

Controversial Firms Guide Egypt's Military Privatization



In an unprecedented move, the Egyptian government announced on April 9 that the Sovereign Fund of Egypt (TSFE) would begin restructuring five companies owned by the Armed Forces, following an agreement signed between the military's National Service Projects Organization (NSPO) and a consortium of local and international consultants.

The companies slated for restructuring include: the National Company for Petroleum Products Distribution (Wataniya), ChillOut fuel stations, the National Company for Bottling Natural Water (Safi), Silo Foods, and the National Roads Company.

This step is part of the agreement signed with the International Monetary Fund (IMF) in December 2022 for a \$3 billion loan. In March 2024, the IMF raised the ceiling by an additional \$5 billion, bringing the total funding package to \$8 billion.

The four-year program is contingent on periodic reviews by Egypt's Financial and Economic Performance Monitoring Council, which oversees implementation of the required structural reforms. These include the withdrawal of state entities from the economy – including military-owned companies – as well as the publication of annual financial reports for all state and military enterprises.

These conditions were initially set to be met by September 2024, but due to Egypt's delay in implementation, they were deferred to a later stage, according to IMF documentation.

This decision marks a pivotal turning point after years of foot-dragging over the military's economic role. It appears the government has finally yielded to international pressure, as the announcement came just ahead of the IMF delegation's visit to Cairo for the program's fifth review, held from May 6 to 18, 2025. Egypt is now awaiting official IMF approval to release the program's largest tranche—\$1.3 billion.

This deal, ostensibly a precursor to disclosing and selling the military's commercial assets for the first time since the army took power in 1952—particularly since the NSPO's founding and the expansion of the military's economic empire following the current regime's rise in 2013—reveals a deeper dimension. This report by Noon uncovers that the three foreign consulting firms involved in the deal maintain active business ties and a physical presence in Israel.

Foremost among them is Boston Consulting Group (BCG), which co-founded the "Gaza Humanitarian Foundation" in cooperation with the Israeli military. Since its launch on May 26, this initiative has resulted in the deaths of around 1,000 Palestinians at the hands of Israeli soldiers and armed guards affiliated with the foundation.

Boston Group: One Hand in Egypt's Economy, the Other in Gaza's Siege

A statement by Egypt's Cabinet detailed the cooperation agreement between TSFE and the NSPO, along with several local and international consulting firms, to restructure and list companies owned by the military organization.

Under the agreement, Boston Consulting Group (BCG) serves as the commercial and strategic advisor. PwC and Grant Thornton are providing tax and accounting consultancy services.

An investigation revealed that all three firms have substantial investments and operations in Israel and maintain close cooperation with the Israeli government.

Founded in the United States in 1963, BCG is one of the world's top three strategic consulting firms, with around 100 offices in over 50 countries.

According to its official website, BCG holds longstanding ties with the US Department of Defense and various military branches, with contracts in areas like cost management, digital transformation, and operational efficiency.

In October 2024, media reports revealed that BCG helped establish the Gaza Humanitarian Foundation (GHF), a US-Israeli project aimed at dominating the distribution of aid in Gaza, weaponizing food delivery for displacement and military advantage.

BCG played a major role in designing the aid distribution model—including iron-

cage-like centers, pricing systems for contractors, and the recruitment of armed personnel to secure convoys and control access points. The firm also managed the project's financial and logistical operations.

This model led to the deaths of approximately 1,000 Palestinians and injuries to at least 5,900 others, most at aid distribution sites in Rafah, Al-Mawasi, and around Khan Younis.

Palestinians were shot while scrambling for survival—hoping to secure a single box of rice, lentils, pasta, canned goods, and biscuits that might feed a family for a week.

After UN agencies and humanitarian organizations refused to participate in the US-Israeli initiative, condemning it as a tool of military policy, BCG announced its withdrawal from the project on May 30 and terminated its contract with GHF.

Yet the system BCG helped establish continued to claim lives. On July 16, 20 Palestinians were killed when GHF's hired guards, recruited by BCG, sealed the center's gates and sprayed pepper gas. Victims were trapped between the gates and an outer wire fence—some dying from the stampede, one stabbed to death.

BCG's links to Israel date back decades. According to his biography, Israeli Prime Minister Benjamin Netanyahu worked at BCG as an economic advisor between 1976 and 1978 after graduating from MIT.

Since 2010, BCG has operated a Tel Aviv office, providing consulting services to major Israeli companies, especially in tech, energy, defense, and public sectors—many directly tied to the Israeli military and government.

A July 4 investigation by the Financial Times revealed that BCG, alongside a US security firm and an Israeli think tank, devised a plan to relocate 500,000 Palestinians from Gaza by offering \$9,000 per person.

Facing a global backlash, BCG did not deny its involvement but announced an internal probe. It admitted the plan violated its ethical standards and dismissed those responsible.

These revelations raise serious concerns about Egypt entrusting sensitive economic and possibly military information to firms directly involved in efforts to starve, kill, and displace Palestinians—posing a broader threat to Egypt's national security, especially as it hosts waves of Palestinian refugees.

Privatization Advisors Tied to Israeli Military

The Egyptian government's agreement, signed last month, appointed PwC to provide tax and accounting advisory services for the privatization of military companies under the NSPO.

Data shows that PwC, headquartered in London and founded in 1998, maintains strong ties with the Israeli government. Its services include consulting, auditing, and cybersecurity projects. Many of its experts have military backgrounds.

PwC's Israeli branch is led by Talia Gazit, a founding partner and head of digital transformation and cybersecurity. She holds the rank of reserve colonel in the Israeli military and previously headed the elite "Mamram" tech unit, which oversees Israel's military IT infrastructure and trains soldiers in cybersecurity.

According to Mamram's official website, Gazit is still affiliated with the unit.

In 2019, under Gazit's leadership, PwC launched a Cyber Experience Center in Beersheba as part of its global cybersecurity initiative, offering advanced services to governments and corporations to protect critical infrastructure from cyber threats.

In 2024, PwC partnered with the OurCrowd Israel Resilience Fund to support Israeli startups affected by the war. The firm declared: "We are proud to support Israel's resilience," adding that its role involves fundraising assistance and connecting startups with a global network of CFOs.

The third consulting firm involved, Grant Thornton, also provides tax and accounting advisory for the NSPO privatization. Headquartered in London and founded in 1924, it is the world's seventh-largest accounting network.

Grant Thornton has operated in Israel since 1955 and is the sixth-largest accounting firm there, with seven offices across cities including Tel Aviv, Jerusalem, and Haifa. It serves several government bodies, including ministries, local authorities, and state-owned enterprises.

Key partners in its Israeli branch have histories of cooperation with the military. Managing partner Mickey Blumenthal holds the rank of Major in the Israeli army, while Joseph Ginosar works with an organization supporting Israeli soldiers.

Given that the NSPO is part of Egypt's Ministry of Defense and its companies operate under various military branches, partnering with foreign firms closely tied to Israeli and US military and security agencies raises red flags. These firms may gain access to financial data, organizational structures, and possibly even military infrastructure details.

Such concerns are magnified amid ongoing Israeli military operations in Gaza and mounting pressure to forcibly displace Palestinians into Egypt. With Egypt's military increasingly viewed as a regional counterweight, this partnership raises pressing questions about sovereignty, data security, and strategic vulnerability.



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