

AFRICA RISK CONSULTING

Egypt Monthly Briefing May 2021

Egypt Summary 17 May 2021

Egypt dispatches delegations to Tel Aviv (Israel) scrambling to prevent further escalation in hostilities between Israel and the Palestinians, as Israeli prime minister Benjamin Netanyahu (1996-1999, 2009-present) vows to continue the bombing campaign on the besieged Gaza Strip. Egypt purchases 30 new Rafale fighter jets from France amid on-going arms build-up. Government announces new restricted business hours for restaurants, sports clubs and shops over Eid period to combat surging Covid-19 cases.

Egypt attempts ceasefire as Israel bombards Gaza

Egypt's foreign minister, **Sameh Shoukry**, stressed on 16 May that Egypt is attempting to broker an **Israeli-Palestinian** ceasefire after a seventh day of violence that has seen hundreds of civilians killed in Israeli airstrikes on the besieged enclave of **Gaza**.¹ Shoukry's remarks were made during his speech to the **United Nations Security Council**, which convened in **New York (United States)** in an attempt to de-escalate the heaviest military confrontation between Israel and the Palestinians since 2014.

Israel's security cabinet voted against a ceasefire on 16 May and "*decided to continue Gaza operations according to the military plans,*" despite some senior officials and cabinet members' support of a ceasefire.² The terms of a potential ceasefire remain disputed. Israel is insisting that the resistance forces, headed by **Hamas**, stop rocket fire toward Israel first, while Israel would gradually reduce its assault on Gaza to come to a complete halt days later. Hamas is insisting on a simultaneous ceasefire, a position which Egypt supports.³

As Israel insists on its right to defend itself, backed by the US, the offices of the **Associated Press** and **Al Jazeera** – two of the most active news outlets covering the violence – were bombed in airstrikes on the weekend, while entire families were buried alive as residential buildings continued to be targeted.⁴ Protests over the plight of Palestinians continued over the weekend, with large marches held in **New York, London (United Kingdom), Paris (France), Berlin (Germany)** and dozens of other cities around the world.

While in recent years there has been increased security co-operation between Egypt, the **Gulf** states and Israel, public opinion across the region remains firmly pro-Palestinian, evidenced by the flooding of social media in recent weeks with images and video of evictions of Palestinians in **East Jerusalem** and Israeli police attacks on Ramadan worshippers at **Al Aqsa Mosque**. Even the government-controlled Friday sermon in Egypt, which is directly vetted by the authorities, who enjoy close security co-operation with **Tel Aviv**, was unusually harsh and reflected the public mood saying "*what was taken by force cannot be retaken except by force.*"⁵ The Grand Sheikh of **Al-Azhar University**, the leading authority for Sunni-Islamic thought, **Ahmed Al-Tayeb**, later urged the international community to support Palestinians in their fight to end the occupation:

¹ Ahram Gate, 16 May 2021.

² Source, Israeli press official

³ Mada Masr, 16 May 2021.

⁴ Source, journalist, Gaza.

⁵ Source, religious cleric, Cairo.

*"I call on the peoples of the world and its leaders to support the peaceful and oppressed Palestinian people in their legitimate and just cause in order to recover their right, their land and their sanctities."*⁶

While the violence over the past week has seen 38,000 Palestinians displaced by airstrikes in Gaza,⁷ for neighbouring countries like Egypt and **Jordan**, continued violence presents a direct threat to their own internal security. The already fraught **North Sinai** region, which borders Gaza, has already declared a State of Emergency in order for its hospitals to prepare to treat injured Palestinians,⁸ while Jordan has seen Palestinian refugees trying to cross the border into the **West Bank** to join Palestinian resistance factions.⁹ Meanwhile, Israel has requested US-based oil company **Chevron** to shut down the **Tamar** natural gas platform off the Israeli coast, the pipeline that supplies natural gas to Egypt.¹⁰

Egypt to purchase French fighter jets

Egypt will purchase 30 **Rafale** fighter jets from French defence firm **Dassault Aviation** for \$4.8 billion as France continues to view Egypt as a vital ally in fighting Islamist militants.¹¹ The agreement includes large contracts with missile provider **MBDA** and equipment provider **Safran Electronics and Defense**.¹²

The new deal was said to have been agreed upon during a controversial trip that **President Abdel Fattah El Sisi** (2014-present) took to France in December 2020, during which France's President **Emmanuel Macron** (2017-present) decorated Sisi with France's highest honour, the **Légion d'honneur**. The move enraged activists, who had asked France not to roll out the red carpet but instead to raise concern over the estimated 60,000 political prisoners languishing in Egyptian prisons.

Macron said that French arms sales to Egypt, which have been substantial in recent years, were part of a larger fight against extremism and would not be subject to human rights provisions. These comments led to further outcry from Egypt watchers, who asserted that many of the arms France sells to Egypt have no serious counterterrorism application; fighter jets and helicopter carriers are not counterterrorism tools, while other arms and surveillance equipment have been used against protestors.¹³

Egypt and France have enjoyed an increasingly cosy relationship under the rule of former general and defence minister Sisi, with common interests in the **Middle East** and a shared suspicion of **Turkey's** President **Recep Tayyip Erdogan** (2014-present). Egypt purchased 24 of the jets from France back in 2015.

Covid-19 update

Egypt's health ministry reported 1,201 new Covid-19 infections on 16 May, bringing the total of confirmed cases in its population of roughly 102 million people to 245,721.¹⁴ The ministry reported 58 new deaths, bringing the country's total Covid-19 death toll to 14,327.¹⁵

The country, said to be in a third wave, has seen a surge in cases in the past month. The Covid-19 case tally from the week ending 14 May is five times higher than the number of cases recorded during the same week in 2020 at the peak of the first wave.¹⁶ The five governorates with the highest infection

⁶ Press statement, 16 May 2021.

⁷ United Nations, 16 May 2021.

⁸ Al Ahram, 14 May 2021.

⁹ Source, journalist, Amman.

¹⁰ Al Masry Al Youm, 17 May 2021.

¹¹ Press statement, 3 May 2021.

¹² Press statement, 3 May 2021.

¹³ Source, policy expert, Cairo

¹⁴ Press statement, 16 May 2021.

¹⁵ Press statement 16 May 2021.

¹⁶ Press statement, 28 Apr 2021.

rates are **Cairo, Giza, Minya, Fayoum, and Sohag**.¹⁷ Daily Covid cases topped over 1,000 per day in the week ending 14 May for the first time since mid-January. A total of 501 doctors have now died nationwide of complications from Covid-19 as of 3 May.¹⁸ The count stood at 467 doctors less than two weeks ago.¹⁹ Experts say official numbers likely only reflect a small fraction of Covid-19 cases in the country due to relatively limited testing and the non-inclusion of private test results.

The government announced new restrictions on 5 May that will see restaurants, sports clubs and gyms close at 9pm for two weeks covering the end of the month of Ramadan and the Eid holidays.²⁰ Public beaches are also closed and concerts and parties planned for the Eid vacation banned. The government announced on 8 May that it will test visitors from countries with Covid-19 variants on arrival.²¹

While Egypt imposed stricter measures at the start of the pandemic in 2020, closing its airspace and setting nightly curfews to curb the spread of the virus, it has remained largely open and without restrictions since June 2020. Some venues including hotels have been required to operate at reduced capacity, and the government says it has fined more 1.7 million people 50 Egyptian pounds (\$3.20) each for not wearing masks in public.²²

The government has been rolling out a nationwide vaccination programme since January, and has vaccinated approximately 1 million people so far. Egyptian pharmaceutical firm **Minapharm** announced on 22 April that it has agreed to produce more than 40 million doses a year of **Russia's Sputnik V** coronavirus vaccine.²³ The government said on 20 April that it will purchase 20 million doses of **China's Sinopharm** vaccine.²⁴

¹⁷ Press statement, 28 Apr 2021

¹⁸ Press statement, 3 May 2021

¹⁹ Press statement, 3 May 2021

²⁰ Reuters, 5 May 2021.

²¹ Al Mal, 8 May 2021

²² Reuters, 5 May 2021.

²³ Enterprise, 22 Apr 2021.

²⁴ Enterprise, 20 Apr 2021.

Planner

2020-2021 **Cairo (Egypt)** *Al Mal*. Government-led initial public offering programme;

June 2021 Cairo (Egypt) The **International Monetary Fund (IMF)** will finalise second review of Egypt's \$5.2 billion standby loan agreement.

Chronology

17 May 2021 **Paris (France)** *France24*. President **Abdel Fattah el Sisi** reiterates the need for urgent halt of violence against **Gaza** amid growing tensions;

17 May 2021 **Cairo (Egypt)** *Egypt Today*. **Central Agency for Public Mobilization and Statistics (CAPMAS)** reports **French** investments in Egypt increased 17.9% during the fiscal year 2019/2020;

17 May 2021 **Cairo (Egypt)** *Al Ahram*. The **Central Bank of Egypt's (CBE)** total financial obligations, including loans obtained from local and international institutions, jumped to EGP 2.1 trillion (\$133.8 billion) by the end of April, up from EGP 1.8 trillion (\$114.7 billion) recorded by the end of December;

17 May 2021 **Cairo (Egypt)** *Egypt Today*. The **Central Bank of Egypt (CBE)**, on behalf of the finance ministry, has issued EGP 23.5 billion (\$1.4 billion) in treasury bills and bonds;

16 May 2021 **Cairo (Egypt)** *Egyptian Streets*. Grand Sheikh of **Al-Azhar**, **Ahmed Al Tayeb**, calls on people of the world to support **Palestinians**;

15 May 2021 **Cairo (Egypt)** *Al Ahram*. Egypt sends ambulances to pick up wounded from **Gaza**;

13 May 2021 **Cairo (Egypt)** *Associated Press*. An Egyptian delegation is in **Tel Aviv (Israel)** for talks with Israeli officials as part of efforts to negotiate a cease-fire in the escalating conflict with **Gaza**;

11 May 2021 **Cairo (Egypt)** *Egypt Independent*. Insurer of **Ever Given** says **Egyptian** government's reduced \$600m compensation demand for the **Suez Canal** blockage in March is still too high;

9 May 2021 **Cairo (Egypt)** *Enterprise*. **Ethiopia** is aiming to reach an agreement with Egypt and **Sudan** on "just the second filling" of the **Grand Ethiopian Renaissance Dam (GERD)** ahead of the upcoming rainy season in July or August;

8 May 2021 **Cairo (Egypt)** *Al Mal*. Egypt will test visitors from countries with **Covid-19** variants on arrival;

5 May 2021 **Cairo (Egypt)** *Associated Press*. **United States** envoy for the **Horn of Africa** meets President **Abdel Fattah el-Sisi** for talks on **Ethiopia's Nile** dam dispute;

5 May 2021 **Cairo (Egypt)** *Egypt Today*. Egypt will close stores and restaurants early for two weeks to curb the spread of **Covid-19**;

4 May 2021 **Cairo (Egypt)** *Al Bawaba*. An Egyptian court rules that container ship **Ever Given**, which blocked the **Suez Canal** in March, could continue to be held in the waterway, rejecting an appeal by its **Japanese** owner against its detention;

3 May 2021 **Cairo (Egypt)** *Disclose*. Egyptian government signs contract with **France** to buy 30 **Rafale** fighter jets in a deal that investigative outlet **Disclose** says is worth \$4.5 billion;

29 Apr 2021 **Rome (Italy)** *Reuters*. Italian prosecutors make request to have four senior members of **Egypt's** security services sent for trial over their suspected role in the disappearance and murder of student **Giulio Regeni** in Cairo in 2016;

26 Apr 2021 **Cairo (Egypt)** *Al Jazeera*. President **Abdel Fattah el-Sisi** announces another

three-month extension of a nationwide state of emergency, which has been in effect since 2017;

23 Apr 2021 **Cairo (Egypt) Enterprise**. Egypt and **Russia** agree to resume all flights, including to resorts, after a six-year ban;

22 Apr 2021 **Cairo (Egypt) Enterprise**. Egyptian pharmaceutical firm **Minapharm** has agreed to produce more than 40 million doses a year of **Russia's Sputnik V** coronavirus vaccine;

20 Apr 2021 **Cairo (Egypt) Enterprise**. Egypt to purchase 20 million doses of **China's Sinopharm** vaccine.

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