

AMBASSADOR AHMED FAROUK

The New Suez Canal in the World Land-Bridge

Ambassador Ahmed Farouk is the Egyptian Consul General in New York. He spoke at the Schiller Institute conference in New York, April 7.

Dennis Speed: President Franklin Roosevelt, working with Harry Hopkins, Frances Perkins, Henry Wallace, and others, put millions of Americans to work in what Roosevelt called the New Deal. Recently, the spirit of FDR reappeared in the form of the government of Egypt, which has accomplished something which was considered by many people to be impossible. Here to tell you how the apparently impossible was done, in record time, is Ambassador Ahmed Farouk, the Consul General of Egypt in New York. Please join me in welcoming him.

Ambassador Farouk: Good morning, distinguished guests. I would like to thank the Schiller Institute, represented by Mrs. Helga Zepp-LaRouche, the founder of the Institute, and also I would like to acknowledge the role of economist Lyndon LaRouche, the founder and editor of *Executive Intelligence Review*, for convening this important conference. My remarks today will be very brief, about the history and the new initiative of the Silk Road, and I will focus on the project of the Suez Canal in Egypt, which connects the Silk Road east and west.

First, the history. Throughout history, humans have always moved from one place to another, exchanging goods, skills, and ideas. Eurasia remains always the criss-crossing center for communication routes and paths of trade, which gradually became known as the



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Ambassador Ahmed Farouk, Counsel General of Egypt in New York.

Silk Road. The history of these routes can be traced back thousands of years. Egypt, with its approximately seven thousand years of history, has long been at the center of global commerce, and at the axis of trade routes linking Europe, Asia, and Africa. Two branches of the Old Silk Road intersected Egyptian maritime and caravan routes.

Recently, there have been many attempts to revive the ancient Silk Road. The most recent attempt came from China, when the Chinese President formally announced in 2013 the Silk Road Economic Belt, and subsequently expanded the program to include the Maritime Silk Road. The program aims to unlock massive trade potential

and bolster economic development through the so-called Belt. The project consists of two main components: the land-based Silk Road Economic Belt, and the Maritime Silk Road. The first one links China with Europe through Central and Western Asia, and the second one, the maritime, is designed to connect China with Southeast Asia, Africa, and Europe.

Egypt plays a major role in that belt, due to its strategic geographic location, as a land-bridge between Asia and Africa, and a link between two principal waterways: the Mediterranean Sea and the Indian Ocean. This inevitably makes it a pivotal country on the crossroads between Asia, Africa, and Europe, and an important partner for the major and emerging powers. In January 2016, Egypt and China signed a memorandum of understanding on the New Silk Road Economic Belt and the 21st Century Maritime Silk Road.

The New Suez Canal and Its Corridor

Now I will go to the New Suez Canal project, the magic words of international commerce. It is recorded that Egypt was the first country to dig a manmade canal across its lands with a view to activating the world of trade. The idea of linking the Mediterranean Sea with the Red Sea by means of a canal, dates back forty centuries. When the Suez Canal was inaugurated in 1869, it changed the course of global transport by shortening the route between Europe and Asia approximately 7,000

miles, which made it the shortest link between East and West. For Egypt, the Suez Canal is not only a national asset. It is a natural resource, a unique boon that generates steady income and ensures Egypt international standing. And it is enough to know that approximately 20 percent of global shipping passes through this canal.

Bringing the approximately 150-year-old canal to the 21st Century, President Sisi of Egypt, in August 2014, launched the New Suez Canal mega-project, involving an expansion of the existing canal, and the development of its environs into a global trade hub. This expansion included establishing a new, parallel waterway approximately 35 miles long, and additionally deepening and widening 35 miles of the existing canal. This allowed two-way traffic, cutting the time of every vessel passing through the canal by half, from 22 hours to 11 hours. The new canal cost \$8 billion: \$4 billion for the excavation and construction, and \$4 billion for tunnels linking Sinai with the mainland of Egypt. The government invited the Egyptian public to participate in this project through tax-free investment certificates offered by the state-owned banks. Surprisingly and amazingly, the certificates sold out in less than ten days, and the government generated \$8 billion in exactly nine days.

The principle behind the idea of the project of the New Suez Canal was that Egypt needed a project which would support the national economy, making use of the existing potential to create a well-developed industrial



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An early phase in the construction for doubling the capacity of the Suez Canal in Egypt, shown here in China TV coverage. The expansion project was completed in late July 2015 after one year.

zone. We need to provide job opportunities, while creating new urban communities to attract youth to the canal zone, based on the growth of world trade in places such as China, Southeast Asia and India, and going to Europe and the United States via the Suez Canal. Since the project began, over 43,000 Egyptians have worked on it. They moved in total half a trillion cubic meters of earth. By our Egyptian measures, we say it is equivalent to 200 Great Pyramids in one year. The new canal was inaugurated in August 2015. Revenues are expected to increase from about \$5.3 billion a year in 2015 to \$13.2 billion in 2020.

The new canal project goes apace with the Suez Canal Corridor Development Project, a development zone which will turn Egypt into an international logistics center. The new industrial zones aim to develop over 400 square miles, including six ports on the Mediterranean Sea and the Gulf of Suez, to provide a service hub centered on the canal activities. They are expected to add about one million new jobs for Egyptians and others, particularly focussed on youth, and to support the local economy. The Suez Canal Corridor Development Project is the centerpiece of an aggressive development perspective with implications for all Northeast Africa, Southeast Asia, and the Maritime Silk Road. It is a message of hope for a better future to the youth and the coming generation in Egypt, the Middle East, and Africa. It aims at better understanding, more tolerance, and peaceful co-existence.