Egyptian-Chinese relations: Opportunities and Risks for Egypt

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The period that followed the June 30th revolution, witnessed an alternation in the political system, resulting in a review of all policies, especially the Egyptian foreign policy which resulted in a shift towards the east in an attempt to restore balance in the Egyptian foreign policy after it remained western oriented for several decades.

This paper seeks to measure the impact of June 30th revolution on the Sino-Egyptian relations up to date, using several indicators among which is: the economical factor, cultural and educational exchange (a field that has been enhanced since 1996 when the Egyptian Higher Education Minister visited china and agreed to exchange annual visits with his Chinese) counterpart as well as deep rooted diplomatic relations.

Keywords: Sino-Egyptian relations, Economic indicator, Political indicator, Cultural indicator.

Introduction:

Determinants of the Egyptian-Chinese relation will also be investigated. An attempt to accomplish this will be undertaken through the visit of several Chinese funded institutions in Egypt and the interview of personnel working in the previously stated sectors (i.e.: Confucius Institute for Cultural Exchange, Suez Canal University).

The paper is to investigate also the impact of this transference towards the east on western countries especially the US that has always been an Egyptian strategic ally as well as a chief player in the Egyptian foreign policy.

Methodology:

Importance: Raising consciousness to the importance of making use of the Chinese experiment in building a development during the strategic planning of the Egyptian developmental model.
**Aim:** Presenting activation mechanism of the Egyptian Chinese development diplomacy with identifying defensive procedures against the challenges that faces the bilateral relation between the two countries.

**Problematic issues:** the limits of the ability of exchanging cognitive accumulation between the two countries to develop a dynamic developmental cooperation.

**Research Questions:**

1. What is the reality of the Egyptian Chinese relations?
2. What is the affect of the Egyptian Chinese relation challenges on the developmental cooperation?
3. What is the most effective mechanism of developing the Egyptian Chinese relation to reach strategic level?

**Method:** the study depends on the descriptive analytical approach, Comparative approach and content analysis tool.

**Structure:**

The paper will be divided into three basic sections as follows:-

- **First:** Strategic analytical insight into the Egyptian Chinese relations
- **Second:** The developmental relations between Egypt and China challenges
- **Third:** Activation strategy of managing the Egyptian Chinese relations

**First: Strategic analytical insight into the Egyptian Chinese relations**

The Egyptian Chinese relations are one of the most important bilateral relations because the Regional Leadership rule of both countries made them the regional axes in the Middle East and the Far East\(^1\).

The study tries to evaluate the chances of the Egyptian Chinese relations continuity in order to develop the dynamic of this relation against any regional or international changes with describing the nature of the relation between the two countries using the following indicators:

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The Political Relations Indicator

Egypt was the first Arabic country that had diplomatic representation with China in 1928. First of September 1943 Elqahira announcement was declared from the Egyptian capital that the Japanese occupation to Taiwan is void as it is apart of the Chinese lands and because of the convergence between the goals of both of the Chinese revolution 1949 and the egyptian revolution 1952 Egypt took the initiative to Acknowledge People’s Republic of China in 1956 and established the diplomatic egyptian relation at the level of ambassadors. Egypt also supported the Chinese right in reclaiming its legal position at the United Nations. People’s Republic of China had a rejecting situation against the triple aggression on Egypt in 1956 according to the approach of both countries that support policy of non-aligned.

a- Although the relation was slack, china pulled back all its ambassadors in the region to participate in the Cultural Revolution except for its ambassador in Egypt.

b- The eighties and decade and the nineties period represented very important axes of the Egyptian Chinese relations as the convenient exchanges and agreements to the relations on all the politics, economic and culture levels have been intensified and became an example of cooperation between south and south. The relations were culminated in 1999 with the declaration of the mutual statement of establishing strategic cooperation relations which focused on: the importance of building new politic strategic international system fairly and logically. Enhancing the Solidarity and cooperation between the developing countries and reducing the gap between developing and developed countries. The importance of reforming the UN Security Council to achieve regional balance minding the fair representing of the developing countries. The achievement of comprehensive, just and lasting peace in the Middle East in which goes with the fundamental interest of the people and

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3 http://www.sis.gov.eg/En/Templates/Articles/tmpArticles.aspx?CatID=2965
also serves peace and development in the world. The full commitment and the honest implementation of the signed agreements between Palestinian National Authority and Israel which were witnessed by the whole international world. The necessity of the International work on Sovereignty disarmament concepts specially weapons of mass destruction to include all the world regions without any exceptions for any country or region.

c- Supporting of the formal visits of the leaders and their ministers, Parliamentary exchanges, coordination of international events established the bilateral relations in the 21st century with the changes in the international and regional arena. Egypt touched the strength of this relation in the positive politics of the Chinese situation to support the will of people through 25 January and 30 June revolutions and what the Chinese minister of foreign affairs declared, at 3/8/2014 during his formal visit, a verbal message to the president Abd El-Fattah El-Sissi from the Chinese president Chi Gen Big congratulates him for becoming the president and invites him to visit China assuring that the Egyptian Chinese relations development should be concentrated for long-range strategic perspective in achieving stability in Egypt which represents stability in the region.

The Economic Indicator:

a- Commercial Relations: - As chart (1) indicates to the Continuity of developing the commercial relation and its growth since 1950 till now.

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5 Shannon Tiezzi, China’s Egypt Opportunity, The Diplomat, December 24, 2014
The horizontal axis refers to years while the vertical axis refers to the financial value by billion dollars although there were periods of fluctuation, rates of growth were decreased from 1966 to 1978 as Egypt opposed to the Israeli aggression on fifth of June 1967. The Continuity of developing the commercial relation and its growth since 1950 till now was explained\(^6\). The horizontal axis refers to years while the vertical axis refers to the financial value by billion dollars although there were periods of fluctuation, rates of growth were decreased from 1966 to 1978 as Egypt opposed to the Israeli aggression on fifth of June 1967.

Egypt lost part of the Egyptian lands under the Israeli occupation and all the efforts and capabilities were directed to country liberating. In China the Cultural Revolution that started in 1966 was continued with all the chaos in all life categories: politics, economy and culture. After 1973 victory, Egypt adopt the policy economic openness in 1974 while the Chinese revolution has come to an end and the departed Chinese president Deng Shiaw Beng put the theory of building socialist community with Chinese features and adopt the policy of reclamation and openness so the interior

situations in both countries stabilized and the relations regained their power.

b- **Investment projects:** After the signature of the strategic commercial agreement between the two countries in 1999, relations went out of its traditional frame of export and import trade to become reciprocal investments and mutual projects. The most important of them were: the cooperation in the west of Suez bay economic region, establishing branches of Egyptian companies in China including "Elnasagon Elsharkion (Oriental Weavers)" which was established in the special economic region near Tianjin, the capital of the project was estimated to be around 20 billion dollars. Egyptian shares in the capital of the project reach 99%.

![Graph showing Egyptian exports and imports from 2009 to 2013](image)


Notes from previous data that there is a big gap between Egypt's imports and exports of China and forth to China's interest detailed as following:

1- on exports level, despite that Egypt declared her orientation to the east, her Export to China remained very low during the

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8 [http://www.sis.gov.eg/En/Templates/Articles/impArticles.aspx?CatID=2969#.V1mMwqLfBpA](http://www.sis.gov.eg/En/Templates/Articles/impArticles.aspx?CatID=2969#.V1mMwqLfBpA)
period 2003-2007 then it started to rise from 2008 then 2009 but it decreased back in 2010 to rise again to a certain extent during the revolution period then to re-rise 2013.

2- On the import level, the Egyptian import from China took a vibrant curve and it reached the lowest level in 2006, 2007 & 2009. And as a result of this decreasing, Egypt signed a protocol at 14th of September 2004 in the frame called the qualified industry zones (QIZ) with the United States and Israel so her import from China decreased in 2004 more than in 2003 it further decreased in 2005 while it slightly rose till 2008 as the import from china increased because the United states witnessed a big economic crisis in this year which directed the United States herself to cooperate with China to get out of her crisis.

We also find that Egypt import from China in 2011.2012 and 2013 reached her highest rates although it was a period of political instability in Egypt because of the revolution however, the proportion of imports during these two years confirms that orientation of Egyptian external politics after January revolution to diversify its foreign relations9.

On the other side the number of the mutual investment projects that the Egyptian capital shares in till the end of 2005 reached around 43 investment projects (according to Chinese ministry of commerce resources) and the agreements costs of these projects reached around 50 billion American dollars while the overall value of the executed ones reached 12 billion American dollars most of these investments in clothes industry, spinning and weaving, shoes, bags, plastic products and carpets10.

10 http://www.sis.gov.eg/En/Templates/Articles/tmpArticles.aspx?CatID=2967#.VImMi6LfBpA
In year 2009, the number of Chinese investment projects reached 648 projects in communication sectors, Information technology, agriculture sector, tourism sector and industry sector.

c- The Chinese investments influence on the Nile basin countries aquatic projects

The interfering of the Chinese organizations provided a suitable alternate to the high Nile countries for investing in small aquatic projects because of decreasing the rank of the international co operational agencies that used to adopt regional views on their programs against the Chinese development assistances that are politically unconditioned and that what makes it acceptable partner to the Nile basin countries. The appearance of china as a new nuclear reactor in the region was in the benefits of Ethiopia as china generously provides her with financial and technological support for the Ethiopian info structure including establishing huge dams for example:

- In 2010, china signed understanding agreement with the Ethiopian government to finance building the third Gilgel Gibe III Dam on Omo River.
- The bank of commerce and industry in china financed 500 billion dollars project, the loan which was refused to be given to Ethiopia by both of the African development bank and the European investment bank.
- Helping in building Tekeze dam to produce hydroelectric energy which reaches 185 meters high making it the highest dam in Africa and it can produce around 300 megawatts of electricity.
- Measuring the evolution of the commerce relationship between Egypt and china indicators (2000-2013): Been relying on exports and imports indices to measure the direction of commerce relation between Egypt and China and extent of change, the export index refers to the Egyptian foreign politics direction while the export one refers to

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12 [http://weekly.ahram.org.eg/2012/1112/eg6.htm](http://weekly.ahram.org.eg/2012/1112/eg6.htm)
Chinese foreign politics direction to Egypt. The table below shows the overall Egyptian exports and imports to China:

<table>
<thead>
<tr>
<th>Table (1)</th>
<th>Value in millions of dollars$^{13}$</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Trade Balance</strong></td>
<td>952</td>
</tr>
<tr>
<td><strong>Egyptian exports</strong></td>
<td>102</td>
</tr>
<tr>
<td><strong>The rate of change</strong></td>
<td>-</td>
</tr>
<tr>
<td><strong>Egyptian imports</strong></td>
<td>805</td>
</tr>
<tr>
<td><strong>The rate of change</strong></td>
<td>-</td>
</tr>
</tbody>
</table>

http://www.mfa.gov.eg/English/EgyptianForeignPolicy/EgyptianAsianRelation/BilateralRelations/China/Pages/EconomicRelations.aspx

$^{13}$ http://www.tradingeconomics.com/egypt/imports
In addition to the Egyptian presence in services sector in China, for example: the presence of agencies representing: National Bank of Egypt in Shanghai, Egypt airs in Beijing and tourism companies representing bureaus. Till the end of 2005, the overall value of the Chinese investment agreements in Egypt reached around 160 billion American dollars, and the overall value of the executed investments reached around 60 billion American dollars. The number of the Chinese investment projects in Egypt till the end of 2005 reached around 35 projects most of them in spinning and weaving, chemical industry, engineering industry, foods industry, shoes industry and projects in many other sectors like contraction materials sector, petroleum sector, Marine transport sector, metal industry sector and information technology.

The Cultural Exchange Indicator:-

The Egyptian Chinese cultural exchange reinforced the mutual understanding between the two countries starting with the first Chinese education mission to Egypt to study at Al-Azhar Mosque reaching the declaration that the year 2015_2016 is the year of Egyptian Chinese culture.

http://www.sis.gov.eg/En/Templates/Articles/tmpArticles.aspx?CatID=2970#.VImM16LfBpA
The culture exchange was carried out in many fields including the most important:

a- Education cooperation that is regarded as on of the most important fields to provide annual exchanging mechanism between seniors, the cooperation between education establishments with the mutual acknowledgment of education certificates and mutual projects both countries universities and increasing the number of the newcomers student every year, he development of teaching Chinese language at many egyptian universities(Ainshams_Cairo_Tanta_Alminia_Helwan16 and finally Port-said university), and establishing education organizations including the most important Confucianism institute in both Cairo university and Port-said university.

b- Media relation that her own rule was related to popular definition of both countries to each other and highlighting the political, social, economical and cultural developments in both countries for deepening the mutual understanding between the people of both countries17.

c- Mechanisms, protocols and culture agreements that provide ideologically and civilized mutual approach to the Egyptian Chinese relations.

d- The strange globalization system causes the gap between the two countries to get wider:

- The elite people in the Arabic world in general, not only Egypt, is not qualified mentally or ideologically to variety because they are ideologically, mentally and intellectually related and profits considerations also. In west, the Chinese knowledge is trending all over Africa as cheap goods because of its low quality in addition to the western negative media about Chinese cases like Taiwan, Tibet, religion multiplication and others of interior affairs.
- The Chinese citizen is affected by the western analyses of the events in Arabic countries as they are full of terrorism and that they are Left behind civilization and technology advancement in addition to what was

17 http://www.sis.gov.eg/En/Templates/Articles/tmpArticles.aspx?CatID=2971
published in the western publicity about the events that took place in Egypt after July 2013 and describing June revolution as a military coup.

e- The difficulty of translation into and from Chinese language leads to misunderstanding the real Chinese politics and culture and slowing down the east to east dialogue for example Gushy Company faces a big problem of keeping the Egyptian talents after their return from training in China because of language and culture diversity between Egypt and China that caused some management difficulties\textsuperscript{18}.

\textbf{Second: The developmental relations between Egypt and China challenges:-}

\textbf{External challenges:}

1- The Asian American conflict threats:
The Egyptian profits are imposed to stay away from the economic and commercial competition between China, the United States and the West and from the developmental clash in Asia and the pacific and that was after what was issued by the American leadership of new strategic directions of the American ministry of defense since January 2012 under the title "Conservation the world command". The defensive priorities for the 21\textsuperscript{st} century assure the vitality of the eastern west of Asia region and the pacific to the American economy and security and the importance of reinforcing the strategic partnership with the United States allies, and with the Chinese inflexibility to control its commercial routes across the Indian Ocean and the Chinese sea by forming strong fleet which is forming a challenge to the American strategy that based on preventing any force from threatening the military American superiority and on the other side and with the American claming of its partial abandoning from the east specially after discovering rock oil which means its gradually withdrawing from making security system in the area.

Besides that china refuses to have any security rule in the area and here is where the political counselor of the Chinese ambassador in Cairo, mr.khwashin indicates that china does not want in filling up the American

influence apace because it is expositing with its external politics as the American withdrawing means that region countries should adopt variety of policies in its external politics instead of mono directional one.

2- Foundations for Strengths and Weakness in The Egyptian Chinese relations:

a- Strengths
The Egyptian Chinese relations achieved successful Substrates for mutual external politics which were counted as pillars that helped continuity as:
- the mutual respect for legal politics through kipping the principle of noninterference in interior affairs
- Keeping political independent support as while china was calling for peaceful living, Egypt was one of the Founding countries of the non-aligned movement in the frame of the international non-aligned movement to face the influences of the two great nations and defend the independence of both countries.
- Keeping the continuity of the bilateral relation developmental function through supporting the increase of commerce exchange size.
- Supporting the bilateral relation to the international and regional for both countries started with the Egyptian support to the Chinese right in reclaiming its legal seat in the United Nations in the 50th in addition to the Chinese support to Egypt to take back its pioneer regional rule in both of the Arabic and the African frames after July 30th revolution as this rule is very important to verify the relations between china and (the Arabic world and Africa)

b- Weakness:
- The absence of activation mechanism to repair the disequilibrium of the mutual commerce between the two countries which is caused by the non-activation of the bilateral agreements that represents a weak point of the continuity of

following the mutual development plan in the frame of the mutual trust between the two countries.

- The Mismatch of the volume of the Chinese investments in Egypt because it is regarded as an important gate to Africa.
- Limitation of the Egyptian African rule with the increasing caution of Beijing to protect her aquatic investments in Africa.\(^\text{20}\)
- The absence of the activation mechanism to achieve the Chinese external political goals to establish a pluripolar world as China still following cautious strategy without prejudice the existent balances and following harmonic policy with the United States.
- The unsuitable volume of exchanging knowledge between the two countries for the economic relation nature delays the strategic partnership.

From the above we will find that the matrix analysis of the opportunities and challenges, pillars of strength and substrates weakness between Egypt and China indicate that the gap is getting wider between the requirements of bilateral relation progression to the strategic level and the fact of the rigidity in formal agreements between the two countries in an era dominated by strategic changes at both the regional level or international.

So, it was very important to resort to strategic administration for re-planning the bilateral relation according to the mutual profits as following:

1- The political Dimension:

Occurrence of a significant change in the Egyptian Chinese relation which making these relations really different from the past patterns requiring the re-study of the signed agreements to identify the structural problems and obstacles that preventing the implementation including one of the most important agreements is the mutual statement to establish co-operational strategic relation in 1999 because what it includes of the terms needed by the bilateral relations including:

a- Supporting the fair representation of developing countries in the UN Security Council and the importance of this term rises with the Egyptian leadership declaration of its intention to run to get a non-permanent seat in the UN Security Council for the African group. It is of significance to China through supporting the mutual important cases and facing the western blocs in addition to Egypt return to its African position leads to support both fields of security and peace in Africa and drawing directional frame of Chinese participation on the African union level\textsuperscript{21}.

b- Cooperation in the field of international counter-terrorism in the wake of the invasion of terrorist operations to Egypt and many Arab countries after the chaos of political Islam and the consequences of the Arab revolutions which provides the vital interests of China in the region specially the security of oil supplies and secures Pearl contract strategy to secure the Chinese energy passages and facilitates the implementation of the mutual development projects specially financing projects of the Suez gulf because of its future importance as one of the development axis in the new Suez Canal Project\textsuperscript{22}.

c- Cooperation in building new political and economical international system on fair and logical domains.

d- The mutual statement term specialized in promoting solidarity among developing countries and reducing the gap between developing and developed countries. The study sees that the mechanism of policy-oriented eastward is one of the most important alternative policies to reduce this chronic gap. Evoking the Egyptian vision in orientation of the East with the help of china and its membership in Asian conglomerates lead to presenting development model free of Western dependency and its colonial interests and applicable in Arab countries and even Middle East.


That breaches the monopole barrier on a global scale and crowding Egypt to Israel continuous effort to get an observation seat inside the Asian conglomerates.

2- The economic Dimension:-

The continuity of the deficit in the Egyptian Chinese trade balance, the reduction of the volume of Chinese investments, the Chinese hesitation to participate in mutual projects and the implications of the Egyptian energy crisis represent the main dilemma in developing the Egyptian Chinese relations. Exchange of economic interests most in need of building participation bases on:

a- Financing projects with investments to strengthen the strategic partnership between the two countries

b- The transfer of Chinese industries outside for the exchange of scientific experiences just like the Fiber glass project as the likes of this project lead to stop the export of raw materials and manufacturing them which provides job opportunities in addition to the training grants in which the technological experience transfers then re-exporting this product which leads to reduce the gap of trade balance

c- The Egyptian support to the Chinese initiative to revive the old road of trading silk which includes 40 countries starting with china till France passing by Egypt and the Middle east as there is a large consensus to the goals of this initiative with developing the axes of the Suez canal project.

d- Renewing alternative politics to develop the dynamic of economic relations by opening new fields of cooperation.

- The mutual cooperation in peaceful nuclear projects because china is regarded as the first country in the world according to the peaceful nuclear stations number and Egypt is about to start establishing a peaceful nuclear station.

23 [http://english.cntv.cn/2014/12/24/ARTI1419383230867786.shtml](http://english.cntv.cn/2014/12/24/ARTI1419383230867786.shtml)
- Cooperation in renewable energy fields specially the solar one.
- Establishing Egyptian mutual Chinese spending\(^\text{24}\).

3-The cultural Dimension:

The cultural side in the Egyptian Chinese relations is considered as the opening word to fill the knowledge gap between the two countries so it was important to evoke new alternative policies including the most important:

a- Prepare common media programs in both Chinese and Egyptian languages to correct what is broadcasted on media by the counter media of false images of cases of the two countries.

b- Rephrasing the educational programs and the scholarships which are given to students and teachers from both sides to ease and allow learning of both Arabic and English languages.

c- Preparing mutual educational curriculums of a technological technique aims to purify the two people's ideology from the negatives the western globalization with presenting Lessons learned from the Chinese experiment and the priority of developing human.

d- Strengthening the policy of establishing research centers specialized in supporting the bilateral relations studies and to be participated in the process of making mutual decision between the two countries.

Third: towards an activation mechanism to develop Egyptian Chinese relations management.

The Egyptian Chinese relations was organized according to agreement frame featured by the strategic agreement frame although it lacks the strategic management that leads to activate these frames except for the economic relations specially the commerce exchange process between the two countries which includes a defect in the balance in favor of the Chinese side. That threatens the future relations with inequality which is regarded as a repetition of the Egyptian American relations in which the Egyptian


http://www.jamestown.org/single/?no_cache=1&tx_ttnews%5Btt_news%5D=39869&tx_ttnews%5BbackPid%5D=589
government tries to marginalize after 30 June revolution and finding the alternate to diversify its external affairs25. In the following the study tries to suggest approach of the Egyptian Chinese management bases on elevating the gains of the past with the condition or activating it in the future to bring equal relations and developing it toward establishing a developmental model of bilateral relations as the following:

1- the relationship continuity and development
2- Development approach to co-operational strategic relation management
3- Towards an activation mechanism to develop the Egyptian Chinese relation management.

Conclusion and Recommendations:

The study presented, in the above, analyses of the strategic bilateral relation between Egypt and China as the opportunities of the relations continuity in addition to the challenges that faces this continuity was identified and the result was identifying the Substrates weakness and strength, as previously explained, in developing the relation to the strategic scope.

From the above, the study shows that the bilateral dialogue between the two countries, to improve the relation the strategic level, should combines formal representation and popular representation so the study suggests the following:

1- Establishing national organization of public diplomacy in both countries that gathers in its membership all who are interested and concerned with the Egyptian Chinese affairs.
2- Presenting a unified vision, its massage is to meet the needs of the Egyptian Chinese relations through knowledge exchange between the

two people to face the challenges and increase the developmental links.

3- Presenting activation mechanisms to this organization based on presenting executive list to coordinate with official ones through the following terms:

a- The official organizations provide all the guarantees that achieves the massage of the national organization and removing the complicated bureaucratic procedures of this organization.

b- Enhance the constructivist structure of the National Foundation by forming a strategic work group to look into how the Egyptian Chinese relations with its different dimensions should be.

c- Developing a management of translating and publishing the Egyptian and Chinese compositions and writings to work on exchanging of publishing the two cultures which leads to standing on the human nature of these people.  


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15. http://www.sis.gov.eg/En/Templates/Articles/tmpArticles.aspx?CatID=2969#VlmMwQLfBpA


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