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Improvement in Israeli-Egyptian Relations

Patrycja Sasnal, Michał Wojnarowicz

Since 2014, Egyptian-Israeli relations have improved significantly. The regional interests of both governments are compatible in fighting terrorism, the Muslim Brotherhood and its associates, and Iranian influence. The cooperation is mutually beneficial: Egypt raises its position in relations with the U.S. and the EU, while Israel ensures the continuation of Egypt's favourable foreign policy. The Israeli-Egyptian rapprochement is also part of a consolidation of the anti-Iran bloc that includes Israel, Saudi Arabia and Egypt. Further improvement in bilateral relations is inhibited by the negative attitude of Egyptian society towards Israel.

Origins of the Improvement. Although Egypt signed a peace agreement with Israel in 1979, bilateral relations have never been good. After the overthrow of Hosni Mubarak in 2011, they were close to breaking. Public opinion polls in 2011 showed that 54% of Egyptians were in favour of cancelling the peace treaty with Israel. The Freedom and Justice party—the ruling party since 2012, ideologically close to the Palestinian Hamas—announced a revision of the treaty. In response to Israel's operation in the Gaza Strip in November 2012, Egypt withdrew its ambassador from Tel Aviv. For Israel, the overthrow of Mubarak and the strengthening of religious parties meant the destabilisation of one of its two regional pillars (the other being Jordan) of Israel's security.

Since the military overthrow of President Mohammed Morsi in 2013 by Gen. Abdel Fattah al-Sisi (Egypt's president since 2014), relations with Israel have improved significantly. Al-Sisi, with his military background, guaranteed a return to the pre-Arab Spring Egyptian foreign policy, including in cooperation with Israel on limiting the influence of Hamas and, more broadly, Iran. People associated with the Israeli lobby in Washington, in turn, pressed for U.S. recognition of al-Sisi.

In 2016, for the first time in a decade, an Egyptian foreign minister, Samih al-Shekri, paid an official visit to Israel. At Prime Minister Netanyahu's home in Jerusalem, they watched the final of the European Football Championship together. Security cooperation notwithstanding, relations began to change in other aspects as well: in 2016, Egypt offered helicopters to help extinguish fires near Haifa. The return of both ambassadors to their host countries in 2016 and 2017 might be seen as another sign of improving political relations. Israel hopes for a further thaw in state visits, e.g., such as a visit of President Sisi to Israel or an invitation to Prime Minister Netanyahu to Egypt. So far, the only official meeting of the two leaders took place in New York during the UN General Assembly in September. In 2015, for the first time, Egypt supported Israel at the UN, in a vote for a member of the Committee on the Peaceful Uses of Outer Space. In 2016, Egypt (under pressure from Israel and then U.S. President-elect Donald Trump) withdrew a motion on a resolution in the UN Security Council (UNSC) condemning Jewish settlements in the occupied territories. Ultimately, the proposal was put to a vote by other members of the UNSC and Egypt supported the resolution.

Areas of Cooperation. The priority for both sides is to end the jihadist uprising in Sinai, ongoing since 2011. Combating the uprising is hindered by the provisions of the Israeli-Egyptian peace treaty, which divides Sinai into zones of varying degrees of demilitarisation. The heaviest fighting is taking place in zones where

formally only four battalions of Egyptian troops and police forces can station. The situation on the peninsula has deteriorated since 2014, when some of the terrorist groups joined the so-called Islamic State. In addition to attacks on Egyptian security forces and tourists, these groups also have struck targets in Israel. The Israeli authorities have unofficially agreed to an increase in the number of Egyptian soldiers operating in Sinai (currently about 25,000) and for the use of heavy equipment including tanks and artillery, and airstrikes. Apart from intelligence cooperation, Israel participates in the fighting, for example, through drones. The stabilisation of Sinai is also related to the construction of an Israeli barrier along the border with Egypt. In addition to halting further attacks by extremists, its main goal is to reduce migration and smuggling from Africa to Israel. From Israel's perspective, cooperation with Egypt is also necessary to maintain the effectiveness of the blockade of the Gaza Strip.

Economic relations are not intense: the trade volume between Egypt and Israel is about \$136 million, almost five times less than between Egypt and Jordan. The most important area of economic cooperation is energy. For a long time, Egypt has been an important source of energy supplies for Israel (accounting for 40% of Israel's gas imports). In 2012, Egypt broke off a gas export agreement that was highly unpopular in the country as a result of repeated attacks on a Sinai gas pipeline. In response, Israel sued Egypt in an arbitration proceeding before the International Chamber of Commerce, which in 2015 ordered Egypt to pay over \$2 billion in penalties to Israeli firms for breach of contract. Due to a decline in its own production of natural gas and the increasing demand for energy, Egypt since 2014 has turned from an exporter to an importer. Currently, Israeli companies are pursuing advanced talks on exporting natural gas from the Mediterranean (e.g., from the Tamar gas field, where extraction is planned for 2019) to Egypt. This action got a boost from a new law approved by the Egyptian parliament that allows private companies to import and sell natural gas in Egypt. Israel depends particularly on access to Egyptian LNG terminals, which would allow further re-export of LNG gas. However, the Egyptian Ministry of Energy has announced that no license will be issued to companies importing Israeli gas without resolution of the ongoing arbitration proceedings. According to earlier talks, in exchange for Israel's admission to the Egyptian market the penalties were expected to be reduced. Strictly related to this issue is the planned demarcation of the maritime border between Israel and Egypt. The position of Egypt may be strengthened once the extraction of gas from the Zuhr gas field starts.

Regional and International Consequences. The improvement in Israeli-Egyptian relations impacts the Israeli-Palestinian conflict. Thanks to better standing with Israel, Egypt was able to mediate talks between Fatah and Hamas without fear of an acute Israeli reaction. Playing the role of mediator gives Egypt more influence on Hamas, which Israel favours. In the past year, Egypt has signalled a more conciliatory attitude to Israeli demands in the conflict: it no longer insists that all of Jerusalem should be the capital of the Palestinian state.

Improving Egyptian-Israeli relations is part of a broader reorientation of alliances in the Middle East and is linked to the convergence of their regional interests with those of Saudi Arabia and Jordan. Their informal alliance has emerged to limit the influence of Iran and the Muslim Brotherhood in the Middle East and to maintain the status quo. Another sign of their broader regional cooperation can be seen in the lack of Israeli opposition to the cession to Saudi Arabia of two Egyptian islands, Tirana and Sanafir—important for freedom of navigation in the Red Sea.

A factor conducive to further improving Egyptian-Israeli relations is U.S. policy in the Middle East. American support for the overthrow of Mubarak was one of the main reasons for Israeli criticism of the Barack Obama administration. Now, despite good relations between the Trump administration and both Egypt and Israel, the U.S. has not yet met the expectations of both states: it has not withdrawn from the nuclear deal with Iran, nor has it recognised the Muslim Brotherhood as a terrorist organisation. U.S. foreign policy still pushes Israel and Egypt (and Saudi Arabia) into closer cooperation.

From the point of view of EU interests, Israeli-Egyptian cooperation on the one hand alleviates local tensions, but on the other, it strengthens the anti-Iran alliance between Israel and Arab states, which may result in increased regional instability. In addition, better Egyptian-Israeli relations that strengthen Egypt's relations with the EU and the U.S. de facto legitimise the non-democratic actions of its authorities in internal affairs, such as cracking down on the opposition. A hurdle for the Israeli-Egyptian cooperation is still the unfavourable attitude of the Egyptian public opinion to Israel. On the social level, Egypt's relations with Israel will improve only when the Egyptian authorities, who favour such a policy, have broad public support.