> in projects in Egypt, consequent to a strategic cooperation plan the two nations signed in 2014. **The scope of economic ties is growing:** there is growth in trade and China

is both investing heavily in the country and granting very large loans. It should be noted that there is no evidence to date that China is helping Egypt in the form of cash or arms, similar to U.S. aid (more below).

**Russia:** Similar to its relations with China, Egypt has maintained good ties for most years, with a certain cooling-off at various times, such as during Muhammad Morsi's regime. In terms of commerce between them, Egyptian exports to Russia dropped somewhat over recent years: in 2014, they totaled \$540 million or so and in 2023 \$520 million.<sup>44</sup> At the same time, imports from Russia rose over the last decade, from a total of \$4.1 billion in 2014 to \$5 billion in 2023. **In 2018, the two nations signed a strategic cooperation agreement aimed, inter alia, at strengthening their economic ties.**<sup>45</sup> As part of the agreement, a contract was signed whereby Egypt would build nuclear power plants at a cost of \$30 billion, of which 85 percent would be a Russian loan. The agreement also covered other projects, such as the establishment of industrial zones in the Suez Canal region. In terms of Russian investments in Egypt, these would seem to be relatively modest, totaling some \$150 million for the 2022-2023 fiscal year, compared to the scope of Chinese investing. As is true of China, there is no evidence to date of Russia helping Egypt in the form of cash or arms, **but Russia does sell weapons to Egypt for billions of dollars.**

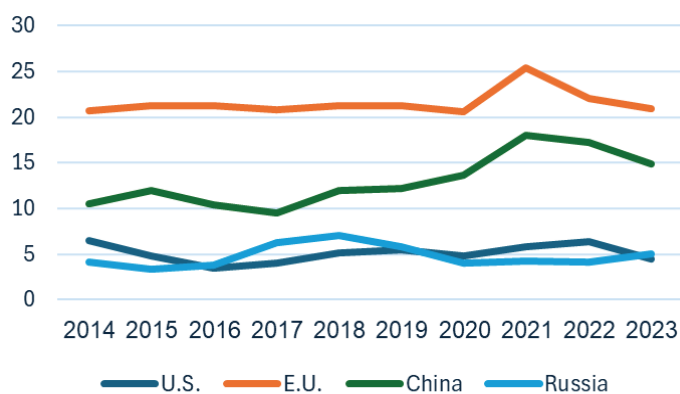
## Egyptian exports, in \$ billion



This graph shows that, over the last decade, the scope of Egyptian exports to the EU and the United States is trending up. There has been a moderate increase in exports to China, smaller than the growth in exports to the EU and the United States. The scope of exports to Russia has remained the same.

**In January 2024, Egypt's membership in BRICS<sup>46</sup> was officially activated.**<sup>47</sup> The organization, which consists of ten nations<sup>48</sup> (including Russia, China, and Iran), was established in part to generate cooperation among its member nations, to function as an alternative to the G7,<sup>49</sup> and to support economic cooperation among members. Today, one of its goals is to reduce the dominance of the U.S. dollar in the financial system. The fact that Egypt has joined the organization **is evidence for its growing closeness to the non-Western nations and its attempts to reduce U.S. ability to influence it.**

## Egyptian imports, in \$ billion



The graph shows that, in the last decade, the scope of Egypt's imports from China is trending upwards, with imports from the EU and Russia holding steady except for certain fluctuations over the years. By contrast, the scope of imports from the United States has consistently dropped over the last ten years.

### The Military and Security: Modernization and Buildup Alongside Upgraded Infrastructures and Improved Training Programs

**The Egyptian army is one of the strongest military forces in the world,** consisting of some **440,000 soldiers** augmented by some **480,000 reservists.** **As a whole, the Egyptian army is ranked 15th in the world.**<sup>50</sup> In terms of units, the army has armored divisions, mechanized divisions, artillery divisions, airborne divisions, special forces, and more. The army is **extensively involved in the Egyptian economy** and enjoys benefits such as subsidized fuel, preferential access to state contracts, etc. However, **the Egyptian army's budget is not known, and its share of overall national budget is unclear.**<sup>51</sup> For example, in 2015, the army budget was estimated at \$5.5 billion, but in the same year, Egypt's military acquisitions from France alone totaled around \$6.2 billion. Although the payments are spread over several years, that sum represented acquisitions from a single nation, and it is hard to believe that the acquisitions budget was included in the Egyptian defense budget.



Another hypothesis to explain the gap is that salaries are not included in Egypt's defense budget; rather, they are calculated as other government ministries' expenditures.<sup>52</sup>

## Military Buildup

In recent years, the army has been undergoing **extensive modernization and rearming processes with acquisitions totaling billions of dollars:** some 500 modern T-90 tanks, MiG and Sukhoi airplanes, combat helicopters, drones, and advanced anti-aircraft and anti-missile systems from Russia; 24 Rafale combat planes, a destroyer, submarines, combat ships, and missiles from France, submarines from Germany;<sup>53</sup> mine resistant ambush-protected vehicles (MRAPs) from the United States; and more. These make the Egyptian army **much stronger and more advanced than it has ever been and will provide it with modern capabilities in the battlefield.** To demonstrate, after completing the acquisitions, Egypt will have one of the largest modern air forces in the Middle East and its navy will be the second largest in the region (after Turkey's).

One key consideration regarding this buildup is **the diversity of acquisitions sources and the number of nations with which Egypt has signed contracts.** Under the Obama administration, the United States froze arms sales to Egypt (which were later completed) and put a temporary stop on its military aid<sup>54</sup> because of its opposition to the events that led to Morsi's ouster.<sup>55</sup> Since 2008, the United States has made at least part of its aid contingent on political and human rights reforms.<sup>56</sup> For Egypt, this is problematic, because since it signed the peace treaty with Israel, it has relied almost exclusively on U.S. weapons and received U.S. grants for an average of \$1.3 billion a year aimed at military needs. Given the realization that relying exclusively on U.S. aid was problematic, **Egypt decided to diversify its weapons supply sources.** Russia and France have become its major suppliers, with China, Germany, Italy, and others providing other acquisitions. While Egypt continues to acquire weapons from many nations, the United States continued to support it also in 2022, though it cut some of the military aid to the nation.<sup>57</sup>

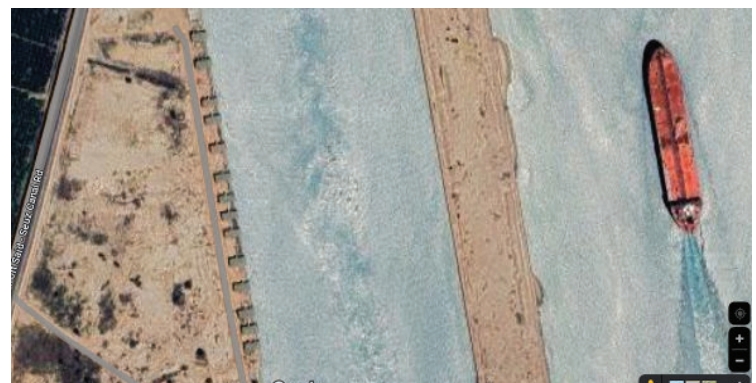
Also noteworthy are the new capabilities the Egyptian army will possess. Despite the claim the acquisitions are intended to defend its oil fields and fight terrorism, based on standard military doctrines, many of the acquisitions are much more suitable to deploying forces **to fight a regular military force,** such as rapidly deploying forces in the Gulf area or landing hundreds of troops on enemy shores. This is in addition to the fact that the Egyptian army is built primarily to engage in ground maneuvers rather than in operations against irregular forces.

## Other Security Processes

In tandem with the diversification and sophistication of its acquisitions, **Egypt is also seeing to the development of national infrastructures that will also serve the army and is improving training and military preparedness.** Among the programs it has recently initiated are a tripling of its ports' capacities, road and rail improvements throughout the country, and the construction of seven more tunnels under the Suez Canal. In addition, satellite images show that since 2013 Egypt, has built **dozens of pontoon bridges** (mostly military)<sup>58</sup> as well as a metal railway bridge, **tripling the number of possible passageways allowing a canal crossing,**<sup>59</sup> which would make it possible to transfer troops to Sinai faster than in the past. The major program with which the military is charged is the Sinai development program. Highways are being paved in the peninsula and there are plans to move citizens and implement economic development plans there.

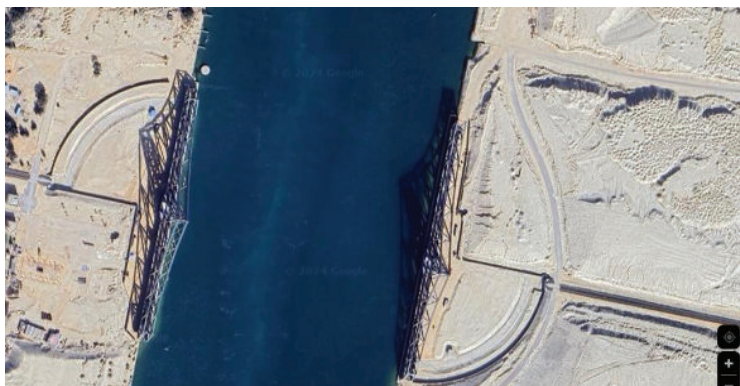


The Ahmad Hamadi Tunnel, a vehicular tunnel under the Suez Canal / Photo: Google Maps



A military pontoon bridge for use when needed, near the Deversoir Air Base / Photo: Google Maps





The El-Firdan Railway Bridge, a swing bridge near Ismailia / Photo: Google Maps

At the same time, other semi-military developments are under way throughout the country: the development of the El-Meliz<sup>60</sup> and El-Arish airports in Sinai, some construction of which looks military; the construction of enormous fuel depots, some camouflaged and some large enough to serve an army; the expansion of all military bases in Sinai and the construction of new bunkers; the construction of storage facilities in the Cairo-Suez region that, according to satellite images, look like military sites; and the construction of new brigade-sized camps at various locations throughout the country. At the same time, Egypt is making an effort to improve military training programs and preparedness. It executes large-scale military exercises and joint exercises for various branches of the armed services, all of which seem to indicate preparation for regular warfare.

The key significance of the processes the Egyptian army is undergoing is this: once it has completed its improvements and acquisitions, **the Egyptian military will be in a position to rapidly deploy forces towards Sinai but less prepared to deploy troops towards Libya or Sudan.** This raises worrisome questions about Israel's preparedness for a surprise attack from Egypt: **does Israel have the ability to respond to such an attack? Is Israel prepared for such an eventuality?**

### The Octagon: The New Headquarters of the Egyptian Defense Ministry

In tandem with military developments and acquisitions, Egypt is also constructing the Octagon, the new Defense Ministry's military headquarters. It is located in the New Administrative Capital as part of a larger trend to shift all government ministries and other institutions to the new site. Construction began in 2016 and is slated to cover 89 square kilometers, **making it the largest military headquarters anywhere in the world.**<sup>61</sup> It consists of eight octagonal buildings in an outer ring and two more within the ring, with room left over for two more

buildings where the commanders of the four branches of the armed forces – ground, navy, air, and aerial defense – can work. The construction of this massive complex, expected to cost tens if not hundreds of millions of dollars, **reflects the change in Egypt's approach to security: renewal, modernization, and the projection of military might.** Furthermore, the importance attributed to the complex compared to the buildings of the other government ministries emphasized **Egypt's investment in security and the precedence it takes in terms of the national agenda.**



Tutankhamen's tomb in Luxor / Photograph: Shutterstock.com

### Muhammad Nagib: The Largest Military Base in the Middle East

In July 2017, Egypt inaugurated the Muhammad Nagib Military Base, considered the largest installation of its kind in the Middle East; according to the Egyptian military spokesman, it is also the largest in Africa.<sup>62</sup> Located west of Alexandria on the shores of the Mediterranean, its construction started in 1993, but it has since then undergone several upgrades and expansions. It serves as the base for the ground, naval, and air forces and also provides many services. For example, an on-site farm provides food and a solar system provides the base's electricity. Estimates say that the construction of the base, which consists of 1,155 buildings and 72 kilometers of paved roads and streets, cost more than one billion dollars and that much of the money came from Saudi Arabia.

### Detention Facilities

In addition to military developments, **the number of detentions facilities and their capacities have been growing for more than a decade.** According to some estimates (Egypt does not publish any reliable data on the topic), in 2010, Egyptian prison capacity stood at some 150,000 prisoners. By the end of 2021, however, estimates speak of 15 new

prisons<sup>63</sup> having been constructed at large expense, so that **the current capacity has grown to some 360,000 prisoners, an increase of more than one hundred percent.**<sup>64</sup> The increase in prison capacity, which began under Mubarak, went into high gear after al-Sisi's military coup. His regime has added prisons, renovated others, and added to their total capacity. These detention facilities seem **to be meant for opponents to the regime and a result of al-Sisi's fear of a revolution.**

### Sinai: War on Terrorism in the Peninsula and Cooperation with Local Beduin Tribes

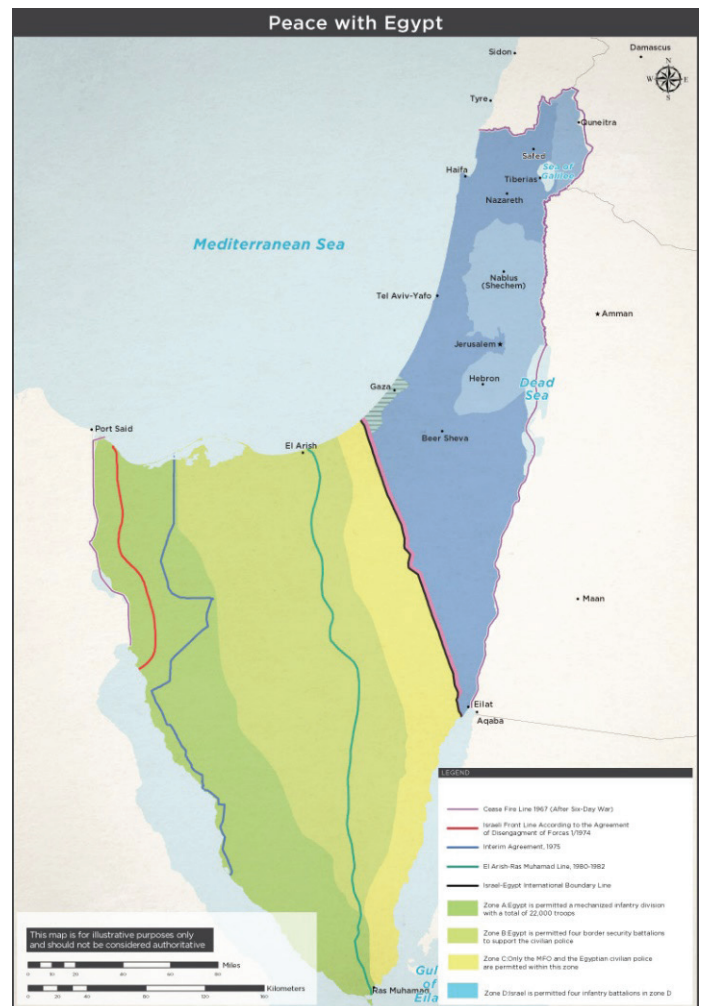
Since Israel's withdrawal from Sinai subsequent to the peace treaty with its southern neighbor, Egypt has been in charge of the peninsula. But despite the Egyptian stance whereby Sinai is an inseparable part of the country, **the scope of investments and the resources allocated to it has remained low**, even though there are new programs for the region's development (as noted above). At present, Sinai is home to several hundreds of thousands of people, constituting less than one percent of Egypt's population, and most are members of local Beduin tribes. They participated in the demonstrations against Mubarak in 2011 because of long-standing criticism of the policies of his regime.

Later, the protests in the peninsula assumed a radical jihadist character and the Egyptian government, this time headed by Muhammad Morsi, embarked on operations to eradicate revolts and violence. Since then and throughout the last decade, Egypt has carried out military actions to eliminate Islamic organizations in Sinai. President al-Sisi was able to declare that "We have defeated terrorism" only in 2023.

### Military troops in the Sinai

As part of the war on terrorism and the instability in Sinai, Egypt moved troops into the peninsula **in contravention of the Egyptian-Israeli peace treaty.** According to the agreements, Egypt cannot station tanks and combat planes in areas C and D<sup>65</sup> nor can it place boots on the ground. But in August 2011, it moved some 2,000 soldiers to northern Sinai together with tanks and APCs to impose order in the region after receiving Israel's authorization to do so.<sup>66</sup> Some months earlier, Israel had agreed to let two battalions in to that end. Furthermore, in 2012, more troops and tanks were moved to the area to fight terrorist, an act that Israel authorized in hindsight.<sup>67</sup> Later, in September 2021, President al-Sisi asked then-Prime Minister **to open the peace treaty and allow larger troops into northern Sinai to fight terrorism,**<sup>68</sup> after the Egyptian chief-of-staff said, in 2018, that Egypt already had 42,000 soldiers stationed in Sinai to that end.<sup>69</sup> It should be emphasized that, as part of the war on terrorism in Sinai, it was reported that

**Egypt and Israel cooperated on intelligence and technological issues,** and that Israel transferred operational technologies and intelligence to the Egyptian army to eradicate terrorist nests. According to reports, Israel, over the course of two years, also carried out some 100 attacks in the region.<sup>70</sup>



Israel and the Sinai Peninsula / IDF Mapping Unit, <https://www.gov.il/en/pages/israel-egypt-peace-treaty>

### Cooperation with Beduin Tribes in Sinai

One outcome of the war on terrorism is cooperation between the army and local tribes in Sinai. In 2017, the Egyptian military began to work with a coalition of tribes in northeast Sinai to fight terrorists.<sup>72</sup> The coalition benefits from coordination with the Egyptian army and its logistical support whereby the army provides arms to the Beduin, in exchange for supplying intelligence, turning in suspects, blocking smuggling routes, and even helping with the fighting. **This cooperation raises concerns for the future:** will the weapons in their possession be aimed at different targets, such as internal conflicts (against the background of the al-Sisi regime's larger prison numbers and capacities) against the Egyptian army, or perhaps against Israel?





Map of the multi-national force and supervisors in Sinai/  
Source: FDD, photo via MFO

## Gaza: The Philadelphi Corridor, Cross-border Smuggling, and the Fight Against the Tunnels

In the context of the Disengagement Plan of 2005, Israel unilaterally withdrew from the Gaza Strip. As part of this move, Israel also withdrew from the border between the Gaza Strip and Egypt and the Philadelphi Corridor,<sup>73</sup> which remained under the control of Egypt and the Gaza Strip administration. This is the only region in the Gaza Strip that does not border Israel and the only place where Israel does not control what goes in and what comes out. Since Hamas' victory in the 2007 election, the organization **has been adding tunnels between the strip and Egypt**, tunnels dug even before the Egyptian-Israeli peace treaty of 1979, **for the sake of smuggling goods and weapons.**

Such smuggling helped Hamas **arm itself and grow more powerful over the years; estimates say that most of the weapons and munitions in the Gaza**

**Strip came through these tunnels.** At the same time, Hamas gained **tremendous financial rewards totaling hundreds of millions of dollars** by taxing the goods coming through the tunnel. From Egypt's perspective, the tunnels had the opposite economic effect:<sup>74</sup> on the one hand, the Egyptian government opposed the tunnels because they **subtracted from Egypt's own revenue from taxes** placed on goods going through Rafah, but, on the other hand, **some of the Egyptian officials stationed there received bribes** to allow the smuggling to continue despite Egypt's political interests.<sup>75</sup>

## War on the Tunnels

Under the Mubarak regime, Egypt tried to destroy the tunnels, but the revolution in Egypt and the rise of Muhammad Morsi to the presidency in 2012 not only ended that initiative but gave renewed impetus of the tunneling efforts with Egypt's blessing. The 2013 military coup and the subsequent al-Sisi regime meant a return to the Egyptian efforts to eradicate the tunnels' existence.

Since al-Sisi's term in office, Egypt has waged war on the tunnels and destroyed **some 1,900 of them by various means:**<sup>76</sup> aerial bombing, flooding with seawater (some claim sewage), and controlled bombing on the ground. Over the years, Egypt has discovered new tunnels after thinking it had stamped out the problem. For example, in 2018, Egypt embarked on a widespread operation to destroy Hamas tunnels after it discovered new tunnels near Rafah while fighting terrorism in the Sinai Peninsula. After the operation against the tunnels, Egypt claimed it had succeeded in destroying the tunnels at its border with the Gaza Strip.

This assertion was revealed as doubtful after Israeli sources, in light of the Swords of Iron War, said that Israel had discovered **several other tunnels between Sinai and the Gaza Strip**, part of the general network of tunnels running underneath the entire strip and measuring hundreds of kilometers. This exposure seems to have embarrassed Egypt given it has carried out a long-standing war on these tunnels and invested huge resources in attempts to destroy them. Several source have stated that **Egypt intentionally ignored the tunnels** but the regime responded by saying that this is an Israeli excuse designed to justify the conquest of Rafah and the Philadelphi Corridor.

The assessments that most of Hamas' arms and munitions were smuggled across the border with Sinai **highlights Egypt's failure to prevent Hamas from arming itself and safeguarding its border with Gaza.** One possibility – that some of the weapons were smuggled in with the knowledge of the Egyptian army with the military turning a blind eye to the phenomenon – **raises questions and**



**concerns on the Israeli side about what might happen once the current war ends and stresses the importance of Israel's involvement in overseeing Egypt's border with Gaza.**



Tutankhamen's tomb in Luxor /  
Photograph: Shutterstock.com

### Israeli-Egyptian Relations in the Context of the Swords of Iron War Initial Egyptian Responses to Swords of Iron

It is important to look at two aspects of Egypt's response to the events of October 7, 2023: the response of the Egyptian public and the response of the Egyptian government and its office-holders. Although neither expressed support for Israel, **the popular reaction was vehemently anti-Israeli.**

#### Public Response

In the first days after October 7, **the streets of Egypt filled with demonstrators showing their support for Gazan residents and saw large protests against Israel's military action in the Gaza Strip.** Masses of people attended these rallies, including former minister Kamal Abu Ita, who served as a minister in al-Sisi's government in 2013 and 2014. The rage in the streets was unmistakable.

A series of public figures – cultural icons, politicians, journalists, and artists – expressed their support and praised Hamas' actions, saying they were legitimate manifestations of the Palestinian resistance. Many journalists, some close to the regime, and former public officials published columns justifying Hamas' actions, writing that October is a month of Arab victories and defeats for the Israeli enemy. They added that the Israeli army was again caught unawares and its image as undefeated again proven fallacious. Furthermore, Al-Azhar University, the leading institution for the study of religion and a central authority for Sunni Arabs, took a pro-Hamas line, asserting that "Every occupation eventually ends no matter how long or short it lasts."<sup>77</sup>

Beyond these, during the second day of the Hamas attack (October 8), **there was a terrorist attack in Alexandria that took the lives of two Israelis.** The attack was carried out by a lone wolf, but it reflected **a sentiment of the Egyptian public: support for the Palestinians and their acts and a desire to harm Israel.** In addition to that attack, an Israeli business was murdered in Alexandria (May 7, 2024). Egyptian sources claim it was a criminal incident, but a new terrorist organization – "Pioneers of Liberation: The Muhammad Salah Shaheed Group" – claimed responsibility and uploaded a clip that allegedly documents the murder. The group is eponymously named for the Egyptian terrorist<sup>78</sup> who carried out an attack on June 2023 in he killed three Israeli soldiers.

It should be stressed that the war is occurring at a time when **there is a crisis in Egypt's economy and the Egyptian public,** which identifies very much with the Gazan public, **is experiencing hardships.** Therefore, the Egyptian regime wants **to give the public a chance to express its feelings, demonstrate, and vent;** on the other hand, **it cannot allow demonstrations beyond a certain size** lest they set off a revolt against the government.

#### The government's response

While the Egyptian public expressed unqualified support for Hamas' actions and Gazans, the Egyptian government issued a more moderate response, though it still **expressed opposition to Israeli military activity and did not condemn Hamas' atrocities.** President al-Sisi said that "Israel's actions amount to collective punishment"<sup>79</sup> and held a conversation of King Abdullah of Jordan in which they spoke about the situation and the need to prevent escalation.<sup>80</sup> The Egyptian foreign ministry expressed opposition "to any attempt to eliminate the Palestinian cause by military means or displacement." Since then, he has expressed reservations about Hamas' ideology and stated that every terrorist group is outside the Palestinian consensus.<sup>81</sup> In addition, the Foreign Ministry, which he heads, issued a statement in which it accuses Israel of the outbreak of the events without relating to Hamas' brutality and cruelty.



IDF soldiers fighting in Gaza / Source: IDF Spokesperson

### Mediations in Hostage Release and Ceasefire Negotiations, Competing with Qatar for Mediator Role

Similar to previous rounds of fighting between Israel and Hamas, Egypt is again trying to serve as a mediator, both in the talks about releasing the Israeli hostages Hamas is holding and about a ceasefire. At first, Egypt's role was limited because of the scope of the fighting the Egyptian public's support for Gaza and also because of competition with Qatar over leading the negotiations,<sup>82</sup> something Egypt did not have to do in the past. However, at present, **Egypt's involvement as mediator on both issues is once again growing** to past levels.

Since the beginning of the war, Egypt has tried to secure the release of the hostages and a ceasefire between the sides, and has open lines of communication with both Israel and Hamas. Nonetheless, the first hostage release and previous Palestinian prisoner releases<sup>83</sup> **were mostly attributed to Qatar**, which served as the lead negotiator. But now, the two nations are joining forces, offering shared initiatives to secure another deal, and Egypt is hosting many of the talks in Cairo to reach agreements on various issues. For example, in February, senior Israeli officials met in Cairo to discuss the hostage situation, and on February 20, Ismail Haniyeh, heading a delegation, came to Egypt to discuss the situation in Gaza to try to reach a ceasefire and help Gaza's residents.<sup>84</sup>

The background to the struggle between Egypt and Qatar over spearheading the mediation consists of their respective interests. Qatar is trying **to whitewash its character** given the fact that it is one of Hamas' main political and financial supporters, while Egypt is attempting **to stabilize its regional standing, which has suffered in recent years** and to reestablish itself as a leader of the Arab world and guardian of the population of Gaza.



Ismail Haniyeh, head of the political bureau of the terrorist organization Hamas, Gaza Strip, 2019 / Photo: Shutterstock.com



Yahya Sinwar, head of the terrorist organization Hamas, fleeing through Gaza tunnels in clip provided by the IDF Spokesperson, October 2023 / Source: IDF Spokesperson

### Humanitarian: Egypt's Push to Provide Humanitarian Aid to Gaza

At the beginning of the war, Egypt did not allow any humanitarian aid to enter the Gaza Strip because Israel refused to allow this without coordination. Still, Egypt stockpiled a great deal of aid for Gaza in Sinai to be delivered when possible. To apply pressure on Israel to allow the aid to enter, Egypt made it difficult for foreign citizens to leave Gaza in the first weeks of the war, while repeating calls to allow humanitarian aid in and stressing that not doing so would increase the risk of starvation and disease.

By the end of October, the pressure exerted by Egypt and other nations bore fruit and 20 trucks carrying aid entered Gaza through the Rafah crossing. Such convoys continued and, as of April 17, 2024, **more than 24,000 trucks bearing more than 453 tons of humanitarian aid had entered Gaza**<sup>85</sup> through the Kerem Shalom crossing (on the Israeli side) and the Rafah crossing (on the Egyptian side); humanitarian



aid was also delivered via airdrops. Despite these deliveries, the humanitarian situation in the Gaza Strip continues to deteriorate, and similar to Jordan, the UAE, and the United States, Egypt decided to drop aid from the air. According to the IDF Spokesperson, in early March, some 21 airdrops were coordinated between the actors,<sup>86</sup> meaning that at least some of the aid was delivered in coordination with Israel.

On this issue, too, **the support of the Egyptian public for the residents of Gaza and its solidarity with the Palestinian struggle are evident:** private Egyptian organizations have organized initiatives, such as opened bank accounts where donors can make contributions to Gazans, blood donations, and equipment donations.<sup>87</sup>

### Ground Maneuvers in Gaza, Rafah, and the Philadelphi Corridor: Egypt's Reaction and Concerns

Since the start of the war, and even more so since early 2024, Israel announced that military action in Rafah would be inevitable to win the war and destroy what is left of Hamas' brigades. This includes the recapture of the Philadelphi Corridor, the lifeline of Gaza's terrorists, to prevent the smuggling of arms and munitions into the strip and the rearming of the terrorist groups there. Israel's long-term goal is full security freedom of action in the Gaza Strip and to that end, the southern gap on the Egyptian border is critical to its interests. Thus the IDF did, on May 6, commence an operation in Rafah. It succeeded in taking control of the Philadelphi Corridor and dispersing some battalions of the Rafah Brigade, but it is still battling to complete the destruction of the brigade's Hamas frameworks. As of the start of July, the IDF had eliminated more than 900 terrorists in the area<sup>88</sup>, had exposed 25 tunnels and concurrently more than 200 shafts<sup>89</sup>, had seized weaponry and other materiel in its raids, including rockets, launchers, and explosive belts, and had arrested terrorists<sup>90</sup>.

According to several sources, including Israeli Defense Minister Yoav Gallant, there are still tunnels underneath Rafah that must be destroyed. The tunnels pose a double problem: they allow the smuggling of weapons into the Gaza Strip, and they could be used by Hamas leaders as a means for escaping into Sinai, taking the Israeli hostages with them.

Egypt, which has openly doubted Israel's meta-goal in the war – the destruction of Hamas – feels that such a move is **impossible**, certainly not by the use of force alone, and **is opposed to Israeli action in Rafah and the reconquest of the Philadelphi Corridor.** Given that such action is, from the Israeli perspective, inevitable, senior officials in Egypt, first and foremost President al-Sisi, have expressed their position on several occasions, saying **they would**

**not allow such action to take place.**<sup>91</sup> In their view, such a move would violate the two nations' peace treaty and might even result in its suspension and/or nullification, **a statement that has been taken back since it was made** (al-Sisi, too, retracted it). However, it should be noted that since the fighting in Rafah began, media figures and other sources close to the al-Sisi regime have been saying that the operation is damaging relations between the countries to the point of suspending/nullifying the treaty. For the time being, and despite the Israeli operation in Rafah and capture of the Philadelphi Corridor, there has been no change in the treaty's standing.

The major concern is that, should there be a ground maneuver in Rafah, **tens or hundreds of thousands of Gazan refugees will enter Sinai by force**, whether fleeing the battlefield or escaping the humanitarian crisis that will clearly worsen because aid will be getting through. These refugees in Sinai will have no desire to return to Gaza even after the fighting ends. **Such a move would therefore be irreversible and put an end to the idea of a Palestinian state.** However, as may be seen, no such rush of refugees has thus far occurred.

In addition to these, Egypt views any act to occupy the Philadelphi Corridor by Israel **as an assault on Egyptian sovereignty**, because according to the bilateral agreements, it is responsible for controlling that axis. Based on this stance, Egypt is also **opposed to the stationing of early warning systems and the deployment of drones** around the area, insisting that, before the war, it operated well and destroyed all the tunnels between Gaza and Sinai, Facts have emerged showing otherwise. In support of Egypt's opposition, Josep Borrell, the EU's High Representative of the Union for Foreign Affairs and Security Policy, has warned of the result of such action – a humanitarian catastrophe and increased tensions with Egypt.

However, despite Egypt's persistent opposition to unilateral Israeli action in Rafah, it may be that **asking for its cooperation even after the start of maneuvers in Rafah, and when the transition to Phase 3 occurs in the future, would change the regime's mind and soften its stance.** Such cooperation, **which could be expressed merely in informing Egypt of coming operations and safeguarding Egypt's interests**, and the promise of an outline ensuring Egyptian control of the Philadelphi Corridor after the fighting, may help Egypt look the other way and **even lend a measure of support for the actions under way even now.**

In any case, **Israel's interests must inform the political echelon in its decision making and be its utmost priority**, but Israeli actions may be carried out while also providing a response to Egyptian interests.



The Israeli-Egyptian border fence / Photo: Shutterstock.com

### Refugees: Fierce Opposition to Accepting Refugees and Threats to the Future of the Peace Treaty

Since the start of the Swords of Iron War, hundreds of thousands of refugees have moved towards Rafah from all of the Gaza Strip; estimates place the number of people currently there at 1.4 million.<sup>92</sup> In the first weeks, Israel applied growing pressure on Egypt to accept refugees from the Gaza Strip; some Israeli government officials even voiced their willingness to “push” them over to the Egyptian side. In response, **Egypt expressed its vehement opposition and condemned the notion of forcing refugees onto its soil.** Among the reasons, the three major ones are:

1. In recent years, Egypt has waged an unrelenting war against ISIS and other terrorist organization in the Sinai Peninsula, costing it many lives and a lot of money. It is worried that transferring Gazan refugees there **will rekindle terrorist activity in the peninsula.**<sup>93</sup>
2. Egypt is concerned that, along with the refugees, Hamas militants will also enter Sinai, and in the future carry out attack against Israel **while also increasing Hamas’ influence in the country.** In response, Israel will have to engage in attacks in Sinai, a situation that Egypt cannot afford and which it claims will endanger the peace treaty.
3. Another fear is that refugees will trickle into Egypt itself, which would strengthen opposition movements such as the Muslim Brotherhood, against which the regime is struggling.

**Despite Egypt’s vehement refusal to welcome refugees, it is still preparing for an influx of Gazans,** and has a plan that includes a tent city on the Egyptian-Gazan border (near the city of Sheikh Zuweid). In addition to beefing up security there, it has also established a 5-kilometer-wide buffer zone and

placed concrete barriers along the border **creating a kind of enclave within its territory to fence off refugees who might stream in and preventing them from going any further into Sinai or Egypt.** Should Egypt be forced to take in refugees, they will be able to go 14 kilometers into Egypt. It should be noted that, since the start of the war, Egypt has accepted some 1,700 wounded from the Gaza Strip and allowed them to enter Egyptian hospitals.

**As noted above, in March 2024, it was reported that the EU would provide Egypt with €7.4 billion by 2027** to help Egypt strengthen its economy,<sup>94</sup> in part because of the concern Egypt might have to provide for future war refugees, as in recent years, **Egypt has taken in hundreds of thousands of refugees from Syria, Sudan, and South Sudan.** The nation’s financial instability has European nations worried that refugees will try to immigrate to Europe, a continent already facing an immigration and refugee crisis.

Given that Egypt has already welcomed many refugees, the forthcoming help from the EU, and Gaza’s humanitarian situation, one may ask **if Egypt cannot accept a certain number of refugees from the Gaza Strip** and try to integrate them, not unlike refugees from other nations who have already assimilated there, in a way that will not harm Egyptian interests and not lead to scenarios it fears? Is it not possible **to help some of the refugees emigrate elsewhere** given the humanitarian situation in Gaza? Why have the refugees who have already come to Egypt not caused the regime concern the way that refugees from Gaza seem to be? Does the claim that it would damage Palestinian efforts to establish a Palestinian state justify a humanitarian crisis of the kind Gazans are now experiencing?

### The Military in Sinai: Moving Troops and Strengthening Fortifications to Repel Refugees

In addition to erecting a concrete barrier, Egypt, on the seventh day of the war, started **to increase the number of troops on its border with Gaza** and near Rafah to prevent Gazans from entering Sinai,<sup>95</sup> as noted above. According to U.S. sources, Egypt has stated that, if necessary, it would move more troops, including tanks, to the border. Indeed, given the Egyptian concern about refugees entering Sinai and reports on plans of Israel invading Rafah, Egypt has started **to upgrade security at the border with tanks, APCs, and men.** At the end of January and beginning of February, Egypt placed **some 40 tanks and APCs in northeast Sinai**<sup>96</sup> to prepare for that scenario. It should be noted that, last January, Egypt announced two operations against drug smuggling



in northeast Sinai, apparently to show it is still in control of the area and that Israel cannot do as it pleases there. It should be stressed that, as the first part of this overview noted, **in recent years, Egypt has moved many troops to the northeastern part of Sinai to fight terrorism.**



Gazans evacuating Rafah before the IDF entered the area /  
Photo: <https://t.me/a5bardafe2>

### U.N. Votes: Votes for a Ceasefire Without Sufficient Recognition of an Action's Operational Need

In the two U.N. votes held since the start of the fighting,<sup>97</sup> **Egypt did not vote in a way that is fully congruent with Israel's interests.** In the vote held on October 27, 2023, Egypt voted for a ceasefire and called for a condemnation of Israeli actions in the war.<sup>98</sup> At the same time, Egypt voted against **adding a paragraph explicitly condemning Hamas' actions.** In the other vote in the U.N., held on December 12, 2023, Egypt voted in favor of adopting a call for an immediate humanitarian ceasefire in Gaza, in addition to a call for releasing all the hostages without preconditions.<sup>99</sup> These calls **ignored the atrocities Hamas committed on October 7 and Israel's need to destroy Hamas and ensure that no terrorist organization or other entity that does**

**not recognize Israel's right to exist be in control of the Gaza Strip** to maintain the fundamental need of any state, namely: ensure the personal safety of its citizens and defend its borders.

Furthermore, Egypt condemned the U.S. decision of February 20, 2024, to cast its veto in the Security Council against a resolution calling for an immediate ceasefire in Gaza.<sup>100</sup> But in another vote at the Security Council, held on March 25, 2024, the United States decided not to use its veto power against a resolution calling for a ceasefire during the month of Ramadan, which did not call for condemning Hamas or releasing the hostages. This was a change in the U.S. line compared to the vote held the previous month, a change that Egypt in all probability supports.

In tandem with the votes at the U.N., Egypt announced on May 12 that it would **join South Africa's case against Israel at the International Court of Justice in The Hague** with the claim that the operation in Rafah harms Gazan civilians and leads to massive damage to infrastructures in the Gaza Strip.

### Economic Damage: The Suez Canal

The attacks by the Yemeni Houthi terrorist organization, an Iranian proxy, on ships in the Bab al-Mandeb Strait threatens international freedom of shipping through this critical lane. This threat directly impacts maritime freedom of access to the Suez Canal and **is causing severe losses to Egyptian revenues,** which in the 2022-2023 fiscal years amounted to \$9 billion.<sup>101</sup> According to published data, by the start of 2024, income from the Suez Canal had dropped by 40 percent and number of ships sailing through fell by 30 percent compared to the same time frame in the previous year.<sup>102</sup> To go by the *Ever Given* incident, which blocked the canal in 2021, **every day that traffic does not pass through the Suez Canal causes losses estimated at \$12 to \$15 million.**

### The Future: Egypt's View of the Gaza Strip and the Palestinians

After the war, Egypt would like to **help establish a new leadership,** which is neither Hamas nor the Palestinian Authority, **for the Palestinian public,**<sup>103</sup> partly because of the vicissitudes in its relations with the PA, the current leader of the West Bank's Palestinians. However, despite the wish for new leadership in the Gaza Strip, Egypt is concerned that in another democratic election, such as the one held in 2006, Hamas or a similar entity would win as the Palestinian public has become even more radicalized in the interim. Even though it desires to replace Hamas' leadership, Ismail Haniyeh continues to be welcomed at political summit meetings in Egypt and discusses various issues with the Egyptian chief of intelligence (this was the case before the war as well).

As such, Egypt is trying to promote **the establishment of an independent regime in Gaza**. There are two major options: the first would be a technocracy headed by Gazans independent of Fatah, Hamas, or the Islamic Jihad; the other would be a unity government consisting of the diverse factions with the PLO's support.<sup>104</sup>

In terms of security arrangements, **Egypt is not, according to Egyptian senior officials, prepared to play a role in managing Gaza security after the end of the war.**<sup>105</sup> Certain sources report that Egypt is considering giving Israel some of the security control of the Philadelphi Corridor after the fighting ends, but Egyptian government media deny such reports, in part because of public opinion in the nation.

As for the establishment of a Palestinian state, some European nations have said that they may recognize one even if this a unilateral move done without Israel's agreement. Egypt and other Arab nations expect **that concrete steps will be taken** beyond the declarations and statements to those countries' media **and that such steps will actually be realized**. More recently Spain, Norway, and Ireland (May 22) recognized a Palestinian state. That step is currently expressed primarily at the level of declaration but it does carry further implications for the actuality and it demonstrates the changes that are actually occurring.

## implications and recommendations

At present, the Swords of Iron War poses challenges and opportunities in relations between Israel and Egypt. At the same time, Egypt is itself experiencing processes producing other challenges and opportunities. These may be divided into two: those affecting the near future and those with implications for the long term.

### The Short Term: The Swords of Iron War

Given the events of the war, **Egypt is a potential ally, and cooperation with it is both vital and necessary to determine the post-war reality in Gaza and attain the goals of the war.** Relations are somewhat tense, mostly because of Egypt's obligation to support the Palestinians, the Egyptian worry that Palestinians from Gaza will enter Sinai, and the concern that the war might result in threats to Egypt's internal stability (to date, unlike Jordan, the situation has been relatively calm). However, generally speaking, Egypt is one of the Arab nations with the greatest potential for cooperation due to its strong ties with the West and the United States, as well as its rivalry against the Muslim Brotherhood. **In this context, immediate challenges and opportunities in Israel's relations with Egypt include:**

**Cooperating with Egypt in achieving the goals of the war:** Egypt borders the southern Gaza Strip and controls the Philadelphi Corridor, a 14-km. long passage roughly 100 m. wide, which constitutes the major smuggling route for most of Hamas' - and the other Gazan terrorist organizations' - weapons. To achieve the war goals - destroying Hamas and rescuing the hostages - Israel must continue its ground maneuver in Rafah, continue its activity along the Philadelphi Corridor, and maintain control of it after the war is concluded. In light of Egypt's opposition to Israel's plans and the threats it has issued, Israel must **strive to reach agreements with the Egyptians about future actions, which will allow Israel both to realize its goals and demonstrate maximal sensitivity to Egypt's interests and desires.** Moreover, the tension around the IDF's entrance to Rafah, the increased stridency of Egypt's tone, and its desire to keep Hamas from achieving any gains, may enable Egypt to play an important mediating role in achieving a hostage release deal. And, in fact, Egypt has finally taken the baton from Qatar in leading the hostage negotiations, is in direct communication with Sinwar, and is proposing new compromises. At first, it was to keep Israel away from Rafah, but now it is aimed at ending the fighting.

**Leveraging economic aspects:** Egypt has been mired in an economic crisis since long before the war in Gaza, with high inflation (34% in 2023), high poverty rates (29.7% in 2019), widespread devaluation of the Egyptian currency, and a foreign debt crisis (estimated at more than \$165 billion). At the same time, President al-Sisi is carrying out grandiose projects costing billions with no immediate payoffs; these include the New Administrative Capital, a new Nile Delta development, and a new seaside city. In the meantime, the construction of the Grand Ethiopian Renaissance Dam, which spans the Blue Nile - the most important tributary of the Nile, along whose banks most of Egypt's population lives - is raising the risk not only of creating new problems but also exacerbating existing ones, such as increased unemployment, higher food prices, higher energy costs, and decreased agricultural output. **Israel can use economic tools such as its gas exports, its ties with the United States, and its diplomatic relations with Ethiopia to help Egypt face its issues in exchange for promoting Israel's interests in the war and gaining Egyptian support for them,** including willingness to allow passage through Egypt to refugees from Gaza.

**Using the Houthis' activities to Israel's ends:** The Houthi attacks on ships at the gateway to the Red Sea have resulted in a dramatic drop of some 40 percent in Egypt's revenues from the Suez Canal. In light of this, Israel can and must **enlist Egyptian support for military action against the Houthis begin taken**



by Western nations for the sake of shared goals, such as degrading the capabilities of the Houthis and Iran, which provides their financing and guides their actions.

**Rallying the West:** At the same time, the United States and the European Union have, like Israel, the ability to influence Egypt. U.S. aid to Egypt currently stands at \$1.3 billion a year (Egypt requested \$1.44 billion for 2024), and the EU has extensive loans, investments, and arms deals there. If the political will is there, **they will be able to influence Egypt to spearhead a change in Egyptian policy touching all issues related to the war in Gaza.** This requires a change in policy on both the part of the U.S. administration and the EU. It should be noted that any pressure must be **applied with care and moderation** lest Cairo be pushed to trade in the West's economic support for China's, whose commercial ties with Egypt have grown in the last decade.

### The Long-term View

For the long term too, **it is reasonable to assume that Egypt's commitment to the pragmatism that currently characterizes it and to the bloc of moderate Sunni Arab nations as well as the relationship with the United States and the West will last. Thus, its commitment to the peace treaty with Israel and opposition to the Muslim Brotherhood as well as support for the Palestinians will also continue.**

**Nonetheless, Israel's partnership with Egypt cannot be taken for granted. At present, Egypt is experiencing several processes and trends (military buildup, tensions with the United States, winks and nods to Russia and China) that raise the concern about the future of Israeli-Egyptian relations. Therefore, Israel must keep its eyes open and have contingency plans available in case of change. In this context, challenges and opportunities in relations with Egypt over the long term include:**

**Improved relations with problematic regional elements ("the axis of evil"):** Given the decrease in U.S. support in recent years and doubts about the administration's commitment to defend U.S. allies, Egypt has expanded its policy of diversifying its military supply sources and is now buying weapons and munition worth billions of dollars from many nations, including Russia and China, both of which have increased their investments in Egypt. A continued drop in U.S. and Western support and closer ties with other nations as well as the unsure, deferential approach the West is taking towards the axis of evil might **push Egypt towards agreements with those nations. Furthermore, there is a thaw in relations with Iran and the countries associated with the Muslim Brotherhood, i.e., Qatar and Turkey,**

**with which Egypt had tense relations until quite recently.** Right now, this growing closeness looks like a tactic designed to improve Cairo's bargaining power and strengthen its regional standing and ability to handle its economic challenges. But should this continue and turn into Egypt's new strategy, **it will have worrying implications for Israel's security and damage the West's zone of influence.**

**Egyptian military buildup:** Even as the nation has hewn to the peace agreement and maintained security cooperation with Israel, the Egyptian army has for many years been undergoing modernization and force construction processes: it has armed itself with many advanced weapons systems, upgraded its infrastructures, and improved its training programs. These processes **create the potential for posing a threat to Israel's security** especially because **Israel is not preparing for the possibility of Egypt turning from a potential to a real threat.** After the war ends, the Israeli government and security establishment must hold a strategic discussion about Egypt and examine how best to prepare from such an eventuality, and especially what must be done now, e.g., improving intelligence familiarity with the Egyptian army's capabilities.

**The peace agreement: At present, there doesn't seem to be a real danger of the peace agreement being suspended or abrogated despite differences of opinion about Israel's actions in Rafah. Nonetheless, Israel must consider that the ongoing and worsening economic crisis in Egypt, especially those aspects affecting the younger generation and the educated classes, as well as the anti-Israel public sentiment that the Egyptian government isn't doing enough to support the residents of Gaza might lead to protests.** Such protests might grow to a scope that will make it difficult for the government to control, **affect Egypt's decision-making processes** on all matters, including those related to the war, bilateral relations, and the peace agreement. In the extreme scenario, popular protests might **lead to regime change and the rise of a government that does not favor maintaining the peace agreement with Israel.** In tandem with this possibility, Israel must try to forge closer relations with Egypt and increase Egypt's dependence on it, using its economic leverage and political tools. This would preclude the scenario of the peace agreement being violated no matter what government happens to be in power, just as the Muslim Brotherhood government led by Muhammad Mursi refrained from doing so.

## (Endnotes)

- 1 For more on the topic, see Mike Doran, *Ike's Gamble*, Simon and Schuster, 2016.
- 2 <https://www.cfr.org/global-conflict-tracker/conflict/civil-war-libya>
- 3 <https://mida.org.il/2020/02/06/%D7%94%D7%A7%D7%A8%D7%91-%D7%A2%D7%9C-%D7%9C%D7%95%D7%91-%D7%94%D7%95%D7%A4%D7%9A-%D7%9C%D7%9E%D7%95%D7%A7%D7%93-%D7%94%D7%99%D7%A8-%D7%99%D7%91%D7%95%D7%AA-%D7%94%D7%91%D7%90-%D7%91%D7%9E%D7%96%D7%A8/>
- 4 <https://www.makorishon.co.il/international/610449/>, <https://www.haaretz.co.il/news/world/africa/2023-12-25/ty-article-magazine/premium/0000018c-9d8c-ddc3-a1bf-bfeea6c0000> , <https://news.walla.co.il/item/3623215>
- 5 <https://idsf.org.il/interviews/let-my-people-know-2/>
- 6 <https://www.aljazeera.com/news/2024/2/14/turkey-and-egypt-seal-diplomatic-thaw-at-cairo-summit>
- 7 <https://www.intellinews.com/turkish-gas-deal-in-libyan-waters-illegal-charge-egypt-and-greece-258833/>
- 8 <https://www.aljazeera.com/news/2023/9/5/egypt-reliant-on-imports-buys-more-russian-wheat>
- 9 <https://economymiddleeast.com/news/new-delta-the-largest-in-the-history-of-egyptian-agricultural-projects/>
- 10 <https://www.bbc.com/news/business-31874886>
- 11 <https://edition.cnn.com/world/egypt-new-administrative-capital-spc-intl/index.html>
- 12 As of March 2024, 1,500 families are currently living there. <https://edition.cnn.com/world/egypt-new-administrative-capital-spc-intl/index.html> Moreover, based on satellite images, it is clear that hardly anyone lives there.
- 13 <https://english.news.cn/20240224/f61b56774c344ad482b49217a1d74ae4/c.html>
- 14 <https://www.investmentmonitor.ai/news/egypt-uae-to-develop-ras-el-hekma-area-fdi/?cf-view>
- 15 <https://financialpost.com/pmnbusiness-pmn/egypt-clinches-biggest-deal-ever-with-uae-investing-35-billion>
- 16 The percentage of unemployment among the young who have completed high school or have higher education is 35 percent compared to the rate of unemployment among those without any secondary or tertiary education among whom the rate of unemployment is 13 percent. [www.unicef.org/egypt/media/10841/file/Youth%20Unemployment%20in%20Egypt%20\(English\).pdf](http://www.unicef.org/egypt/media/10841/file/Youth%20Unemployment%20in%20Egypt%20(English).pdf)
- 17 The rate of unemployment in the 20 to 24 age range in 2021 was 19.7 percent, while the rate of unemployment of the population at large aged 15 to 64 for the same year was 7.4 percent.
- 18 Overall, unemployment is down from 13.3 percent in 2014 to less than 7 percent in 2023. <https://www.egypttoday.com/Article/1/127386/Egypt%E2%80%99s-Ministry-of-Labour-facilitates-7M-employment-opportunities-over-Decade>, <https://mped.gov.eg/singlenews?id=5162&lang=en>
- 19 Dr. Mira Tsoref, <https://dayan.org/he/content/5116>
- 20 <https://www.madamasr.com/en/2023/05/11/news/u/fy-2023-24-draft-budget-new-debt-to-pay-old-debt/>
- 21 International Monetary Fund <https://www.imf.org/en/News/Articles/2022/12/16/pr22441-egypt-imf-executive-board-approves-46-month-usd3b-extended-arrangement>
- 22 [https://www.reuters.com/markets/egypt-signs-expanded-8-billion-loan-deal-with-imf-2024-03-06/#:~:text=March%206%20\(Reuters\)%20%2D%20The,the%20currency%20to%20trade%20freely](https://www.reuters.com/markets/egypt-signs-expanded-8-billion-loan-deal-with-imf-2024-03-06/#:~:text=March%206%20(Reuters)%20%2D%20The,the%20currency%20to%20trade%20freely)
- 23 <https://www.imf.org/en/Countries/EGY/Egypt-qandas#Q1>
- 24 <https://www.gov.il/he/departments/news/economy-news-290522>
- 25 The Qualified Industrial Zone, an agreement on preferential trade areas signed by Israel, Egypt, and the United States in 2004, which allows the export of goods exempt from Egyptian tariffs to the United States as long as the product contains an input of 10.5 percent from Israeli sources.
- 26 <https://israel-trade.net/%D7%94%D7%A8%D7%97%D7%91%D7%AA-%D7%94%D7%A1%D7%97%D7%A8-%D7%91%D7%99%D7%9F-%D7%99%D7%A9%D7%A8%D7%90%D7%9C-%D7%9C%D7%9E%D7%A6%D7%A8%D7%99%D7%9D/>
- 27 The agreement was signed by the Egyptian holding company Dolphinus and the owners of the Tamar and Leviathan fields. The Israeli government seems to have participated in the process of hammering out the agreement. As part of it, Egypt wanted to resolve the debt of the Egyptian gas companies to the Israel Electric Corporation, which amounts to some \$1.76 billion.
- 28 The gas is funneled to the Egyptian refinery installations at Damietta and Idku and thereupon exported to Europe. The income



from this export is estimated at \$22 billion over 10 years.

- 29 Exports will grow by 2 billion cubic meters (BCM) a year to some 6 BCM a year, a threefold increase in exports. See <https://www.calcalist.co.il/market/article/hjltxxaia> and [https://www.calcalist.co.il/local\\_news/article/skifvjy2p](https://www.calcalist.co.il/local_news/article/skifvjy2p)
- 30 <https://www.inss.org.il/publication/gas-deal-egypt-israel-deepens-anchor-eastern-mediterranean/>
- 31 [https://www.calcalist.co.il/world\\_news/article/b1fmcbpfa](https://www.calcalist.co.il/world_news/article/b1fmcbpfa)
- 32 LNG (liquefied natural gas) is a natural gas that has undergone a liquefaction process to make it easier to store and transport.
- 33 At the beginning of November 2023, it was reported that exports had dropped by dozens of percentage points, but by the end of the month it emerged that Israel had provided 80 percent of the gas stipulated by the agreement. One may assume that, as of now, there are no supply problems compared to the contract. See <https://www.globes.co.il/news/article.aspx?did=1001463541> and [https://www.calcalist.co.il/local\\_news/article/bkjhlqg6](https://www.calcalist.co.il/local_news/article/bkjhlqg6)
- 34 <https://ustr.gov/countries-regions/europe-middle-east/middle-east/north-africa/egypt>, <https://ustr.gov/sites/default/files/files/reports/2015/NTE/2015%20NTE%20Egypt.pdf>, <https://www.amcham.org.eg/information-resources/trade-resources/egypt-us-relations/trade-investment-relations-profile>
- 35 <https://www.amcham.org.eg/information-resources/trade-resources/egypt-us-relations/us-foreign-assistance-to-egypt>
- 36 <https://www.businesstodayegypt.com/Article/1/4257/Trade-between-Egypt-and-EU-drops-19-in-2023> [https://webgate.ec.europa.eu/isdb\\_results/factsheets/country/details\\_egypt\\_en.pdf](https://webgate.ec.europa.eu/isdb_results/factsheets/country/details_egypt_en.pdf)
- 37 [https://www.eeas.europa.eu/egypt/european-union-and-egypt\\_en?s=95](https://www.eeas.europa.eu/egypt/european-union-and-egypt_en?s=95)
- 38 [https://neighbourhood-enlargement.ec.europa.eu/european-neighbourhood-policy/countries-region/egypt\\_en](https://neighbourhood-enlargement.ec.europa.eu/european-neighbourhood-policy/countries-region/egypt_en)
- 39 The aid is based on an agreement of cooperation signed in 2004, which includes support for the Egyptian energy sector, assistance in dealing with refugees from Sudan, and assistance for fortifying the border with Libya, the point of origin for most of the immigrants to Europe
- 40 <https://tradingeconomics.com/egypt/exports/china>
- 41 <https://www.agbi.com/economy/2023/11/china-956m-egypts-central-bank>
- 42 <https://www.china-briefing.com/news/china-egypt-bilateral-trade-and-investment-prospects-are-bright>
- 43 <https://www.washingtoninstitute.org/policy-analysis/growth-chinese-influence-egypt-signs-and-consequences>
- 44 <https://www.dailynewsegypt.com/2023/07/26/trade-exchange-between-egypt-russia-reaches-4-7bn-in-2022-capmas/>, <https://www.egypttoday.com/Article/3/43044/Trade-exchange-between-Egypt-Russia-registers-6-7B-in-2017>, <https://www.egypttoday.com/Article/3/130006/Egypt-Russia-trade-exchange-increases-by-14-during-2023>, <https://tradingeconomics.com/egypt/exports/russia>, <https://tradingeconomics.com/russia/exports/egypt>, <https://www.zawya.com/en/economy/north-africa/egyptian-russian-trade-exchange-up-14-yoy-in-11-months-q8zibr15>, <https://www.sis.gov.eg/Story/183890/CAPMAS-21.6%25-rise-in-Egyptian-exports-to-Russia-in-2022?lang=en-us>
- 45 <https://www.runi.ac.il/research-institutes/government/ips/activities/newsletter/albo-har-zvi-2-5-22/>
- 46 The first initials of Brazil, Russia, Iran, China, and South Africa
- 47 <https://www.newarab.com/news/egypts-brics-membership-officially-activated>
- 48 The full membership list consists of Russia, China, India, South Africa, Iran, Saudi Arabia, the UAE, Brazil, Ethiopia, and Egypt.
- 49 The industrialized nations include the United States, Germany, France, Italy, the United Kingdom, Canada, and Japan. The EU is part of the organization but at a status that different from that of the seven member nations.
- 50 [https://www.globalfirepower.com/country-military-strength-detail.php?country\\_id=egypt](https://www.globalfirepower.com/country-military-strength-detail.php?country_id=egypt)
- 51 Large parts of this chapter are based on a study done by the Jerusalem Institute for Strategy and Security and an article that appeared in Forbes Israel. For the JISS study, see <https://jiss.org.il/he/henkin-egypt-military> and for the Forbes article see <https://forbes.co.il/ten-years-of-arming-what-threat-is-egypt-preparing-for>
- 52 [https://www.sipri.org/sites/default/files/2020-10/bp\\_2010\\_egyptian\\_military\\_spending\\_2.pdf](https://www.sipri.org/sites/default/files/2020-10/bp_2010_egyptian_military_spending_2.pdf)
- 53 The submarines are advanced models made by Thyssenkrupp that can operate clandestinely over long distances and extended times and manage intelligence gathering operations in addition to transporting special forces to execute missions. The authorization of the deal resulted in much criticism in Israel because of claims that the authorization had been issued without consultation with or knowledge of Israel's professional echelon, which criticized the deal in hindsight. <https://www.timesofisrael.com/egypt-receives-third-german-submarine-of-four-promised-in-deal/>
- 54 <https://www.nytimes.com/2013/10/10/world/middleeast/obama-military-aid-to-egypt.html>
- 55 <https://www.aljazeera.com/news/2015/4/1/us-lifts-arms-embargo-on-egypt>
- 56 <https://pomed.org/publication/fact-sheet-u-s-military-assistance-to-egypt-separating-fact-from-fiction/>
- 57 In 2022, the United States froze a transfer of \$130 million of aid to Egypt and another \$85 million were cut from U.S. aid to Egypt and given to Taiwan and Lebanon. <https://www.washingtonpost.com/national-security/2023/09/14/egypt-taiwan-military-aid/>

- 58 For more, see <https://www.dekelegypt.co.il/230205>, <https://www.dekelegypt.co.il/200507>, <https://www.dekelegypt.co.il/211205>
- 59 50 pontoon bridges, one cable-stayed suspension bridge, two railway bridges, and six tunnels; a total of 59 passageways, 39 of which were built since 2013. <https://www.dekelegypt.co.il/230205>
- 60 The airport is located in Area B of the peace treaty.
- 61 <https://www.twz.com/29762/egypts-new-octagon-ministry-of-defense-complex-looks-like-an-alien-base-from-space>, <https://www.toolify.ai/ai-news/egypts-mega-project-new-capital-octagon-in-the-desert-186681>,
- 62 <https://www.globes.co.il/news/article.aspx?did=1001199046>
- 63 The real number of new prisoners might be higher. <https://dayan.org/he/content/5116>
- 64 <https://www.dekelegypt.co.il/211123>
- 65 According to the peace treaty, Egyptian territory is divided into four areas: A, B, and C under Egyptian control and D, under Israeli control. Area A is in western Sinai and borders the Suez Canal; there, Egypt may station up to 230 tanks, 480 armored vehicles, and 22,000 soldiers. East of this is Area B, where Egypt may maintain four armed battalions with light weapons. East of that lies Area C, which is contiguous with the Israeli border. Only U.N. and Egyptian police troops (armed with light weapons) may be stationed in Area C. In Area D, Israel may station four battalions. [https://peacemaker.un.org/sites/peacemaker.un.org/files/EG%20IL\\_790326\\_Egypt%20and%20Israel%20Treaty%20of%20Peace.pdf](https://peacemaker.un.org/sites/peacemaker.un.org/files/EG%20IL_790326_Egypt%20and%20Israel%20Treaty%20of%20Peace.pdf)
- 66 <https://www.haaretz.co.il/news/politics/2011-08-14/ty-article/0000017f-db8a-d3ff-a7ff-fbaa80860000>
- 67 <https://www.haaretz.co.il/news/politics/2012-08-16/ty-article/0000017f-ed83-d639-af7f-edd75af10000>
- 68 <https://www.israelhayom.co.il/news/geopolitics/article/4535588>
- 69 <https://www.kan.org.il/content/kan-news/defense/234488/>
- 70 <https://news.walla.co.il/item/3132389>
- 71 [www.fdd.org/analysis/2020/12/15/defending-forward-avoiding-a-self-inflicted-wound-in-the-sinai/](http://www.fdd.org/analysis/2020/12/15/defending-forward-avoiding-a-self-inflicted-wound-in-the-sinai/)
- 72 [www.inss.org.il/he/publication/%D7%9E%D7%90%D7%91%D7%A7%D7%94-%D7%A9%D7%9C-%D7%9E%D7%A6%D7%A8%D7%99%D7%9D-%D7%91%D7%98%D7%A8%D7%95%D7%A8-%D7%91%D7%A1%D7%99%D7%A0%D7%99-%D7%91%D7%A8%D7%99%D7%AA-%D7%A2%D7%9D-%D7%94%D7%A9%D7%91%D7%98/](http://www.inss.org.il/he/publication/%D7%9E%D7%90%D7%91%D7%A7%D7%94-%D7%A9%D7%9C-%D7%9E%D7%A6%D7%A8%D7%99%D7%9D-%D7%91%D7%98%D7%A8%D7%95%D7%A8-%D7%91%D7%A1%D7%99%D7%A0%D7%99-%D7%91%D7%A8%D7%99%D7%AA-%D7%A2%D7%9D-%D7%94%D7%A9%D7%91%D7%98/)
- 73 A corridor 14 kilometers long and 100 meters wide at the southern edge of the Gaza Strip.
- 74 <https://www.now14.co.il/%D7%94%D7%90%D7%99%D7%A0%D7%98%D7%A8%D7%A1%D7%99%D7%9D-%D7%94%D7%9B%D7%9C%D7%9B%D7%9C%D7%99%D7%99%D7%9D-%D7%A9%D7%9C-%D7%A6%D7%91%D7%90-%D7%9E%D7%A6%D7%A8%D7%99%D7%9D-%D7%91%D7%9E%D7%A2%D7%91%D7%A8>
- 75 Based on assertions by Giora Eiland, former chief of the Israel Security Council, some of the smuggling involved bribes of Egyptian officials. <https://www.israelhayom.co.il/magazine/hashavua/article/15158770>
- 76 <https://www.israelhayom.co.il/news/world-news/middle-east/article/14736372>
- 77 <https://www.memri.org/reports/egyptian-media-blame-israel-escalation-express-support-hamas-attack-second-october-victory>
- 78 Muhammad Salah was an Egyptian police officer who entered Israeli territory and killed one female and two male combat soldiers.
- 79 <https://www.fdd.org/analysis/2023/10/23/egypt-and-jordan-condemn-israeli-response-to-hamas-massacre>
- 80 <https://www.newarab.com/news/egyptians-express-palestine-support-officials-urge-calm>
- 81 <https://www.timesofisrael.com/us-signals-veto-in-security-council-gaza-vote-as-egypt-braces-for-idf-rafaah-operation/>
- 82 <https://www.globes.co.il/news/article.aspx?did=1001463225>
- 83 On October 20, mother and daughter hostages Judith and Natalie Raanan were released from Hamas captivity without a prisoner swap.
- 84 <https://www.dailynewsegypt.com/2024/02/20/egypt-condemns-us-veto-of-gaza-ceasefire-resolution/>
- 85 <https://www.warinisrael.org/>
- 86 <https://www.ynet.co.il/news/article/b1h8gt1166>
- 87 <https://ict.org.il/egypt-between-al-aqsa-flood-and-the-sword-of-irons/>
- 88 <https://www.israelhayom.co.il/news/defense/article/16017358>
- 89 <https://www.ynet.co.il/news/article/hko79has0>, <https://www.mako.co.il/pzm-soldiers/Article-62cc0af0b389091027.htm>



- 90 <https://www.idf.il/%D7%90%D7%AA%D7%A8%D7%99-%D7%99%D7%97%D7%99%D7%93%D7%95%D7%AA/%D7%99%D7%95%D7%9E%D7%9F-%D7%94%D7%9E%D7%9C%D7%97%D7%9E%D7%94/%D7%9B%D7%9C-%D7%94%D7%9B%D7%AA%D7%91%D7%95%D7%AA/%D7%9B%D7%AA%D7%91%D7%95%D7%AA-%D7%99%D7%99%D7%96%D7%95%D7%9E%D7%95%D7%AA/%D7%97%D7%98%D7%99%D7%91%D7%AA-%D7%94%D7%A0%D7%97%D7%9C-%D7%A0%D7%97%D7%9C-%D7%A0%D7%97%D7%9C%D7%95%D7%95%D7%90%D7%99-%D7%A0%D7%97%D7%9C%D7%95%D7%95%D7%90%D7%99%D7%9D-%D7%9E%D7%96%D7%A8%D7%97-%D7%A8%D7%A4%D7%99%D7%97-%D7%92%D7%91%D7%A2%D7%AA%D7%99-%D7%A1%D7%99%D7%99%D7%A8%D7%AA-%D7%92%D7%91%D7%A2%D7%AA%D7%99-%D7%9E%D7%9C%D7%97%D7%9E%D7%94-%D7%97%D7%9E%D7%90%D7%A1-%D7%A2%D7%96%D7%94/>, <https://www.srugim.co.il/965747-%D7%94%D7%A4%D7%A2%D7%99%D7%9C%D7%95%D7%AA-%D7%91%D7%A8%D7%A4%D7%99%D7%97-%D7%9E%D7%97%D7%91%D7%9C%D7%99%D7%9D-%D7%A0%D7%A2%D7%A6%D7%A8%D7%95-%D7%90%D7%9E%D7%A6%D7%A2%D7%99-%D7%9C%D7%97%D7%99%D7%9E>
- 91 <https://www.cnbc.com/2024/02/11/egypt-threatens-to-suspend-key-peace-treaty-if-israel-pushes-into-rafah-on-its-border-officials-say.html> , <https://www.politico.eu/article/invasion-rafah-threaten-key-isreal-egypt-peace-treaty-report-gaza-hamas/>
- 92 <https://apnews.com/article/israel-hamas-war-news-02-11-2014-785309c668e15728c6aac9905f290b4d>
- 93 <https://www.nytimes.com/2024/02/10/world/middleeast/egypt-gaza-israel-war.html>, <https://apnews.com/article/palestinian-jordan-egypt-israel-refugee-502c06d004767d4b64848d878b66bd3d>
- 94 The agreement would include support for the Egyptian energy sector, aid for Sudanese refugees already in Egypt, and help fortify the border with Libya, the departure point for most of the immigrants reaching Europe by crossing the Mediterranean. <https://www.ynet.co.il/economy/article/hyszlp0aa>
- 95 <https://ict.org.il/egypt-between-al-aqsa-flood-and-the-sword-of-irons/>
- 96 <https://www.timesofisrael.com/egypt-deploys-tanks-to-beef-up-border-with-gaza-as-rafah-offensive-looms/>
- 97 Not counting the votes in the U.N. Security Council, limited to just a few member nations.
- 98 <https://www.un.org/unispal/wp-content/uploads/2023/11/N2332702.pdf>
- 99 <https://news.un.org/en/story/2023/12/1144717>
- 100 <https://www.dailynewseggypt.com/2024/02/20/egypt-condemns-us-veto-of-gaza-ceasefire-resolution/>
- 101 <https://www.al-monitor.com/originals/2024/01/houthi-attacks-idle-suez-canal-deepen-egypts-economic-woes>, <https://aps.aucegypt.edu/en/articles/1349/suez-canal-losses-and-low-real-estate-financing-rates>
- 102 <https://www.reuters.com/markets/commodities/egypts-suez-canal-revenues-down-40-due-houthi-attacks-2024-01-11/>, <https://www.maariv.co.il/news/world/Article-1071924>
- 103 <https://www.usip.org/publications/2024/01/six-dilemmas-facing-egypt>
- 104 <https://carnegieendowment.org/2024/02/16/governing-gaza-after-war-regional-perspectives-pub-91663>, <https://www.thejc.com/news/world/egypt-hosts-secret-talks-on-who-will-run-gaza-after-war-la4codk5>
- 105 <https://www.wsj.com/livecoverage/israel-hamas-war-gaza-strip-2023-11-08/card/egypt-opposes-helping-manage-security-in-gaza-8aY2OKToSjLA25Yd3TWP>