

Introduction

During President Gamal Abdel Nasser's Egypt, a current of thought called pan-Arabism took shape, based on the defence of the unity of the Arab world; but this ideological ascendancy weakened as its regional position declined after the Six-Day War, when, following its military defeat by Israel, it lost the Sinai and part of Gaza in 1967. Egypt's prestige collapsed in the eyes of the Arab axis when it signed the Camp David Accords recognising the state of Israel¹ in 1979, which led to its expulsion from the Arab League and the transfer of its headquarters from Cairo to Tunis. This policy of rapprochement with Israel brought about a major change in its international and regional positioning, from close proximity to the United States, which became its main supporter from then on.

President Hosni Mubarak relaunched a policy of rapprochement with Arab countries, and Egypt is now entering a similar phase as it seeks to consolidate its place in the regional arena. On the domestic front, Egypt has enjoyed political stability under the presidency of General Abdel Fattah Al-Sisi since 2013, following the coup against the Muslim Brotherhood government, and who has begun his third term in office, for a further six years, after winning the elections in December 2023.

On the other hand, the centre of gravity in the Middle East is tilted towards the Israeli-Palestinian conflict and, within this geopolitical environment, Egypt is among the countries most affected with immediate collateral effects². As of 7 October 2023, the first year has been commemorated, and the destabilisation of the entire region is a reality.

Local health authorities in the Gaza Strip estimate that the Israeli offensive against the enclave has killed more than 41,000 Palestinians and injured more than 90,000 by September 2024³, while the number of Lebanese killed exceeds 2,400⁴. On

¹ Under the mediation of the Carter Administration, Egyptian President Anwar el-Sadat and Israeli Prime Minister Menachem Begin signed the Camp David Accords in March 1979, although Sadat was subsequently assassinated in Cairo in 1981.

² RIBEIRO, Alex. "Israeli Army Tank Shots Accidentally Injure 9 Egyptian Soldiers on the Border with the Gaza Strip", *Defence.com*. 23 October 2023. Available at:

<https://www.defensa.com/africa-asia-pacifico/disparos-angue-army-israeli-hit-accidentally-9-fringe>

Note: All hyperlinks are active as of 11 November 2024.

³ According to this source, some media outlets have published these figures. Available at: Israel has killed more children in Gaza than men and women | UN News (un.org); UAE evacuates nearly 100 Gaza patients as 10,000+ await transfer - Al-Monitor: The Middle East's leading independent news source since 2012.

⁴ Lebanese casualties are mentioned in this article: 'Netanyahu accuses Hezbollah of trying to assassinate him and warns that he will pay a high price', *El País*. 20 October 2024, p. 8.

the Israeli side, 1,600 Israelis have been killed so far, some of these casualties from friendly fire .⁵

Regarding women and children, during the attacks in Israel on 7 October, at least 280 women were killed, 90 women and 36 children were taken hostage, and sexual violence took place in various locations on the periphery of Gaza and on women in captivity. Of the fatalities in Gaza, two thirds are women and children⁶ and an estimated 52,000 pregnant women have been trapped in the war, with some 180 deliveries per day, most without access to hospitals and maternity clinics .⁷

Given the magnitude of the conflict, this paper attempts to delve deeper into the steps Egypt is taking to reach a ceasefire agreement in Gaza, which are crucial as a means of reaffirming its leading role in the Arab world and because its border is on the very edge of this now highly unstable area.

In addition to the geopolitical tensions in which it finds itself immersed, there are other problems, such as the possible Palestinian migratory movement that could have a major impact on this country, which is already highly populated, and the serious economic situation it is suffering. Given that it is a weak economy, its strategy is based on the deployment of a policy of alliances, especially with Saudi Arabia, the United Arab Emirates (UAE) and China, to encourage investment and ensure economic growth.

Economic situation of the country

Egypt is one of the most populous countries in Africa, with 117 million inhabitants⁸ , as well as having a high number of displaced people, approximately 9 million, from Sudan and Libya, and 75,000 Palestinian refugees remaining from 1948 to 2023. With a young human structure, a large part is concentrated in the Nile Valley, where it resides in urban

⁵ "As of January 2024, the number of casualties (dead and wounded) due to friendly fire amounted to 19 %". In: BAQUÉS, Josep. "El fuego amigo en la guerra de Gaza", *Global Strategy Report*, 6/2024. 2024.

⁶ In June 2024, the UN added Israel to the list of countries that severely violate the rights of children in armed conflict, along with Afghanistan, Somalia and Yemen. Available at: [Secretary General includes Israel on list of countries violating children's rights in beloved conflicts | News s UN \(un.org\)](#)

⁷ The Gaza conflict is proving to be very deadly for women and children according to UN data: *Annual Report of the Secretary-General on Women, Peace and Security*. 24 September 2024. S/2024/671 (pp. 18-19). Available at: [n2427352.pdf \(un.org\)](#) (accessed 24/10/2024).

⁸ [Egypt Population \(2024\) - Worldometer \(worldometers.info\)](#)

settings (40.8%), with Cairo being the most urbanised city, with some 30 million inhabitants.

This large population, with a high demographic growth rate and a youth unemployment rate of 63%, has been affected by a very complicated economic situation. In addition to the continuous devaluations of its currency, the Egyptian pound, over the last few years, it is also the second most indebted country to the International Monetary Fund (IMF)⁹, credit concessions that began with the IMF in 1991.

Against this backdrop of inflation and debt, the Gaza conflict and the Houthi militia attacks in the Red Sea¹⁰ are events that have exacerbated the economic recession as its main sources of income, represented by tourism and the Suez Canal, have collapsed. Many of the ships that used to cross the Red Sea are now diverted to the Cape of Good Hope.

On the other hand, Egypt is experiencing an energy crisis. Despite the creation of the Eastern Mediterranean Gas Forum in 2015, which allowed it to export gas to 20 countries, power cuts have become a national concern since the summer of 2023.

These adverse economic indicators combined with high population growth are factors that explain its position among the main countries of origin of migrant workers¹¹, one of its main sources of foreign exchange. Egypt is the second country of origin of migrants in Kuwait (21%) and is also present in the other GCC countries¹², where there is a high demand in the construction and service sectors.

Economic development has been geared towards urban development, centred on two city projects. New Cairo (NAC) is a new administrative capital, located in a desert area 40 kilometres east of Cairo, which has been under construction since 2015. So far, the first of its four phases has been completed and some ministries and public bodies can be relocated. On the Mediterranean coast, and due to heavy investment by the UAE, a

⁹ Argentina is the most indebted country in the world. Available: <https://gestion.pe/mundo/fondo-monetario-internacional-las-nasaciones-que-actualmente-estan-mas-mas-endeudadas-noticia/> (accessed 14/10/2024).

¹⁰ The Houthis began this strategy on 19 November 2023 following the hijacking of an Israeli-flagged cargo ship. *The Impact of the Gaza War in the Middle East*. Fundación Alternativas, n.º 234. 2024, p. 33. Available at: [GAZA_ORIENT_MEDIUM.pdf \(fundacionalternativa.s.org\)](#) (accessed 10/11/2024).

¹¹ INTERNATIONAL ORGANISATION FOR MIGRATION (IOM). *World Migration Report 2024*, Chapter 2. 2024, p. 24. Available at: [World Migration Report 2024: Chapter 2 - Migration and Migrants: Global Overview | IOM Publications Platform](#)

¹² INTERNATIONAL ORGANISATION FOR MIGRATION (IOM). "Gulf Cooperation Council countries", in *Situation Report on International Migration 2019. The Global Compact for Safe, Orderly and Regular Migration in the Context of the Arab Region*. United Nations, 2020, pp. 34-40. Available at: <https://publications.iom.int/books/situation-report-international-migration-2019-global-compact-safe-orderly-and-regular>

project is underway to build a resort city with an airport starting in 2025, 200 kilometres west of Alexandria on the Ras al-Hikma peninsula.

In addition to relations with the UAE, the country has strong economic ties with Saudi Arabia¹³. In October 2024, Crown Prince Mohammed bin Salman and Egyptian President Abdel Fattah al-Sisi met in Cairo for the establishment of the so-called 'Saudi Arabia-Egypt Supreme Coordination Council', a body linked to bilateral trade and industrial investment projects. In this regard, for electricity supply, the project to build an infrastructure of power lines and submarine cables is scheduled to begin in mid-2025.

In reality, economic and political ties with China are the most important and strategic. Egypt is identified as a key country by Beijing because, due to its geographical position, it allows it to connect with its best and largest market, Europe. For this reason, during the latest BRICS enlargement in January 2024, Egypt joined this economic group led by China, along with Saudi Arabia and the UAE. In this regard, the tenth Ministerial Conference of the Forum for China-Arab States Cooperation held in Beijing in May 2024 was very significant, where several areas of cooperation were agreed between China and Egypt, as well as with other countries in the region.

China has advanced positions in Egypt's strategic sectors, representing the largest investor in the Suez Canal corridor, an industrial zone comprising six ports and rail transit systems connecting major cities. However, 'it has also injected large amounts of money into its economy in the form of loans, investments and development projects, focusing its investments on urban expansion plans, energy, telecommunications and renewable energy'¹⁴.

¹³ The strong Saudi and Emirati investments in Egypt are detailed in this article: <https://www.al-monitor.com/originals/2024/10/egypts-sisi-hosts-saudi-crown-prince-cairo-looks-at-tract-investment>

¹⁴ SAMPER, V., VICENTE, A. de, & JIMENEZ, E. China as a global actor and its relations with Africa, Mediterranean countries and the Middle East. *ICE Economic Bulletin*, 3153. 2022. <https://doi.org/10.32796/bice.2022.3153.7537>



Figure 1. China represents the largest investor in the Suez Canal.
 Source: own elaboration from https://commons.wikimedia.org/wiki/File:Suez_canal_map.jpg

Finally, with regard to military spending, Egypt is not one of the world's largest defence purchasers¹⁵, but its budget will increase as a result of contracts with the US and other countries for the acquisition of anti-aircraft missiles and the strengthening of its air force and air defence capabilities.

Egyptian leadership in mediating the Israeli-Palestinian conflict

Egypt has been asserting its regional leadership since the Palestinian-Israeli conflict began by pursuing a policy focused on mediation and appeasement. Indeed, the Egyptian capital is the centre of negotiations between Israeli and Hamas delegations.

One circumstance that brings it closer to Israel is the fact that, during the Al-Sisi presidency, the Muslim Brotherhood was labelled a terrorist organisation and the Islamist organisation is banned in Egypt, not to mention that Hamas has its ideological basis in

¹⁵ In 2023, Egypt was not among the forty countries with the highest military budgets. International Peace Research Institute (SIPRI): Fact Sheet, April 2024, Trends in world military expenditure. 2023, p. 2. Available: [Trends in World Military Expenditure, 2023 \(sipri.org\)](https://www.sipri.org/publications/2024/01/trends-in-world-military-expenditure-2023)

the Muslim Brotherhood. In contrast, Qatar presents itself as a country heavily involved with designated terrorist organisations. In particular, its capital, Doha, was home to Hamas political leader Ismail Haniyeh and other Hamas members until his death. Because of these links, Israel does not consider Qatar to be a reliable interlocutor and, in line with this distrust, has shut down the Qatari government-owned Al Jazeera channel.

However, also because of its own national interests, Egypt is particularly committed to addressing a solution because it has direct border contact with the conflict, namely through its north-western border, a proximity that is a constant source of insecurity.

Egypt's land borders with Israel stretch 266 kilometres from the Gulf of Aqaba to the Gaza Strip. It should be noted that the Sinai Peninsula was returned by Israel to Egypt in 1982, although Egyptian control did not become effective until 1986. Egypt has now reinforced this border with mechanised units.



Figure 2. Egypt's border with Israel, 266 km.

Source: [Un-israel - File:Israel and occupied territories map.png - Wikimedia Commons](#)

With the Gaza Strip (360 square kilometres), the border with Egypt runs for 12 kilometres and stretches from the Mediterranean Sea to the Kerem Shalom crossing, the key entry point for humanitarian aid. The Gaza Strip has 2.3 million inhabitants living in very precarious conditions, and because of the border with Egypt, the pressure of displaced Palestinians has increased. From October 2023

to March 2024, around 100,000 Palestinians arrived in Egypt and an estimated 300-500 people enter daily, including medical evacuees, Palestinians with dual nationality, and members of international organisations¹⁶.



Figure 3. Egypt's border with the Gaza Strip, 12 km.

Source: From Wikimedia Commons, the free media repository. Author: Lencer - own work, used: UNOSAT, Situation Map-Gaza Crisis UN Office for the Coordination of Humanitarian Affairs, Gaza-Strip Overview Map Spiegel Online.

The most important diplomatic negotiations to reach a ceasefire agreement in Gaza and in turn reduce the heightened tension between Israel and Iran began in August 2024 at meetings in Doha (Qatar) and Cairo (Egypt), but prior to that Egypt, the US and Qatar had reached some partial agreements between Israel and Hamas, such as the seven-day truce in November 2023, in which Hamas released 78 hostages.

In any case, diplomatic talks on a ceasefire have seen a seesawing of stalemate and periods characterised by some progress in trying to reach an agreement between the warring parties. In this regard, the parties have rejected Egypt's latest proposal for a two-day truce, to be followed by 10 days of negotiations, to facilitate the exchange of hostages for Palestinian prisoners, in order to reach a broader agreement.

¹⁶ [Bridging Local and Global Assistance for Palestinian Refugees in Egypt - CIAO \(ciaon e t.org\)](https://ciaon.e.t.org/)

Certainly, the end of the war, the release of hostages and Palestinian prisoners are unresolved issues, but there are many other sticking points on which there is no compromise either.

First, a definitive end to the war has been proposed in three phases, a ceasefire to free the hostages, a definitive withdrawal of Israeli troops and the reconstruction of Gaza, but with no concrete timeline for the Israeli withdrawal of the IDF from Gaza, Hamas has rejected the plan. On the other hand, the elimination of Hamas is Israel's prerequisite for its withdrawal from the strip. I should mention that the political leaders of the terrorist organisation, Ismail Haniyeh and Yahya Sinwar, were successively killed by Israel in Tehran and Gaza respectively. Regarding Palestinian prisoners, the Israeli army specified that it had detained 2,300 Palestinians during ground operations in Gaza.

On the other hand, in Netanyahu's own government, defence minister Yoav Gallant, a harsh critic of the conduct of the war, was removed to appoint Israel Katz as the new defence minister, a staunch ally of the Israeli prime minister .¹⁷

Secondly, following the killing of six hostages in late August, including one American, 101 hostages are still being held captive. The families of the hostages still alive believe that Netanyahu is obstructing a deal for his own political survival, as far-right members of his ruling coalition have vowed to topple the government if the Israeli prime minister makes concessions to Hamas. Moreover, the families of the US hostages are pressing Washington to negotiate a unilateral deal directly with Hamas and to exclude Israel .¹⁸

Other areas of divergence include the issue of the reopening of the Rafah crossing and the 100-metre wide strip of land called the Philadelphi Corridor¹⁹ . The corridor is a border area along Gaza's border with Egypt, demilitarised after the withdrawal of Israeli troops in 2005. Since then, except for the Salh Al-Din underground crossing, the Egyptian government has destroyed many of the tunnels underneath

¹⁷ Netanyahu's reshuffle of the defence portfolio is detailed in both articles: [Benjamin Netanyahu fires defence minister Yoav Gallant, triggering protests across Israel | Israel | The Guardian](#). [Who Is Israel Katz, Israel's New Defense Minister? - The New York Times \(nytimes.com\)](#)

¹⁸ [Hostage families press Biden admin to make a deal with Hamas that doesn't include Israel \(nbcnews.com\)](#)

¹⁹ [What is the Philadelphi corridor, and why is it so important to Israel? | Israel-Gaza war | The Guardian](#)

the corridor. However, Israeli Prime Minister Benjamin Netanyahu insists on maintaining military control, i.e. of the Rafah crossing and the Palestinian side of the border corridor²⁰, which he took over in May, and which Egypt is totally opposed to, as is Hamas.

In parallel, the humanitarian crisis continues to worsen. Egypt has already denounced Israel for obstructing deliveries of supplies to the Gazan population, accusing it of bombing the roads leading to the Rafah crossing. In addition to the flight of nearly one million people from Rafah since May 2024, the latest was the law passed by the Israeli parliament in October, with 92 votes in favour and 10 against, restricting and blocking the work of the UN Relief and Works Agency for Palestine Refugees in the Near East (UNRWA)²¹ in Gaza, the West Bank and East Jerusalem. Between January and March 2024, seventeen donor countries and the European Union had suspended their contributions to the agency when the Israelis showed photos of twelve alleged UNRWA employees who were said to have been involved in the 7 October attacks. At the end of April, the Israeli investigation was concluded but failed to provide evidence and funding was resumed, except for the US, one of the largest donors (40%).

Conclusions

On the domestic political front, governmental stability is being maintained in Egypt, allowing President Al-Sisi a favourable context to develop a certain capacity for influence in the regional sphere.

To reinforce its external projection, Egypt will continue to play an important part in diplomatic negotiations to achieve a ceasefire in the Gaza war, a conflict that is also having a major negative impact on Egypt in two fundamental ways: its economic situation and the increase in the number of displaced Palestinians.

²⁰ [Egypt fed up with Netanyahu, but crisis with Israel deeper than Philadelphi - Al-Monitor: The Middle East's leading independent news source since 2012](#)

²¹ [Israeli Parliament vote against UNRWA violates international law and is a dangerous precedent | UN News](#)

Peace is illusory in the short term. Egypt's proposals have not been accepted by the warring parties, whose serious rifts have not abated. Moreover, Gallant's dismissal closes another door to a cessation of hostilities because the new Israeli defence minister, Katz, is unlikely to oppose Netanyahu's hardline stance on ceasefire negotiations.

It thus assumes that, as a cause of the continuation of the war, the destruction of the Strip will lead to more deaths, displaced persons and forced internally displaced persons, a real trauma for the Palestinian population, which will make peaceful coexistence with the State of Israel very difficult in the long term.

The neutralisation of the Muslim Brotherhood and its influence is a variable on which Israel and Egypt converge. However, relations between the two bordering countries will deteriorate because PM Netanyahu will not relinquish military control of the Rafah crossing and the Philadelphi corridor, just as Israel's blockade of UNRWA activities in Gaza will lead to a major humanitarian crisis with immediate consequences for Egypt.

On the economic front, against the backdrop of strong investors in the Egyptian economy, relations with China, Saudi Arabia and the UAE are very intense and will not be short-lived, powers to which Egypt will present no competition or rivalry. However, the continued depreciation of its currency will, in turn, make its external debt to the IMF more expensive.

On the other hand, although shipping flows through the Suez Canal have not yet been restored by the Houthi attacks, no drastic change is expected from China, which will continue its advance in the Egyptian market, especially in the port area of the Suez Canal, to turn the country into an important hub of its own economic activity.

In addition, the construction industry will grow considerably in Egypt in the coming years due to ongoing large urban development projects. In this regard, one of the main challenges facing the country is considered to be the energy deficit due to the high domestic consumption associated with intense urbanisation. This shortfall in energy coverage will be compensated by Saudi Arabia in a first-ever electricity exchange with Egypt.

Ultimately, despite Egypt's ambitions to resolve the Israeli-Palestinian conflict in order to regain its regional position and resolve border tensions with Israel, it is believed that only the US can force Israel to withdraw from the Gaza Strip . However, Egypt's push for diplomatic negotiations will remain stagnant until Donald Trump's presidential inauguration in January. As for the Abraham Accords, promoted during his first term in office, Israel's alliances with Arab countries will almost certainly not expand.

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