



Economic Warfare: UAE Reportedly Seeking to Target Turkish Investments in Egypt

OE Watch Commentary: Tensions between Turkey and Egypt peaked momentarily last summer, as disputes regarding Libya and the delimiting of Exclusive Economic Zones (EEZs) in the eastern Mediterranean escalated into blustery saber-rattling by the domestic media and political leaders of both countries. Behind these disputes, though, observers have highlighted the robust economic bilateral relationship. The accompanying passage from *al-Jazeera*, for instance, argues that the relationship “takes place on two separate tracks,” one of them economic and “on the upswing,” the other political and “on the decline.” The article’s somewhat rosy outlook notwithstanding, Turkish-Egyptian trade volumes declined in the first six months of 2020, according to figures released by the Egyptian government and cited in the second accompanying excerpt (so did trade with Egypt’s other partners across the globe, largely due to the pandemic). Recently, according to the passage from *al-Araby al-Jadid*, authorities in the United Arab Emirates have begun collecting information to target Egyptian sectors that have extensive Turkish investments, with the aim of crowding out Turkish businesses. The article’s author attributes the purported Emirati plan to a broader strategy aimed at severing the sole remaining link and potential zone of reconciliation between Egypt and Turkey, i.e. bilateral trade. In addition, the article adds, the strategy will seek to “poison the atmosphere between Erdogan and Turkish businessmen” at a time of declining global commercial activity. The article’s author is skeptical that the approach will work, however, noting that “there is an Egyptian preference for Turkish investments, as they are based on productive projects, and many of them are based on real partnerships rather than on sales, as is the case with many Emirati projects, especially in the real estate sector.” **End OE Watch Commentary (Winter)**

“...Official Egyptian sources revealed Emirati moves to isolate Turkish investments and what remains of Qatari investments in Egypt...”

Source: مصر وتركيا.. عداة سياسي يخطف الأضواء من تعاون اقتصادي متنام
 “Egypt and Turkey... Political Enmity Obscures Developing Economic Cooperation,” *al-Jazeera*, 19 July 2020. <https://tinyurl.com/y6f5b5hd>

Media watchers may think that there is deep hostility between Egypt and Turkey. In fact, there is a combination of political conflict and the realities of cooperation, especially in the field of trade. Looking closely, it seems that the relationship between the two countries takes place on two separate tracks. One of them is on the upswing, involves trade and is in the interest of both parties. The other is on the decline, involves politics and has been marred by tensions since the July 2013 coup in Egypt and then worsened by the impact of the conflict in Libya... Observers say that the exclusion of Turkey - one of the major countries in the eastern Mediterranean region - by countries such as Cyprus or Greece, in cooperation with Egypt and Israel, is like trying to ignore a large and ancient family within their sphere of influence, something

Source: بالأرقام.. مصر تخفض مستوى تجارتها مع تركيا
 “In Numbers... Egyptian Trade Volume with Turkey Declines,” *al-Ain*, 22 July 2020. <https://al-ain.com/article/egypt-cuts-trade-exchange-turkey>

Trade exchange between Egypt and Turkey decreased during the period from January to May 2020, according to official data. Today (Wednesday), the Egyptian Statistics Authority said that imports from Turkey decreased to 1.2 billion dollars, compared to 1.5 billion dollars in 2019, adding that exports also decreased to 619 million dollars compared to 774 million dollars...

Cairo is preparing to deal a commercial slap to Ankara at the international level, over the attempts to flood the Egyptian market with Turkish machine-made carpets. According to Ibrahim El-Sigini, head of the Egyptian Commercial Processing Sector, the details of the story go back to early July, when Egypt, through that agency, requested that the World Trade Organization start a comprehensive investigation into mechanical carpets, about which many dumping complaints had been received.

Source: تحركات إماراتية لحصار الاستثمارات التركية والقطرية في مصر
 “Emirati Moves to Isolate Turkish and Qatari Investments in Egypt,” *al-Araby al-Jadid*, 6 September 2020. <https://tinyurl.com/y6khgoz3>

*Official Egyptian sources revealed Emirati moves to isolate Turkish investments and what remains of Qatari investments in Egypt by pushing for huge investments in areas where these two countries have investments. According to the sources who spoke to *al-Araby al-Jadid*, Emirati authorities have recently collaborated with various research companies to collect economic information on the sectors in which Turkish and Qatari investments exist, particularly Ankara’s investments, in order to bring new Emirati groups into the Egyptian market and to isolate Turkey’s economy. Turkish investments in Egypt are worth about \$ 2.2 billion...*

The sources attributed Emirati targeting of Turkish investments in Egypt by virtue of their being the only current avenue for the continuation of relations between Cairo and Ankara as well as the path through which relations between the two countries can be repaired. According to the sources, the UAE is seeking to poison the atmosphere between Erdogan and Turkish businessmen, on the grounds that his regional policies have brought about crises to the Turkish economy and businessmen in many capitals, due to his antagonism to regional powers such as Saudi Arabia, Egypt and the UAE...

The sources revealed that there is an Egyptian preference for Turkish investments, as they are based on productive projects, and many of them are based on real partnerships rather than on sales, as is the case with many Emirati projects, especially in the real estate sector.