



# The Return of Egypt? Assessing Egyptian Foreign Policy Under Sissi

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## KEY TAKEAWAYS<sup>1</sup>

### Foreign Policy Successes in the Eastern Mediterranean

Egypt's bilateral and multilateral diplomacy, combined with increased hard power capabilities, have strengthened Egypt's position in the Eastern Mediterranean, but challenges remain in Libya.

### The Grand Ethiopian Renaissance Dam Challenge

As the dam is being filled, Egypt's options are now limited. Cairo has lost its bargaining position and must reckon with the dam's permanent existence, which threatens Egyptian water security.

### Relations with the West

Post 2013, the Egyptian government has used the dual threats of irregular migration and terrorism to normalize and expand relations with Europe and the United States (US).

### Ambitions Restrained by Economy

While Egypt has regained some influence, domestic economic challenges continue to hinder Egypt's ability to play a bigger regional role.

## KEYWORDS

Egypt Foreign Policy

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COVER IMAGE: French President Emmanuel Macron welcomes Egyptian President Abdel Fattah al-Sisi at the Elysee Palace in Paris, France, July 22, 2022. REUTERS/Pascal Rossignol

## INTRODUCTION

Egyptian foreign policy has undergone significant changes over the past half a century. After Gamal Abdel Nasser passed in 1970, Egypt's pan-Arabist aspirations and ambitions came to an end. His successor, Anwar el-Sadat, re-oriented the country towards the West and made peace with Israel in 1979, which led to a decade-long suspension from the Arab League. Sadat expelled Soviet advisors and established a long-term strategic partnership with the United States (US) that became a pillar of Egyptian foreign policy. Following Sadat, Hosni Mubarak maintained Egypt's broad foreign policy objectives, developed regional and international alliances, reconciled Egypt with Arab states, and combined his approach with an increased emphasis on regime security and domestic stability. In Mubarak's later years, Egypt saw its role retreat due to a combination of domestic socio-economic pressures, political stagnation, and changing regional and international dynamics.

“Egypt... has regained some of its influence; nonetheless, domestic socio-economic issues continue to hamper Egypt's ambitions.”

The 2011 uprising resulted in mounting domestic issues and regional challenges. Post-Mubarak governments had to deal with civil wars in Libya, Syria, and Yemen; the Grand Ethiopian Renaissance Dam (GERD); insurgency in Sinai; and growing tensions in the Eastern Mediterranean. Following President Mohamed Morsi's turbulent and brief year in office, these challenges would only compound as the regional security environment deteriorated further.

In a 2013 news conference, during the interim presidency of Adly Mansour, Egyptian Foreign Minister Nabil Fahmy outlined three priorities of Egyptian foreign policy during the transitional period. First, “protecting and defending the revolution and correctly communicating its aims to the outside world.” Second, working to return Egypt to its role in the

Arab, African, and Mediterranean region, and dealing with current foreign policy challenges. Third, putting together a long-term blueprint for future Egyptian foreign policy.<sup>2</sup> These priorities would continue to guide Egyptian foreign policy when Abdel Fattah el-Sissi became president, vowing to “return Egypt to its rightful place.”<sup>3</sup>

To objectively assess Egyptian foreign policy under Sissi, this paper focuses on four key foreign policy issues and challenges and how the government responded to them: firstly, the conflict in Libya; secondly, geopolitical tensions in the Eastern Mediterranean; thirdly, the GERD; and finally, relations with global powers and Gulf Cooperation Council (GCC) countries. The paper argues that there have been a multitude of successes of Egyptian foreign policy under Sissi, and Egypt, to an extent, has regained some of its influence; nonetheless, domestic socio-economic issues continue to hamper Egypt's ambitions of playing a larger role in the Middle East and North Africa (MENA) region.

## LIBYA: AN UNSTABLE NEIGHBOR

Given the ongoing civil war and a shared border with Egypt that stretches over 1,000 km, Libya has been a key foreign policy and security challenge for President Sissi. Besides the main warring factions, the presence of violent groups in Libya, such as the Islamic State of Iraq and Syria (ISIS) and Al Qaeda, raise concerns in Egypt over the potential for spillover into its territory. The Egyptian government's worries are warranted as some of the weapons obtained by militant Islamists in the Sinai Peninsula, who were involved in clashes with the Egyptian military and police force, were smuggled through the Egyptian-Libyan border.<sup>4</sup> Political concerns over the spread of Islamism also shaped Egypt's policy towards Libya, a concern shared by regional and international actors, such as the UAE and France.<sup>5</sup>

It is within this context that Egypt strongly backed strongman Khalifa Haftar and the Libyan National Army (LNA) over the Government of National Accord (GNA). The schism between political powers in

Libya and the ongoing civil war meant that Egypt's options were limited and thus Egypt had to double down on its support for Haftar, including supporting his ill-fated "Operation Dignity," which sought to recapture the capital Tripoli.<sup>6</sup>

Arguably, and despite limited options, Egypt's support of Haftar was a mistake, as it could no longer present itself as a neutral arbiter in Libya given its clear support for one side of the conflict.<sup>7</sup> In addition, Haftar's unreliability and unpredictability, as well as his growing human rights abuses,<sup>8</sup> proved increasingly challenging for Egypt.

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Turkish support of the GNA turned the tide of the war against Haftar and, given its opposition towards Sissi's presidency, Turkey's intervention and establishment of a military foothold in neighboring Libya raised alarms in Cairo.<sup>9</sup> As Turkish backed forces made gains in the east, in a September 2020 speech, Sissi identified the line extending between Sirte and Jufra as "a red line" and stressed its importance to Egypt's national security.<sup>10</sup> In recognition of changing dynamics on the ground, Egypt also shifted its Libya policy and its *carte blanche* support of Haftar.<sup>11</sup> The country adopted a more pragmatic approach by re-orienting its stance and Sissi expressed support for engaging in dialogue with the GNA and its successor the Government of National Unity (GNU),<sup>12</sup> as well as advancing the Cairo Declaration, a joint political initiative aimed at ending the conflict in Libya.<sup>13</sup>

There was some optimism that Libya was slowly beginning to return to stability as the country looked forward to the presidential elections; however, such optimism is now giving way to pessimism as the various sides,<sup>14</sup> opponents and combatants, refuse to compromise. After the Libyan High National Com-

mission for Elections postponed the presidential elections, the country now finds itself, once more, caught in a struggle between two governments seeking to assert their power,<sup>15</sup> and clashes have resumed, shattering a period of calm. Turkey worked closely with Fathi Bashagha, in his posting as Minister of Interior; however, Bashagha's alliance with Haftar and Aguila Saleh, speaker of the eastern based House of Representatives (HoR), in their attempts to unseat Abdul Hamid Dbeibah's interim government, shifted the Turkish position against Bashagha.<sup>16</sup>

Egypt for its part has supported Bashagha,<sup>17</sup> but has been more cautious and conciliatory with all factions fearing another eruption of wider hostilities.<sup>18</sup> Turkey is not the only regional power backing Dbeibah. Egyptian officials were unhappy when Algerian President Abdelmajid Tebboune received Dbeibah in April of this year, signaling Algerian support for Dbeibah over Bashagha.<sup>19</sup> While on nominally good terms, Egypt and Algeria have a long-standing rivalry in North Africa and an interest in not having the other gain more leverage over the future of Libya.

## EASTERN MEDITERRANEAN: OPPORTUNITIES AND CHALLENGES

The discovery of the Zohr gas field in 2015 with an estimated 30 trillion cubic feet (TcF) of gas,<sup>20</sup> combined with Egypt's existing liquefied natural gas (LNG) processing facilities in Idku and Damietta, put Egypt in a strong position to become an energy hub in the Eastern Mediterranean. To achieve this ambition, Egypt has been working closely with Greece, Cyprus, and Israel on both bilateral and multilateral levels. Egyptian-Cypriot relations have deepened over the past years and were recently described by the Cypriot Ambassador to Cairo as "at their best point ever."<sup>21</sup> This is not surprising given the closer political, economic, and military relations anchored around Eastern Mediterranean gas.

On the other side of the Mediterranean, in Cyprus's Exclusive Economic Zone (EEZ), high quality natural gas reserves were found in Block Ten.<sup>22</sup> The capacity of Cyprus' Block Ten, relative to the capacity

of Egypt's Zohr field, is not conducive to the establishment of an independent LNG plant. Instead, a more realistic option is channeling resources through Egypt in a triangular gas export strategy with Greece and Israel that is premised on sending Israeli and Cypriot gas to Egypt via offshore or onshore gas-pipelines.<sup>23</sup> In addition, President Sissi signed an agreement with Cyprus to export gas from the Aphrodite reserve (Block Twelve) to the Egyptian LNG plants in Idku and Damietta for liquefaction.<sup>24</sup> The gas would then be re-exported to other regional markets.<sup>25</sup> A pipeline bridging Egypt and Cyprus's Aphrodite field is set to begin construction in late 2022, contributing to Egypt's ambitions of becoming a regional gas hub.<sup>26</sup>

Egypt has also worked to develop closer relations with Greece. In 2013, shortly after Sissi's rise to power, Nabil Fahmy, then Egyptian Foreign Minister met with Evangelos Venizelos, the Greek Foreign Minister, at the time, to discuss the Egyptian and Greek lines for their respective Exclusive Economic Zones (EEZ).<sup>27</sup> Economically, Egypt stands to gain immensely from the current capacity of reserves, including those that have not been explored yet, in its EEZ. Major energy companies, such as Shell, British Petroleum (BP), and Eni, have already expressed interest in further investing in the energy sector in Egypt. In 2021, the Italian Eni signed an agreement with Egypt amounting to over one billion dollars that would go towards "oil exploration in the Gulf of Suez and Nile Delta regions."<sup>28</sup>

“**In line with broader regional de-escalation trends, [Turkey] modified its approach in the Eastern Mediterranean and decreased tensions with... Egypt.**”

While Egypt managed to cultivate closer ties with Greece and Cyprus in the Eastern Mediterranean, this was not the case for Egyptian-Turkish ties. Egypt's ambitions put it at odds with Turkey, which sought to pursue its own agenda in the Eastern

Mediterranean. Egypt-Turkey relations, already strained since the ouster of Morsi in 2013, were further strained when Turkey signed a maritime border deal with the transitional GNA government in Libya, the lines of which conflict with Greece and Egypt's stated EEZ.<sup>29</sup> In response, Egypt and Greece signed their own agreement in 2020.<sup>30</sup>

Disagreements on the EEZ compounded existing tensions between Turkey and Greece and Cyprus. On one occasion in 2018, in response to Egypt and Cyprus' ostracization, the Turkish navy stopped an Eni drill boat from arriving at its destination in Cyprus-controlled waters.<sup>31</sup> Following Turkish threats, Egypt, Cyprus, and Greece developed closer military ties,<sup>32</sup> which included joint military exercises with France and the United Arab Emirates (UAE).<sup>33</sup>

Egyptian foreign policymakers also moved, at a multilateral level, for closer coordination with their allies in the Eastern Mediterranean. To that end, the Eastern Mediterranean Gas Forum was formed with member states Cyprus, Greece, Israel, Italy, Jordan, and Palestine, which was signed in a digital ceremony in September 2020, excluding Turkey.<sup>34</sup> The ceremony marked the formal transformation of the Forum into a recognized intergovernmental body, with members signing a founding charter for the new organization.<sup>35</sup>

Turkey recognized that it had become increasingly isolated, and in line with broader regional de-escalation trends, modified its approach in the Eastern Mediterranean and decreased tensions with many of the countries, including Egypt. As Egypt and Turkey continue their rapprochement,<sup>36</sup> Egyptian efforts and diplomacy have indeed borne fruits in the Eastern Mediterranean, both at a bilateral and a multilateral level.

## **ETHIOPIA AND THE GERD**

Given the importance of the Nile to Egyptian water and food security, the GERD is a critical issue for the Egyptian government. After decades of receiving the lion's share of the Nile's water, in 2010, five African states (Kenya, Tanzania, Rwanda, Ethio-

pia, and Uganda) agreed that they would no longer comply with colonial-era agreements and would work towards utilizing the Nile in a manner that benefited all states.<sup>37</sup>

Even though Mubarak had neglected African countries during his presidency, he kept a watchful eye on Ethiopia's ambitions to dam the Nile. A Wikileaks report explained that Mubarak had plans to station an air combat mission in Sudan to signal to Ethiopia the potential ramifications it would risk if it proceeded with its plans to construct a dam on the Nile.<sup>38</sup> After Mubarak was ousted and as the events of 2011 unfolded, Ethiopia opportunistically announced the GERD project in 2011.<sup>39</sup>

“Egypt... is now forced to reckon with the permanent existence of the GERD and the danger it presents to Egyptian water security.”

During Morsi's presidency, the Egyptian government attempted to deal with the GERD, but domestic issues and a rocky transitional period prevented a solid response. The Egyptian military grew increasingly anxious and urged Morsi to focus on “foreign threats,” a reference to developments with the GERD.<sup>40</sup> In a bid to appease the military, Morsi convened a meeting with political powers to discuss options. The meeting was a fiasco as attendees were not advised that the event would be televised live on air, and openly spoke about military options to bomb the dam or send special forces operatives to demolish it.<sup>41</sup>

Once Sissi assumed power, the first set of negotiations with Ethiopia and Sudan took place in 2015.<sup>42</sup> The leaders convened in Khartoum and ratified the Declaration of Principles, which called for mutual cooperation across many areas, including (but not limited to) the sharing of information, the pledge to ensure that no major damages were caused, and importantly that the advice of a committee of experts would be taken into account before the first filling of the reservoir.<sup>43</sup>

The second round of negotiations took place in late 2019/early 2020 and was mediated by the US and the World Bank.<sup>44</sup> Egypt welcomed the negotiations and expressed its interest in cooperating with Ethiopia to finalize a deal that ensured the interests of both states were considered.<sup>45</sup> Negotiations progressed, the United States was on the cusp of claiming that it brokered a deal to end the conflict between Egypt and Ethiopia.<sup>46</sup> Once the finalized deal was presented, which ensured Ethiopia's right to utilize the Nile's water, Ethiopia rejected it.<sup>47</sup> Addis Ababa claimed that the deal did not allow it to produce electricity and eliminated prospects of future Ethiopian plans in the Nile.<sup>48</sup>

Negotiations were then conducted through the mediation of the African Union.<sup>49</sup> During the negotiations, Ethiopia, Egypt, and Sudan met via a virtual summit in July 2020. Just one day after the summit, Addis Ababa announced that the first phase of filling the dam was complete.<sup>50</sup> Egypt did not take any significant steps against Ethiopia, its response was to decry the filling of the dam without agreement from Egypt.<sup>51</sup>

Ethiopia has stated that it aims to cooperate with neighboring states. However, it is evident that Ethiopia has no plans to slow down with filling the reservoir. This reflects the status of power dynamics where the balance has tipped in Ethiopia's favor. The dam has been built and filling has already started and is progressing. Egypt's attempts at restoring previous order through resorting to the Security Council, the African Union, the United States, and multiple African and Arab states has not produced any long-term, substantive outcome. Seeing as military options are limited,<sup>52</sup> Egypt has lost its bargaining position in Africa and is now forced to reckon with the permanent existence of the GERD and the danger it presents to Egyptian water security.

## RELATIONS WITH THE WEST: BACK TO BUSINESS

After the ouster of Morsi in 2013, Egypt's first and immediate objective was to establish the international legitimacy of the transitional government

and to address the concerns of Western partners. For Europe and the US, Egypt had become another case study of the democracy versus stability dilemma. The European Union (EU) strongly condemned the violence in Egypt but stopped short of identifying it as a coup. EU assistance was suspended, except for activities that supported vulnerable groups, especially in rural areas and the informal sector.<sup>53</sup> During the transitional period and in response to condemnation from EU bodies, such as the EU Parliament, Egypt adeptly re-focused its bilateral relations with Europe, using weapons purchases and trade to re-establish relations with various European capitals.<sup>54</sup>

“On various trips to European capitals, Sissi was feted as a leader who could maintain stability in the Southern neighborhood.”

Once Sissi became president, European countries had no other choice but to resume relations with Egypt, considering the importance of economic and security ties with the country. Egypt is not only a lucrative market for European weapons<sup>55</sup> but is also home to many European businesses,<sup>56</sup> as low labor costs and a sizable population make the Egyptian market appealing to European investors and companies.<sup>57</sup> Pulling out of the Egyptian market could have a negative impact on large European corporations, such as Siemens, whose 2015 multibillion-dollar deal in Egypt allowed the company to “save the jobs of hundreds of workers in ... German facilities.”<sup>58</sup>

The Egyptian government was also astute in leveraging the migrant crisis and European fears of irregular migration and terrorism to their advantage.<sup>59</sup> On various trips to European capitals, Sissi was feted as a leader who could maintain stability in the Southern neighborhood. On a 2020 visit to France, Sissi was awarded the Grand Cross of the Legion of Honor (the highest award in France) by President Emmanuel Macron.<sup>60</sup>

In terms of U.S.-Egyptian relations during the post-Morsi transition period, President Barack Obama expressed concern for the army’s decision to remove Morsi and suspend the constitution. Obama called on the army to “return full authority back to a democratically elected civilian government as soon as possible.”<sup>61</sup> Months later, Secretary of State John Kerry visited Egypt and praised the interim government, arguing that the transitional plan “is being carried out to the best of our perception.”<sup>62</sup> After an initial freeze of military aid, Sissi was elected President in 2014, aid was resumed and USD 575 million were released.<sup>63</sup> President Obama met Sissi in 2014 and emphasized the importance of Egypt and the United States’ historical relationship, identifying the relationship as one that was integral to the United States’ security policies in the region.<sup>64</sup>

Any coolness in the relationship disappeared under the Trump administration. President Trump, who infamously labeled Sissi “his favorite dictator,” immediately expressed interest in restoring positive relations between Egypt and the United States after his election.<sup>65</sup> Unlike Obama, who refused to host Sissi in the White House (they had met at the UN), one of the first heads of state received by Trump in the White House was Sissi.<sup>66</sup> Despite this, the U.S. Congress pressured Egypt on its human rights record. The Egyptian government made some concessions and released Egyptian-American activist Aya Hijazi in 2018.<sup>67</sup>

The Biden administration pressured the Egyptian government over its human rights record and withheld some aid but agreed to a USD 2.5 billion arms deal with Egypt.<sup>68</sup> Similar to its approach with Europe, Egypt again leveraged its position, regional role, and its mediation efforts between Palestinians and Israelis in Gaza to garner favor with the Biden administration.<sup>69</sup> Earlier in the year, Sissi and Biden met in Jeddah on the sidelines of the GCC-U.S. summit. The statement from the White House indicates that despite some hiccups, the relationship is back to business seeing as the “decades-long U.S.-Egypt defense partnership remains a key pillar of regional stability.”<sup>70</sup>

## WARMING RELATIONS WITH CHINA AND RUSSIA

Interest-based engagement with western powers took priority after Sissi took control, but there was also a growing warmth and a strengthening of bilateral relations with China and Russia. China's initial reaction to the ouster of Morsi followed its general principles of non-interference, issuing a vague statement calling for all parties in Egypt to "dissolve differences through dialogue and consultation to restore order and social stability."<sup>71</sup> Under Sissi, Sino-Egyptian relations greatly improved, strengthening further after President Sissi visited China in 2014 and signed a comprehensive strategic partnership (CSP) agreement.<sup>72</sup> Like many states in the region, China's non-interference strategy and focus on economic and security issues make it a favorable partner.

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Due to its strategic location, Egypt is a component of the Belt and Road Initiative, with extensive Chinese investments in the country, including in the Suez Canal Zone. Egypt has also worked to diversify its sources of armaments. It has increasingly been purchasing Chinese weapons systems, with various states within the MENA region resorting to China as a supplier of arms.<sup>73</sup> China's foothold in Egypt allows it to secure its interests both in Africa and the Euro-Mediterranean.<sup>74</sup>

With Russia, there was no love lost between President Vladimir Putin and former President Mohamed Morsi and the Muslim Brotherhood (MB) as the Russians feared an MB administration might embolden Chechen militants.<sup>75</sup> Thus, when Sissi nominated himself for the presidency, he was enthusiastically endorsed by Putin.<sup>76</sup> Russia landed several major arms deals with Egypt, as well as a massive agreement to build the country's first nuclear power

plant costing 25 billion euros and projected to have four 1,200 megawatt reactors.<sup>77</sup> The Russia-Ukraine war and sanctions on Russia raise questions about the fate of the nuclear reactor deal,<sup>78</sup> but given Egypt's careful hedging and balancing between Russia and the west, the government has so far not paused the deal and construction is ongoing.<sup>79</sup>

Russian and Egyptian interests are also aligned on Libya and the Eastern Mediterranean, where both countries have cooperated over the past years and have conducted joint military drills.<sup>80</sup> The relationship is not without its tension, as Russia has not supported Egypt's position on the GERD. Egypt courted Russia, a permanent member of the UN Security Council, to support its interests in the Nile, but the Russians have been evasive, given their interests in Ethiopia and other African countries.<sup>81</sup>

## EGYPT GCC RELATIONS: MONEY TALKS

During the Nasser era, when Egypt was dominant in the region, GCC states viewed Arab nationalism with suspicion and hostility. During the 1970s, GCC states reaped the benefits of hydrocarbon revenues while Egypt faced economic downturn, this led to the GCC acquiring a newfound importance in the region and beyond.<sup>82</sup> After Mubarak reconciled with Arab countries, the GCC became an important source of Foreign Direct Investment (FDI) for Egypt, in addition to the sizable remittances Egyptian workers based in the Gulf sent back.<sup>83</sup>

When the Arab uprisings erupted in 2011, GCC states were concerned about Egypt's stability, and countries like Saudi Arabia (KSA) and the UAE were particularly alarmed about the potential rise of Islamist parties in Egypt. Their fears were ultimately realized when President Mohammed Morsi was elected; during his presidency, there was a certain uncomfortableness between Cairo on one hand, and Riyadh and Abu Dhabi on the other.

After the ouster of Morsi, Saudi Arabia, the UAE, and Kuwait supported Egypt with around USD 22 billion



in grants, investments, and deposits in the Egyptian Central Bank, which helped stabilize the economy.<sup>84</sup> While Egypt has been able to maintain independent positions from Saudi Arabia on Yemen and Syria, it did transfer the islands of Tiran and Sanafir to the Kingdom,<sup>85</sup> despite much domestic opposition.<sup>86</sup> In recent economic crises, KSA, the UAE, and Qatar also stepped in, pledging approximately USD 22 billion to Egypt.<sup>87</sup> This financial support has led Egypt to lose some of its room to maneuver vis-a-vis its Gulf allies, especially with KSA and the UAE.

## HAS EGYPT RETURNED?

Despite Sissi's detractors and an abysmal human rights record, it is clear that Egypt under Sissi has regained some of its lost influence. While the scorecard on Libya and Ethiopia has been mixed, Egypt is back as a key regional player and has leveraged its strategic location, its regional connections, and its experienced diplomatic corps to advance its interests regionally and globally.

“Support from the GCC, signals confidence in the Egyptian economy and the ongoing reforms the government is undertaking.”

A key component of Egypt regaining some of its influence has been combining soft power with hard power. Under Sissi, there has been an increase in defense spending with Egypt becoming the third largest importer of arms in the world in the period 2016–20.<sup>88</sup> The weapons purchases serve a dual purpose, firstly, to upgrade some of the army's outdated equipment and munitions, and secondly, leveraging the purchases to gain support from international partners, such as France and Germany.<sup>89</sup> In addition to receiving new arms, the Egyptian army has been undergoing significant capacity upgrades in its operations,<sup>90</sup> making it a more effective fighting force.

Despite this, Egypt's domestic socio-economic challenges present the greatest threat to its ambi-

tions and aspirations. Following an ambitious reform program in the early years of the Sissi presidency, the Egyptian economy grew at an impressive rate but has now stalled in light of multiple external shocks, including COVID-19 and the Russia-Ukraine war. The latter's impact on global food security is especially worrisome to Egypt.<sup>91</sup> A third of Egyptians live under the poverty line and high inflation is having a devastating effect on the most disadvantaged segments of society.<sup>92</sup>

Furthermore, much of the growth over the past few years has been financed by debt, leading the country to have one of the highest debt-to-GDP ratios in the world.<sup>93</sup> To bring in US dollars to the Egyptian market, the government relied on so-called “hot money,”<sup>94</sup> which pursues chances for greater returns in emerging markets. In addition to the negative impact on food security and the tourism sector, the Russia-Ukraine war led to an exodus of hot money to the tune of USD 15 billion, battering the Egyptian pound<sup>95</sup> and leading to the resignation of the governor of the Egyptian Central Bank.<sup>96</sup>

In October 2022, Egypt and the International Monetary Fund (IMF) reached an agreement on “comprehensive economic policies and reforms,” which are going to be facilitated by a 46-month Extended Fund Facility (EFF) arrangement of USD 3 billion.<sup>97</sup> This, combined with support from the GCC, signals confidence in the Egyptian economy and the ongoing reforms the government is undertaking. However, there is indeed a sense of déjà vu as Egypt goes from one crisis to the next, without building a sustainable and inclusive economic model. In the short term, bailouts by the IMF and Gulf allies will stabilize the economy but in the long term, such economic pressures will have an impact on domestic stability and thus curtail Egypt's ambitions to play a more prominent role in the MENA region.

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