

# US-backed Egyptian junta announces massive electricity, fuel price hikes

Johannes Stern  
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In a decision amounting to a declaration of war against the Egyptian working class, the US-backed military junta announced cuts to fuel and electricity subsidies on which millions of impoverished Egyptians depend.

On Friday at midnight, the Egyptian General Petroleum Corporation (EGPC) raised petrol prices of three widely-used state-subsidized fuels—80 octane gasoline, 92 octane, and diesel fuel—by up to 78 percent. The day before, Egypt’s electricity minister Mohamed Shaker had announced higher electricity prices for both households and the commercial sector at a press conference in Cairo.

According to Shaker, the military regime aims to cut subsidies for electricity by 67 percent over the coming five years, cutting government spending from LE27.4 billion (\$US3.83 billion) in the fiscal year 2014/2015 to LE9 billion.

Last Sunday, Egyptian president and de facto dictator Abdel Fattah al-Sisi had approved a new austerity budget, aiming to cut the deficit to 10 percent of Egypt’s gross domestic product (GDP).

Sisi had personally intervened, refusing to ratify an initial draft budget aiming for a 12 percent deficit, arguing that this was not drastic enough. Before his installation, Sisi had repeatedly vowed to rule with an iron fist and inflict huge attacks on the working class. In a leaked recording, he threatened: “People think I’m a soft man. Sisi is torture and suffering.”

The historic attacks which have long been demanded by the International Monetary Fund and the Egyptian financial elite set the stage for a massive confrontation between the military and the Egyptian working class, three years after the revolutionary ouster of long-time dictator Hosni Mubarak. The last time the Egyptian regime tried to cut subsidies on such a massive scale—in

1977, under then president Anwar al-Sadat—country-wide bread riots erupted, and the military had to intervene to crush the uprising.

The junta’s offensive against the working class underscores the counterrevolutionary character of the July 3 military coup last year. The military did not overthrow Islamist president Mohamed Mursi and the Muslim Brotherhood to meet the social and democratic demands of the masses who took to the streets against Islamist rule, but intervened to pre-empt and ultimately suppress a political movement of the working class. Now, it is moving to carry out new social attacks.

Speaking to the editors of Egyptian media outlets on Sunday, Sisi defended the cuts. He boasted that the decision to lift the subsidies was “50 years late,” describing it as part of his efforts to set the country on the “correct” path.

Sisi’s “correct” path means extending the junta’s reign of terror to the entire working class, to violently push through the cuts at the behest of international finance capital. The Sisi regime marked the first anniversary of last year’s bloody coup by jailing over 200 opponents of the coup and confirming ten more death sentences.

Over the past year, the junta has violently dispersed sit-ins, demonstrations and strikes, killing and torturing thousands of people. It banned the Muslim Brotherhood (MB), and Egyptian courts have sentenced over 2,000 MB members and supporters to death, including the MB’s supreme guide, Mohamed Badie.

According to recent figures from the Egyptian Center for Economic and Social Rights, 41,163 people were jailed between the coup and May 15 of this year. At least 36,478 were detained during “political events,” while 1,714 were accused of committing acts of terror, and 1,453 were arrested for violating curfews. More

than two hundred were arrested during social protests and labor strikes.

With consummate cynicism, Prime Minister Ibrahim Mehleb, a former member of Mubarak's now dissolved National Democratic Party, claimed the cuts would be in favor of the poor. "How can we have social justice as I spend on the rich at the expense of the poor?" he cynically asked at a news conference, claiming that the state would spend more money on health care, higher wages and education.

However, after only one year in power, the Sisi regime has revealed its reactionary character, like the Mursi and Mubarak regimes before it.

Egyptian and international media reported country-wide strikes and protests against the cuts and mounting discontent with Sisi and the junta.

The *Wall Street Journal* quoted 43-year old civil servant Tarq Hassan: "This is a disaster. You cannot just cut subsidies without compensating the poor. I'm now paying double the fare I used to pay to go to work daily and to afford that, I have to put less food on the table for my kids. The government and the president should not say they are trying to protect the poor if they are hurting us the most."

"I'm quite disillusioned. What else does Sisi want us to sacrifice, since I'm already struggling to make ends meet?" asked Sherif al-Khodari, a 38-year old security guard. "This price increase will impact on everything including food prices and the president should know people will revolt again if their suffering is increasing. Why cannot he at least keep things as they are?"

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