

The Growth of Chinese Influence in Egypt: Signs and Consequences

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Brief Analysis

Chinese influence extends beyond the economic sphere, posing serious threats to Egypt's security interests and relationship with the United States.

Beijing's recent mediation between Iran and Saudi Arabia was no random or isolated move. Rather, it seems that the Chinese giant is preparing to deepen its influence in the Middle East. The growth of China's influence in Egypt, for instance, has become unmistakable on both a government and a popular level. The results of a [recent Washington Institute poll \(https://www.washingtoninstitute.org/policy-analysis/new-poll-most-egyptians-split-relations-foreign-powers-pessimistic-about-domestic\)](https://www.washingtoninstitute.org/policy-analysis/new-poll-most-egyptians-split-relations-foreign-powers-pessimistic-about-domestic) show that a majority of Egyptians view relations with China as more important than relations with the United States. Strikingly, these results correspond with those of an [earlier telephone study \(http://www.baseera.com.eg/RecentPolls2.aspx?ID=84\)](http://www.baseera.com.eg/RecentPolls2.aspx?ID=84) carried out by the Egyptian Center for Public Opinion Research (Baseera) in 2015, which reported that China was ranked as Egypt's greatest friend among non-Arab countries. In the same study, Israel and the United States were ranked as Egypt's greatest enemies according to those polled.

Historically, relations between Beijing and Cairo have deep roots. Under Nasser, Egypt became the first Arab or African country to establish diplomatic relations with the People's Republic of China in 1956. Later that year, China provided Egypt with significant financial assistance against the Tripartite Aggression of Great Britain, France, and Israel during the 1956 Suez Crisis. Both states were likewise key players in the non-alignment movement, which arose as a counterweight to the Cold War dichotomy of U.S. and Soviet alignment. Despite the varying political systems in Egypt over the past half century, relations with Beijing have remained of capital importance for Egyptian

foreign policy, even after the election of the Muslim Brotherhood into power in 2012. Then-president Mohamed Morsi visited China within a few months of his election, as did current President Abdel Fattah El-Sisi once he came to power.

Following Xi Jinping's ascension to power and the launch of China's Belt and Road Initiative (BRI) in 2013, Egypt's ties with China have become even more significant. In 2014, the two countries signed (<https://economictimes.indiatimes.com/news/international/business/china-egypt-sign-strategic-partnership-agreement/articleshow/45629765.cms?from=mdr>) a “strategic partnership agreement,” promising cooperation in the fields of defense, technology, the economy, counter-terrorism, and fighting cybercrimes. During Xi Jinping's visit to Egypt in 2016, 21 more agreements were signed—including an agreement for 15 billion dollars of Chinese investment in various projects.

From 2017 to 2022, Chinese investment in Egypt increased by 317%. During the same period, U.S. investment in Egypt decreased by 31%. Data from the Central Bank of Egypt revealed that China acquired the largest share of Egypt's imports, at a rate of 10.1%, at an amount of about two billion dollars, during the ending fiscal year. Data also showed that the United States came as the fourth exporter of goods and commodities to Egypt, at a rate of 6.2%, which is almost 1.2 billion dollars. Moreover, China was ranked as the second largest trading partner of Egypt after the United Arab Emirates, while the United States came in third place during the same period.

Infrastructure and construction projects in new Egyptian cities have drawn particular attention from Chinese investors. The erection of the Iconic Tower in the New Administrative Capital, for example, was executed by the China State Construction Engineering Corporation at a cost of up to 3 billion dollars. According to China's “highly active” ambassador to Cairo, Liao Liqiang, the BRI is intimately linked to Egypt's Vision 2030—an ambitious development plan launched by Sisi.

This five year period also witnessed unprecedented growth in trade between Egypt and China. Egypt's imports from China doubled from approximately 8 billion dollars in 2017 to 14.4 billion dollars in 2022. Egypt's exports to China, which were approximately 693 million dollars in 2017, reached 1.8 billion dollars this past year. Data from the Central Agency for Public Mobilization and Statistics revealed last March that the percentage of Egyptian exports from China increased by 20.8% during the first eleven months of 2022. The value of trade exchange between the two countries grew to 14.9 billion dollars during the aforementioned period, compared to 14.5 billion dollars during the same period in 2021, an increase of 2.6%. Machinery, electrical appliances, boilers, and mechanical tools usually account for the largest share of Chinese exports to Egypt, followed by chemical and organic products, cars, tractors, bicycles, iron and steel products, and textiles.

As a result, China has become Egypt's largest trading partner for eight successive years. From 2018 to 2019, Egypt drew in approximately 28.5 billion dollars in Chinese investments, becoming the largest recipient of Chinese investment in the Arab world.

China's Growing Soft Power

Of late, China's involvement in Egypt has not been limited to construction projects, expanding instead to encompass the cultural sphere and discrediting the widely held belief that China's plans in Egypt are solely economic. Many media outlets—notably government ones—have become megaphones for Chinese Communist Party (CCP) propaganda. At a time when some media sources rely on reproducing material about U.S. violations of human rights in Guantanamo or Abu Ghraib, for example, talk of China's violations against the Uyghur Muslim community has been avoided. Despite the silence on the Uyghur cause, Egyptian security officials have arrested a number of Uyghur students in Egypt, sparking international human rights appeals not to hand them over to the Chinese authorities. On the Taiwan issue, Sisi and state media have repeatedly emphasized that Egypt's policy is unchangeable. Sisi declared

in a [speech \(https://www.arabnews.com/node/2137791/middle-east\)](https://www.arabnews.com/node/2137791/middle-east) to military students that “Egypt supported the “One China” policy as it is in the interests of world security and stability.”

Another area of influence is China’s effort to engage Egypt’s next generation of leaders and administrators, primarily through large-scale training programs offered to government and executive leadership across Egypt. By its own [account](https://www.youm7.com/story/2021/12/29/%D8%A7%D9%84%D8%AA%D8%B9%D8%A7%D9%88%D9%86-%D8%A7%D9%84%D8%AF%D9%88%D9%84%D9%89-%D8%AA%D9%86%D8%B8%D9%85-%D8%B9%D8%AF%D8%AF%D8%A7-%D9%85%D9%86-%D8%A8%D8%B1%D8%A7%D9%85%D8%AC-%D8%A7%D9%84%D8%AA%D8%AF%D8%B1%D9%8A%D8%A8-%D9%84%D8%A8%D9%86%D8%A7%D8%A1-%D9%82%D8%AF%D8%B1%D8%A7%D8%AA-%D8%A7%D9%84%D8%B9%D8%A7%D9%85%D9%84%D9%8A%D9%86/5597890)

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China has also cultivated a wide-ranging network of relations with Egyptian political parties. The Chinese embassy in Egypt has held periodic meetings and functions with Egyptian political parties to strengthen their cooperation with the CCP. Strikingly, such meetings are not restricted to socialist or leftist parties, but are held with parties across nearly the entire political spectrum. Likewise, the CCP’s International Liaison Department communicates and organizes meetings and functions in China with Egyptian politicians, allowing them to meet senior-level Chinese counterparts. The Chinese ambassador in Cairo also regularly writes articles in widely-read Egyptian newspapers. These are extremely effective channels for spreading CCP propaganda, inculcating a positive view of China and oppositional attitudes towards the West, especially the United States.

The establishment of the Confucius Institute at Cairo University is another example of China’s soft power tools in Egypt. Founded in 2007, the institute is intended to teach Egyptian scholars the Chinese language and share Chinese culture. Recently, the director of the Confucius Institute in Cairo was selected as the best director among the 500 branches and 3,600 foreign directors of Confucius Institutes worldwide.

Already, Chinese propaganda has successfully effaced objective realities. For example, Chinese messaging has captured the attention of the Egyptian public with a multifaceted conspiracy [theory](https://www.washingtoninstitute.org/policy-analysis/egypt-israel-and-nile-water-conspiracies) [\(https://www.washingtoninstitute.org/policy-analysis/egypt-israel-and-nile-water-conspiracies\)](https://www.washingtoninstitute.org/policy-analysis/egypt-israel-and-nile-water-conspiracies) about the role of the United States and Israel in supporting Ethiopia on the proposed Grand Ethiopian Renaissance Dam (GERD)—a project which would seriously threaten Egypt’s water resources. Meanwhile, Beijing’s active [role](https://uscnpm.org/2021/06/05/gerd-assessing-chinas-role/) [\(https://uscnpm.org/2021/06/05/gerd-assessing-chinas-role/\)](https://uscnpm.org/2021/06/05/gerd-assessing-chinas-role/) in supporting the proposed dam, as well as other dams on sources of the Nile, is being ignored. China has given 1.2 billion dollars to build electrical power lines from the dam to Ethiopian cities, and has spent an additional 1.8 billion dollars for Ethiopia to expand its renewable energy resources. Chinese companies like Sinohydro have also played a leading role in the building process for the dam. Nevertheless, these facts are noticeably absent from Egyptian media.

An area of particular concern and growth is that of the telecommunications sector. Egypt has welcomed in two controversial Chinese companies, Dahua and Hikvision, which not only have ties to the CCP but have been implicated in a [recent report \(https://www.top10vpn.com/research/hikvision-dahua-surveillance-cameras-global-locations/\)](https://www.top10vpn.com/research/hikvision-dahua-surveillance-cameras-global-locations/) on the worldwide expansion of surveillance networks that pose a grave threat to the privacy and

security of civilians. Although Vietnam and the United States have the lion's share of cameras from Dahua and Hikvision, Egypt ranks 54th worldwide, with approximately 25,000 surveillance camera systems using Dahua or Hikvision equipment. In addition, the vast majority of routers in Egypt are of Chinese manufacture. For example, Telecom Egypt issues its employees USB modems and G4 routers, all of which are made in China by the companies ZTE and Huawei.

Egypt's ready argument may be that the country's best interests depend on finding a balance between the world's great powers. This is certainly a lesson drawn from Egypt's historical experience; during the Cold War period, the country benefited from its "non-aligned" stance between East and West. Though this argument may seem logical at first, especially given Washington's perceived indecision vis-a-vis its Middle East commitments and relationships, Egypt must be aware of the risks inherent in a partnership with China. In addition to its moves on the Grand Renaissance Dam, China's suspicious activity in controlling Egyptian cyberspace has worried even Cairo. Egypt must be aware of both the potential risks of over-dependence and its impact on Egypt's other foreign relations. Chinese influence in Egypt could threaten the interest of the United States and its investments in Egypt to a great degree, throwing open the door for even greater Chinese influence in the region via Cairo and a limit to Egypt's ability to hedge itself against Chinese influence.

Washington and its western allies have long criticized Egypt's fluid stance on the condemnation of the Russian invasion of Ukraine. It is to be expected that Egypt would adopt the same position in the event of a Chinese invasion of Taiwan, thereby helping to scuttle an international attempt to defend the island. The United States is currently focused on defending American interests in the face of the rise of China in Asia and the Pacific Ocean and is gradually withdrawing from the Middle East. But China may open a new front against the United States in the Middle East, and Washington needs to prepare for this possibility.

As genuine fears about individual privacy and electronic security rise to the forefront due to the worldwide expansion of Chinese electronic technology, Chinese tech companies appear to be planting their feet in Egypt little by little. This could affect Egyptian—and thereby American—national security going forward. American officials previously urged Egyptian companies to refrain from commercial projects with Chinese companies using 5G technology, pointing to potential risks to data privacy and security.

When it comes to Cairo's international relations, Egypt holds the most important geographic position in the Middle East, sitting as it does between the continents of Africa, Asia, and Europe. It possesses the Suez Canal, the world's most important waterway. It is one of the key regional sections of the Chinese BRI. It has great standing in the Arab, Islamic, and African worlds, and exceptional and longstanding relations with most of the world's countries. Greater influence in Egypt will enhance China's standing against the United States, and China's growing investments in Egypt could threaten the United States' economic interests in the coming decade. Without a doubt, a further strategic partnership between Egypt and Beijing will eventually negatively impact Egypt's special relationship with the United States. ❖

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