

# Egypt Takes Another Step Toward China

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Brief Analysis

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## Port projects and other outreach may help President Sisi check off some of his policy goals, but giving China such a foothold could threaten a number of U.S. interests in the region.

**O**n August 5, Egypt signed a memorandum of understanding with the Chinese company Hutchison Ports to establish a Mediterranean container terminal in Abu Qir. President Abdul Fattah al-Sisi himself attended the signing ceremony, where he praised the company's global reputation in the field and emphasized the importance of executing the project in accordance with the highest international standards.

The project is in line with Sisi's track record of seeking Chinese help to fulfill his ambitious domestic and foreign agenda. Hutchison is one of the world's leading port networks, operating terminals in twenty-seven countries; in Egypt, it operates the country's two main commercial ports, Alexandria and El Dekheila. The company's representatives commended the opportunity for direct investment in Abu Qir and announced that they will be training more than 1,500 Egyptian engineers and other workers for jobs at the terminal. According to them, the facility will be able to handle up to 1 million containers annually once completed.

## SISI'S OUTREACH TO CHINA

**S**ince Sisi took office as president in 2014, he has visited China six times and met with President Xi Jinping seven times. His first trip took place in December 2014, when he signed twenty-five bilateral agreements, mainly on energy and transport issues. He also pledged to cooperate on what has come to be known as the Belt and Road Initiative (BRI), China's sweeping strategy to build a new Silk Road by investing in roads, rail, energy production, transit, and other infrastructure projects across some sixty countries.

In September 2015, Sisi showed the seriousness of his intent to deepen ties by attending Beijing's celebration of the seventieth anniversary of the end of World War II. Four months later, President Xi traveled to Cairo at Sisi's

invitation, the first such visit by a Chinese leader since 2004. Xi in turn invited Sisi to two multinational events: the G20's Hangzhou summit in September 2016, and the BRICS summit and business forum in Beijing a year later.

In September 2018, Sisi visited China for a fifth time to take part in the Forum on China-Africa Cooperation. During his speech at the event, he praised Beijing's outreach to African nations and emphasized the intertwining importance of the BRI and Agenda 2063, an African Union plan for transforming the continent into a global powerhouse.

Most recently, Sisi traveled to Beijing this April to attend the Belt and Road Forum for International Cooperation alongside thirty-seven other world leaders. There, he argued that Egypt has changed for the better under his rule—and, by extension, become a more attractive investment location—by successfully countering terrorist threats, implementing economic reforms, and practicing a balanced foreign policy in the Middle East.

Sisi's reasons for wooing China so ardently are legion:

**Prioritizing “no pressure” relationships.** The Chinese government has stayed out of Egypt's internal affairs since the 2011 uprising and was quick to congratulate Sisi when he became president, even sending a special representative to his inauguration ceremony. Unlike the United States, Beijing has not criticized Cairo for its record on political detainees, torture of prisoners, or other human rights abuses. In return, Sisi has remained silent on China's [crackdown against Uyghur Muslims \(https://www.washingtoninstitute.org/policy-analysis/view/will-turkey-and-china-become-friends\)](https://www.washingtoninstitute.org/policy-analysis/view/will-turkey-and-china-become-friends).

**Accelerating economic growth.** China is the world's second-largest economy, and Cairo sees it as being the global model on this front in the future. Hence, Sisi has sought to establish close logistical relations in the hope of eventually making Egypt a central player in the Middle East and North Africa. Thus far, Chinese investments in Egypt have centered on industrial projects (55 percent), construction (20 percent), and services (19 percent). To further enhance bilateral investment, the two countries founded the Egyptian-Chinese Chamber of Commerce Association, and business delegations from both nations have visited each other. Sisi looks fondly at China's success in transforming itself from a developing nation into a major economic power, seeing Beijing's model as a blueprint for how a state can spur such growth while still ruling with an iron fist.

**Courting a great power.** Sisi also regards China as the world's future political and security superpower, so having Beijing on his side is crucial to raising his own status in the international arena. In exchange, he has offered to open Egypt's large markets to Chinese products, which in turn could give Beijing a window to the rest of the Arab world and Africa. These and other goals spurred the two governments to sign a comprehensive strategic partnership deal in 2014.

**Diversifying Egypt's foreign policy and military options.** In Sisi's view, Egypt's biggest mistake during the Mubarak era was throwing all of its eggs in one basket, namely, the Western world. He believes Cairo should engage with every world power so that it does not become dependent on one geopolitical axis or another.

**Bolstering political legitimacy at home.** Historically, most Egyptian leaders have relied on their military backgrounds and heroic war records to boost their legitimacy during times of economic or political crisis. For instance, Hosni Mubarak constantly reminded the public that he had led the air force during the 1973 war. Anwar Sadat marketed himself as the man of war and peace who restored Sinai to Egypt. And Gamal Abdul Nasser was the hero of the poor and a symbol for resistance against “Western imperialism.”

Until recently, Sisi used a similar strategy, rallying the public around the goals of confronting the Muslim Brotherhood and jihadist terrorist groups. Now that his security apparatus has [contained the Brotherhood \(https://www.washingtoninstitute.org/policy-analysis/view/death-of-divisive-morsi-could-unite-egypts-opposition\)](https://www.washingtoninstitute.org/policy-analysis/view/death-of-divisive-morsi-could-unite-egypts-opposition) and noticeably diminished the number of terrorist attacks, he apparently believes he has to reinvent

himself for the Egyptian public in order to maintain his grip on power. One way to do so is by getting close with world leaders and appearing on the international stage as often as possible to show audiences back home that he is still relevant. Indeed, his media machine in Egypt never misses an opportunity to glorify his international speeches.

## IMPLICATIONS FOR U.S. POLICY

China has become an essential component of Sisi's agenda at home and abroad. Without its financing and expertise, showpiece projects like the new administrative capital and a new Suez Canal industrial zone are unlikely to get off the ground. In return, China wants to take advantage of Egypt's position in the Arab world and Africa to facilitate bilateral and collective cooperation in both regions, including on projects that further the BRI. All of this should worry the United States, especially since China could use its access to Egyptian ports to improve its standing in the Middle East and potentially gather intelligence on U.S. interests, similar to Washington's concerns about Israel's Haifa port.

Other potential security concerns should be assessed as well, including: Chinese military sales to Egypt competing with U.S. sales; Chinese technology posing a counterintelligence risk; Chinese arms or forces establishing antiaccess/area-denial bubbles in the East Mediterranean or Suez; and Beijing's relations with North Korea accelerating Cairo's own troubling engagement with Pyongyang. Determining the severity of such threats will help Washington decide how Egypt fits into America's growing great-power competition with China.

*Haisam Hassanein was the 2016-2017 Glazer Fellow at The Washington Institute.* ❖

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