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Israel and Middle East News Update

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News Excerpts

July 13, 2021

Times of Israel

Bennett, Netanyahu Bash Each Other in Knesset Showdown

Prime Minister Naftali Bennett mocked opposition leader Benjamin Netanyahu as a ham-fisted showman, and the two traded barbs over their respective governments' handling of Iranian tensions in dueling speeches in the Knesset. The sharp exchange marked the first intensive back and forth in the Knesset between Netanyahu and his successor, who have years of bad blood between them. In his speech, Bennett repeatedly referred to Netanyahu as "Member of Knesset Netanyahu," emphasizing that he is no longer prime minister. Bennett also mocked Netanyahu for his habit of touting his accomplishments during his 12-year tenure, which came to an end last month. The prime minister also slammed his predecessor's track record on Gaza. [Dig Deeper "Bashing Water Deal, Netanyahu Accuses Jordan of Helping Bolster Iran" \(Times of Israel\)](#)

Ynet News

Israeli Man Indicted Over Alleged Contact with Iranian Agent

Israeli Bedouin businessman Yaqoub Abu Al-Qia'an was indicted on a series of national security offenses, including contact with a foreign agent and providing information to Iranian intelligence through a Lebanese-Iraqi agent. Abu Al-Qia'an, a resident of the southern Bedouin town of Hura, has been linked to former defense minister Moshe "Boogie" Yaalon's TELEM party as well as a key activist for the Ra'am party in the Negev during the last election, according to [The Jerusalem Post](#). The Shin Bet said that Abu alQian gave information to Iranian intelligence including updates on what was happening in Israel through Hyder al-Mashhadani, who the agency said acts as a liaison with Tehran. The Shin Bet said that the relationship between the two was also based on alleged business opportunities in Arab countries in the region. [Dig Deeper "Israeli Businessman Charged with Contacting Foreign Agent, Passing Info to Iran" \(Ha'aretz\)](#)

Arutz Sheva

Erdogan Speaks to Israeli President Herzog

Israeli President Isaac Herzog spoke by phone with Turkish President Recep Tayyip Erdogan. Erdogan congratulated President Herzog on his inauguration. The two emphasized that Israeli-Turkish relations are of great importance for security and stability in the Middle East and that there is a great potential for cooperation between the two countries in many areas, especially in the fields of energy, tourism and technology. They also noted that despite the coronavirus pandemic, bilateral trade between the two countries is expanding and a full range of economic ties continues to develop between them. The presidents attach great importance to the continuation of contacts and continuous dialogue despite major disagreements, in order to promote positive steps to resolve the Arab-Israeli conflict that will also contribute to the improvement of Israel-Turkey relations. [Dig Deeper "In Possible Sign of Thaw, Erdogan Talks with President Herzog" \(Times of Israel\)](#)

Lapid Declares Support For Two-State Solution

Foreign Minister Yair Lapid addressed his 26 European counterparts during a speech to the European Union Foreign Affairs Council, a first for a member of the Israeli government since Tzipi Livni in 2008. Lapid said it is "no secret" that he supports a two-state solution between Israel and the Palestinians, but he noted that the conditions are not currently in place for a peace agreement. "A future Palestinian state must be a democracy that seeks peace with Israel," he said. Lapid added that he supported all humanitarian activities in favor of the Palestinians and any efforts made to improve their economic situation. Josep Borrell, High Commissioner for Foreign Affairs of the EU, welcomed Lapid to Brussels. In a statement, he said the latter's visit offered an opportunity for a "fresh start" in relations between Israel and the EU, which he said had deteriorated during the tenure of Netanyahu. [Dig Deeper "Yair Lapid: Europe Must Recognize Israel Is Under Attack" \(Jerusalem Post\)](#)

Jerusalem Post

Diplomatic Push Is On to Prevent Another Israel-Hamas War

There is a diplomatic push to find a resolution to prevent another Gaza escalation by removing some of the points of conflict between Israel and Hamas. As a sign that tensions are easing, Israel expanded the Gaza fishing zone from nine to 12 nautical miles, close to its prewar status of 15. This was combined with a series of diplomatic moves. Qatari envoy Mohammed al-Emadi arrived in Gaza to hold talks with senior Hamas officials including Yaha Sinwar about the possibility of reviving the transfer of cash payments worth \$30m to Gaza. Among the issues stymieing progress is Israel's demand that Hamas release the remains of two soldiers killed in the 2014 Gaza war and free two Israelis held hostage there. Hamas wants the full restoration of the \$30m Qatari cash payments that in the past had been divided between impoverished Gaza families, fuel for the power plant and salaries for civil servants. [Dig Deeper "Biden's Mideast Point Man in Region Amid Tussle Over Home Demolitions" \(Times of Israel\)](#)

Ha'aretz

Israeli Authorities Seize Hamas Cryptocurrency Transfer

Israel took aim at Hamas' digital cash flow, seizing dozens of digital wallets associated with the Islamist group. Hamas, which is blacklisted as a terror group by the United States and the European Union, has long used digital currencies to circumnavigate sanctions. The group uses cryptocurrencies – which are hard to trace and purportedly offer anonymity online – to raise funds and transfer them across borders using a system of digital wallets. Israel's Defense Ministry announced it had seized a number of digital wallets linked to Hamas at the end of June, in what is the first and most aggressive action against Hamas' cryptocurrency efforts. During the last round of fighting between Israel and Hamas, Hamas launched a massive fundraising drive using cryptocurrencies. The news comes amid a wider bid by Western states to crack down on digital wallets, long favored by cybercriminals for laundering funds accrued via digital crimes such as ransomware attacks due to their supposed anonymity. [Dig Deeper "Israel-Gaza Conflict Spurs Bitcoin Donations to Hamas" \(Ha'aretz\)](#)

Two Jordanians Sentenced to 15 Years Over Alleged Plot

A Jordanian state [security court](#) sentenced two former officials to serve 15 years in prison over an alleged plot against the Western-allied monarchy involving the half-brother of King Abdullah II. Bassem Awadallah, who has US citizenship and once served as a top aide to King Abdullah II, and Sharif Hassan bin Zaid, a member of the royal family, were found guilty of sedition and incitement charges. They are alleged to have conspired with Prince Hamzah, the king's half-brother, and to have sought foreign assistance. Awadallah's US-based lawyer slammed the verdict, saying there had been a "complete lack of due process" and that his client had suffered "inhumane treatment, including beatings and psychological torture." Lawyers for both defendants said they would appeal the verdict. They two men were swept up in a wave of arrests in April and Hamzah was placed under house arrest. The rare public rift at the highest levels of the monarchy sent jitters across the region and exposed deep-rooted economic and social challenges in the country, which has long been seen as a bastion of stability. [Dig Deeper "Bennett: Ties with Jordan Essential for Israel's Security" \(Jerusalem Post\)](#)

Saudi Aramco Drops Morgan Stanley on Gas Pipelines Deal

Saudi Aramco has dropped Morgan Stanley as an adviser for the sale of its gas pipelines and picked JPMorgan and Goldman Sachs for the role, three sources familiar with matter said. JPMorgan had also advised Aramco on the sale of the oil pipeline business, which was sold to a consortium led by Washington-DC based EIG Global Energy Partners for \$12.4b. Aramco has also invited banks to advise on the financing of the deal, according to sources, the second major midstream deal after the sale of the oil pipelines. The gas pipeline deal will also have an element of staple financing arranged by Aramco for the buyer, similar to the oil pipeline transaction that was backed by \$10.5b in bank loans, they said. JPMorgan was also among the lead arrangers for the loan that backed the oil pipeline deal, they added. Morgan Stanley, which was among the top advisers for Aramco's \$29.4b initial public offering in 2019, had also missed out on the oil pipeline advisory role. It was not immediately clear why Morgan Stanley was dropped on the gas pipeline deal, sources said. Aramco, Morgan Stanley, JPMorgan and Goldman Sachs declined to comment. In recent years, Saudi Arabia has become one of the Middle East's biggest markets for bankers keen to grab a slice of business from new listings, as well as merger and acquisition activities. [Dig Deeper "As Saudis and Emiratis Take Aim At Each Other, Israel Could Get Hit By Ricochets" \(Times of Israel\)](#)

Netanyahu's First Stutter

By Amihai Attali

- Binyamin Netanyahu and Naftali Bennett do not share the same gift for rhetoric. One need not be a body language expert to come up with that diagnosis. Netanyahu has been starring in television studios and speaking from lecture podiums to thousands of people since he was 26. He's got that gift. He can drive people ecstatic. Bennett doesn't. His discomfort is plainly visible. Yesterday too, when he spoke in the Knesset plenum, it was evident that the prime minister does not feel 100 percent at home when he is on stage. For 12 years, a master speaker ran our lives. He made his supporters at home elated with his Knesset speeches, received thunderous applause in the American Congress and really stuck it to all of Israel's haters in the UN General Assembly Hall. But there was a moment yesterday in which Netanyahu failed to find the right words.
- That happened when Prime Minister Naftali Bennett went to the speaker's podium and said two sentences. He explained that he could not elaborate since this was a matter of high security sensitivity, but gave us a glimpse into what he had learned upon his assumption of duties in the Prime Minister's Office, that important room that had been manned for 12 years by speech-wizard Binyamin Netanyahu. "I won't give details so as not to undermine state security," said the prime minister, "I will only say that never has there been in the State of Israel a person who has talked so much and done so little on the Iranian issue." That was the moment that Netanyahu became a less eloquent and less emphatic speaker.
- He insisted on taking to the podium again to respond to Bennett's rebuttal and, all of a sudden, was slightly less self-confident. Unusually for him, a man who almost always speaks in the first person singular, he suddenly spoke in the plural: "Now is not the time to enumerate all the efforts made by my colleagues and I over the course of the years, which stopped and sabotaged the Iranian nuclear program, and the steps we took to create opposition to it," he said, and it was also a rare instance in which Netanyahu reacted to the noise being made by the MKs. He appeared to be on the defensive, "Guys, you're interrupting me," he admonished. Naftali Bennett and several other ministers assumed office in ministries that had been held by Netanyahu's loyalists for years. Bennett found a crumbling Prime Minister's Office.
- Jobs that had been left unfilled; workers who had become accustomed to an abnormal regime of loyalty tests; workplaces in which everything was personal; and staff officials who reported that getting the job done had been the lowest priority. Bennett uttered two comments in the Knesset yesterday that only alluded to the severity of the situation, but on the ground, he and many of the other ministers are now learning what went on during Netanyahu's tenure: Disproportionate attention to trivialities, an absence of methodical work and rare ability to glorify certain details even if the professional basis for that was completely shoddy. If Bennett and his colleagues were to show us what they have learned, even the greatest of Israel's orators would most likely find himself speechless.

Size Isn't Everything

By Ofer Shelah

- The outgoing deputy chief of staff, Eyal Zamir, is one of the IDF's most serious-minded and judicious generals. In my years on the Foreign Affairs and Defense Committee I attended numerous meetings with him, and I was impressed with his professionalism. That is precisely the reason why his remarks at a ceremony marking his replacement as deputy chief of staff need to be critically reviewed. "The IDF is on the verge of the minimal order of battle (i.e. the number of troops, means and units) in the face of threats that are more complex than the ones we have experienced in recent years," said Zamir, according to Yossi Yehoshua's report in Yedioth Ahronoth. The deputy chief of staff, who is primarily responsible for building the IDF's military capabilities, told us that the IDF does not have sufficient means and troops to meet the challenges it will face in a scenario involving multiple theaters—war in the south and north, heavy [rocket] fire on the home front, the possible eruption of violence in Judea and Samaria and possibly also the need to help maintain domestic security.
- Yesterday was the 15 th anniversary of the beginning of the Second Lebanon War. In the aftermath of that war top military officials blamed the 2005 decision to shorten compulsory service and budgetary difficulties for the military's meager achievements in the war. That was ludicrous back then, and we must not think that way now either. The way in which the IDF deployed its capabilities and the achievements it scored in recent military efforts certainly do need to be the subject of professional review, one that is kept separate and apart from the boasting about the "lessons learned" by Hamas and about the physical damage that was inflicted on the Gaza Strip. The outcomes did not stem from insufficient means. The absence of a doctrine, hesitancy in the deployment of ground forces and ill-defined and non-military objectives (such as a "weak and restrained Hamas" or "restoring deterrence") had far more impact on the results than did the number of troops and tanks. The IDF does not suffer from a troop shortage.
- The number of candidates for military service is currently the highest in history, and it is projected to rise at a fast pace in the next number of years thanks to the high birthrate in Israel. That more than compensates for the dropping enlistment rate (and not the absolute number of soldiers enlisting) in practice either on account of exemptions for Torah study or other reasons—a worrisome trend in its own right, which undercuts the foundations of the IDF as the people's army. And that is without mentioning the large number of reservists whom the IDF can call up to serve. The IDF has no shortage of means either. Means that were more than adequate to cope with large standing armies [in times of war] cannot be viewed as a quantitative obstacle in coping with our contemporary enemies—hybrid armies comprised of guerrillas and terrorists that may be tenacious and zealous, but which have only limited means at their disposal. They do not have even a single tank or plane; we have a large number of flight squadrons and ground divisions that are equipped with some of the most sophisticated platforms in the world.

- **Hizbullah and Hamas’s combined military budgets isn’t even 15% of the IDF’s budget, which accounts for less than half of Israel’s defense budget. If that is the case, what do the IDF and Israel lack? Lacking is a national security strategy that lays out objectives, and a doctrine for deploying the IDF that is designed to achieve those objectives. Lacking is a commitment to making significant changes to building the capabilities needed and a commitment to implementing the doctrine in real time. Lacking is a real debate that is complemented by courageous decisions by the political and military leaderships about what exactly we need to do with the large IDF, whose size has become a problem and not the solution.**
- **Two and a half years ago I co-published with Omer Bar-Lev, who served at the time as the chairman of the two pertinent subcommittees of the Foreign Affairs and Defense Committee and who is currently the public security minister, a document about the future of the ground forces. We wrote that “the IDF’s qualitative advantage ought to liberate it from the need for a significant quantitative advantage at every point”—provided those ground forces are properly built and utilized. In the intervening period of time the IDF has had to work in the absence of a complete and approved multi-annual plan; it does not have a multi-annual budget; neither the previous nor the current security cabinet have held a single in-depth discussion; and no binding decisions have been made. That is the reality in which the chief of staff and his deputy are forced to operate, and that ought to worry is far more than the number of troops and tanks.**
- **The author is the former chairman of the military buildup subcommittee in the Foreign Affairs and Defense Committee and currently is a senior fellow at the Institute for National Security Studies at Tel Aviv University.**