

# Egyptian junta cultivates Russia and China as a counterweight to the US

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General Abdul Fattah el-Sisi's military dictatorship in Egypt, which has long functioned as a key US ally, is to hold joint military exercises with Russia on Egyptian territory for the first time later this month.

Russia's Defence Ministry said that the drills, called "Protectors of Friendship-2016," would include 500 troops, 15 planes and helicopters and 10 military hardware units. It described the exercises as "anti-terrorist," adding, "The airborne delivery by parachute of several Russian airborne troops' combat vehicles to the desert climate of Egypt will occur for the first time in history."

While the Soviet Union posted hundreds of "military advisers" in Egypt during the Cold War, this is the first time that the two countries will participate in joint land-based military exercises. Last year Russia and Egypt held their first-ever joint naval exercises in the Mediterranean, which included the Black Sea fleet's flagship Moskva missile cruiser.

The latest announcement follows Russian media reports that Egypt is discussing the possibility of allowing Russia to use military bases across the country. Russia is seeking to renovate a former Soviet naval base in the coastal town of Sidi Barani, close to the border with Libya, for use as an air base by 2019, thereby strengthening its presence in the Mediterranean. The announcement came just days after Moscow announced that it was beefing up its Tartus naval base on the Syrian coast, with an S-300 air defence missile system.

Last week, Egypt opposed a French-sponsored UN Security Council resolution demanding an end to all aerial bombardment and overflights of Aleppo by Russian and Syrian government aircraft, and backed the Russian resolution calling for a ceasefire without mentioning the French clause. Both resolutions failed

to get a majority.

Egypt's Ministry of Electricity has also announced that it would sign a comprehensive contract with Rosatom to build a nuclear power plant in the area of al-Dabaa, while the two countries are negotiating the resumption of tourist flights, which halted after an explosion downed a Russian plane over the Sinai Peninsula in October 2015.

Reflecting the increasingly tense relations between Egypt and Saudi Arabia, Saudi Arabia's Ministry of Petroleum declared that Aramco, the Saudi state-owned oil company, had suspended its oil aid to Egypt—although the five-year agreement to provide 700,000 tonnes of refined oil products monthly, signed last year, remained in effect.

El-Sisi's controversial and deeply unpopular agreement with Riyadh last April to transfer the two Red Sea islands of Tiran and Sanafir to Saudi Arabia has been the subject of a bitter court battle that has infuriated the Saudis. At the end of last month, an Egyptian court overturned a previous ruling opposing the redrawing of the maritime boundary between Egypt and Saudi Arabia. However, this ruling can still be appealed.

The transfer of the two islands was in return for a financial rescue package for the military junta, which has been kept afloat with billions of dollars from Saudi Arabia in forms of grants, loans and trade deals since el-Sisi led the 2013 coup against Muslim Brotherhood President Mohamed Morsi.

Another bone of contention with Riyadh is Cairo's refusal to cooperate in the war to unseat Syria's President Bashar al-Assad.

At the same time, Egypt has signed a \$20 billion agreement with the China Fortune Land Development Company (CFLD) to construct the second and third

phases of the new \$45 billion administrative capital, due to start after June 2018, when the first phase of the project is due to be finished. Egypt hopes that this will attract a further \$15 billion in direct foreign investment.

Cairo had originally intended to award the contract for the project to an Abu Dhabi-based company, but turned to China when this fell apart. Little of this ambitious project has been completed.

El-Sisi made state visits to China in 2014 and 2015 and President Xi Jinping visited Cairo earlier this year to agree on 15 projects worth \$10 billion. These include three power plants, a rail link between Cairo and 10th of Ramadan City, a station at the Alexandria port, glass and leather factories and the electrification of the Alexandria to Abu-Qir railway link. China's Asian Infrastructure Investment Bank is reportedly providing the Central Bank and Egypt's state-owned banks with at least \$1.7 billion in financing.

External debt has risen under el-Sisi's watch from \$44.8 billion in July 2014 to \$53.4 billion in January 2016, while the country's currency reserves shrank to just \$15 billion. The blood-soaked dictatorship has only been able to stave off insolvency as a result of \$50 billion of cash injections, loans and oil guarantees from Saudi Arabia, Qatar and the other Gulf petro-states as international revenues from the Suez Canal, tourism and remittances from Egyptians working abroad have plummeted. Moreover, an international conference at Sharm el-Sheikh failed to deliver on its promises of further aid injections.

Egypt is widely expected to announce a further devaluation and partial flotation of its currency as part of the recent agreement with the IMF to implement a savage austerity programme in return for a \$12 billion loan that will largely go to shoring up Egypt's currency. The devaluation of the Egyptian pound last March and the introduction of capital controls, including limits on transferring currency abroad and withdrawing money for overseas travel overseas, have prevented companies from importing basic commodities, including wheat upon which Egypt depends and exacerbated the political, economic and social crisis.

Any further devaluation will increase the rate of inflation, already running at 15 percent a year, under conditions where 27 percent of the population live below the official poverty line and nearly 50 percent of

young people are unemployed or underemployed.

Last month, angry mothers demonstrated demanding baby formula milk, while a Facebook page Revolution of the Poor has called for national demonstrations for November 11.

Egypt's turn to Russia and China is a desperate attempt to play off Washington, which provides \$1.3 billion a year in military aid, its Gulf allies, and Moscow and China against each other in a bid to stave off bankruptcy.

El-Sisi calculates that the importance of maintaining stability in Egypt will prevent Washington and Riyadh seriously curtailing aid, since turmoil in Egypt would undoubtedly have a knock-on effect on the entire region, including the Gulf monarchies. Five and a half years after the eruption of mass revolutionary struggles in Egypt that brought down long-time dictator Hosni Mubarak, his successor fears another social explosion or a pre-emptive military coup, under conditions where the international financial press have lambasted his handling of the situation.

The petty-bourgeois pseudo-left forces in the Revolutionary Socialists (RS), a part of the International Socialist Tendency, have criticised the el-Sisi regime and its support for the Russian resolution at the UN from a thoroughly nationalist, pro-imperialist and pro-war position.

The RS played a crucial role in bringing the counterrevolutionary military regime to power in 2013, which it initially welcomed as a "second revolution," facilitating the counterrevolutionary terror that has gripped Egypt ever since. Today, their opposition to the dictator and Egypt's support for the Russian UN resolution is virtually indistinguishable from the CIA-Pentagon line. One of their most prominent members, Gigi Ibrahim, has been campaigning for the pro-war Democratic candidate Hillary Clinton in the US presidential elections.



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