



The Egypt-Saudi Agreements: Policy Analysis and Regional Implications

Commentaries by the Mitvim Institute

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The first visit by Saudi Arabia's King Salman to Egypt has led to the signing of significant agreement between the two countries. The visit and its consequences signal a new phase in the relations between two of the Middle East's most important countries, building upon the historic alliance between them. Closer ties between Egypt and Saudi Arabia will have regional implications, which will also impact Israel. This document includes commentaries written for the Mitvim Institute by various experts examining different aspects of the evolving Egypt-Saudi relationship: Prof. Elie Podeh, Dr. Ehud Elran and Dr. Aviad Rubin, Khader Sawaed, and Dr. Michal Yaari.

Egypt and Saudi Arabia: A Predictable Rapprochement

Prof. Elie Podeh

Saudi Arabian King Salman's visit to Egypt is an expression of the warming of ties since al-Sisi became president in June 2013. Morsi's overthrowing and declaration of the Muslim Brotherhood as a terrorist organization in December 2013 were welcomed by Riyadh and immediately rewarded with a tremendous \$12 billion aid package from Saudi Arabia, Kuwait and the UAE.

Yet with King Abdullah's passing in January 2015 it seemed that the two states were growing apart. The media was quick to point out disagreements on issues such as the countries' approaches to Yemen, the Muslim Brotherhood and Syria. However, despite tactical disagreements, the two countries strategically continued to share common interests vis-à-vis regional threats and challenges.

Therefore, Salman's visit is a testament to the strong relationship – one might even say the alliance – between the two countries. Historically, cooperation between Saudi Arabia and Egypt has been a permanent feature of the Arab state system despite short periods of rivalry. The visit is consequential, primarily for Egypt. According to Egyptian media, no fewer than 36 agreements worth \$25 billion were signed during the visit, including establishing a Saudi investment fund worth \$16 billion, Saudi aid to rebuild Sinai (including creating a free-trade zone), building a university, and erecting a bridge to

connect Sinai and Saudi Arabia. The bridge will allow countless tourists and pilgrims, as well as goods, to cross from one continent to the next. Like the Suez Canal expansion, this project will also contribute significantly to the Egyptian economy.

That Sinai is the focus of governmental aid is not surprising, because it is meant to be part of Cairo's response to the challenge posed by the radical jihadi organizations. The regime understands full well that the answer to the problems in Sinai is not purely military. Rather, it involves improving the lives of the peninsula's inhabitants.

During the visit, it was announced that the islands of Tiran and Sanafir, located at the entrance of the Gulf of Eilat, would be handed over to the Saudis, who previously controlled them. In 1950, the Saudis decided to lease the islands to Egypt in order to facilitate the Arab boycott and maritime quarantine of Israel. The islands were conquered by Israel in 1956 and again in 1967 but returned to Egypt after the 1979 peace agreement. Therefore, the current agreement will return them to the rightful owners. Israel has no reason to be concerned, despite the islands' strategic importance, as Saudi Arabia has not been involved in previous wars with Israel and has no incentive to threaten it.

Contrary to the official media, social network commentary in Egypt is highly critical of al-Sisi's self-deprecation in the face of Egypt's rich "sister", which they perceive as unbecoming of Egypt's standing in the Arab world. Yet these critics, motivated by national honor, overestimate Egypt's strength and do not realize the magnitude of Egypt's dependence on the Gulf countries. Egypt is no longer the leader of the Arab world, and is not even the first among equals. The Saudi-Egyptian alliance is currently rock solid. This is good news for Israel, which is seeking out Arab allies in its struggle against Iran and the jihadis of the Middle East.

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Four comments on the resolution of the Egyptian-Saudi boundary dispute

Dr. Ehud Eiran and Dr. Aviad Rubin

The Egyptian transfer of the islands of Tiran and Sanafir in April 2016 to Saudi Arabia can be understood from at least four separate perspectives.

First, the agreement between the parties is another testimony of the close relationship between Cairo and Riyadh as part of the anti-Iranian axis. Within this alliance, Saudi Arabia had provided massive economic support to General al-Sisi's regime and is now using the leverage it has to bring this issue to a close.

The islands' history serves as a further reminder of how deep are Riyadh and Cairo's relationship. The islands were part of Saudi Arabia until 1950 when Egypt gained effective

control over them with Saudi acquiescence, as part of Cairo's campaign against Israel. Herman Elits, who was the US Ambassador in Egypt in the heyday of Kissinger's shuttle diplomacy, wrote in 2004 that Saudi Arabia refused to accept one of the islands from Israel, during the years in which Israel controlled the Islands (after the 1967 Six-Day War and until the implementation of the 1979 Israel-Egypt peace treaty). According to Elits, the Saudi position, which was based on commitment to the common Arab stance and to Egypt, was that the land should be returned to them only in the context of a comprehensive Arab-Israeli agreement.

Secondly, the peaceful resolution of this issue is part of a broader set of bilateral agreements that will benefit both countries, if they are to materialize. One such project is a joint initiative to build a bridge for transportation across the Red Sea that will connect southern Sinai and northwestern Saudi Arabia. This bridge, if it will be built, will enable flowing interaction between Arab Africa and Arab Asia. Such a bridge can also increase the volume of trade between the two continents, assisting the Egyptian economy.

Thirdly, both countries chose to resolve the issue bilaterally. The International system and international law in particular furnishes disputing parties with multiple channels, fora, and norms to resolve conflicts. A similar approach is seen in some of other regional disputes, like the conflict between Israel and Lebanon over the demarcation of their respective international maritime boundary. This is another reminder of the limitations of international mediation – both in terms of substance and process - when coming to resolve inter-state conflicts in the region.

Finally, the agreement is the first formal territorial change in the Arab world since the beginning of the political instability in the region in late 2010. It is not a change in the full sense of the word, as the land was on a "loan" of sorts. And yet, it was significant enough for the numerous Egyptians that protested against the move. While a number of countries like Syria, Iraq and Libya are de-facto divided, the international norm of "border fixity" was strong enough till now to prevent any such formal change. The regional instability is likely to bring more territorial change, especially in disputed areas but perhaps also in formerly unitary states such as Syria.

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The Road to Egyptian Regional Rehabilitation Goes through Saudi Arabia

Khader Sawaed

Throughout the last year, President al-Sisi announced numerous programs to rebuild Egypt and help it retake a leading role in the Middle East. The implementation of these programs requires significant economic assistance, for which Egypt has turned to its historical ally, Saudi Arabia.

Today, Cairo needs Riyadh more than ever before, especially in light of its relatively cool relations with Washington. The closer ties between Egypt and Saudi Arabia began when al-Sisi became president in 2013. Since then, and through King Salman's most recent visit to Egypt, more than 40 high-level bilateral meetings have taken place between Egyptian and Saudi top figures. Yet, Egypt under al-Sisi has adopted an "Egypt First" policy, which focuses on solving the severe security and economic problems confronting Egypt and avoids involvement in regional entanglements and conflicts. This is a problematic policy for the Saudis, because it forces them to lead the regional struggle against Iran by themselves. Saudi leadership in this regard manifests itself in the creation of an Islamic alliance against terrorism, whose membership is 34 Sunni Muslim states (December 2015) and holding a wide ranging military exercise on its soil together with 20 other countries (February-March 2016).

Saudi Arabia was able to bring together both Egypt and Turkey for the alliance and the military exercise, despite the high tensions between them, which stem from Turkish support for the Muslim Brotherhood. Saudi Arabia would like ties between these two countries to be rehabilitated in light of its desire to create a coalition of the major Sunni states in the Middle East to confront various regional threats. Such an alliance would likely weaken Iran and Qatar's regional standing. As a result, Saudi Arabia has been trying of late to mediate between Egypt and Turkey, and prominent commentators in the Arab world estimate that this issue was also discussed during King Salman's recent visit to Egypt.

And yet, the majority of the visit was devoted to the deepening of ties between Egypt and Saudi Arabia. During the visit it was agreed that Saudi Arabia would provide economic aid for the rehabilitation programs led by al-Sisi. It is possible that the UAE, the Saudis' most significant ally in the Persian Gulf that is also engaged in a dispute with Iran (over the islands of Abu Mousa, and Greater and Lesser Tunb), will join Saudi Arabia and provide the Egyptians with economic aid. As a consequence, Saudi Arabia will claim its place as the leader of the Arab world (a role that Egypt played in the past) and will once again gain possession of the islands of Tiran and Sanafir. Saudi Arabia and Egypt will also build a bridge that will connect the two countries, significantly shorten travel time between them, and allow tourists to go from Sharm al-Sheikh to Jeddah in less than half an hour.

Al-Sisi's decision to return the two islands to Saudi Arabia was done with the consent of the Egyptian government but without that of its parliament. In Egypt, there is already criticism of this decision coupled with concern that the bridge will adversely affect Sharm al-Sheikh's tourism industry. Despite this, the Egyptian president is expected to easily convince the people that the agreements with the Saudis will be extremely beneficial for Egypt and will enable it to once again play a pivotal role in the Middle East after several years of being pushed to the sidelines.

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The Saudis are becoming the indisputable leaders of the Arab and Muslim worlds

Dr. Michal Yaari

King Salman's visit to Egypt symbolized a new high point in the ties between the two most important countries in the Arab world.

The very standing of the two countries means that the strengthening ties between them have far reaching consequences for the security of the Arab states, and increase the likelihood of restoring calm and stability to the region.

While Riyadh and Cairo may disagree about the desired solution to the conflicts in Syria and Yemen, both parties agree on the importance of creating and maintaining a united Sunni front against common enemies.

During the visit, 17 strategic and economic cooperation agreements were signed and a number of dramatic decisions were made. These include the building of a bridge to connect the two countries and the returning of the islands of Tiran and Sanafir to the Saudis. When examining the visit's results, one can see a number of very interesting conclusions:

First, the purpose of the Saudis' tremendous financial investments in Egypt is not just to help the Egyptian economy but also to bolster the Saudi state. In other words, this is not just a Saudi donation. Rather, it is an investment on which Riyadh hopes to see a return.

Secondly, while the media focused on King Salman, the individual who lead the dialogue de-facto was his son, Muhammad bin Salman. This speaks to the increasingly influential role of the second in line to the throne.

Thirdly, during his time in Egypt, King Salman visited the al-Azhar mosque and met with representatives of the Coptic community. By doing so, he conveyed a clear message that his visit was not only about signing bi-lateral strategic and economic agreements, but also about strengthening the warm ties between the peoples of both countries. In other words, King Salman symbolically shook the hands of all citizens of Egypt.

Fourthly, the Saudi guarantee that the kingdom's agreements with Egypt will not affect the latter's peace accord with Israel is a living testament to Saudi recognition of Israel's importance and its contribution to regional stability. Nevertheless, this does not alter the historical Saudi demands from Israel, which remain a prerequisite for improving ties.

Finally, Egypt's growing dependence on Saudi Arabia symbolizes the kingdom's primacy in the region. Egypt and Saudi Arabia are indeed partners chartering a common course, but the two countries are not on equal footing. In the wake of the leadership vacuum left by the Arab Spring, the Saudis are paving their way to becoming the indisputable leaders of the Arab and Muslim worlds. However, this does not lessen the significant importance

that the kingdom attributes to Egypt as a key player in uniting the Arab world around shared goals.

In conclusion, the strength and durability of the alliance between the two countries is based primarily on common interests and mutual benefits. This has been and remains the ultimate recipe for success.

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