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>>> Menas Egypt Politics & Security

1.0 Executive Summary

- > The Egyptian Islamist movement, *Muslim Brotherhood (MB)* has appointed a new conservative leader. This has led to growing speculation over its internal coherence and its future role in Egypt, as tensions continue to intensify between competing factions.
- > The *National Democratic Party (NDP)* Old Guard faces a testing time to preserve its political monopoly in the party, as more corruption cases are expected to target the group and those associated with them.
- > On the Palestinian front, there is another setback, with Egypt refusing to allow a senior *Hamas* figure to enter the country; the objective being to apply pressure on *Hamas* to reconcile with *Fatah*. However, this decision could backfire, as relations between Egypt and *Hamas* are already strained over the proposed Egyptian building of an underground barrier to prevent weapons smuggling into the Gaza strip via tunnels.

2.0 Security/Terrorism

- > Egypt has announced that *Hamas'* Damascus-based political leader **Khaled Mashaal** is unwelcome in the capital.
- > Cairo is hoping the ban will exert enough pressure to force *Hamas* into reconciling with *Fatah*, and thereby putting an end to the internal Palestinian crisis.
- > In the past, Saudi Arabian and Egyptian leaders succeeded in forcing the two factions into a unity deal but it barely lasted two days; breaking down into the bloody war that ended with *Hamas* seizing total control of Gaza.
- > According to a report published on Tuesday 19th January in the Kuwaiti newspaper *Al Jareeda*, Egypt has made its position of banning Mashaal's entry clear to a number of Arab states, including Kuwait and Saudi Arabia, and is pressing them to apply similar pressure to speed up the reconciliation process.

3.0 Political News

- > The *MB* is facing a critical time, with the election of a new conservative *Murshid* (leader), 67-year old **Mohammed Badie**, a professor from *Beni Seuf University*. His appointment has implications for the *MB*'s involvement in the upcoming *People's Assembly* elections, opposition to the succession process and the unity of the movement.
- > Badie's election took many by surprise. He is not a well known figure either inside or outside the movement, has not held a municipal or parliamentary seat. He is also known to have belonged to the *1965 Organisation* when he was imprisoned for nine years by the **Nasser** Administration accused of hatching a plot to overthrow it.
- > The election of Badie is indicative of a new chapter in the movement's history, and is important as it represents a total conservative take-over of the movement's strategic organs, such as the Executive Bureau and the *Shura* council. Reformist voices are being suffocated in the *MB*, leading to deepening wounds between the competing factions. These are likely to intensify in the near future as the conservatives begin to set out their vision and strategy.
- > Many leading commentators on the *MB*, such as **Amr el Choubaki** and **Diaa Rashwan**, both from the *Al Ahram Centre for Political and Strategic Studies*, expect the new leadership to rein in the political role of the movement which the reformists have embarked on over the last 20 years and focus more on its spiritual/educational role, which has been central to the movement's work, as set out by its founder **Hassan al Banna** in 1928.
- > This has significant implications for the upcoming parliamentary elections, as it is believed that the movement will take a more back-seat role rather than going all out to contest the elections by putting forward a limited number of candidates, and adopting a less agitating style in its electoral strategy. In 2005, when it used its '*Islam is the solution*' slogans, it angered the political elite, leading to crackdowns in the second and third round of the elections.
- > Badie alluded to this in his first press conference since being elected. He spoke of gradual political involvement which contrasts with the reformist demands for the movement to take a more radical approach by contesting as many constituencies as possible and being more confrontational to

weaken the state's dominance of parliament.

- > The *NDP* will be pleased with the new developments in the movement, and the path which the new leadership is likely to embark upon. In effect, it sidelines its main competitor in the upcoming elections, giving it a free run to once again dominate parliament and further tighten its authority in the country, as it faces growing calls for reform.
- > A conservative stranglehold over the movement is something which the *NDP* has worked towards since 2005. They have done this by weakening the reformists through constant arrests and harassment. This has strengthened the conservatives, putting them in prime position to perform well in the Executive Bureau and leadership elections.
- > The elite will also be satisfied, as it is known that the conservatives are reluctant for the movement to challenge the succession process given the inevitable security repercussions that would follow from the state. This would also clear the way for succession without the involvement of a key player that could possibly be a stumbling block for them in its management of the succession process.
- > With a more insular *MB* likely to arise, there are growing concerns over its unity, with worries that it will split. This would have implications for Egyptian politics, and also for the Islamic movement beyond.
- > Former Executive Bureau member and leading reformist **Abdel Moneim Abu Fotouh** has spoken of a possible splintering in the near future; alluding to a group of reformists breaking away to establish their own organisation, similar to that which occurred in 1996, known as the *al wasat* group.
- > The movement is probably facing its most testing time, with the new leadership urgently needing to focus on maintaining its unity by appeasing the reformists and getting them back on board. Failure to do so would mean they risk being manipulated by the *NDP* which, over the last few months, has been quick to widen the gap between the conservatives and reformists by issuing articles to the state-controlled press, talking of turmoil and rifts within the *MB*.

4.0 Economic News

- > *Shell Egypt* has been given the green light by the government for agreements signed with **Vegas Oil & Gas** and **GDF SUEZ** to

acquire a 20 per cent interest in the *Alam El Shawish* West Concession, in the Western Desert area.

- > In a press release, Chairman of Shell Companies in Egypt **Ahmad Atallah** said that the new acquisition fits into Shell's continuous expansion activities and investments in the Western Desert area.
- > He added that as the central operator of the concession, the company's technical and operational expertise and established Western Desert infrastructure will help to maximise value in *Alam El Shawish*.
- > **Apache Corporation** has announced that it has made its sixth oil and gas discovery in the **Faghur Basin** play in Egypt's far Western Desert near the Libyan border.
- > The oil and gas company's latest oil discovery well tested 5,085 barrels of oil and 130 thousand cubic feet of gas per day.
- > The new **WKAL-A-2X** well represents the fourth successful exploration test in **West Kalabsha Concession**. It is located five miles west of Apache's **Phiops Field**.
- > The company has said it plans to drill seven additional exploration wells in the Faghur Basin play this year.

5.0 Scenarios/Possibilities

- > The NDP Old Guard are bracing themselves for further challenges as they anticipate more corruption cases appearing in the Egyptian press which will target their high level members in the lead up to the elections.
- > This news comes on the back of the Old Guard's ongoing campaign to save former Housing Minister Mohammed Ibrahim Suleiman. During his time as Minister (1993-2005), he is accused of having allocated valuable plots of land to members of his family in the northern Mediterranean resort of Marina, near Alexandria and the Southern Cairo district of Qattamiya Heights.
- > Many believe that the spate of corruption cases against the Old Guard are part of the strategy to endear the New Guard, led by **Gamal Mubarak**, to the public, as it develops an image of being tough on corruption.

- > However, on the downside, despite the attempts by the New Guard to be seen as having a strong attitude against corruption, they themselves are not viewed well by the public. They are perceived as a branch of the Old Guard, leading lavish lifestyles, with homes in the luxury Cairo districts of Tagamma al Khamis and Qattamiya Heights, detached from the problems of ordinary Egyptians.

6.0 Foreign Affairs

- > Egypt is becoming concerned over Syria's advancing role in regional politics. The country is playing an active part in trying to solve the internal Palestinian crisis, forging close relations with Turkey, and achieving an historic reconciliation with Lebanon after the recent visit of Prime Minister **Saad Harriri** to Damascus.
- > This comes on the back of Egypt's growing concern about its own possible isolation in regional politics; resulting from a failure to mend bridges between rival Palestinian factions, or to make positive strides in the Israeli-Palestinian peace process. This portrays the country as being impotent as an effective actor in solving regional issues.
- > This perception is further strengthened by Egyptian delegates returning empty-handed from a recent trip to Washington. Foreign Minister **Ahmed Abu Gheit**, and Head of Intelligence **Omar Suleiman** returned some two weeks ago having failed to persuade the US Administration to demand a total freeze on the construction by the Israelis of housing in East Jerusalem.
- > Egypt will soon have to present some tangible results from its efforts if it is to be viewed as an effective regional player, or risk having its mantle taken by states such as Turkey and Syria as the Arab world searches for alternatives to stem the growing problems in the region.

7.0 Foreign Personnel

- > According to the Egyptian Health Ministry, five more people are reported to have died from the H1N1 virus, raising the death toll to 224.
- > The deaths come as over 450,000 doses of vaccine arrived in the country to combat growing worries that the number of infections and deaths could continue to rise as the weather turns cold again after a week of warmer temperatures.

- > There are no signs of the virus stopping its progress in Egypt, with the Ministry reporting nearly 1,000 new cases in the past week. This means that since the first case appeared on 2nd June last year, over 15,000 people have been infected.
- > The **World Health Organisation (WHO)** alluded to Egypt as being a potential hotbed for the virus if action is not taken immediately. In a report, it said: *"The most intense areas of pandemic influenza virus transmission currently are in parts of North Africa, South Asia and east and south-eastern Europe."*
- > The report added, *"In North Africa, limited data suggest that transmission of pandemic influenza virus remains active throughout the region, particularly in Morocco, Algeria, and Egypt."*
- > The government has taken a number of measures to prevent the spread of the virus such as postponing the start of the academic year, giving extended Christmas holidays and making vaccines available, but these actions have not had the expected impact. There has been a continuous rise in cases of infection, making it a significant challenge for the government.

8.0 Flash Points to Monitor

- > Tensions grow between Israel and *Hamas* in the Gaza strip, as recent Israeli attacks have led to calls for retaliation by *Hamas* leaders to avenge current deaths of civilians and senior *Hamas* figures.



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