

## **Are Egypt's Professional Unions an Obstacle to Closer Relations with Israel?**

Ofir Winter and Jony Essa | No. 1530 | November 7, 2021

**Egypt has recently shown growing openness to closer ties with Israel, based on shared economic interests, mainly in the fields of energy, trade, and tourism. This trend reflects Egypt's economic agenda and the supportive regional climate created by the Abraham Accords. Since the mid-1980s Egyptian professional unions have been at the forefront of the opposition to normalization with Israel, and some continue to resist closer civilian ties between the two peoples. So far their position has not hindered rapprochement between the governments, but in order to exploit the full potential of economic ties it is essential to foster a "popular peace" that will allow interested professionals, private companies, and businesspeople to play their part.**

Over the past year Israel and Egypt have worked to expand their economic relations beyond the prevailing limited format. The first sign of progress came in March 2021, when an Israeli economic delegation of about 20 businesspeople, led by then-Minister of Intelligence Eli Cohen, [visited](#) Sharm el-Sheikh. Delegation members met the heads of Egyptian companies and government representatives to discuss extending cooperation in a range of areas, including agriculture, desalination, electricity, textiles, construction materials, food, fish farming, and tourism.

The summit held on September 13 between Israeli Prime Minister Naftali Bennett and Egyptian President Abdel Fattah el-Sisi, which was the first public visit by an Israeli prime minister to Egypt in over a decade, dealt with ways of strengthening relations between the countries, particularly in economic realms. The spokesman of the Egyptian Presidency [announced](#) that the meeting included a discussion of "several bilateral issues." Further details [given](#) by the Israeli Ambassador in Cairo indicated that the meeting

dealt with ways of increasing mutual trade, economic cooperation, and the renewal of air travel between the countries.

Against the background of these positive trends was the [participation](#) in October of Israeli and Egyptian representatives at a conference in the United Arab Emirates to promote regional cooperation. It was also [reported](#) that the Egyptian Minister of Intelligence, Abbas Kamel, conveyed to Israeli Minister of Economy and Industry Orna Barbivai Egypt's interest in expanding activity at the Nitzana border crossing, the main route for goods between Israel and Egypt, for import and export of cement, iron, chemicals, and other products. Barbivai is expected to visit Cairo to promote these ties.

### **Situation Report: Areas of Economic Cooperation**

Egypt's openness to deeper economic ties with Israel reflects the agenda guiding the country in recent years, as Cairo gives material needs high priority in both internal and external policy. It wants to foster areas of shared prosperity with other countries of the Eastern Mediterranean, the Red Sea, and the Levant, as a means of strengthening its own regional and international standing. Moreover, the Abraham Accords have created a new regional climate, which spurs Egypt to strive for its own share of the economic rewards of peace with Israel, and gives it more legitimacy to do so.

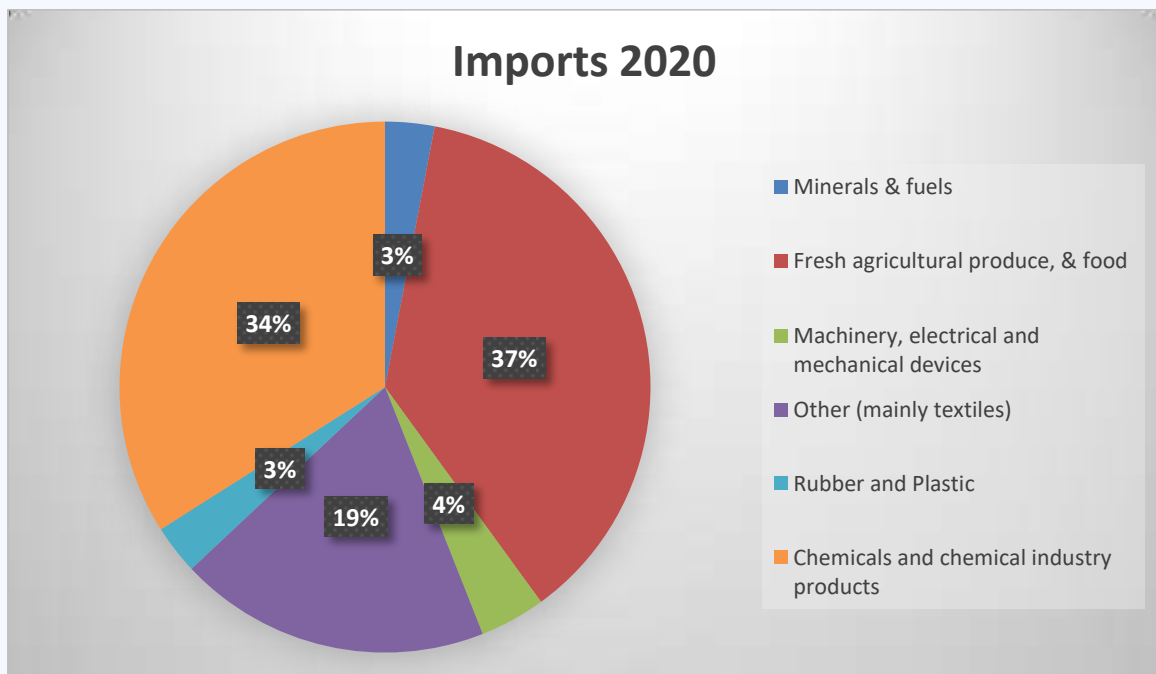
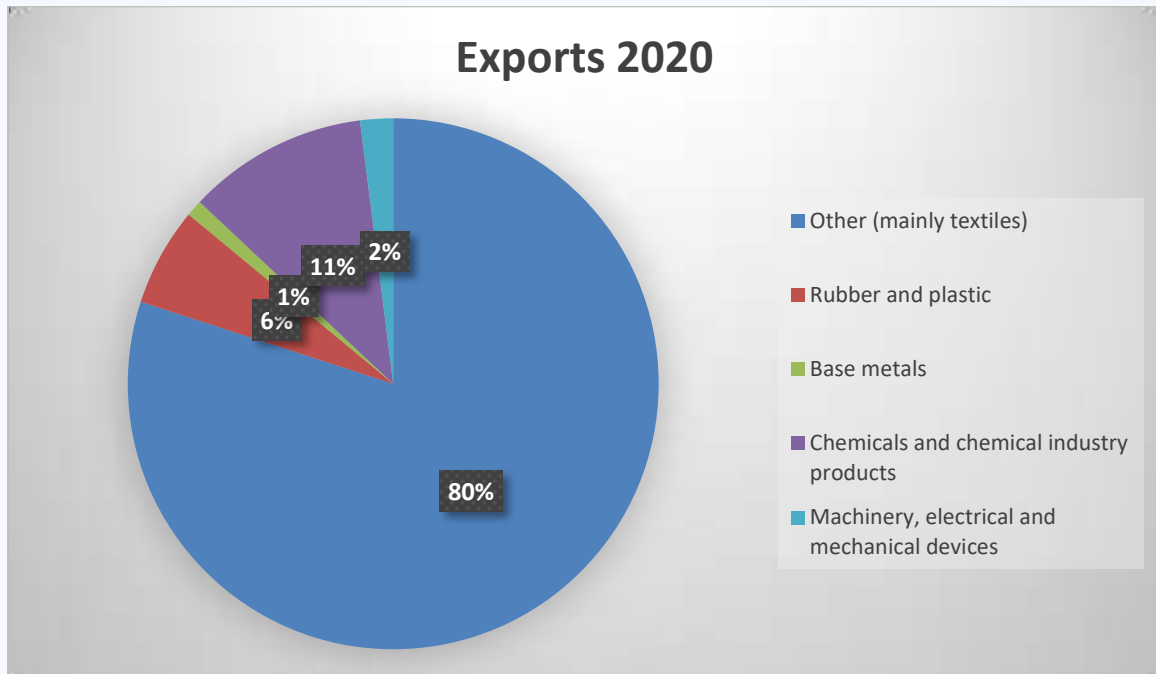
Three main areas are at the focus on economic ties between the countries:

1. Energy: For some years gas deals have helped warm the cold peace. In February 2018 a contract [was signed](#) for the sale of natural gas from Israel to Egypt (some to be liquefied and exported to Europe) over ten years for \$15 billion, and in early 2019, the Eastern Mediterranean Gas Forum (EMGF) [was established](#) and has since become an international organization. In January 2020 gas began to flow from Israel to Egypt, and in February 2021, Egyptian Minister of Energy Tarek al-Mulla made a rare visit to Israel, during which agreement was reached over a marine pipeline from the Leviathan

gas field to the Egyptian liquefaction facilities. In October it was [reported](#) that the two countries were considering laying a land pipeline in northern Sinai within 24 months, to meet the global gas shortage.

2. Trade: According to figures from the Ministry of Economy and Industry, 80 percent of exports from Israel to Egypt in 2020, as in previous years, occurred in the framework of the [QIZ](#) (Qualified Industrial Zone) agreement. The agreement, which was signed in December 2004 by Israel, Egypt, and the United States, created an incentive for cooperation between Israel and Egypt by removing customs duty from exports of Egyptian products with Israeli input (at least 10.5 percent) to the American market. In October it was [reported](#) that 1,104 Egyptian companies participate in the QIZ (including 13 new companies), most in the fields of textile, with others in food, agriculture, chemicals, leather, and metals, alongside about [25](#) Israeli companies. The agreement provides employment for hundreds of thousands of Egyptians and about 1,500 Israelis, and helps make the US a central trading partner for Egypt. In the first half of 2021, Egyptian QIZ exports to the US rose by 55 percent, reaching \$553 million. Bilateral trade between Israel and Egypt also rose moderately in the first three quarters of 2021, reaching \$162 million (compared to \$200 million in all of 2020). Imports from Egypt to Israel continued at about \$110 million in 2020 (an increase of 16 percent), mostly agriculture products, food, chemicals, and textiles.
3. Tourism, is an important source of employment and foreign currency for Egypt, has suffered heavily during the COVID-19 pandemic. Until then hundreds of thousands of Israeli tourists visited the beaches of Sinai every year, and thousands of Egyptian tourists (mainly Coptic pilgrims) came to Israel. The Taba border crossing was closed in March 2020 due to the pandemic, partially reopened a year later, and returned to normal operation in September 2021. In August Israel decided to lower the terror threat level in southern Sinai and Sharm al-Sheikh from level 1 (very high concrete threat) to level 3 (basic), and the parties are discussing opening direct flights from Israel to Sharm al-Sheikh. In October, for the first time, the Egyptian national

airline Egypt Air [began](#) openly operating a direct line between Cairo and Tel Aviv, which should encourage travel by businesspeople and tourists, and also allow transit flights via Cairo to other destinations.



Source: Ministry of Economy & Industry, Overseas Trade Administration

## **Professional Unions: An Obstacle to Warmer Relations?**

Reports of economic contacts with Israel are generally given a low profile in the Egyptian media, possibly out of adverse public opinion. Much of the Egyptian opposition to normalization has traditionally come from the professional unions, which represent millions of workers. Over the years many have banned their members from involvement in normalization and imposed sanctions on the “offenders.” This practice has deterred individuals and companies from developing economic and other ties with Israel, fearing this could damage their professional status and business in Egypt and in the Arab world. This situation took root with the silent consent of the authorities, as part of the “cold” peace policy.

The core of the opposition to normalization with Israel was the Muslim Brotherhood, together with pan-Arab and leftist organizations. The Brotherhood began participating in union elections in 1984, won many seats, and took over key positions. It gradually set the tone in the unions of engineers, doctors, pharmacists, lawyers, scientists, agronomists, journalists, and merchants. Their opposition to normalization was explained as solidarity with the Palestinians, as well as fear of an Israeli economic and cultural “attack.” They warned against the flow of toxic foreign Israeli influence into Egypt, the heart of the Arab and Islamic world, which will corrupt its values and enslave its resources. Although their [calls](#) to cancel the Camp David Accords and open the doors of jihad to the struggle against the Zionist enemy went unanswered, the unions allowed them to drain the peace of content.

After the Arab Spring events in 2011, the Brotherhood [hoped](#) to tighten its hold on the unions, and did indeed score victories in several elections. However, the revolution of June 30, 2013, which led to the overthrow of President Mohammed Morsi and subsequently the rise of President el-Sisi, led to the Muslim Brotherhood being outlawed, [removed](#) from positions of influence in the syndicates, and replaced by elements [loyal](#) to the current regime and its policy. Since then, militant anti-Israel expressions, such as the burning of Israeli flags by union members, have been [banned](#).

Notwithstanding the winds of change in the unions, the wall of opposition to normalization remains, for a number of reasons. First, the Brotherhood's opposition is joined by other elements in the Egyptian public, some influenced by [Nasserist ideas](#), and others wishing to express solidarity with the Palestinians. Second, even in the absence of an official Brotherhood presence, many union members identify with their views and are [repulsed](#) by the normalization trends in the Abraham Accords and the possibility that the Egyptian government will follow them. Third, the Egyptian regime is often helped by the unions to draw red lines for what it sees as the desired format of contacts with Israel. This format may include economic cooperation under government sponsorship, but not necessarily "popular" expressions of economic, social and cultural links.

There are varied manifestations of the unions' attitude toward relations with Israel. The journalists syndicate, for example, [notes](#) in its annual reports that "opposition to normalization with the Zionist entity is the official position of the Egyptian people, including journalists." In February 2016, the unions of engineers, doctors, pharmacists and veterinary surgeons [called](#) for steps to be taken against an Egyptian member of parliament, Tawfik Okasha, who hosted the Israeli Ambassador in Cairo, Dr. Haim Koren, in his home. The Egyptian singer Mohamed Ramadan met with a [similar response](#) when he was photographed in Dubai in November 2020 with Israeli singer Omer Adam. The Egyptian artists union suspended his activity, explaining that "there is a difference between official contracts that are binding on Arab governments and the popular cultural and artistic attitude to normalization."

While "popular" contacts with Israel attract strong criticism from the professional unions, ties that are sponsored by the government – for example in the fields of energy, trade, and tourism – have so far not aroused such protests. Moreover, the ban on normalization with Israel is not enshrined in the founding articles of most of the unions. Expressions of opposition usually appear in response to specific contacts, for example

when somebody deviates from the “official” peace format, and seem to be orchestrated from above rather than an authentic public reaction.

### **Conclusions and Recommendations**

Economic cooperation between Israel and Egypt has enormous potential value in view of the countries’ geographical proximity, the shared challenges they face, and the unique features – knowledge, skills, new markets – that each can offer the other. Apart from existing cooperation, Israel and Egypt can benefit from reciprocal cooperation in many other areas, including renewable energy, water security, desert agriculture, efforts related to climate change, marine ecology, artificial intelligence, cyber, and medicine.

In spite of their opposition to normalization, the professional unions are not an obstacle to the recent moves towards economic rapprochement between governments. Their main function is to enforce the distinction between the “legitimate” economic interests of the state and the “illegitimate” popular peace. However, this distinction is to a large extent artificial, and could cast a shadow over attempts to develop fruitful economic ties. An academic boycott, for example, makes it hard for scientists to exchange knowledge and experience with colleagues in the other country. A negative, hostile public atmosphere may affect negatively the promotion of capital trades and investments, and deter Israeli tourists from visiting Egypt. On the other hand, a supportive public climate will help promote more visible contacts and grant wider-scale recognition of the value of peace.

Both Israel and Egypt have an interest in strengthening economic ties, but to achieve their full potential, they must cultivate a “popular peace,” which will enable professionals, private companies, and businesspeople to contribute to the positive trends led by their governments. The professional unions are not condemned to play a negative role in relations between the countries, and they could even help pave the way for moves that will benefit the economies of both countries and the welfare of their peoples.

---

Editors of the series: Anat Kurtz, Eldad Shavit and Judith Rosen