



NATO Foundation
Defense College

GULF November 2016

Troubled Alliances. The limits of political conditionality in Saudi Arabia-Egypt relationship.

Riyadh and Cairo live a growing geopolitical rift, openly underlined by Saudi Arabia's decision to suspend indefinitely the agreed oil supply. On April 2016, Saudi Aramco signed for the delivery of 700.000 tonnes of refined oil products per month, for five years.

From a Saudi point of view, Egypt doesn't support the removal of Bashar Al-Assad from the Syrian presidency, nor it envoyed soldiers to fight Shia insurgents in Yemen, as Riyadh had asked for. On the contrary, Egypt voted for a Russian draft resolution on Syria at the U.N. Security Council and not for the French document sustained by the Saudis. In a rare foreign travel, Damascus' intelligence chief visited Cairo recently and Iran suggested the inclusion of Egypt in the U.N. talks on Syria, feeding Saudis' suspicions about Egyptian-Iranian subtle contacts.

From Cairo's perspective, Saudi Arabia has prioritized the indirect, regional struggle against Iran instead of fighting the Muslim Brotherhood, which Abdel Fattah Al-Sisi considers the first threat his regime must cope with. Differently from Egypt's wishes, King Salman has allowed outreach efforts to engage the Yemeni Muslim Brotherhood (referring to the Islah party) in the "Southern Resistance" vis-à-vis Shia militias, in order to wide recognized institutions' military support on the ground.

Since 2013, Saudi foreign aid has been critical for the strenghtening of Al-Sisi presidency. Regular cash flow from the GCC region and upgraded authoritarianism have disempowered attempts of popular uprising in Egypt so far. However, because of a \$ 12 billion IMF-package in exchange of austerity measures, Egyptians' economic conditions are likely to deteriorate furtherly in next months, so fueling new unrest.

Keeping the door open to mediation, United Arab Emirates and Kuwait have just decided to partially replace Saudi oil, exporting energy products to Egypt.

Riyadh's uncertain aid could undermine Al-Sisi presidency. It is not by chance that Cairo's regime has been redesigning its map of alliances and alignments: energy is also an effective foreign policy driver.

Iraq will increase oil supplies to Egypt to 1 million of barrels per month (currently 200.000), thanks to an Iranian-Russian mediation.

Surely, Egypt has been intensifying security relations with Russia, beyond defense contracts: given Moscow's open support to the Damascus regime in Syria and an elusive attitude in favour of the Shia faction in Yemen, this is not a good news for Riyadh. The first Egyptian-Russian joint military drills occurred on November 2016, while negotiations for the use of Cairo's military bases started recently, as the Sidi Barrani air base, next to the Libyan border.

The end of the "political honeymoon" between Cairo and Riyadh leaves room for some reflections. First of all, the suspension of Saudi energy aid to Egypt could push Al-Sisi to join other alignments, as the Russia-Iran one. Secondly, foreign aid policy doesn't always assure political conditionality, since the presence of geopolitical alternatives reduce the "binding effect" of patron-client relations. After the Iranian nuclear deal and the return of Russia in Middle Eastern politics, the Saudis (who are facing declined oil revenues and a long-term military intervention abroad) are no more the "only choice" for Egypt as they was in 2013, even though Riyadh's financial support still remains the most reliable in the region.

Eleonora Ardemagni