

Commentary

RAPPROCHEMENT BETWEEN TÜRKIYE AND EGYPT: IMPLICATIONS IN THE HORN OF AFRICA

After a decade of strained relations, high-level diplomatic engagements including reciprocal presidential visits have fostered renewed cooperation in trade, energy, and defense. Türkiye's supply of unmanned aerial vehicles (UAVs) to Egypt underscores growing military collaboration. This normalization influences regional stability, particularly in the Horn of Africa, where both nations have vested interests. Key economic drivers, such as bilateral trade growth, foreign direct investment, and energy cooperation, are analysed alongside persistent geopolitical tensions, including Libya, Sudan, and Eastern Mediterranean disputes. While pragmatic considerations fuel this rapprochement, ideological and strategic divergences remain. The evolving Türkiye-Egypt partnership will significantly impact regional power dynamics, shaping alliances and conflict resolution efforts in the Horn of Africa and beyond.

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INTRODUCTION

The recent diplomatic developments between Türkiye and Egypt show a significant shift in regional geopolitics, marking the end of a period of estrangement and the beginning of renewed bilateral engagement. This rapprochement, initiated in 2020, is part of a broader Turkish diplomatic initiative to mend relations with several key regional actors, including the United Arab Emirates and Saudi Arabia.

The mutual reappointment of Ambassadors in 2023 signified a formal restoration of high-level diplomatic ties between Ankara and Cairo. In the first week of February 2024, the Foreign Minister of Türkiye, Hakan Fidan, disclosed a significant development in the ongoing normalisation of diplomatic relations between Türkiye and Egypt. According to Fidan's statement, the two nations reached an agreement for Türkiye to supply Egypt with unmanned aerial vehicles (UAVs),¹ commonly called

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drones. This arrangement can be considered part of a broader initiative between the two countries to collaborate in the domain of technology. This move indicates a multifaceted approach to rebuilding relations, encompassing both diplomatic and strategic-military dimensions.

High-Level Visits and Key Outcomes

The context of the announcement by Türkiye to provide drones to Egypt is particularly noteworthy as on 14 February 2024, Turkish President Recep Tayyip Erdogan officially visited Cairo which provided momentum in quest for strengthening Türkiye-Egypt bilateral relations. The visit was historic, considering it was the Turkish president's first visit to Egypt since 2012.² The joint declaration was signed to pledge cooperation in multiple areas covering "political and diplomatic, economy, trade, banking and financial services, investments, transportation, aviation, maritime, tourism, health and labor, security, military and defense industry, combating all kinds of organised crime and terrorism, culture, education, science and technology, energy, mining, agriculture, environment, forestry, housing and urban transformation, climate change, communication and information, and consular affairs".³ Additionally, the restructuring of the High-Level Strategic Cooperation Council was decided to be co-chaired by the presidents of both countries.

Reciprocally, on 4 September 2024, Egyptian President Abdel Fattah al-Sisi made an official visit to Ankara.⁴ It was his first visit in almost 12 years as the last Egyptian presidential visit to Türkiye was of Mohamed Mursi in September 2012. The first meeting of the Strategic Cooperation Council between Egypt and Türkiye was held in Ankara on 4 September 2024 and resulted in the joint declaration. The declaration called for strengthening bilateral relations to elevate their partnership to a strategic level, covering various fields including economic, political, and cultural cooperation. Regarding regional issues, both leaders called for an immediate ceasefire in Gaza and condemned Israeli actions, supported Palestinian right to statehood, advocated for a solution to the Syrian conflict based on UN Resolution 2254 and supported stability in Iraq, Libya, and the Horn of Africa.

Both leaders expressed willingness to coordinate positions in international forums and organisations. Regarding sectoral cooperation, the declaration covered various areas for enhanced cooperation, including energy, environment, civil aviation, health, education, and security. A total of 20 agreements were signed. On the economic front, both leaders set a target to increase bilateral trade volume to \$15 billion and promote mutual investments.⁵ This visit marks a significant step in normalising and strengthening Egypt-Türkiye relations, which have been strained for many years. The comprehensive nature of the declaration suggests a mutual desire to rebuild a strong strategic partnership between these two influential regional powers.

Economic Bilateral Dynamics

The endurance of robust trade relations between Türkiye and Egypt, despite a decade of diplomatic estrangement, exemplifies the resilience of economic ties in the face of political tensions. Türkiye's position as Egypt's fifth-largest trading partner and Egypt's status as

Türkiye's largest African trade partner underscores the pragmatic separation of economic and political dimensions within their bilateral relations. This sustained economic engagement, transcending diplomatic discord, not only reflects the interdependence of regional economies but also highlights the potential for economic interests to serve as a stabilising factor and eventual catalyst for diplomatic reconciliation.

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For instance, the Free Trade Agreement (FTA) between Türkiye and Egypt, signed on 27 December 2005 in Cairo and implemented on 1 March 2007, led to a comprehensive economic partnership. This accord extended beyond the elimination of tariffs and non-tariff barriers, encompassing various trade-related domains such as sanitary and phytosanitary measures, foreign direct investment, trade in services, taxation, balance of payments, public procurement, state aid, anti-dumping and safeguard measures, intellectual property rights, and rules of origin.⁶

Upon the agreement's enactment, Türkiye removed customs duties on Egyptian-origin industrial goods. Conversely, Egypt phased out tariffs on Turkish industrial products, culminating in their complete elimination by 1 January 2020, as stipulated in the first Protocol. In the agricultural sector, both nations granted reciprocal concessions, including unlimited tariff eliminations or reductions, as well as tariff quotas for specific agricultural commodities. This FTA exemplifies economic collaboration aimed at promoting bilateral trade and investment between the two nations,

Year	Export	Import	Total Trade
2020	3,136.16	1,722.94	4,859.10
2021	4,513.69	2,211.76	6,725.45
2022	4,556.66	2,550.80	7,107.46
2023	3,352.65	3,647.45	7,000.10
2024*	2,316.85	2,648.29	4,965.14

Data till May 2024. [Data in Million USD]

Source: Prepared by the author from data available from the Turkish Statistical Institute (TUIK), June 2024. URL: <https://data.tuik.gov.tr/Bulten/Index?p=Foreign-Trade-Statistics-May-2024-53529>

The bilateral trade relationship between Türkiye and Egypt from 2020 to 2024 presents an intriguing case study of economic interactions in the Eastern Mediterranean region. Table 1

shows the export, import and total trade volume data (in million USD), which has been examined to see the trends, patterns, and potential factors influencing the trade dynamics between these two significant economies. It is important to note that the 2024 data only cover the period until May 2024.

The total trade volume between Türkiye and Egypt highlights a consistent upward trajectory from 2020 to 2022, followed by a slight decline in 2023 and a more significant decrease in the partial data for 2024. In 2020, the total trade volume stood at \$4,859.10 million, rising to \$6,725.45 million in 2021 (a 38.4 per cent increase) and peaking at \$7,107.46 million in 2022 (a 5.7 per cent increase from 2021). However, 2023 saw a slight decrease to \$7,000.10 million (a 1.5 per cent decline from 2022), while the partial data for 2024 shows a total of \$4,965.14 million.

The trade balance between the two countries has shifted notably over the observed period. From 2020 to 2022, Türkiye maintained a significant trade surplus. However, in 2023 and 2024, the balance shifted, with Egypt now enjoying a trade surplus. This reversal in the trade balance is a key finding that warrants further investigation into the specific economic sectors or policy changes that might have driven this change. Key commodities exchanged in trade include fertilisers, electrical wires and braids, textiles and ready-made garments, rebar, soda, automobiles, soybean oil, yellow corn, animal feed, and household appliances.

Year-by-year analysis reveals interesting patterns. The year 2020 recorded the lowest total trade volume in the dataset, possibly influenced by the global COVID-19 pandemic. In 2021, there was a substantial increase in both exports and imports, suggesting economic recovery. The year 2022 marked the peak for total trade volume, with continued growth in both exports and imports. However, 2023 saw a slight decline in total trade, marked by a significant drop in Turkish exports and an increase in imports from Egypt. The partial data for 2024 indicates a continued decline in Turkish exports and a slight increase in imports from Egypt.

According to official statistics from Egypt's Central Agency for Public Mobilization and Statistics, Türkiye has a significant economic presence in the country. The data indicates that over 200 entities, comprising both Turkish companies and manufacturing facilities, are actively operating within Egypt's borders.⁷ Furthermore, the agency reports that Egyptian enterprises are benefiting from substantial Turkish capital infusion. The cumulative Turkish investments in these Egyptian companies surpass \$2.5 billion, underscoring the considerable scale of economic engagement between the two nations. This level of investment suggests a robust bilateral economic relationship and highlights Türkiye's role as a notable foreign direct investor in the Egyptian economy.

The fiscal year 2021/2022 witnessed a significant increase in remittance flows between Egypt and Türkiye, showing the economic interdependence promoted by transnational labour migration. Egyptian workers in Türkiye remitted \$29.1 million, marking a substantial 35.2 per cent growth from the previous fiscal year's \$21.5 million. Conversely, Turkish workers in Egypt contributed \$10.3 million in remittances, a 13.6 per cent increase from the \$9.1 million recorded in 2020/2021.⁸ These figures underscore the asymmetric nature of the remittance relationship, with Egyptian workers in Türkiye transferring nearly three times

the amount of their Turkish counterparts. The Egyptian diaspora in Türkiye, estimated at 40,000 individuals by the end of 2022, embodies a significant community whose economic activities have tangible impacts on both home and host economies. This data also reflects the growing importance of diaspora economics in shaping bilateral financial flows.

TURKISH ASPIRATION TO BECOME ENERGY HUB

Türkiye wants to play a greater role in energy transportation. According to Turkish Energy and Natural Resources Minister Alparslan Bayraktar, Türkiye is keenly interested in offshore gas fields located in Egypt to supply hydrocarbon via Turkish Floating Storage and Regasification Unit (FSRU) vessels.⁹

Ankara has expressed a strong interest in importing liquefied natural gas (LNG) from Egypt, a move that aligns with Türkiye's broader ambition to establish itself as a key energy distribution hub for Europe. This endeavor, if realised, could significantly enhance Türkiye's geopolitical leverage and economic position in the region. Concurrently, Türkiye is seeking to revitalise maritime trade links with Egypt through the proposed resumption of freight shipping operations between the port of Mersin in Türkiye and Alexandria in Egypt.¹⁰

However, the inception of the East Mediterranean Gas Forum (EMGF), which was conceptualised in 2018 by Egypt and was established in January 2019 in Cairo with founding members including Egypt, Greece, Cyprus, Israel, Palestine, Italy and Jordan,¹¹ has deliberately kept Türkiye away from its membership till date. France also joined EMGF as a member in March 2021. Considering that the northern part of Cyprus is being administered by the Turkish Cypriot community, geopolitics and geo-economics, specifically in the energy sector, have been at play in the region.

CONFLICTUAL DYNAMICS

The Turkish Egyptian relationship has been characterised by significant ideological and geopolitical tensions persisting for over a decade. President Erdogan, known for his support of Islamist movements, maintained a staunch backing of Mohamed Mursi's Muslim Brotherhood government in Egypt. Following Mursi's ousting in 2013 and Egypt's then-army chief El-Sisi's ascension to power, Erdogan emerged as a vocal critic of the new Egyptian leadership, reflecting a deep ideological rift between the two nations.¹² On the one hand, Erdogan referred to al-Sisi as a tyrant, dictator and murderer on multiple occasions, while on the other side, al-Sisi described Türkiye as a state sponsor of terrorism, considering its linkage with Islamist organisations, including the Muslim Brotherhood.¹³ Even the bilateral diplomatic relations were downgraded to the level of charge d'affaires from 2013 till June 2023.

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This antagonism is also manifested in divergent foreign policy stances, particularly evident in regional conflicts. A notable example was the Libyan conflict, which emerged as a theatre for competing Turkish and Egyptian interests, with each nation establishing significant influence in different regions of the country. Türkiye has positioned itself as a significant military and political force in western Libya, while Egypt maintains a robust military and diplomatic presence in the eastern part of the country. However, recent normalisation efforts between Türkiye and Egypt have started to show a visible impact. For instance, a Bloomberg report revealed that Türkiye has started holding talks with Libyan military leader Khalifa Haftar, Ankara's enemy and Egyptian ally, to find a solution to the dispute over the administration of Libya's Central Bank which effectively controls the country's massive oil wealth.¹⁴ Hence, joint political will displayed by leaders of both countries could possibly bring momentum in finding some viable mechanism or solution to the crisis.

Furthermore, Türkiye's support for Qatar during the 2017-2021 economic blockade imposed on Qatar by a coalition including Egypt, Saudi Arabia, the UAE, and Bahrain underscored the broader regional dimensions of this bilateral tension. Also, Türkiye and Egypt are entrenched in the geopolitical dynamics of the Eastern Mediterranean, where several nations have conflicting claims over maritime boundaries and natural gas reserves, particularly in relation to Greece and Libya.¹⁵

Cooperation between Türkiye and Egypt is a strategic necessity, considering that many structural dynamics affect their bilateral relations, including the dispute between Egypt and Ethiopia, the Sudanese civil war and the ongoing conflict between Somalia and Ethiopia.¹⁶ Moreover, the Somaliland dispute between Somalia and Ethiopia can pave the way for Turkish Egyptian cooperation. Ankara's diplomatic efforts are aimed at mediating the conflict while maintaining equilibrium in its relations with both nations. Türkiye has

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already hosted two rounds of talks till August 2024 playing the role of a mediator to repair relations between two East African neighbours.¹⁷ In contrast, Cairo aligns with Somalia, influenced by concerns over Ethiopia's Grand Renaissance Dam project and its aspirations to gain access to the Red Sea via Somaliland. The potential for enhanced military ties between Somalia and Egypt adds another dimension to regional dynamics. Consequently, a coordinated approach by Ankara and Cairo could prove instrumental in addressing the multifaceted challenges in the Horn of Africa, potentially aiding stability through their combined diplomatic influence and strategic interests.¹⁸

These conflictual aspects highlight the multifaceted nature of Turkish Egyptian relations, encompassing ideological differences, conflicting regional ambitions, and alignment with different blocs in the West Asia North Africa (WANA) and the Horn of Africa region's complex geopolitical backdrop. The duration and intensity of these disagreements underscore the immense significance of the current diplomatic rapprochement between Ankara and Cairo.

Conclusion

The recent diplomatic normalisation between Türkiye and Egypt indicates a significant shift in the geopolitical and geo-economic backdrop of the WANA and the Horn of Africa region. This rapprochement, characterised by high-level engagements and comprehensive agreements, signals a pragmatic approach to bilateral relations that transcends historical animosities. The economic underpinnings of this renewed relationship, evident in robust trade figures and investment patterns, underscore the potential for mutually beneficial cooperation.

However, persisting ideological differences and competing regional interests suggests that this rapprochement may be driven more by strategic and economic necessities than a fundamental alignment of values. As both nations navigate their evolving relationship, their ability to coordinate on regional issues, particularly in conflict zones and areas of strategic importance, will be crucial in determining this diplomatic recalibration's long-term stability and influence. The rapprochement will not only reshape Turkish Egyptian bilateral relations but also have broader implications for regional alignments and conflict resolution efforts in the Horn of Africa and the Eastern Mediterranean region.

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