

DaMina Advisors Alert - EGYPT: Humiliating 'caged trial' of Mubarak, his sons and former top regime loyalists may trigger a palace coup against head of state Field Marshal Mohammed Tantawi

The 3 August commencement of a humiliating trial of former Egyptian President Hosni Mubarak, his two sons and a half a dozen former senior regime figures will trigger a backlash within the middle ranks of the Egyptian armed forces, and could topple 75-year old Field Marshall Mohammed Tantawi from power. Pro-Mubarakist senior officers – especially within the Air Force - are looking to the incorruptible 63-year old Chief of General Staff Gen. Sami Hafez Anan, (himself a former air force officer like Mubarak) as a possible replacement to Tantawi. Anan is widely respected by Egyptian civil society, the armed forces and ironically the Muslim Brotherhood (according to Wikileaks). The spectacle of Mubarak, a former three decade long head of state of Egypt and a bona fide general of the country's air force caged in a civilian court room will rile many senior members of the Egyptian armed forces in a country where the armed forces is the most revered institution.

A prolonged humiliating trial could sharpen latent rivalries within the Egyptian armed forces between the army and air force, forcing many in the senior officer ranks (who were appointed by Mubarak during his three decade tenure) to feel a sense of unease. Tantawi, who was Mubarak's defense minister for over two decades and a highly decorated army general, but who hails from the poorer Sudanic south of the country – as opposed to the wealthier Arab northern Nile delta regions, has been unable to quell rising dissent among the elite officer corps. Tantawi in coming weeks may come under pressure from within the Supreme Military Council to resign in favor of Anan. Most of the members of the council were appointed by Mubarak before he left office. While following Mubarak's departure in early 2011 some cosmetic changes were made to the Egyptian government, such as a cabinet reshuffle, essentially the sub-structure of the Mubarak government has remained intact under Tantawi. To most Egyptians, the current Egyptian government is not exactly what they demonstrated for in Tharir Square in January. Many Egyptians see the current government as simply neo-Mubarakist and want 'real change,' however with the humiliating caged trial of Mubarak, many within the armed forces and the civil bureaucracy may begin to turn on Tantawi. Even normal conservative public opinion may turn against the regime for putting Mubarak on trial in a cage like a common criminal.

It is evident that the Egyptian revolution is at a cross-road, and is set to metamorphose in either one of two directions: an internecine battle within the military brings the Muslim Brotherhood and their allies to power backed by anti-Mubarak senior officers, or the more moderate Islamist pro-Mubarakist officer corps take over and suppress both the revolution and the Muslim Brotherhood. Either way, we may be witnessing the beginning of a long, but likely violent struggle over the future of Egypt.

Egypt's economy, particularly its vaunted tourism sector as well as its public finances will continue to suffer as the Tantawi regime fights within itself to constrain the potential Islamist trajectory of the revolution on one hand, and calm agitated middle ranked pro-Mubarakist officers on the other hand. Either way, as our 2011 Africa Outlook predicted "2011 may yet prove to be the *annus horribilis* for the Egyptian regime. [And] as history has shown, authoritarian regimes are at their most brittle when they pass through a succession crisis. Egypt will not be any different." Egypt's BB/Negative sovereign credit rating (which is on par with Turkey's) is likely to be downgraded in the event of a palace coup to replace Tantawi.

American and Israeli foreign policy in the greater Middle East, which has benefited from the stability of the Mubarak regime, may also be significantly impaired by a long drawn out internecine fight within the senior officer corps of the Egyptian Armed Forces triggered by the Mubarak trial.

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