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Israel and Middle East News Update

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News Excerpts

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Ha'aretz

In Victory for Bennett, Soldiers' Tuition Bill Passes

A bill to partially subsidize academic tuition fees for Israeli soldiers passed a Knesset vote into law, with 55 lawmakers voting in favor and six opposing. The Likud party, headed by Opposition Leader Benjamin Netanyahu, did not take part in the vote. The predominantly Arab Joint List was the only party to vote against the bill, which would have the state subsidize 75% of a discharged soldier's tuition. Ahead of the vote, Prime Minister Naftali Bennett urged the opposition to support the bill, which was initially designed to anchor covering just two-thirds of tuition fees for combat unit veterans, new immigrants, lone soldiers, and soldiers from low-income families. [Dig Deeper "IDF Scholarship Bill Passes in Knesset After Likud Stays Out of Vote" \(Jerusalem Post\)](#)

I24 News

Hamas Planned to Target Far-Right MK Itamar Ben-Gvir

Shin Bet internal security service arrested a Palestinian terrorist cell planning to assassinate Israeli lawmaker Itamar Ben Gvir from the right-wing Religious Zionism party. The Hamas cell was also planning to perpetrate a series of attacks in Jerusalem, including against the city's light rail. The five men were arrested by security forces in early April. According to the Shin Bet investigation, the cell was led by Rashid Rasheq, who is described by the agency as a prominent Hamas operative living in Jerusalem's Old City, who along with Hamas operative Mansour Safadi from Abu Tor planned a shooting attack or suicide bombing in Jerusalem. The Shin Bet investigation also revealed that the members of the cell planned to hide in Hebron or Jenin after carrying out the terrorist attacks. [Dig Deeper "Shin Bet Foils Hamas Plot to Assassinate MK Ben Gvir, Bomb Jerusalem Rail with Drone" \(Times of Israel\)](#)

Ynet News

Armed Clashes Between IDF, Palestinians Near Jenin

The Israeli military said a shootout broke out between IDF forces and Palestinian militants near the city of Jenin in the West Bank during an arrest raid. The forces entered the village of Wadi Burkin a short time prior and were encircling a house to arrest a wanted terror suspect when the shootout began. No injuries were reported among the Israeli troops. Prior to entering the village on the outskirts of the Jenin refugee camp, the troops sent drones into the camp, forcing the gunmen to remain awake and on alert throughout the night, believing the entry of IDF forces was imminent. By the time the troops had entered the camp in the morning hours, the militants appeared to have been exhausted and unprepared. [Dig Deeper "Armed Clashes Break Out Between IDF, Palestinians Near Jenin – Watch" \(Jerusalem Post\)](#)

Turkey's FM Starts West Bank, Israel, in First Visit in Years

Turkey's Foreign Minister Mevlut Cavusoglu arrived for a two-day visit of Israel and the West Bank, the first such visit by a senior Turkish official in more than a decade. Cavusoglu will meet with the Palestinian President Mahmoud Abbas and Foreign Minister Riyad al-Maliki in Ramallah. He is also slated to visit the Yad Vashem Holocaust Memorial in Jerusalem and the Al-Aqsa Mosque compound in the Old City. The visit to Al-Aqsa, which was the epicenter of Israeli-Palestinian tensions and violence during Ramadan, was described as a private one, meaning Israel will not be involved in it. Turkey has been critical of Israel's policies concerning the holy site, sacred to both Muslims and Jews. This is the first official Turkish visit to Israel since a historic meeting between President Isaac Herzog and Turkish President Recep Tayyip Erdogan in Ankara in March, which signaled a shift toward repairing bilateral relations.

US Negotiating Deal Among Saudis, Israelis and Egyptians

The Biden administration has been [quietly](#) mediating among Saudi Arabia, Israel and Egypt on negotiations that, if successful, could be a first step on the road to the normalization of relations between Saudi Arabia and Israel. It involves finalizing the transfer of two strategic islands in the Red Sea from Egyptian to Saudi sovereignty, according to five US and Israeli sources. If an arrangement is reached, it would be a significant foreign policy achievement for the Biden administration in the Middle East. Sources said the agreement is not complete and the sensitive negotiations are ongoing. The Tiran and Sanafir islands control the Straits of Tiran — a strategic sea passage to the ports of Aqaba in Jordan and Eilat in Israel. Saudi and Egyptian officials say Saudi Arabia gave Egypt control of the islands in 1950. They were later demilitarized as part of the 1979 Israeli-Egyptian peace treaty. The Biden administration believes finalizing an arrangement could build trust between the parties and create an opening to warm relations between Israel and Saudi Arabia, which do not have official diplomatic relations. [Dig Deeper “Israeli Legislator Promotes Cooperation with Palestinians on Climate” \(Al-Monitor\)](#)

Assassinated IRGC Officer Led Attacks on Israelis Abroad

Hassan Sayad Khodayari from the Islamic Revolutionary Guards Corps' Quds Force who assassinated in Tehran on Sunday, was linked to several high-profile assassination attempts on Israeli diplomats and figures across the world, Saudi-sponsored news outlet Iran International reported. Khodayari was reported to be responsible for planning and executing strikes on Israeli citizens in Europe, Africa and mainly in eastern Asia, the report stated citing European security sources. He was also in charge of recruiting civilians in several countries to commit the attacks against Israelis. Khodayari was reportedly in charge of the 2012 Bangkok bombings, in which five people were injured in a failed attempt by the IRGC to kill Israeli diplomats in Thailand. Thai authorities confirmed at the time that Iran is behind the bombings of the Thai capital. [Dig Deeper “Assassination of IRGC Official Shows Israel Has Shifted Gears” \(Jerusalem Post\)](#)

Israeli Diplomats Told Not to Meet Taiwan Officials

In an apparent attempt to avoid a diplomatic flare-ups with China, Israel's Foreign Ministry has reportedly instructed its representatives around the world to refrain from inviting Taiwanese diplomats to official events or participating in events organized by Taiwanese representatives. Specifically, an urgent message sent out by senior diplomatic official Hagai Shagrir warned Israeli diplomats against inviting their Taiwanese counterparts to events recently held as part of Israel's 74th Independence Day or attending events surrounding Taiwan's Independence Day that is celebrated in October, Kan public reported. Citing the widely circulating letter, the report noted the sensitivity surrounding China and Taiwan, which Beijing claims is a rogue province, and the increasing concern that the Communist mainland could take military action against the democratic East Asian island. The document also noted the growing tensions between China and the United States. Officially, Israel and the United States do not recognize Taiwan's independence. Still, both countries have maintained a positive relationship with Taiwan. [Dig Deeper "Biden: US Will Intervene Militarily if China Invades Taiwan" \(Times of Israel\)](#)

Associated Press

Review Suggests Israeli Fire Killed Reporter, No Final Word

Almost two weeks after the death of the veteran Palestinian-American reporter for Al Jazeera, a reconstruction by The Associated Press lends support to assertions from both Palestinian authorities and Abu Akleh's colleagues that the bullet that cut her down came from an Israeli gun. Any conclusive answer is likely to prove elusive because of the severe distrust between the two sides, each of which is in sole possession of potentially crucial evidence. Multiple videos and photos taken on the morning of May 11 show an Israeli convoy parked just up a narrow road from Abu Akleh, with a clear line of sight. They show the reporters and other bystanders in real time taking cover from bullets fired from the direction of the convoy. The only confirmed presence of Palestinian militants was on the other side of the convoy, some yards away, mostly separated from Abu Akleh by buildings and walls. Israel says at least one militant was between the convoy and the journalists, but it has not provided any evidence or indicated the shooter's location. Palestinian witnesses say there were no militants in the area and no gunfire until the barrage that struck Abu Akleh and wounded another reporter. [Dig Deeper "IDF must fully investigate death of Al Jazeera journalist - Military Advocate General" \(Jerusalem Post\)](#)

A Decision to Slow Inflation, Not the Economy

By Sever Plocker

- **As expected, the governor of the Bank of Israel decided yesterday to raise the annual interest rate by 0.4% to 0.75%. In practical terms, anyone with a 10,000 shekel overdraft at the bank will now pay 40 shekels more in interest a year, or roughly three shekels more every month. The Governor of the Bank of Israel Professor Amir Yaron, the members of the Monetary Committee and the economists who work at the Bank of Israel are all intelligent people. They don't expect the change in the interest rate to miraculously eradicate inflation. Why not? Because a full one of the four percent of the current inflation rate is the result of the rising cost of energy, the rising cost of imported raw materials, a global shortage in grains and wheat, higher taxes and increased regulatory red tape [around the world]. According to the Bank of Israel's calculation, local inflation without those external factors would be around 3%, which is just a drop over the target inflation rate that was set by the government.**
- **Furthermore, the annual inflation rate in euro-bloc countries has reached 7%, and the interest rate set by the Central European Bank is zero. The inflation rate in the United States has crossed the 8% mark—double the rate in Israel. But the Fed has set the American interest rate at 1%. The reasonable conclusion from the comparative data is that the Bank of Israel has chosen to enact a more hawkish policy on interest rates and monetary restraint than most other central banks, despite the fact that inflation in Israel has been slower to rise and is dependent on global factors that Israel cannot control. The Bank of Israel nevertheless chose to raise the interest rate once again, just a month after first doing so. Why? The operative word is expectations. Governor Yaron is leery—and justly so—of a situation evolving in which all of the players in Israeli economy become convinced that prices will continue to rise, possibly at an even faster pace. When expectations for continued and worsening inflation take root in an economy and in the public mindset, that often results in a broad flood of price hikes.**
- **It is that dangerous game of anticipated inflation that the Bank of Israel wants to nip in the bud immediately. That is why it has raised the interest rate: to signal to absolutely everyone that it is determined to rein in inflation so that it isn't any higher than 3% annually, and better if it ends up being 2%. The governor sent a clear message: "I won't allow expectations about inflation to upset the Israeli economy's achievements." But he is walking a tightrope. He mustn't raise interest rates so high that they lead to an economic slowdown or a recession. On the contrary, he wants to maintain the current situation of growth, exports and high employment.**
- **The governor certainly doesn't want the Bank of Israel to hamper—by means of making money more expensive and strangling credit—investment in infrastructure, technology and means of production (which he has recommended be increased by increasing work productivity), as well as construction of residential housing (he has argued in favor of building far more apartments).**

- **The goal that has been set by Professor Yaron and his colleagues at the Bank of Israel is to slow down the inflation rate without slowing down the economy. In order to succeed, the Bank of Israel is going to need immediate help from the government as a whole, and from the Finance Ministry in particular. The time has come also to enact an anti-inflation budgetary policy by means of lowering VAT, for instance, and not to make do merely with self-congratulatory and reassuring statements.**

The Triangle

By Nadav Eyal

- **President Joe Biden’s visit to Israel was supposed to have been a joyous occasion for the guest and his hosts alike. The hosts—the Bennett-Lapid government—had hoped for an enthusiastic presidential embrace to support the fascinating democratic experiment which involved an alliance that brought together right wingers, centrists and left wingers. Officials in Washington described Netanyahu’s successors as the founders of the most diverse coalition in Israeli history, a decidedly pragmatic government that was an original reaction to nationalist populism. The branding was brilliant. The problem, of course, lay with the political realities on the ground, which involved the likes of Chikli, Orbach, Silman, Abbas and Zoabi. When I was in Washington a few months ago, I was forced to tell my interlocutors that while the concept might appear to be brilliant, the reality was actually far more lackluster and, more importantly, quite hobbled: the coalition’s chances of survival aren’t high.**
- **Some of them, I felt, were skeptical. Americans are accustomed to having a president who serves for four years, always. Some of them have a hard time understanding what it means to be forced to work in a political system that speaks in terms of months or weeks, and sometimes even in terms of hours. Washington also has a vested interest in the visit. The president is expected to be given a loving, adoring reception. That would have shown that even negotiations with Iran aren’t a betrayal of the United States’ close ally, and that Biden is still true to the values of middle-of-the-road American voters—the very people who will decide the fate of the midterm elections. The visit was planned to be optimistic, replete with symbolism that would illustrate the president’s personal commitment to Israel and to the alliance between the two countries more broadly.**
- **Furthermore, the visit to Jerusalem would have helped US Congress swallow a bitter pill: a possible meeting between President Biden and Saudi Crown Prince Mohammad bin Salman, a man who became a political pariah in the aftermath of reports about his involvement in the execution of the Saudi journalist, Jamal Khashoggi. According to one Israeli official, the West views MBS as being “a judicious strategic thinker,” and that “he is willing, if need be, to take the reins of power in the country formally.” But in the time that has elapsed since officials in Washington first began to talk about Biden’s visit, a lot of water has flown in the Potomac. The security situation in Israel has deteriorated, the coalition is showing signs of collapse and the administration doesn’t like uncertainty.**
- **The death of journalist Shireen Abu Akleh in Jenin, and especially the police’s brutal behavior at her funeral, badly damaged the Israeli government’s image among Democrats. As of last night, Biden’s visit was still on the books, but no one would be at all surprised if it were to be “postponed.” In the meantime, a second and very powerful incentive for the president to come to the region has evolved: energy prices. If Jerusalem was the focus of a presidential trip to the Middle East when thoughts of visiting the region were first raised, that focus has since shifted to Riyadh.**

- **The ongoing war in Ukraine and the Russian effort to raise oil and gas prices have been severely taxing for the West and for American consumers. We may only be at the beginning of summer, but the Biden administration needs to think about the winter ahead; it has to try to increase oil production in the Persian Gulf, first and foremost by Saudi Arabia, in order to lower prices in the United States and to curb inflation. The Saudis, for their part, need American military support (especially if an agreement with Iran is reached and implemented), renewed legitimacy for the crown prince and for the Saudi regime as a whole.**
- **According to reports last night, the Saudi crown prince is planning to visit a number of countries, all of which surround Israel: Greece, Turkey, Cyprus, Jordan and Egypt. He will hold talks that focus on “commerce and energy.” There has been increasing talk in the Middle East about how the Saudis might want to wait for the next US administration to take office, which may be led by Donald Trump once again. They got along with him swimmingly. But why would they want to do that? Getting a seal of approval from a Democratic president wouldn’t dash their chances of having an optimal relationship with a Republican president. To the contrary, “they could easily enjoy both sides,” as one Western official said to me.**
- **Meanwhile, there have also been reports that the unofficial relations between the Saudis and the Israelis could be warming. Israeli and American officials have said that Saudi Arabia is not prepared to fully normalize relations and to sign a peace accord with Israel in the way the United Arab Emirates did, but that “more modest steps towards normalization” were feasible. Needless to say, any step of that sort towards normalization, no matter how modest, would be immensely important regionally and would be politically meaningful for the Bennett-Lapid government. What, then, is the most optimistic scenario for Jerusalem and for Washington? A friendly and symbolic visit by Biden to Israel, after which he reaches an agreement in which the Saudis agree to increase their oil production and they simultaneously begin to make public, even if modest steps towards normalization with Israel. The problem, of course, is that we’re talking about the Middle East. The only surprise is when there aren’t any surprises. Every positive political development is preceded by a political crisis, a wave of terrorism and—with all due respect for the differences—a march of flags.**