

# Will the Philadelphia Corridor Reignite Tensions Between Egypt and Israel?

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Brief Analysis

## The ongoing Israeli military presence on the Philadelphia Corridor may prove an explosive flashpoint for Egypt-Israel relations given domestic pressures and internal fears in Cairo.

In 1979, Egypt and Israel signed a historic peace agreement. More than four decades later, this treaty remains a cornerstone of regional stability. However, with the escalating conflict in Gaza and increasing internal pressures on Egypt, Israel's ongoing military presence in the Philadelphia Corridor—the border strip separating Gaza and Sinai—poses a complex challenge to Egypt-Israel relations. Israel seized the Rafah border crossing on May 7, causing Egypt to close the crossing from its side. Since then, Egypt has **demanded** [\(https://www.reuters.com/world/middle-east/egypt-demands-israel-withdraws-rafaq-crossing-it-operate-again-sources-say-2024-06-02/\)](https://www.reuters.com/world/middle-east/egypt-demands-israel-withdraws-rafaq-crossing-it-operate-again-sources-say-2024-06-02/) that Israel withdraw from the crossing and from the Philadelphia Corridor, but building public pressure within Egypt may make these demands more urgent for the health of future bilateral relations.

While Israeli Prime Minister Benjamin Netanyahu insists on the importance of controlling this corridor to ensure Israel's security, Egypt sees reinstating Israeli control over the corridor as a provocative measure that will not lead to a tenable security situation in Gaza. This increasing tension is threatening the foundations on which the peace agreement between the two countries was built, and may put the future of the partnership between Cairo and Tel Aviv at stake.

**A Cold Yet Productive Peace**

Despite the cold nature of this peace—often reflected in the lack of popular support for Israel within Egypt—the partnership has proven practical and effective. Before the horrific terrorist attacks of October 7, 2023, Egypt and Israel were cautiously working to deepen their bilateral cooperation, especially in security and counter-terrorism. Over the years, the two states learned to work together despite their differing political ideologies and historical tension. This pragmatic partnership focused on shared security challenges, particularly in the Sinai Peninsula, where both faced the threat of ISIS-affiliated militants. After dealing with the Sinai insurgency for years, Egypt found common ground with Israel in their joint efforts to combat this cross-border extremism. This pragmatic cooperation, especially in counter-terrorism, has been crucial in maintaining a delicate balance of peace, albeit one rooted more in necessity than warmth of friendship.

Partnership with Israel has also carried a host of concrete economic benefits. The **Qualifying Industrial Zones (QIZ)** (<https://www.trade.gov/qualifying-industrial-zones>) initiative allowed Egyptian products with Israeli components to enter U.S. markets duty-free, and Israeli tourism to Egypt's Red Sea resorts had been **steadily growing** ([https://uploads-ssl.webflow.com/6329bc97af73223b575983ac/64874d89b569ecabf476b667\\_EIR2023-Egypt.pdf](https://uploads-ssl.webflow.com/6329bc97af73223b575983ac/64874d89b569ecabf476b667_EIR2023-Egypt.pdf)) in recent years before the outbreak of the Gaza conflict. The expansion of natural gas trade, particularly through Egypt's participation in the Eastern Mediterranean Gas Forum, underscored the increasing economic interconnectedness between the two countries. This regional energy cooperation has been pivotal, aligning Egyptian and Israeli interests in a way that transcends political differences, focusing instead on shared economic and energy security.

Since the outbreak of the war in Gaza, however, cooperation has broken down. For example, QIZ factories have slowed their production **20% from 2022 levels** (<https://www.trade.gov/data-visualization/qualifying-industrial-zones-qiz>). The situation has worsened with the continuation of Israeli military operations in Gaza and the Houthis joining the war and threatening shipping routes in the Red Sea, which in turn threatened Egypt's vital Suez Canal revenues, a crucial lifeline for the national economy.

As Israel's military incursion into Gaza continues without a political resolution in sight and Israel is ratcheting up its operation in southern Lebanon, ordinary Egyptians are feeling the tangible impact of regional conflicts on their livelihoods and resentment is growing on the street.

### **Increasing Internal Pressures**

Domestically, the ongoing conflict in Gaza has ignited significant unrest within Egypt. There's a growing sentiment among Egyptians that the long-standing diplomatic relationship between the government and Israel needs to be reconsidered. Protests have erupted across the country, and while this public anger may not be a new phenomenon, it has reignited with greater intensity as the conflict in Gaza continues as scenes of children killed in Gaza by Israeli bombardment show on televisions across the country.

Several national calls for boycotting Israeli and U.S. products have emerged, with campaigns gaining significant momentum, especially on social media platforms. Large multinational companies like McDonald's have reported **sharp declines** (<https://www.newarab.com/news/mcdonalds-ceo-says-gaza-boycott-campaign-hurting-mena-sales>) in sales. The wave of popular anger has extended to the Egyptian parliament, where some legislators have called for a re-evaluation of the 1979 Egyptian-Israeli peace treaty. One deputy went as far as tearing up the treaty during a parliamentary session, while another stated that there is no way to protect the people of Gaza except through war, indicating the level of discontent within Egypt's political class. Although such actions are unlikely to translate into official abandonment of the treaty, they highlight the increasing pressures on the Egyptian government to at least reconsider the terms of its relationship with Israel.

One of Egypt's primary critiques is that Israel is relying on short-term military tactics at the expense of long-term strategic solutions. Over the years, Israeli policies have weakened the Palestinian Authority, allowing Hamas—the more extreme and violent entity—to consolidate its power in Gaza. Egypt views this as a strategic miscalculation, believing that empowering Hamas has not only destabilized Gaza but also posed broader risks to regional security. Israel's subsequent harsh military response in Gaza has only widened the rift, with Cairo feeling that its efforts to warn Israel about the broader risks of such actions fell on deaf ears.

The ongoing war is also draining Egypt's diplomatic patience, with the failure to de-escalate the situation deepening Cairo's frustrations. Egypt sees Israeli actions as disregarding the wider regional consequences, prompting it to take a series of increasingly bold measures in an attempt to pressure Israel. These include joining South Africa in the genocide case at the International Court of Justice (ICJ) and halting cooperation with the Israelis in the flow of aid trucks through the Rafah crossing until a ceasefire in Gaza is agreed upon.

For Hamas, the ongoing conflict also serves a deeper strategic purpose. The group uses military engagements not only to rally support within Gaza but also to mobilize the wider Palestinian and Arab world for its cause. Each confrontation—no matter how destructive—becomes a talking point in Hamas's narrative to argue that resistance is the only viable path forward. This cycle ensures that even when the group suffers losses, it remains central to the Palestinian struggle, feeding on the political and military stalemate to justify its existence and operations.

In this climate, the Egyptian government finds itself under increasing pressure, torn between public sentiment and its geopolitical obligations. On one hand, it must maintain peace agreements with Israel and its economic cooperation with the United States, which are vitally important for Egypt's security and economic stability. On the other hand, the government must address the rising wave of public discontent and growing calls for a firmer stance in support of innocents in Gaza. Economic pressure, along with political pressures, has put the government in a precarious position.

### **Erosion of Trust and Exhaustion of Patience**

While official diplomatic channels remain open, the trust built through decades of cooperation is eroding over time. From Egypt's perspective, Israel's focus on tactical victories, such as targeted assassinations of Hamas leaders or military strikes, does little to address the underlying issues driving the conflict. While these tactics may provide temporary security gains, they fail to offer a sustainable solution. Egypt has long warned that Israel's military operations fuel extremism throughout the Arab world, creating fertile ground for radical ideologies. Cairo's battle against terrorism—especially in Sinai, where it struggles to suppress terrorist groups—makes this issue all the more salient, prompting Israel to allow military deployments beyond what was agreed upon in the Camp David accords for this purpose. And while Egypt has consistently called for a two-state solution as the only viable path towards lasting peace, Israel's repeated rejection of this approach—especially with the Knesset's recent **rejection** (<https://www.timesofisrael.com/knesset-votes-overwhelmingly-against-palestinian-statehood-days-before-pms-us-trip/>) of the two-state solution—has only deepened the impasse. In Cairo, there is genuine concern that Netanyahu's government's policies could destabilize the entire region.

Thus, for Egypt-Israel relations, the Philadelphia Corridor may become a flash point. From Egypt's perspective, Netanyahu's claims about functional tunnels connecting Gaza to Sinai are greatly exaggerated. The Egyptian government continues to assert that there are no active tunnels extending into Egypt and that it has made significant efforts to destroy tunnels along its border. Cairo also asserts its commitment to border security is reflected in the large number of tunnels it has dismantled. Moreover, the perspective in Egypt is that Netanyahu's government continues to focus on the Philadelphia Corridor as a means of shifting the burden of Gaza's instability onto Egypt.

While the United States has led negotiations between Egypt and Israel to come to an agreement over who controls the border, Cairo views Netanyahu's focus on maintaining the Philadelphia Corridor as a deliberate distraction and obstruction of ongoing negotiations for a ceasefire and the release of hostages—allowing Netanyahu to buy more time for his political survival.

If the Netanyahu government continues to insist on control over the Philadelphia Corridor and prolonging the military campaign in Gaza, the strategy may serve Netanyahu's immediate needs, especially in maintaining support from his far-right coalition partners, but it risks causing long-term damage to Israel's relations with key regional actors like Egypt. Cairo will understand this decision as prioritizing political gains over peace, and it will be increasingly difficult to ignore popular anger in Egypt.

While Egypt is unlikely to make any sudden moves to sever its relationship with Israel, the tension is evident, and the consequences of the ongoing conflict could be dire for the wider region. Egypt's security is already under pressure from multiple fronts—Libya to the west, Sudan to the south, and Gaza to the east—and continued instability in Gaza could push Egypt's already limited security resources to the breaking point. On the other hand, all fronts on the Israeli borders are already ablaze, but the southern border adjacent to Egypt remains the only relatively stable border. It is certain that no one here or there wants to ignite a new front for conflict and instability. ❖

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