

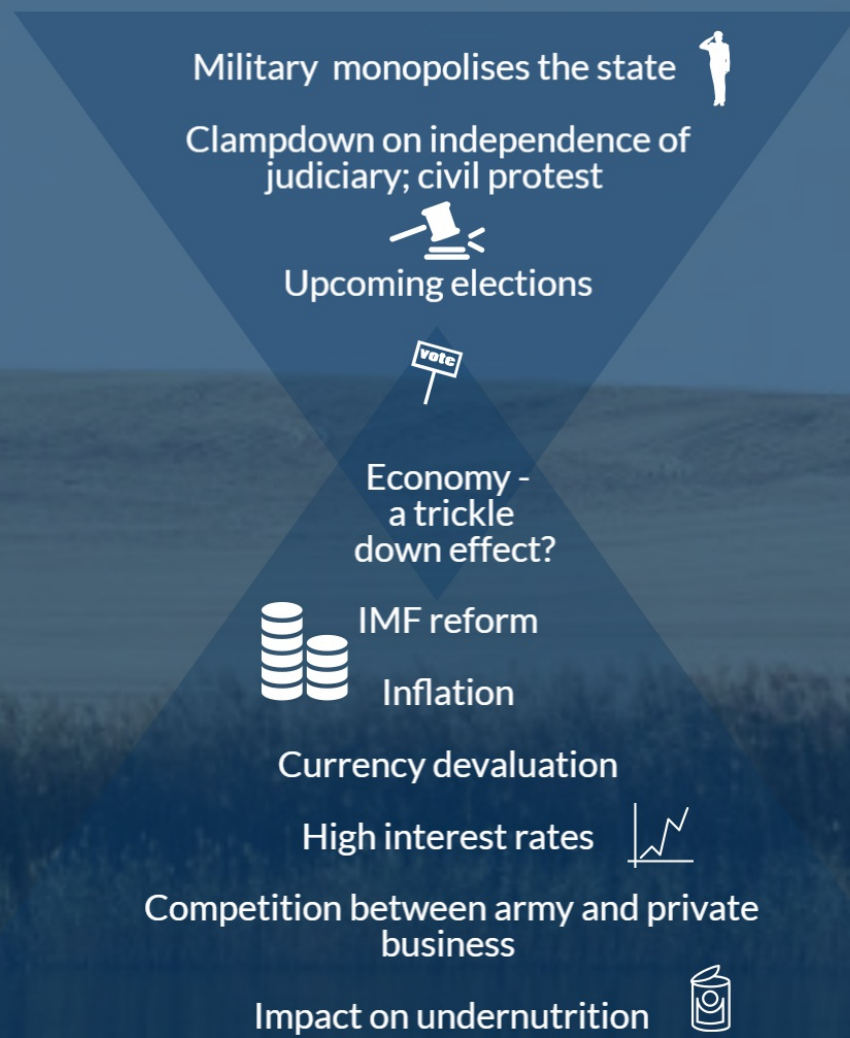


# EGYPT BY 2020

## KEY OBSERVATIONS

-  The Egyptian government is undertaking fiscal reform to attract foreign investment, reach IMF loan conditions and stabilize state finances.
-  The military-led government is consolidating its hold over political space and the economy. This is causing direct competition between army-owned enterprises and the private sector.
-  Donor livelihood strategies will be challenged by these contradicting economic and power shifts, hindering project implementation and worsening poverty and unemployment.

## CONTEXT



## MAIN TRENDS

-  UN estimates that Egypt runs out of water by 2025
-  Slow-burning jihadist insurgency destabilises Sinai with repercussions across the country.
-  Poverty and unemployment particularly impacting under-30s
-  Production of Zohr oilfield -- Egypt's best hope for economic recovery.
-  Food insecurity increasing due to poverty and food price inflation
-  Fertility rate increasing once more contributing to population growth of 1.5m/yr.

## SCENARIOS BY 2020

### SECURITY FIRST



With popular support or resignation, military consolidates control over all sectors of Egyptian society

Increase of arbitrary arrests and detentions; expanding application of terrorism laws to prosecute broader cross-section of opposition.

Clamp down on media and freedom of speech, increasing precarity and difficulties for INGOs, NGOs, civil society

Terrorist attacks by IS and other actors increase but are limited to outside of Cairo.

### ENERGY RENAISSANCE



Structural economic reform and attracting foreign investment causes government to increase space for private enterprises. Massive investment and profit in energy--both alternative (wind and solar) and natural gas.

Food and energy subsidies decrease and investment in infrastructure increases as Egypt's economy stabilises. This contributes to greater political security and quality of life.

These positive economic indicators in the time frame do not have a significant impact on unemployment rates and depressed wages; poverty increases.

Zohr oilfield extraction begins in 2018 and flood the market with capital.

The state invests in the Sinai and development as well as politics become more inclusive.

### INTRA-ELITE BATTLE ROYALE



The SCAF monopolizes and controls the state and the economic apparatus, but hopes to use Sisi as a replaceable scapegoat for unpopular economic reform and economic encroachment. Political divisions arise as Sisi tries to hold on to power.

Protests in the run-up to the presidential elections build, further delaying economic stability and causing brutal crackdowns on by police and military.

Conflict between military and economic elite destabilises the state and increases terror incidents, while Egyptian quality of life suffers tremendously. Economic instability fuels a growing radical insurgency and migration.