

Is Egypt the Biggest Loser of the Iran War?

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Cairo’s economic mismanagement has increased the country’s reliance on Gulf largesse, but that spigot may soon run dry for diplomatic and financial reasons.

Throughout the current war, Iran and its proxy militias have pounded its Arab neighbors with missiles and drones. The Islamic Republic hasn’t struck Egypt, which lies 1,400 miles from the front—but the most populous Arab country hasn’t emerged unscathed. The war’s long-term costs for Egypt may well be far greater than those borne by the Arab states targeted in Iran’s barrage. The war isn’t over, but it’s already clear that Egypt is one of its biggest losers. The most obvious casualty is the Egyptian economy, which, even before the war, was wobbling under debt stemming from President Sisi’s mismanagement and profligate spending. The foreign currency required to repay these liabilities currently exceeds Cairo’s foreign exchange reserves. To fill the gap, Egypt issues high-yield treasury bills—but billions of this “hot money” fled when the United States and Israel started bombing Iran on February 28...

[Read the full article on the National Interest website. \(https://nationalinterest.org/blog/middle-east-watch/is-egypt-the-biggest-loser-of-the-iran-war\)](https://nationalinterest.org/blog/middle-east-watch/is-egypt-the-biggest-loser-of-the-iran-war) ❖

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