

Egypt Rearms

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On June 26, 2016, the Egyptian navy's new Mistral amphibious attack ship, *Gamal Abdel Nasser*, arrived in the port of Alexandria.¹ Her sister ship, *Anwar el-Sadat* arrived on October 6, 2016.² These arrivals marked another step in Egypt's drive in recent years for massive rearmament. It also marked a major step in Egypt's attempt to diversify its weapons sources and to relieve itself from exclusive dependence on the United States. This paper reviews this trend and analyzes its ramifications for Egypt and the region.

The United States Supply

Between 1948 and 2015, the United States provided Egypt with approximately \$76 billion in foreign aid, including \$1.3 billion annually in military aid since 1987.³ The 1979 peace treaty between Israel and Egypt ushered in an era of US financial support for peace between Israel and its neighbors. According to a 2006 US Government Accountability Office (GAO) report, US military assistance accounted for 80 percent of Egypt's weapons procurement costs.⁴ This number was restated by a 2013 Congressional Research Service (CRS) report, which estimated that US military aid accounted for as much as a third of Egypt's entire defense budget.⁵ However, in 2011, during the Arab Spring, the recurrent images of US-made tanks and gas canisters employed against protesters in Tahrir Square "brought scrutiny upon the historical and remarkably constant U.S. military assistance to Egypt."⁶

Egypt launched a massive rearmament program in late 2012 as soon as General Abdel Fattah el-Sisi was appointed Minister of Defense by President Mohamed Morsi. Just one month after his appointment, Egypt announced that Germany had agreed to sell it two Type-209 submarines.⁷ At that time,

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US military aid was still flourishing. Arms deals signed long before were being implemented; these included a deal for 20 F-16C/D combat aircraft, 10 AH-64D Apache attack helicopters, and 125 additional kits for M1A1 main battle tanks to be assembled in Egypt.

In July 2013, the Egyptian military overthrew the Morsi regime, and Defense Minister el-Sisi ascended to power, becoming President in June 2014. This prompted the Obama administration to freeze the supply of any further military aid as an expression of dissatisfaction with Egypt's military crackdown on the civilian demonstrations. The freeze was gradually overturned in 2015, and since el-Sisi assumed power, Egypt has intensified its massive rearmament program. Yet in an unprecedented break from its traditional military relations with the United States, Egypt has increasingly turned to other arms exporters, such as France and Russia, to offset its dependence on the United States.⁸

The Russian and French Connections

In February 2014, el-Sisi chose Russia as his destination for his first visit to a non-Arab country since the military coup that ousted Mohamed Morsi. In light of the visit, speculation flared over possible deals to purchase \$2 billion worth of weapons from Russia. A survey of the Egyptian media's reaction to el-Sisi's Moscow trip suggests "that Cairo has strong support for diversifying its weapons suppliers."⁹

The exact details of the large deal were never formally made public. Various weapon systems were mentioned, mostly by the Russian press – as were estimates of the value of the deal, which ranged from \$2 billion to \$3.5 billion. As of October 2016, none of the transactions had actually materialized, and it is difficult to know what in fact was agreed. The following list, however, sums up the most plausible acquisitions:

- a. Some 46-50 MiG-29M/M2 combat aircraft. According to Russian sources, they will be delivered from 2017 onwards.¹⁰
- b. Antey-2500 (S-300VM/SA-23 Gladiator) long range air defense systems, with anti-ballistic missile capability. Russian sources claimed that the system was already operational in Egypt in 2014, though this seems an exaggeration.¹¹
- c. Some 50 Ka-52 attack helicopters. These were part of the package for acquisition of the French-made Mistral amphibious attack ship, though it is not clear whether Egypt ordered the naval version of the helicopter (Ka-52K).¹²

- d. Two R-32 Molniya missile corvettes – from the Russian navy drawdown. The first arrived in August 2015 and the second in June 2016. These vessels carry the P-270 Moskit anti-ship missile.¹³

In contrast to the protracted negotiations with Russia, Egypt and France surprised the world with some very large arm deals that unfolded unusually quickly, including:

- a. In March 2014, in a 1 billion euro deal, Egypt ordered four Gowind-2500 corvettes. The deal included technology transfer, as three of the corvettes are to be built in Egypt. As of August 2016 two ships were already under construction, one in France and one in Egypt. The corvettes will be armed with MM-40 Exocet anti-ship missiles.¹⁴
- b. In February 2015 Egypt and France announced a further deal valued at 5.2 billion euros. It included 24 Rafale combat aircraft, along with their armament (AASM Hammer precision-guided munitions and MICA air-to-air missiles), and a 6000-ton FREMM frigate armed with MM-40 Exocet block-3 anti-ship missiles as well as Aster-15 SAMs. This deal was negotiated and implemented with unusual speed; by August 2015, six months after the deal was announced, Egypt had already received its FREMM Frigate – the *EN Tahya Misr*, formerly the French Navy ship *Normandie* – as well as its first three Rafales, also drawn down from the French air force.¹⁵
- c. In October 2015, Egypt and France announced that Egypt would buy two Mistral amphibious attack ships, for 950 million euros. These ships were originally ordered by Russia, but the deal was cancelled in the wake of the Russian involvement in the Ukraine. Russia agreed to transfer to Egypt some of the Russian command-and-control equipment already installed on the ships and secured the sale of some 50 Ka-52 helicopters, some of which will be stationed on the ships. Each of the Mistrals was supplied with one L-CAT and two CTM-NG landing craft, which are stored in the ship's large well deck and are used to transfer heavy vehicles from the ship to the landing beach.¹⁶
- d. In April 2016 Egypt and France announced another 2 billion euro deal for a communications satellite and four more combat vessels, two more Gowind-2500 corvettes, and two Adroit class offshore patrol vessels (OPV). It was also reported that Egypt would buy up to 12 Airbus A-400 transport aircraft and would build up its existing inventory of C-295 transport aircraft to 20.¹⁷

How will Egypt cover these enormous costs when its economy has been in disarray since the start of the upheavals in 2011?¹⁸

There are at least two known source of funding: first, the Gulf states. Saudi Arabia, Kuwait, and the UAE have given Egypt considerable support since the military coup removed President Morsi and the Muslim Brotherhood regime. Some sources claim that since 2013 these countries gave Egypt up to \$35 billion (in oil shipments, cash, and deposits in the Central Bank).¹⁹ The assistance is ostensibly purely economic, and neither Egypt nor any other of the Gulf states confirmed reports that this money was used to finance the arms deals with France and Russia. The second source comes from French taxpayers, as Egypt took a 3.3 billion euro loan, guaranteed for by the French Coface agency – the French government’s credit insurer.²⁰

The United States: Still in the Picture

The strategic ties between Egypt and the US continued throughout the Morsi presidency. While overall relations cooled after Morsi was ousted, the Obama administration wanted to keep the aid to Egypt flowing and therefore refrained from labeling Morsi’s ouster a “coup,” since US law forbids foreign aid after a coup against a democratically-elected government.²¹

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Thus while ongoing arms deals were put on hold,²² under pressure from the Defense Department, which saw Egypt as an important partner in the region, the administration gradually lifted the ban. Egypt’s talks with Russia certainly helped to push this change forward.²³ Israel too, worried that Egypt’s campaign against the jihadist insurgency in Sinai would suffer without US aid, requested that the US go ahead and supply the Apache attack helicopters to Egypt.²⁴

By the end of 2015, all the suspended arms deals had been released. Egypt received its AH-64D Apache attack helicopters, all of its F-16C/D combat aircraft, and its Harpoon anti-ship missiles. In addition, the project to assemble 125 more M1A1 Abrams main battle tanks was resumed. A new deal for 762 MRAP personnel carriers from US Army drawdown began to be implemented in early 2016. More important, the United States seems poised to maintain its commitment to give Egypt \$1.3 billion annually in military aid.

Diversification or a Message?

How can Egypt's recent actions be explained? Egypt regularly notes security threats on multiple fronts as its justification for large and varied arms acquisitions. In its expedited sales to Cairo, France likewise cited Egypt's urgent needs in view of the "threats that it faces." In February 2015, President Hollande told reporters in Brussels, "I believe that, given the current context, it's very important that Egypt is able to act to uphold stability and to be in security, not only stability on its own territory, but stability in the region."²⁵

Still, it is difficult to identify the threats to Egypt that cannot be met by the 230 F-16s already in the Egyptian Air Force but will be countered by 24 Rafales, and it is at least as plausible that Egypt's recent arms acquisition spree is not meant to address any immediate urgencies or non-traditional security threats, but rather to send its traditional ally, the United States, a message. Explaining the Egyptian turn toward France and Russia as a slap in the US face is further strengthened by introducing the Gulf states into the equation. The overt reversal of American support for President Husni Mubarak during the Arab Spring invited the ire of Gulf states generally identified as allies of the United States. In turn, Gulf powers like Saudi Arabia and the United Arab Emirates stepped in to exploit the recent divide between Egypt and the United States.

Yet while it is conceivable that by its large arms purchases Egypt intended to send a reverberating message to the US and diversify its procurement sources, Egypt's actions still demand further explanation. The extent and diversity of Egypt's lavish shopping spree cannot be just about sending a political message to specific countries.

More specifically, these acquisitions will have enormous implications for the Egyptian military and its organization, logistics, and doctrines. Diversification of weapons sources, albeit a pleasant sounding idea, complicates matters for a military organization. Though the Egyptian military has experience with diversification – its air force has flown both MiGs and Mirage-2000s in the same period – new acquisitions would pose huge problems. A modern air force equipped with over 200 F-16s, together with French Rafales and Russian MiG-29s, confronts serious

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maintenance challenges. Each of these aircraft carries different types of weapons that are not interchangeable. Not a single nut or bolt can be interchanged between these various systems. The planes would normally come with assistance – with different fighting doctrines as well as with different maintenance doctrines.

Thus a better explanation for the rearmament is necessary. Egypt claims that it is equipping its military because of the threats it faces. Egypt's threats, however, are mostly from lightly armed insurgents: in Sinai, and along its borders with Libya. It also has some disputes with Sudan. But none of these adversaries has a strong military, and therefore these threats do not explain the need for this number of advanced combat aircraft. They do not explain the need for six new corvettes and one large frigate, and above all, they do not explain the need for two amphibious attack ships designed for long-haul power projection and owned by very few navies in the world.

Accordingly, the large arms acquisitions should be seen in the larger context of el-Sisi's doctrine and vision for Egypt, in place from the moment he assumed power in Egypt. This vision sees Egypt resuming its former position as a regional power in the Middle East, with the capacity to project its power throughout the eastern Mediterranean, the Middle East, and Africa.²⁶ For this vision, el-Sisi demands obedience and sacrifice from his people.²⁷

The road to this goal, according to el-Sisi, is through mega projects to be executed as quickly as possible. One example is the project to build a parallel Suez Canal, whose first phase was completed within a year, in August 2015, and cost \$8.5 billion. Other projects include a planned new capital for Egypt (at a cost of \$300 billion), and a new economic zone along the Suez Canal that will compete with Dubai or Singapore as a world trade hub. Also, el-Sisi announced the construction of 6000 kilometers of roads, 113 bridges, and three airports.

All these mega projects are run by the military – sometimes directly and sometimes through joint ventures with large local or foreign companies and military-owned enterprises. It seems that el-Sisi believes that the military is the only body in Egypt capable of achieving these goals. Consequently, the share of the Egyptian armed forces in the Egyptian economy – which was already considerable long before el-Sisi assumed power – has increased a great deal. Assigning projects to the armed forces also prevents any scrutiny and precludes any open discussion as to the merits or management of these

projects, as the military classifies any information regarding its economic activities as top secret.²⁸

Regional Implications

Egypt's new weapons procurements – more than it could have acquired from the US even with the large US military aid – should enable Egypt to project its military power throughout the region. Of particular importance are the Mistral helicopter carriers, as these ships are specifically designed for power projection operations. The mere possibility of sending a landing force armed with main battle tanks and accompanied by attack helicopters to the straits of Bab el-Mandab or even as far away as Iran should give Egypt a strong say in the region.

Egypt achieved this capability with a great deal of financial aid from the Gulf states – Saudi Arabia, the UAE, and Kuwait. Thus this process should be seen in part in context of the Saudi-led coalition against Iran. Egypt is currently a part of the coalition fighting in Yemen. Its newly-acquired weapons, and specifically its naval force, could influence the outcome of the war in favor of the coalition. Clearly, however, Egypt as such has become highly dependent on Saudi Arabia and the UAE, and while Egypt aspires to be a leading power in the Middle East, its freedom of action is obviously limited.

In turn, there are major implications for Israel. For decades Egypt has maintained its obligations under the peace agreement with Israel. Furthermore, since el-Sisi took power in Egypt, the bilateral relations as well as the level of cooperation have improved considerably. Egypt's current rearmament, then, should not worry Israel in the near term. However, Egypt's rearmament and its drive to become a regional power once again should be viewed by Jerusalem with caution. After all, the IDF is the only major military on Egypt's borders, and Israel cannot avoid seeing any such rearmament as a potential threat.

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Of particular military concern for Israel are the Antey-2500 SAMs, which could affect the Israeli air force's freedom of action even over Israeli air space, and the Moskit missiles on board the Molniya corvettes, which could affect the freedom of action of Israel's navy.

Conclusion

El-Sisi's large weapon acquisitions are part of a larger vision that sees Egypt returning to its perceived rightful place as a major regional power in the Middle East. The vision includes economic development, and to that end el-Sisi has embarked on many other mega projects, such as the new Suez Canal and the Canal economic zone.

It remains to be seen how this grand vision will succeed. Are these projects within Egypt's grasp? Egypt's economic, social, and demographic problems are vast. Moreover, many analysts already see el-Sisi's vision as a grand failure, only two years after his accession to power, and they blame him for squandering the enormous financial aid he has received. There are even signs that Egypt's great supporters in the Gulf are slowly changing their minds.

On the other hand, Egypt has a long record of muddling through its enormous social and economic problems. Egypt might not become the regional leader el-Sisi wants it to be without being an economic and cultural power, but its military strength is here to stay and will have to be reckoned with in the future.

Notes

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