

AL-SISI'S BUBBLE IN THE DESERT

The Political Economy of Egypt's
New Administrative Capital

SARAH TAWHEEL

June 2023



AL-SISI'S BUBBLE IN THE DESERT

The Political Economy of Egypt's
New Administrative Capital

JUNE 2023

Sarah Taweel



ABOUT THE AUTHOR

SARAH TAWEEL, PhD, is a pseudonym for a researcher specialized in Middle East politics. Due to the sensitivity of the issues in this report, POMED has chosen to protect her identity.

ABOUT THE PROJECT ON MIDDLE EAST DEMOCRACY (POMED)

THE PROJECT ON MIDDLE EAST DEMOCRACY is a nonpartisan, nonprofit organization based in Washington, DC, that is dedicated to examining how genuine democracies can develop in the Middle East and how the United States can best support that process. Through dialogue, research, and advocacy, POMED works to strengthen the constituency for U.S. policies that peacefully support democratic reform in the Middle East. POMED publications offer original expert analysis of political developments in the Middle East as they relate to the prospects for genuine democracy in the region and to U.S. policy on democracy and human rights. The views expressed in POMED publications are those of the authors and do not necessarily reflect the views of POMED or the members of its Board of Directors. For more information, please contact Deputy Director for Research Amy Hawthorne at amy.hawthorne@pomed.org.

 @POMED

ACKNOWLEDGMENTS

I am very grateful to Amy Hawthorne for taking on this project and for her deep commitment and passionate engagement from start to finish. Many thanks also to Zachary White for his heroic work on formatting the report's hundreds of citations and his excellent edits throughout. April Brady deserves a massive round of applause for her beautiful design work on the cover, maps, figures and general layout—thank you for getting the report over the finish line. A special thanks to Abu Ziyad for his comments on early drafts and encouragement during the very long process of researching and writing this report. Thank you also to Thomas A. Mason for your support, guidance, and insightful discussions on the new capital and all things Egypt. Finally, my deepest gratitude goes to my sources for the time and risks they took speaking to me on this sensitive topic.

POMED is grateful for the assistance of our Spring 2023 interns, Ashley and Peter, in preparing this report.

© 2023 Project on Middle East Democracy. All rights reserved.

The Project on Middle East Democracy (POMED) is a nonpartisan, nonprofit, Washington, D.C. based 501(c)(3) organization. The views represented here do not necessarily reflect the views of POMED, its staff, or its Board members.

Cover photo: Composite image using a photo of Egypt's Red Sea Hills (Olya Solodenko/Adobe Stock Images) and a concept graphic of Egypt's New Administrative Capital (NUCA/LinkedIn)

For electronic copies of this report, visit:
<https://pomed.org/publication/report-egypt-new-administrative-capital>

Project on Middle East Democracy
1730 Rhode Island Avenue, NW, Suite 617
Washington, D.C. 20036

www.pomed.org

CONTENTS

Glossary	2
Executive Summary.	4
I. Introduction	8
II. A Brief History of the New Administrative Capital (NAC): From Foreign Patron Project to Piecemeal State-Led Development.	12
III. Who Is Paying for the NAC?	16
IV. Who's Building the NAC and Who's Profiting?.	29
V. Objectives vs. Likely Outcomes for the NAC.	49
VI. Conclusion	59
Appendices	61
Endnotes.	69

What Is the New Administrative Capital?	9
---	---

GLOSSARY

ACUD **Administrative Capital for Urban Development**

Joint-stock company established by the Abdel Fattah al-Sisi regime in April 2016 to serve as “master developer” of the New Administrative Capital (NAC). Owned 51 percent by the Ministry of Defense—specifically by the National Service Projects Organization and the Armed Forces Land Projects Agency—and 49 percent by the civilian Ministry of Housing, specifically by the New Urban Communities Authority. The ACUD’s mandate includes managing NAC land sales and their profits, awarding contracts, and supervising sub-developers. The funds received by ACUD are deposited in the company’s private bank account, free from any independent oversight.

AFLPA **Armed Forces Land Projects Agency**

Co-owner of the ACUD under the Ministry of Defense. A once-modest agency (est. 1981) with an original mandate to manage the sale of military land and real estate that had gone out of use. A presidential decree issued in November 2015 gave the AFLPA the right to form joint-stock companies with other domestic and international actors, significantly expanding its opportunities for profit-making. Another presidential decree, in February 2016, allocated around 170,000 acres of state land to the agency for the purpose of building the new capital, stipulating that the land would serve as the AFLPA’s in-kind contribution to the soon-to-be-established ACUD.

AOI **Arab Organization for Industrialization**

A main arm of Egypt’s state-owned defense industry, led by military generals. Enjoys many profitable NAC contracts, including for the “smart system infrastructure” in the Knowledge City and for the manufacturing and installation of furniture for the new parliament, cabinet, and ministry buildings.

CUHC **Central Union for Housing Cooperatives**

Under the umbrella of the Ministry of Housing and typically led by retired generals. In the NAC, overseeing the tendering process for the companies building housing compounds for members of cooperatives for employees of key state agencies like the military, police, and energy companies.

EAAF **Engineering Authority of the Armed Forces**

Under the Ministry of Defense, a longtime manager of public works projects whose economic role al-Sisi has expanded further. Supervising construction of the NAC’s Government District, Diplomatic District, Knowledge City, Arts and Culture City, Sports City, Olympic City, some roads and utilities, and four residential districts. Enjoys handsome cuts of nearly all the contracts it manages.

EEHC **Egyptian Electricity Holding Company**

Operates under the Ministry of Electricity and Renewable Energy. Borrowed more than \$2 billion to build a new power plant in the NAC. Also buying land to build residential and commercial projects in the new city.

GLOSSARY (cont.)

GACHC General Authority for Construction and Housing Cooperatives

Under the umbrella of the Ministry of Housing, the Authority is traditionally led by retired generals. GACHC purchased more than five hundred acres in the NAC, which it has sold to about a dozen cooperative housing associations for state employees. Together with the CUHC, it has overseen the tendering process for builders of the cooperative associations' compounds.

MCIT Ministry of Communications and Information Technology

The second-largest ministerial spender in the NAC, allocating billions to tech infrastructure across the new capital to make the “smart city” smart.

MOH Ministry of Housing, Utilities, and Urban Communities

Administers the New Urban Communities Authority, which owns 49 percent of the ACUD, and has been the largest spender in the new capital.

MOMP Ministry of Military Production

Has “won” lucrative NAC contracts from the ACUD including for solar panels, water tanks, pipes, and thousands of elevators.

NAT National Authority for Tunnels

Under the Ministry of Transportation, NAT has accumulated billions of dollars in loans for massive rail projects connecting the NAC to other areas of Egypt.

NSPO National Service Projects Organization

A military co-owner of the ACUD, under the Ministry of Defense. The NSPO has profited from massive sales of steel and cement used in the NAC—the most important raw materials needed for the new capital.

NUCA New Urban Communities Authority

Under the Ministry of Housing, NUCA is the ACUD's civilian, minority co-owner. It paid in most of the cash used to create ACUD's budget. In charge of financing and developing the Central Business District, the Green River, two residential districts, and most roads and utilities throughout the new city. Has taken on huge debt to carry out the NAC project, including a \$2.55 billion loan from China. It is Egypt's largest real estate developer and is tasked with addressing Egypt's housing issues by developing new cities in the desert.



*Right: The Iconic Tower under construction in the New Administrative Capital (NAC), March 2022.
Credit: Youssef Abdelwahab/Unsplash*

EXECUTIVE SUMMARY

Ten years after Egyptian autocrat Abdel Fattah al-Sisi seized power in a military coup, promising to bring “stability and prosperity,” the country is struggling through its worst economic crisis in decades. Al-Sisi’s debt-fueled spending frenzy on megaprojects led by his ruling partner, the armed forces, is no small contributor to Egypt’s current economic woes. Most prominent among these projects is the new administrative capital (NAC), which will replace Cairo as the regime’s headquarters.

Last fall, to secure its fourth bailout in seven years from the International Monetary Fund (IMF), the Egyptian government agreed to slow down megaprojects and to reduce the economic footprint of the state—including that of the military, whose economic role has expanded considerably under al-Sisi. Yet the Egyptian leader has insisted on charging forward with the \$58 billion NAC. Originally advertised as a five-year undertaking, this vanity venture in the desert is years behind schedule and billions over budget.

Al-Sisi touts the NAC, launched in 2015, as a gleaming, futuristic city that will showcase his “New Republic” to the world. As befits al-Sisi’s authoritarian rule, the NAC will feature a state-of-the-art mass surveillance system to track all activity in the city, including through live video broadcasts from six thousand security cameras. The NAC also includes a giant presidential palace and new ministerial headquarters; a diplomatic quarter to which all foreign embassies will be expected to relocate; lavish arts, conference, and sports centers; a Chinese-built central business district with the Iconic Tower, the “tallest tower in Africa”; the largest cathedral in the Middle East; upscale residential and commercial areas; 22 miles of park called the “Green River”; and much else—all set against the backdrop of growing poverty among ordinary Egyptians.



Egyptian President Abdel Fattah al-Sisi inspects the Egyptian Higher Military Academy and other facilities at the Strategic Command headquarters in the NAC, May 4, 2023. Credit: Egyptian Presidency

Mirroring the military's privileged role writ large, the NAC lacks transparency and accountability. Information is available to the public only through piecemeal reporting, and criticism is suppressed or dismissed as ignorance.

This report provides the first deep dive into the questions of who is paying for and who is profiting from the staggeringly expensive project. It details how billions of dollars are being funneled to the military-led project, even as the civilian government is saddled with record levels of debt and al-Sisi continues to tell citizens to tighten their belts.

- Despite al-Sisi's repeated insistence that "the Egyptian state won't pay a penny" for the NAC, most of the funds spent so far have indeed come from the public coffers—whether in the form of direct budget allocations, the sale of state-owned land (often back to the state), state-subsidized loans, or government debt. Future generations of Egyptians will be forced to repay these debts for decades to come.
- Regime insiders are raking in enormous benefits from the NAC. The armed forces, above all, are profiting to the tune of billions of dollars. As the primary overseer of the project, a military-led company enjoys the proceeds of land sales and handsome cuts of nearly all of the contracts, with income deposited into its private bank account and free from independent oversight.
- Construction and real estate development companies with close ties to the regime—some well established, some new and opaque—are also profiting from lucrative no-bid contracts. Members of the security apparatus are deeply integrated into these patronage networks and profit circles, whether as shareholders, supervisors, suppliers, or middlemen.
- Foreign companies are reaping profits as well. These companies are complicit in weighing down the Egyptian state's books with debt and in redirecting its scarce resources to expensive showpiece projects that are prioritized over less glamorous, essential social spending. Because their contracts are typically signed with military-controlled entities, they contribute to lining the bank accounts of military fiefdoms along the way. This includes the American company Honeywell, tapped to develop the NAC's mass surveillance system.

Given the project's opacity and rampant cronyism, the NAC is an incredibly risky venture.

- Even in the best case scenario, the state is unlikely to see a positive return on investment from the huge public resources poured into the NAC. The project is almost certain to be scaled back from its original vision; some key elements, such as affordable housing, have already been scrapped, while its abundant high-end housing will struggle to find sufficient buyers. Al-Sisi's demands that his new capital city be rushed to completion, meanwhile, have led to shoddy construction and waste.
- In the worst case scenario, the bubble will pop. The NAC is uniquely vulnerable to Ponzi schemes, with lax oversight and shadowy pop-up developers reliant on fresh money to repay earlier investors. If the money stops coming in, the whole project will come crashing down, leaving much of the still-unfinished city as sand in the desert.
- Without new streams of cash, al-Sisi will run out of ways to fuel the NAC venture and reward his loyalists. When that happens, not even his military clients will stand by him, deciding their opportunistic allegiances are better placed elsewhere.

POLICY RECOMMENDATIONS:

The NAC project raises significant concerns about poor governance, indebtedness, cronyism, corruption, mass surveillance, and stability in Egypt. In response, POMED recommends that the United States Government take the following steps:

- Conduct a policy review of the Egyptian regime’s stability and viability as a “strategic partner” in light of al-Sisi’s economic mismanagement, as vividly demonstrated by the NAC project.¹
- Apply tools outlined in the Biden administration’s Strategy on Countering Corruption, including:²
 - Sanctioning any Egyptian or other individuals or entities involved in corrupt activities related to the NAC project.
 - Investigating whether any U.S. companies violated the Foreign Corrupt Practices Act in receiving NAC contracts.
 - Reviewing whether any U.S. foreign assistance has been used in the NAC project to reinforce corrupt power structures, and if so, immediately curtailing such funding and implementing policies to avoid future misdirections of aid.
 - Working with the International Monetary Fund (IMF) and other international financial institutions (IFIs) to strengthen transparency and anti-corruption measures in their lending to Egypt.
 - Supporting and defending the work of Egyptian journalists, civil society activists, and government whistleblowers in bringing transparency and accountability to the NAC through initiatives such as USAID’s Reporters Shield and Strengthening Transparency and Accountability through Investigative Reporting programs, as well as the State Department-supported Global Anti-Corruption Consortium.
- Assess, in line with the Export Controls and Human Rights Initiative launched at the Biden administration’s 2021 Summit for Democracy, the role of U.S. firms in the NAC, in particular Honeywell, in potentially abetting the Egyptian government’s human rights abuses through the provision of mass surveillance technology for the new capital city.³

1. For an example of “strategic partnership” claims, see “Joint Statement Following Meeting Between President Biden and Egyptian President Abdel Fattah Al Sisi in Jeddah,” White House, July 16, 2022, <https://www.whitehouse.gov/briefing-room/statements-releases/2022/07/16/joint-statement-following-meeting-between-president-biden-and-egyptian-president-abdel-fattah-al-sisi-in-jeddah/>

2. United States Strategy on Countering Corruption, White House, December 2021, <https://www.whitehouse.gov/wp-content/uploads/2021/12/United-States-Strategy-on-Countering-Corruption.pdf>

3. “Export Controls and Human Rights Initiative Code of Conduct Released at the Summit for Democracy,” Office of the Spokesperson, U.S. Department of State, March 30, 2023, <https://www.state.gov/export-controls-and-human-rights-initiative-code-of-conduct-released-at-the-summit-for-democracy/>; on Honeywell’s involvement in the NAC, see Mohamed Moselhy, “Smart Cities from the Desert Up,” Honeywell, <https://buildings.honeywell.com/us/en/news-events/news/2020/07/smart-cities-from-the-desert-up>; on mass surveillance in the NAC, see “FEATURE-CCTV cameras will watch over Egyptians in new high-tech capital,” Thomson Reuters Foundation, January 4, 2023, <https://www.reuters.com/article/egypt-tech-surveillance-idAFL8N33I0DO>



Egyptian Prime Minister Mostafa Madbouly tours the NAC's Government District, including the Security Directorate building, which controls the mass surveillance systems deployed by the American company Honeywell, May 9, 2023. Credit: Administration Capital for Urban Development (ACUD)/Facebook

- Deduct from U.S. annual military aid to Egypt an amount equal to the cost of any Egyptian government-mandated relocation of the U.S. embassy from Cairo to the NAC.
- Reinforce with the Egyptian authorities the IMF's call for a slowdown of megaprojects and scaling back of the military's economic role.⁴ Oppose the release of further tranches of IMF funding until Egypt takes these steps.
- Review the role of the European Bank for Reconstruction and Development (EBRD) in indirectly financing the NAC. Such financing may violate the EBRD's mandate to "foster the transition towards open market-oriented economies to promote private and entrepreneurial initiative" and to assist only countries "committed to and applying the principles of multi-party democracy [and] pluralism."⁵ If it is in violation, the United States should require the EBRD to suspend its support until Egypt comes into compliance. As a founding member of the EBRD and its largest single shareholder, the United States has a direct interest in ensuring the proper use of EBRD funds.

4. "Arab Republic of Egypt: Request for Extended Arrangement Under the Extended Fund Facility-Press Release; and Staff Report," International Monetary Fund, January 10, 2023, <https://www.imf.org/en/Publications/CR/Issues/2023/01/06/Arab-Republic-of-Egypt-Request-for-Extended-Arrangement-Under-the-Extended-Fund-Facility-527849>

5. "The history of the EBRD," European Bank for Reconstruction and Development, <https://www.ebrd.com/who-we-are/history-of-the-ebrd.html>

I. INTRODUCTION

During the grand unveiling of Egypt's new administrative capital (NAC) project in March 2015, Emirati real estate mogul Mohammed Alabbar milled alongside Egyptian President Abdel Fattah al-Sisi and Emirati Prime Minister Mohammed bin Rashid al-Maktoum to examine the sprawling model of the new city.¹ Alabbar had established a real estate investment fund, Capital City Partners, earlier that year for the sole purpose of developing the seven hundred square kilometers—a plot “the size of Singapore,” as Egyptian officials repeated widely.² And Maktoum's United Arab Emirates (UAE) was expected to provide the funding, alongside his Gulf allies.

The massive undertaking would, Egyptian authorities announced, house some seven million residents, reduce the congestion of Cairo, and give Egypt a shiny new face to present to the world.

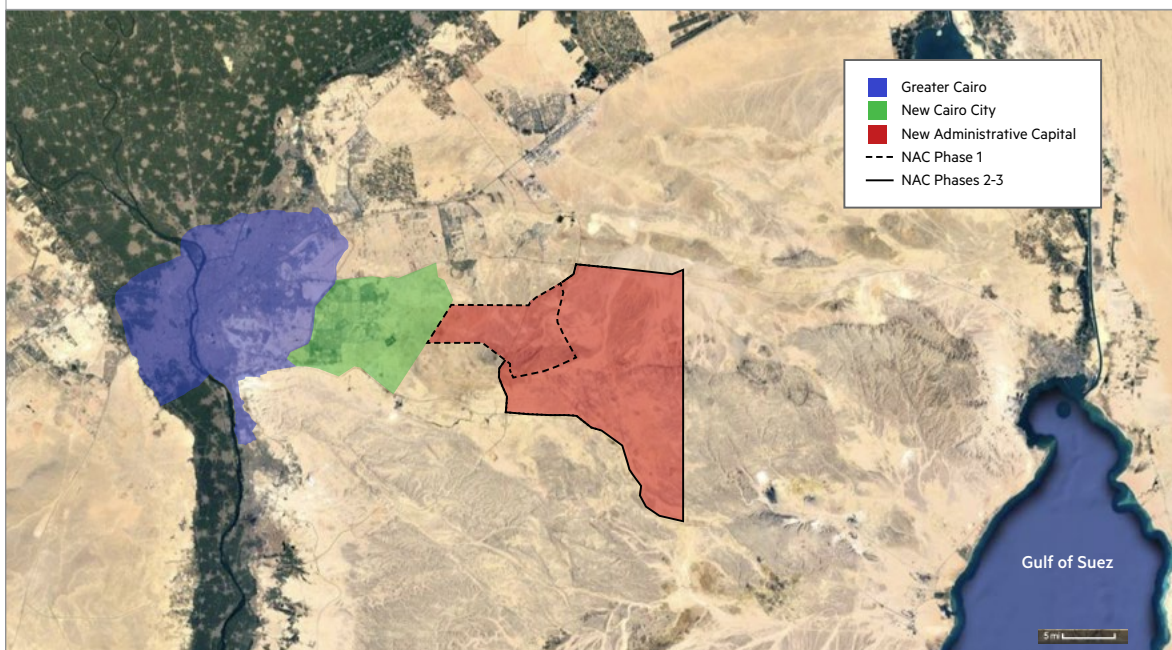
In the crowd gathered around the model city, then-Minister of Housing Mostafa Madbouly (now al-Sisi's prime minister) gave an informal

briefing on the new capital layout. Al-Sisi turned to Alabbar and asked when the first phase would be finished. “If I'm not lying, 10 years,” he replied. An incredulous al-Sisi scoffed at the number. Madbouly awkwardly bit his bottom lip. “When do you request it be finished?” Alabbar asked. “Yesterday!”³

Alabbar—best known for developing the world's tallest building, Dubai's Burj Khalifa—responded to the desired timeline by mumbling a compromise of five to seven years, and a dissatisfied al-Sisi broke the huddle. But the project timeline wasn't the only problem. More disagreements followed, most importantly regarding who would finance the project and the Egyptian regime's share of the profits.⁴

Ultimately, negotiations broke down and the initiative—which was originally presented to the public as a five-year, \$45 billion venture that would be achieved without even drawing on credit from Egyptian banks—has become a much longer and more expensive endeavor.

FIGURE 1. NAC LOCATION IN RELATION TO CAIRO



Sources: Data compiled from Ministry of Housing, Utilities, and Urban Communities; ACUD; TerraMetrix/Google Maps

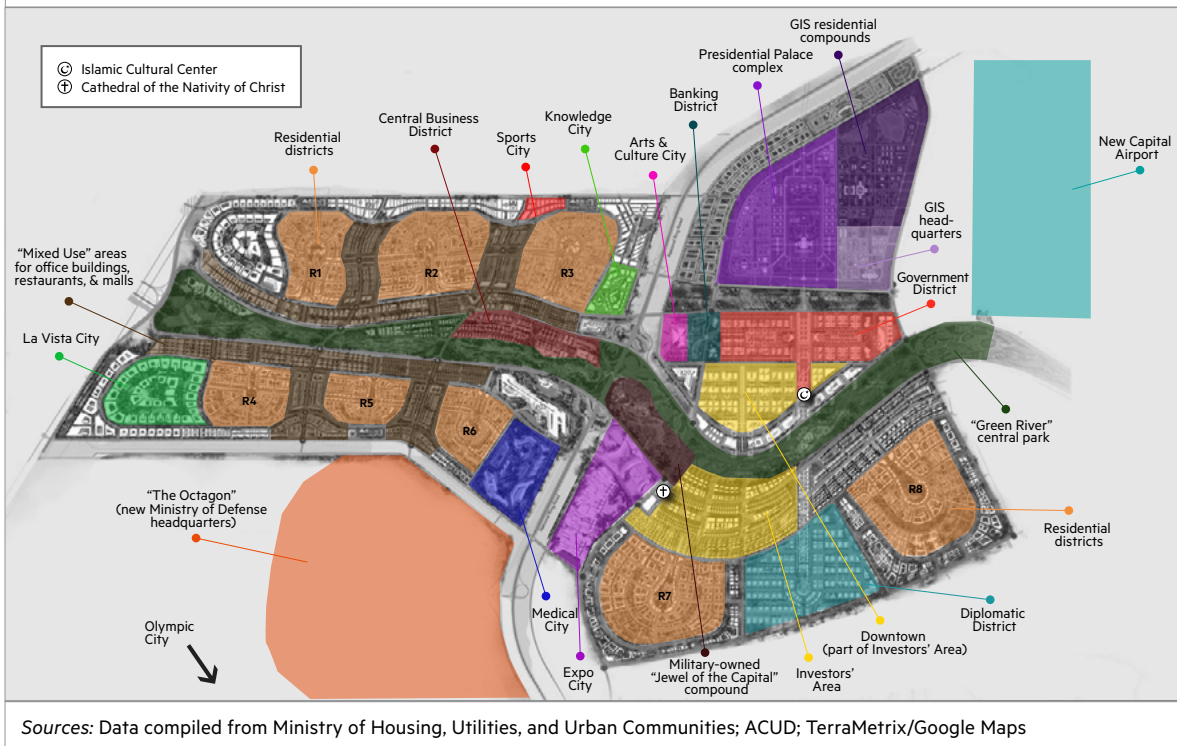
WHAT IS THE NEW ADMINISTRATIVE CAPITAL?

- The largest of President Abdel Fattah al-Sisi's military-led megaprojects
- Plans unveiled at the March 2015 "Egypt the Future" conference in Sharm el Sheikh
- Located approximately 30 miles east of Cairo
- First envisioned as a three-phase project spanning about 170,000 acres, to be implemented in its entirety by an Emirati real estate developer and fully financed by Gulf investors
- Instead, most of the financing thus far has come from Egypt's public resources
- Work on phase one—41,500 acres, roughly the size of Washington, D.C.—began in 2016 with an advertised completion date of 2019–2020
- But the project is significantly delayed; only 60 percent of phase one has been completed
- Expenditures have already exceeded \$45 billion, with the \$58 billion total price tag for phase one expected to rise
- The NAC will be a "smart city," complete with a China-style central-command surveillance system to track all activity, including through live video broadcasts from 6,000 cameras

PHASE ONE OF THE NAC IS SUPPOSED TO INCLUDE:

- **Government District**, including headquarters for 34 ministries, upper and lower houses of parliament, and cabinet building
- **Presidential Palace complex**
- **General Intelligence Service residential compounds and headquarters**, home to the "largest money printer in the Middle East"
- **Banking District**, hosting the mandatory new headquarters for state-owned banks
- **Central Business District**, featuring the Chinese-built "towers section" with 20 skyscrapers including the Iconic Tower, "Africa's tallest tower"
- **Diplomatic District**, to which all foreign embassies will be expected to relocate
- **Eight residential districts**, including luxury compounds, intended to house 1.5 million people
- **Knowledge City**, touted as "Egypt's Silicon Valley," to serve as a tech and education hub
- **The "Green River" central park**, spanning more than one thousand acres
- **Arts and Culture City**, including a 2,150-seat opera house and 24 additional buildings
- **Islamic Cultural Center**, including the Grand Egypt Mosque with capacity for more than one hundred thousand worshipers
- **Cathedral of the Nativity of Christ**, the largest cathedral in the Middle East
- **Olympic City**, where the regime hopes to host the 2036 Olympics, featuring a 93,440-seat stadium (the "second biggest in Africa")
- **New Capital Airport**, to become "larger than London's Heathrow Airport"
- **"Mixed Use" areas for office buildings, restaurants, and malls**, including "Pyramids City," a \$1.6 billion mega-mall
- **Medical City**, to host dozens of hospitals and clinics, a hotel, and a conference center
- **Expo City**, where the regime hopes to someday host the World Expo

FIGURE 2. MAP OF THE FIRST PHASE OF THE NAC (PROJECTED)



Fast forward eight years from the miniature model city's glittering debut and much of the project remains a desolate construction site, with some 40 percent of the NAC's first phase incomplete more than \$45 billion later.⁵

The new administrative capital is the very expensive jewel in al-Sisi's crown of megaprojects. It is the largest of his several national ventures, led—like most others—by the armed forces, whose economic role has expanded dramatically under al-Sisi's rule.⁶ But who is paying for the construction of the NAC: its expansive government headquarters, 22 miles of central park, sprawling residential complexes, and financial district housing Africa's tallest tower? And who is profiting?

Despite al-Sisi's insistence that “the state won't pay a penny” for the new capital, this report will show that most of the tens of billions of dollars spent on the venture so far have indeed come from the state—whether in the form of government debt, the sale of state-owned land

(often back to the state), direct budget allocations, loans subsidized by the Central Bank of Egypt (CBE), or other creative routes of redirecting public assets to the president's project.⁷

What's more, this massive public spending has been carried out with a complete lack of transparency. As this report will detail, billions of dollars have been redirected to regime insiders, tapped to build the megaproject through no-bid contracts.

This has come at the clear expense of basic public services, with even al-Sisi admitting that essential sectors are floundering due to the lack of funds.⁸ “The state can't educate the public well because it doesn't have the financial ability to do that,” the president complained in an October 2022 interview on state television. “How will I educate them well? Where will the money come from?”⁹

In December, a cash-strapped Egypt—in the worst economic crisis it has seen for decades—

turned to the International Monetary Fund (IMF) for the country's fourth loan from the multilateral creditor since the military-backed regime came to power in 2013. Total external debt has more than tripled under al-Sisi's tenure, from \$43 billion in 2013 to \$155.7 billion in 2022.¹⁰

The regime's debt-fueled spending frenzy on the new capital is no small contributor to Egypt's current economic woes. Taken together with the president's 20-some smaller "smart cities" simultaneously under construction—to be run on the latest technology for everything from cashless payments to round-the-clock surveillance and digital government services—the price tag had already reached 700 billion Egyptian pounds (EGP), or \$44.8 billion, by January 2021.[†]

As the heart of what al-Sisi calls his "New Republic," the NAC represents the president's broader political-economic strategy for the country, characterized by expensive vanity projects and executed through patronage networks fueled by public resources. A deeper look into the details of the new capital—who is executing, who is financing, and who is profiting—sheds light on how business is conducted and how public funds are spent in al-Sisi's Egypt.

Informed by interviews with industry insiders and drawing primarily from Arabic sources,

“As the heart of what al-Sisi calls his “New Republic,” the NAC represents the president’s broader political-economic strategy for the country, characterized by expensive vanity projects and executed through patronage networks fueled by public resources.”

this report provides the first deep dive into answering the questions of who is paying for and who is profiting from the monumental project.¹¹

What we find is an expanding state within a state, with resources funneled to the military regime and debt piled on to the civilian government. In other words: a redistribution of wealth from the people to the generals. But despite the abundance of public resources funneled to regime insiders, the NAC and its sister megaprojects are actually making al-Sisi's hold on power more, rather than less, tenuous—creating bubbles in the desert, ready to pop.

[†] Because the exchange rate has fluctuated wildly since 2015—\$1 was worth 7.63 EGP in March 2015 and 30.81 EGP in March 2023, for instance—currency conversions throughout this paper are based on the prevailing exchange rate at the time the figures were announced. The January 2021 exchange rate was \$1 to 15.63 EGP.

II. A BRIEF HISTORY OF THE NAC: FROM FOREIGN PATRON PROJECT TO PIECEMEAL STATE-LED DEVELOPMENTS

Plans for the new capital project were first announced in March 2015 at the “Egypt the Future” investment conference in the South Sinai resort town of Sharm el Sheikh. President al-Sisi—who had come to power less than two years earlier through a bloody coup that ousted the democratically elected Muslim Brotherhood government—was keen to show the world that Egypt was “open for business.”

To build his “New Republic,” al-Sisi wanted a modern seat of power. The Chicago-born urban planning and architecture firm Skidmore, Owings & Merrill—which had earlier designed Burj Khalifa for Alabbar—was tapped to sketch the master plan for the futuristic city.¹² Animated renderings of the new capital turned the plot of sand 32 miles east of Cairo into lush greenery, upscale villas, and glistening skyscrapers.

Media reports on the colossal endeavor immediately confused the price tags and timelines for the different phases of the city. Following the Sharm el Sheikh conference, news outlets around the world referred to the NAC as a \$45 billion project.¹³ Later, it became the “\$58 billion project.”¹⁴ But these estimates—themselves produced by unclear calculations—were referring to *phase one* of the new capital, intended to span just 25 thousand feddans¹⁵ and later expanded to 40 thousand feddans. (One feddan equals about one acre). Phase one, the construction of which began in early 2016, was to be completed in five to seven years, with main components including: the Government District, Central Business District, Diplomatic District, Knowledge City (or Egypt’s “Silicon Valley”),¹⁶ a giant central park (the “Green River”), and eight residential districts, called R1 through R8 (“for all categories of Egyptian people”).¹⁷

By contrast, Alabbar estimated the cost of the entire 170 thousand feddans of the new capital design at a staggering \$300 billion.¹⁸ This was the plot that would ultimately absorb seven

million residents, according to Madbouly at the 2015 conference.¹⁹

This report discusses phase one of the NAC: the 40 thousand feddans currently under construction (approximating the size of Washington, D.C.) that are far from finished. The 130 thousand feddans to be developed under the envisioned phases two and three—plus an additional 45,500 feddans allocated to the project in June 2022 for these later phases²⁰—are still untouched desert land and will likely remain little more than that for several years to come.

THE GULF MISCALCULATION

The idea for the 2015 event that brought the announcement of the new capital project originated with Saudi Arabia’s King Abdullah bin Abdulaziz Al Saud. In June 2014, the king had called for a “Friends of Egypt” *donor* conference to support newly elected President al-Sisi and his consolidation of power against the Muslim Brotherhood.²¹ The Egyptian regime did not want to advertise itself as a beggar nation, and oil prices started dropping just weeks after King Abdullah’s invitation (making it less appealing for al-Sisi’s Gulf allies to give away free money), so the idea was transformed into an *investor* conference.²²

Still, at the time of the NAC unveiling, al-Sisi’s boat was riding high on the recent injections of tens of billions of dollars from the Gulf. He had become accustomed to his monthly rents—his Gulf allies had “money like rice,” as he described in an infamous 2015 leak.²³ What was a few dozen billion more from the oil-rich monarchies for his new capital—not even another donation, but a joint venture, an “investment”?

But by late 2015, the Brotherhood in Egypt no longer posed an existential threat to the Gulf monarchies, the military regime had been sufficiently consolidated, oil prices were around a third of what they had been in 2013, and al-



President al-Sisi looks on as then-U.S. Secretary of State John Kerry delivers remarks to attendees of the “Egypt the Future” economic development conference in Sharm el Sheikh on March 13, 2015. Credit: State Department/Flickr

Sisi’s biggest cheerleader, King Abdullah (who died just weeks before the March 2015 event), was no longer around to rally his Gulf allies.

This marked the start of a new relationship between al-Sisi and his Gulf patrons—with the latter’s tolerance for handouts and bad investments waning. In 2016, Abdullah’s successor, King Salman, secured from al-Sisi a gift of two Red Sea islands as an unadvertised prerequisite for further assistance. And both Saudi Arabia and the UAE began to pivot toward buying land and other valuable state-owned assets in Egypt, rather than sending condition-free cash.

CHINA STEPS IN

When the Emiratis abandoned the project just months after the ambitious plans were revealed, Egypt’s Ministry of Housing and Ministry of Defense took the reins.²⁴ However, state officials still hoped the financing would come from elsewhere.

For two years (2016–2018) it seemed China would save the venture with a promise to build much of the capital and provide tens of billions of dollars in financing from state-owned banks.²⁵ But despite China’s desire to expand investments in Egypt under its ambitious Belt and Road Initiative, and the growing rapport between al-Sisi and Chinese President Xi Jinping, the projects made little economic sense. And deal after deal fell through.

The first Chinese pledge to participate in the new capital project came during al-Sisi’s visit to Beijing in September 2015.²⁶ A few months later, ahead of Xi’s visit to Cairo in January 2016, Egyptian officials met with representatives from the state-owned China State Construction Engineering Corporation (CSCEC) and secured seven Memorandums of Understanding (MoUs) for NAC projects. These non-binding agreements pledged to build what was to be the core of the first phase of the new capital—a dozen ministries, a parliament building, a grand conference hall, an exhibition center, and 15 thousand housing units for low- to middle-income

earners²⁷—financed with a \$3 billion loan package from Chinese state-owned banks.²⁸

But after more than a year of negotiations, the CSCEC pulled out over financial disagreements. Plans for the low- to middle-income housing were scrapped and Egyptian construction companies were awarded the task of building the ministries instead, overseen by the Engineering Authority of the Armed Forces (EAAF), a powerful agency under the Egyptian Ministry of Defense and a longtime manager of massive public works projects.²⁹

Parallel to talks with CSCEC, another Chinese state-owned company, China Fortune Land Development Company (CFLD), signed a \$20 billion preliminary agreement with the Egyptian government in October 2016 to develop 14 thousand feddans.³⁰ But by December 2018, the CFLD deal also fell through over revenue-sharing disagreements.³¹

Ultimately, Egyptian officials reached a compromise with China to build and finance another

\$3 billion area of the new capital, the “towers section” of the Central Business District—with 20 high-rises, including (as Egypt’s state-controlled media and government officials never fail to mention) the tallest skyscraper in Africa.³² While this soaring financial center may be the most striking feature of the city, its footprint of just 120 feddans (or under 0.056 percent of the land allocated to the entire new capital project) is a considerably smaller Chinese contribution than Egyptian authorities had hoped for.

THE ADMINISTRATIVE CAPITAL FOR URBAN DEVELOPMENT (ACUD)

In April 2016, the regime established a joint-stock company, the Administrative Capital for Urban Development (ACUD), to manage the anticipated multibillion-dollar deals with China and act as master developer of the new capital. The company is 51 percent owned by the Ministry of Defense—specifically by two military agencies under its umbrella, the National Service Projects Organization (NSPO) and the Armed



Onlookers observe the construction of the NAC's Central Business District (CBD), October 16, 2020. China agreed to finance and build the “towers section” of the CBD. Credit: Youssef Abdelwahab/Unsplash

Forces Land Projects Agency (AFLPA)—and 49 percent owned by the Ministry of Housing's New Urban Communities Authority (NUCA).

The ACUD's mandate includes managing land sales and their profits, awarding contracts to construction, technology, and services companies, and supervising sub-developers (such as NUCA and private developers) who would build and finance smaller parts of the city. With 20 billion EGP (\$2.3 billion) in paid-in capital from the defense and housing ministries—later increased to 80 billion EGP (\$6 billion) in 2020—and ownership over the 170 thousand feddans of land slotted for the project, the military-led company was well endowed to serve this managerial function.³³

Paving the way for the new capital venture were two presidential decrees enhancing the scope and resources of the AFLPA—a once-modest agency (est. 1981) with an original mandate to manage the sale of military land and real estate that had gone out of use.³⁴ The first decree, issued in November 2015, gave the AFLPA the right to form joint-stock companies with other domestic and international actors, significantly expanding its opportunities for profit-making. The second, in February 2016, allocated 170 thousand feddans to the agency for the purpose of building the new capital, stipulating that the land would serve as the AFLPA's in-kind contribution to the soon-to-be-established ACUD.³⁵

The state's ownership of the vast majority of Egypt's land has long been a source of wealth and power for the country's presidents and ruling coalitions. Al-Sisi is following in the footsteps of his predecessors in distributing the public asset along politically motivated lines to strengthen patronage networks and, in turn, his own regime.³⁶ But the scale of al-Sisi's megaprojects—primarily dependent on his control of state land (in coordination with the military)—

sets his reign apart as uniquely exploitative of this national resource. The new capital is the most dramatic example of this trend.

“ The scale of al-Sisi's megaprojects—primarily dependent on his control of state land (in coordination with the military)—sets his reign apart as uniquely exploitative of this national resource.”

The military's prerogative to keep all of its economic activity secret (on the often unconvincing grounds of national security) has also facilitated the regime's ability to extract rents from state-owned land. In the case of the new capital, the Ministry of Defense's majority stake in the ACUD saved the company from too much prying into its finances—despite it being wholly owned and funded by government entities. The details of the ACUD's budget remain secret, eluding even the oversight of the regime's largely rubber-stamp parliament.³⁷ How the ACUD's multibillion-dollar endowment from public funds is spent is not for the Egyptian people to know. Nor is it of the public's concern where the profits from the sale of the 215,500 feddans of land go.

But apparently this substantial infusion of public resources was not sufficient. As General Ahmed Zaki Abdeen—who served as ACUD chairman from 2017 to 2022—complained to Reuters in May 2019, “We need very extensive financing and the state doesn't have money to give me.”³⁸

III. WHO IS PAYING FOR THE NAC?

During the October 2017 official launch ceremony of the new capital project, General Abdeen presented updates on the year’s work and sheepishly raised questions about who would pay for key elements of the massive undertaking. By this point, the ACUD had been overseeing work on the capital for some 18 months, and the anticipated billions in external financing from the Gulf and China had yet to materialize.

Al-Sisi interrupted from his seat at the front of an auditorium filled with military generals and government officials: “I want to tell you all, don’t worry about any cost . . . at all.”³⁹ His generosity was greeted by a round of raucous applause. This benevolent patriarch with bottomless pockets was showing a different side to the man who had been telling Egyptians for years to tighten their belts for the sake of the nation. As the leader of a country hundreds of billions of dollars in debt, al-Sisi’s confidence in access to funds seemed out of place. But, as he later asked the crowd to more cheerful clapping, “Is it shameful for me to dream?” No cost would be spared to realize his vision.

“As the leader of a country hundreds of billions of dollars in debt, al-Sisi’s confidence in access to funds seemed out of place.”

After that opening ceremony, rarely did General Abdeen provide an interview without claiming that the new capital project had not cost the state “a single cent.” Al-Sisi has also repeated the claim on several occasions.⁴⁰ According to Khaled Abbas, then deputy minister of housing for national projects and current chairman of the ACUD, total spending on the NAC reached

400–500 billion EGP (\$25.48–\$31.85 billion) by March 2021.⁴¹ But the ACUD, which says it is financing the entire project through land sales to investors, had only contributed 90 billion EGP (\$5.73 billion) by the start of 2022.⁴²

So where is the rest of the money coming from?

For starters, the leaders of the new capital project seem to have forgotten about the 80 billion EGP (\$6 billion) in paid-in capital from government bodies that was injected into the ACUD. But in addition to this early endowment, the state has spent the equivalent of several billion dollars in public funds on the new capital project—in the form of cash, debt, and in-kind contributions.

GOVERNMENT BUDGETS AND PROCEEDS FROM STATE-OWNED LAND

According to Abdeen, the heart of the new administrative capital—the Government District—was financed by the ACUD “from its own resources.” Specifically, the 50–60 billion EGP (approximately \$3.8 billion) needed to build it came from the company’s land sales to investors.⁴³ But in fact, this arrangement has cost the state threefold.

First, the public treasury was forced to forgo profits from the state land that was transferred to the AFLPA, one of the ACUD’s military co-owners, in 2016. A 2022 presidential decree transferred an additional 45,500 feddans to the ACUD, bringing the company’s land bank to 215,500 feddans.⁴⁴ Proceeds from the sale of this land now flow to the military-controlled company. Under this arrangement, the idea of the ACUD as “self-financing” becomes little more than a technicality. Public resources were gifted to the company by the president, in turn becoming “the ACUD’s own resources.”

Second, and even more directly, the state has promised to *pay the ACUD back* for the Government District—in effect pushing the cost



President al-Sisi addresses an auditorium during the NAC official launch ceremony in the new capital, October 11, 2017. He assured the crowd, “Don’t worry about any cost . . . at all.” Photo: Xinhua

onto future state budgets. To recoup its expenditures, the ACUD will lease the buildings to the respective ministries and government authorities. Al-Sisi confirmed in July 2022 that the public budget will send 4 billion EGP (\$212 million) in rent to the ACUD annually for at least 13 years.⁴⁵

Finally, at least two of the old government buildings back in Cairo—once “public” property—have been transferred to Egypt’s new sovereign wealth fund, the Sovereign Fund of Egypt (SFE) (est. 2018), controlled by al-Sisi and exempt from public oversight. Several others are slated to be transferred to the SFE. Any profits from future rentals or sales of this real estate will not go to the public coffers, but rather to this non-transparent, regime-controlled fund.

In the end, the state not only loses land and real estate assets—with no compensation—but will be forced to repay the ACUD the cost of the government buildings in the new capital, without ultimately owning them.

The Ministry of Housing and NUCA

Ministries and their sub-authorities are also sending resources from their annual budgets to the ACUD to build other sections of the new capital.

The Ministry of Housing and its affiliated entities have been the biggest spenders, buying land from the ACUD as a so-called investment—essentially sending public funds to the military-controlled body while transferring the risk of project failure onto the treasury. The ministry’s NUCA purchased at least 3,100 feddans for the Central Business District, the Green River (the central park that cuts through the middle of the city as an alternative to the Nile), and two of the new capital’s eight residential districts (R3 and R5).⁴⁶ Prices for the land are set by the ACUD, typically at undisclosed amounts—with the exception of the CBD and central park, which cost around 44.1 billion EGP (\$2.6 billion), according to ACUD Spokesman Brigadier Khaled al-Husseini.⁴⁷

In addition to buying the land from the ACUD, NUCA is in charge of financing and developing these sections of the new capital. Despite operating under the auspices of the Ministry of Housing, NUCA is considered a special “economic authority” [*hay'a iqtisadaya*], which means it commands a special budget separate from that of the ministry.⁴⁸ Similar to the government line concerning the ACUD, state officials speciously describe NUCA as “self-funded.” In reality, like the ACUD, the authority secures revenues primarily through the sale of state land—which is often allocated to the body by presidential decree—and increasingly, as we will see below, through debt.

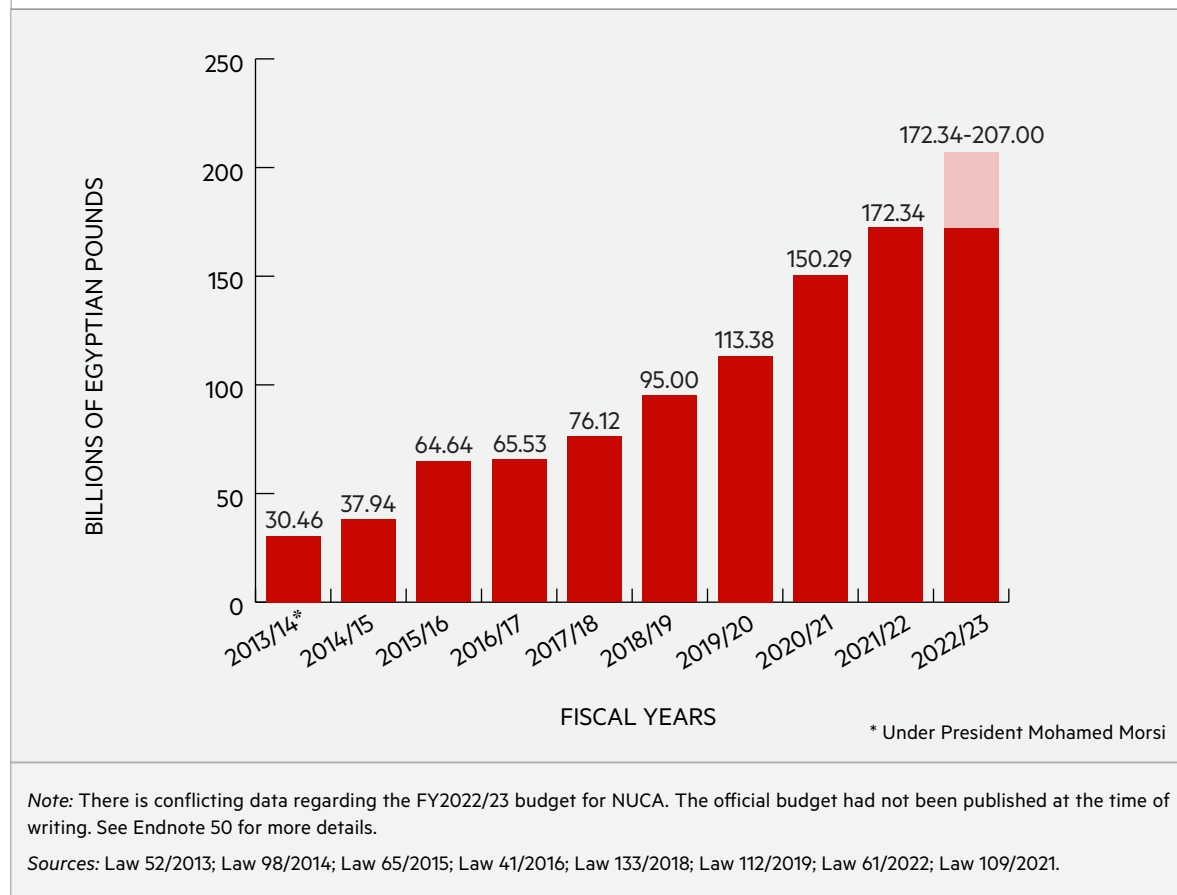
Since the launch of the new capital project, NUCA’s budget has increased dramatically. (See Figure 3.)⁴⁹ The authority enjoyed a budget of 172 billion EGP in Fiscal Year (FY) 2021/22,

up from just 30.46 billion EGP in FY2013/14 (before al-Sisi’s megaprojects started).⁵⁰

While this spending is distributed to projects across the country, much of the money has funded government-led works in the new capital.⁵¹

As early as July 2015, NUCA allocated 5 billion EGP (\$641 million) from its budget for work on the NAC.⁵² And while the authority hasn’t been explicit regarding the budget breakdown in subsequent years, NUCA’s total “investments” in the new capital reached 167 billion EGP (\$10.54 billion) by January 2021 and were anticipated to increase to around 220 billion EGP (\$13.89 billion) by the end of 2021, according to Mohammed Abdel Maksoud, head of the New Administrative Capital Authority (the body that represents the Ministry of Housing under the umbrella of the ACUD).⁵³

FIGURE 3. NUCA’S EXPANDED BUDGET, Fiscal Years 2013–2023



This estimate is likely on the conservative side. In early 2019 alone, NUCA signed more than 200 billion EGP (\$11.15 billion) worth of contracts with companies for work on the new capital to be implemented over the subsequent three years.⁵⁴ And these were just the “investments,” or money spent with the expectation of securing future profits. Expenditures (the cost of general operations) reached an additional 70 billion EGP (\$4.44 billion) between 2017 and 2020, according to Abdel Maksoud.⁵⁵

The authority’s FY2021/22 budget—at 172.34 billion EGP (\$10.98 billion), the largest in NUCA’s history—also funded several projects in the new capital, according to NUCA Vice Chairman Abdel Muttalib Mamdouh. These include (1) the Green River; (2) more than 36,600 residential units and 480 villas in R3 and R5 residential areas; (3) the main roads in the Government District and throughout phase one of the new capital; (4) utilities networks, including sewage lines, covering several thousand feddans; (5) a water plant; and (6) a wastewater treatment plant.⁵⁶

NUCA is not only paying to supply the new capital with water but is also facilitating the redirection of the scarce resource to the NAC from other Cairo neighborhoods and satellite cities—representing another public cost for the sake of the project. NUCA paid 10 billion EGP to install 93 miles of water lines, allowing the new capital to pull directly from the Nile. It spent another 1 billion EGP to bring water to the NAC from water plants in the New Cairo and Tenth of Ramadan satellite cities.⁵⁷

With just 560 cubic meters of water per person, Egypt has already fallen far below the United Nations’ water poverty line (around one thousand cubic meters per capita).⁵⁸ The country is expected to drop into the category of extreme water scarcity within the next decade, a consequence of climate change, population growth, and Ethiopia’s new mega dam upstream on the Nile.⁵⁹

While this problem is not specific to the NAC, the location of the new capital—in the desert some 32 miles from the Nile and 62 miles from the nearest desalination plant on the Gulf of

Suez—means getting water to the new city will be costly.

All evidence suggests the public coffers, not the ACUD, will pay the price of securing sufficient water for the new capital. Cabinet Decision 45/2020, for example, declared NUCA’s pipes project connecting the Nile to the new capital a “work of public interest,” giving the authority the right to “seize any land necessary to execute the project.”⁶⁰ Private landowners who rejected the compensation price offered by the government were forced to cede their land anyway, for the sake of the “public good.”

“All evidence suggests the public coffers, not the ACUD, will pay the price of securing sufficient water for the new capital.”

Finally, under al-Sisi NUCA has been empowered to take public assets without paying back into the treasury. As a government body whose main assets are public property, NUCA is legally bound to send any profits to the public coffers at the end of each fiscal year. But the current fiscal year (FY2022/23) draft budget records NUCA’s anticipated surplus as zero. As a Ministry of Housing official explained to parliament during the budget review, this is because the money will instead be redirected to NUCA’s “investments” in national projects, including the new capital. He added that for the past several years, surpluses have also been redirected to fund these national projects.⁶¹

Indeed, al-Sisi explained at an economic conference in October 2022 that this new arrangement was his direct order. As he told the minister of finance, “The money will stay with NUCA, and I’ll monitor it. And you won’t take any of it, minister of finance. . . . Ok, it could have gone to the Ministry of Finance to be allocated again. True. But I didn’t see that as successful in the past.”⁶²

Other Ministries

The Ministry of Communications and Information Technology is the second largest ministerial spender in the NAC, quietly allocating billions to tech infrastructure across the new capital to make the “smart city” smart.⁶³ It also bought 255 feddans of land from the ACUD for 4.28 billion EGP to build the NAC’s Knowledge City and allocated an additional 15 billion EGP (\$930 million) for the project in its FY2019/20 budget.⁶⁴ According to ACUD Spokesman Husseini, the ministry will also transfer ownership of its old buildings in Cairo to the ACUD as compensation for the 35 billion EGP spent by the military-controlled company and the EAAF to construct the technological hub.⁶⁵

To accommodate expenses for the new capital and other special “presidential assignments,” the

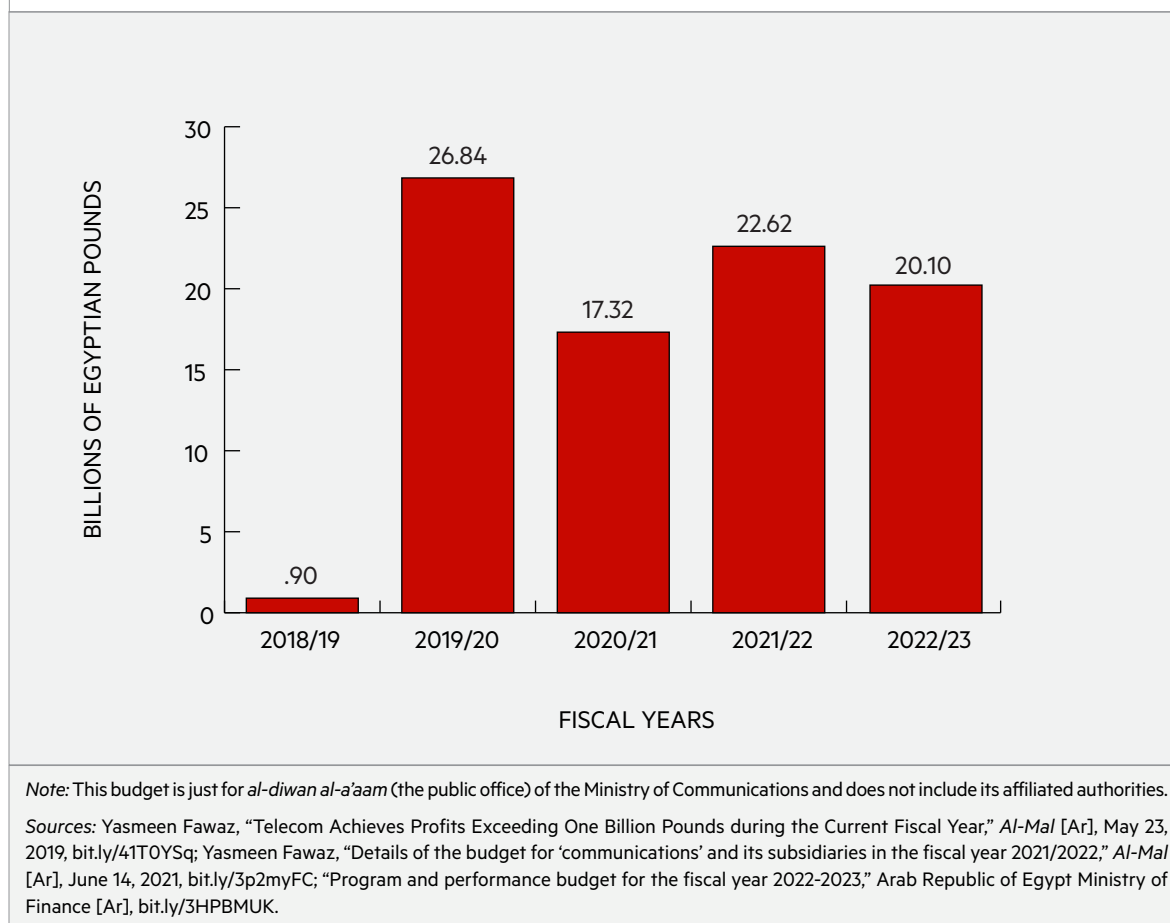
ministry’s budget soared to 26.84 billion EGP in FY2019/20, up from just 900 million EGP a year earlier, and has remained elevated ever since.⁶⁶ (See Figure 4.)⁶⁷

Other ministries are also sending parts of their budgets to the NAC in little advertised transactions. The Ministry of Youth and Sports spent at least 2.28 billion EGP to build the new capital’s 93-feddan Sports City,⁶⁸ while the Ministry of Petroleum and Mineral Wealth signed a \$1 million deal with French company Schneider Electric to equip a strategic command center for the petroleum sector in the NAC.⁶⁹

Public Sector Companies

Public sector companies are also buying land from the ACUD to build in the “private sector” R7 and R8 residential districts and the nearby

FIGURE 4. MINISTRY OF COMMUNICATIONS’ BUDGET, Fiscal Years 2018–2023





Concept drawing of an apartment complex in the Saudi Egyptian Developers' Bleu Vert luxury compound found within the NAC's Investors' Area. Photo: Saudi Egyptian Developers

“Investors’ Area,” which is a mix of large residential compounds and the “Downtown,” to be populated with more malls and offices. The purchases are inflating land prices, sending more public money to the ACUD, and placing more risk on the state in the process.

The Saudi Egyptian Developers, owned in equal parts by Egypt’s Ministry of Housing and Saudi Arabia’s Ministry of Finance, bought 70 feddans from the ACUD for its Bleu Vert luxury compound in the Investors’ Area.⁷⁰ Two companies under the Ministry of Public Business Sector and chaired by military generals, Misr for Investment and Urban Development and Al Shams for Housing and Development Company, bought at least three plots of land totaling 118 feddans in the R7 district for their luxury compounds (Golden Yard, Solana, and Oro).⁷¹ And the Egyptian Electricity Holding Company (EEHC), under the Ministry of Electricity and Renewable Energy, bought a parcel of land in the R7 district for an unadvertised project. (The EEHC spent an additional 840 million EGP on the Electricity Control

Center in the NAC to control and monitor electricity distribution.)⁷²

State-Owned Banks

Finally, state-owned banks have been a major source of direct income for the ACUD. They have sent billions of pounds of public money to the military-led company to buy land for their mandatory new headquarters in the NAC’s Banking District (situated next to the Government District).⁷³ The ACUD, with the power to arbitrarily set land prices, sold the plots at the heavily inflated rate of 15 thousand EGP per square meter, costing the Central Bank some 1.96 billion EGP, with other major spenders including the state-owned National Bank of Egypt (630 million EGP), Housing and Development Bank (525 million EGP), Suez Canal Bank (129 million EGP), Banque du Caire (88 million EGP), and Agricultural Bank of Egypt (87.4 million EGP).⁷⁴ This is in addition to the billions more spent by these state-owned banks on the actual construction of their new headquarters.

FIGURE 5. NUCA'S LOANS, Late 2018–2022

Nov 2018	20 billion EGP (\$1.12 billion) from NBE, HDB, and Banque Misr
Apr 2019	6 billion EGP (\$349.24 million) from NBE, HDB, and commercial banks to meet “urgent financial needs”
Apr 2019	\$2.55 billion (42.87 billion EGP) from Chinese banks to fund the Central Business District
Jul 2019	Start of NUCA's first 10 billion EGP (\$602.77 million) securitized bond issuance on the Egyptian stock exchange
Jan 2020	10 billion EGP (\$634.12 million) from a consortium of banks, led by NBE and Banque Misr
Jul 2020	Start of NUCA's second 10 billion EGP (\$626.96 million) securitized bond issuance on the Egyptian stock exchange
Oct 2020	50 billion EGP (\$3.18 billion) from a consortium of banks led by NBE and Banque Misr at an interest rate of 7.25 percent compared to the prevailing lending rate of 10.25 percent (subsidized by the CBE)
Oct 2020	150 billion EGP (\$9.55 billion) loan package from commercial banks (guaranteed by the Ministry of Finance and subsidized by the Central Bank at 5 percent interest)
Mar 2022	50 billion EGP (\$3 billion) from NBE
Jul 2022	NUCA in negotiations for a loan package of 50-100 billion EGP (\$2.65 billion–\$5.29 billion) from NBE, Banque Misr and others

Despite all of this documented government spending, al-Sisi and ACUD representatives still repeat the fiction that the new capital is not costing the state a “single penny.” Worse still, this direct spending by public bodies pales in comparison to the debt that government entities have accumulated to fund the NAC.

GOVERNMENT DEBT

When then-Housing Minister Madbouly announced that the Ministries of Housing and Defense were establishing a national company to oversee the NAC, he said the company would finance the project by taking out loans and repaying them with the profits from land sales.⁷⁵ But the new capital's debt financing model has taken a very different form—one in which the state bears the burden, while the military-controlled ACUD reaps the profits.

Various government entities, not the ACUD, are the ones piling up debt. Indeed, many of the same ministries (and their affiliated entities) that are spending billions on the new capital from their budgets have also taken on enormous loans for NAC projects. Most of these loans have been guaranteed by the Ministry of Finance—which means that if the government bodies fail to pay them back, the public treasury will be stuck with the bill.

New Urban Communities Authority

NUCA is chief among the debtors. NUCA's debt has skyrocketed over the past three and a half years, with new bank loans reaching at least 348.9 *billion* EGP (\$21.61 billion) between late 2018 and early 2022. (See Figure 5.)⁷⁶ By comparison, NUCA's loans totaled just 78.77 *million* EGP (approximately \$9.92 million) during the four fiscal years prior to this period (FY2013/14–FY2016/17). (See Figure 6.)⁷⁷ This represents a more than 226,000 percent increase in borrowing by NUCA.⁷⁸ Many of the recent loans have come from state-owned banks, namely the National Bank of Egypt (NBE), the Housing and Development Bank (HDB), and Banque Misr. The Central Bank “negotiated” down interest rates from the prevailing lending rate, a euphe-

mism for subsidizing the loans with state funds to the tune of several billion pounds.⁷⁹

These loans have funded NUCA's work on new cities across the country, but the new capital has received a plurality of the authority's debt financing. A full \$2.55 billion in loans (from Chinese state-owned banks) went toward financing the Central Business District (CBD) alone. (NUCA put down the remaining \$450 million up front for the \$3 billion district as a condition of the loan).⁸⁰ NUCA borrowed another \$500 million to build the Green River, including shops and restaurants along the park.

The authority's ability to repay this money depends on its ability to sell or rent the thousands of units in the CBD's 20 towers and to profit from the establishments set up in the Green River. If these profits fail to materialize—an extremely likely scenario—it is the state coffers that will suffer, not the ACUD.

NUCA has also turned toward less conventional forms of debt financing, most notably issuing securitized bonds on the Egyptian stock exchange, totaling 20 billion EGP (\$1.23 billion) as of July 2022. For these transactions, NUCA uses a subsidiary, El Taamir for Securitization Company—a special purpose vehicle (est. 2009), which allows the authority to keep this debt off its books. The bonds, offering a healthy return of 10.9 to 11.87 percent to investors,⁸¹ are also guaranteed by the Ministry of Finance—again shifting the investment risks taken by NUCA (and investors) onto the public coffers. The European Bank for Reconstruction and Development (EBRD) is among the institutions aiding NUCA's debt-fueled spending, buying up 3 billion EGP (€173 million) of bonds from the state body. This is a somewhat odd investment for the EBRD, an entity with a mandate to “foster the transition towards open market-oriented economies to promote private and entrepreneurial initiative” and to assist only those countries “committed to and applying the principles of multi-party democracy [and] pluralism.”⁸²

According to NUCA's Vice Chairman of Financial Affairs Mazen Hassen, at least one full tranche of the bond issuance (worth 2.6 billion

FIGURE 6. NUCA'S ON-THE-BOOKS LOANS FROM FINAL BUDGET ACCOUNTS, 2013–2021

Many of the loans in Figure 5 (pg. 22) are not recorded in NUCA's final budget accounts listed below. This is because: (1) the securitized bonds are not listed in NUCA's budget because they are handled by its special purpose vehicle and kept separate from the parent company; (2) the final budget accounts for FY2018/19 are not publicly available; and (3) some of the later tranches of loans had not yet been disbursed by the end of FY2020/21 (the latest data available).

FY2013/14	11.18 million EGP (\$1.63 million); all from the state-owned National Investment Bank (NIB)
FY2014/15	12.63 million EGP (\$1.78 million); all from NIB
FY2015/16	34.4 million EGP (\$4.46 million); of that, 24.08 million EGP from NIB
FY2016/17	20.56 million EGP (\$2.05 million); of that, 16.13 million EGP from NIB
FY2017/18	514.87 million EGP (\$28.88 million)
FY2018/19	missing data (same fiscal year as \$2.55 billion China loan)
FY2019/20	42.5 billion EGP (\$2.53 billion); of that 6.5 billion EGP originally in external debt and “relent from the public treasury”
FY2020/21	49.56 billion EGP (\$3.13 billion); all domestic debt

Sources: Law 176/2014; Law 52/2017; Law 119/2017; Law 68/2018; Law 52/2019; Law 45/2021; Law 61/2022, bit.ly/42E4gsR

EGP) in 2020 was earmarked for projects in the new capital, including the completion of utilities and residential areas.⁸³ (Cash from the first 10 billion EGP issuances in 2019 went to refinancing NUCA's existing short-term loans.)⁸⁴

The National Authority for Tunnels (NAT)

NUCA is not the only special economic authority racking up debt for new capital projects. The National Authority for Tunnels (NAT) under the Ministry of Transportation—led by General Kamel al-Wazir, a close al-Sisi ally—has also accumulated billions of dollars in loans on massive rail projects connecting the NAC to other parts of Egypt. The “world’s longest monorail,” linking the new capital to Cairo and its western suburbs, will cost an estimated \$4.5 billion, financed by loans to NAT from a syndicate of international banks.⁸⁵ A light rail train connecting the new capital to Cairo’s eastern satellite cities cost \$1.2 billion, financed by a loan to NAT from the Chinese state-owned Export Import Bank of China.⁸⁶ And while it cannot be added directly to the new-capital-expenditures ledger, a third major project—a high-speed electric train linking the Red Sea to the Mediterranean at an estimated cost of \$4.5 billion, financed by more loans taken on by NAT⁸⁷—will pass through the new capital and the “new summer capital” in New Alamein on Egypt’s Mediterranean coast. By 2022, this once small government authority, established in 1983 to build the metro system in Cairo, became “the largest project owner in the Middle East,” with most of its project financing from loans.⁸⁸

NUCA and NAT are just two of the dozens of economic authorities that command special budgets—again, officially “self-sufficient.”⁸⁹ But in fact, they are very much funded by state resources, whether through public land allocations, direct budget allocations, or government-guaranteed loans.

Moreover, as even members of the pro-regime parliament have complained, the losses incurred by these economic authorities have cost the treasury several billion pounds.⁹⁰ Much of this is attributed to over-borrowing and an inability to repay loans. Losses have dramatically increased

over the past few years, from 86.3 billion EGP in FY2018/19 to a projected 169.7 billion EGP in FY2022/23. The FY2022/23 draft budget has these bodies (including NUCA and NAT) financing their investments with a total of 251 billion EGP in debt for this fiscal year alone.⁹¹ While this debt is not counted in the general budget, the state ultimately carries the risk.⁹²

“ [A]s even members of the pro-regime parliament have complained, the losses incurred by these economic authorities have cost the treasury several billion pounds. ”

Public Sector Companies

Other ministry affiliates, such as state-owned enterprises, are also taking on hefty loans for new capital works. The EEHC borrowed some \$7 billion (guaranteed by the Ministry of Finance) from more than a dozen international and local banks to build three of the world’s largest combined cycle power plants.⁹³ Around a third of this amount (approximately \$2.34 billion) went toward the new capital power plant, built to supply the new city with electricity.

To provide transportation within the new capital, it is also a Ministry of Transportation affiliate—not the ACUD—taking on loans. The ministry’s Arab Union for Land Transportation and Tourism bus company (also known as SuperJet) borrowed eight hundred million EGP (\$42.7 million) from the state-owned Banque Misr, guaranteed by the Ministry of Finance, to fund the first phase of bus transportation within the NAC and the construction of a garage.⁹⁴

On the surface, the choice of SuperJet as an NAC transportation provider seems strange for what is meant to be a sleek, smart city. SuperJet is widely acknowledged to be inferior to many of the private sector bus companies operating



The Egyptian regime hopes to host the 2036 Summer Olympics in the NAC's Olympic City, shown under construction in the above undated photo. Photo: Concord for Engineering and Contracting

in Egypt, and its economic losses amounted to around 31 million EGP in 2020 and 2021.⁹⁵ But the terms of the company's contract with the ACUD shed light on the deal's value. Not only is SuperJet paying for the project (through debt financing), but the contract also stipulates that the ACUD will take a full 70 percent of the revenues, according to General Adel al-Zamiti, chairman of the Services Sector in the ACUD.⁹⁶

The deal makes no economic sense for the state-owned company, but—as is a recurring trend—the ACUD will profit without spending a dime. The contract is yet another instance of transferring state resources to the military-controlled body while the state bears the risks. (Incidentally, the heads of all parties involved—SuperJet, the Ministry of Transportation, and the ACUD—were all military generals at the time the deal was inked.)⁹⁷

This list of debt taken on by government entities for the sake of new capital projects is far from exhaustive. Many, if not most, of the financing agreements that are making the new capital pos-

sible are shrouded in secrecy. (Who, for example, is paying for the NAC's Olympic City, which the regime hopes will host the 2036 Summer Olympics?) But the examples above—of several billions of dollars of debt and budget spending that are financing the NAC—are enough to contradict the regime's claims that the public coffers are not being burdened for the sake of al-Sisi's most prized megaproject.

Future generations of Egyptians will be forced to repay these debts for decades to come. The percentage of government budget spending allocated to debt servicing has increased sharply since the start of al-Sisi's presidency in 2014, and it is expected to rise further in the coming years as major loans become due. In the past fiscal year (FY21/22), nearly 48 percent of total government expenditures were allocated to loan repayments, while the draft budget for the current fiscal year (FY22/23) has a full 54 percent of total government expenditures earmarked for servicing debt. By comparison, total debt servicing in FY13/14 accounted for 33 percent of total expenditures.⁹⁸ Meanwhile, money allocated for

consumer subsidies, grants, and social support has been slashed from 25 percent of spending in FY13/14 to just 11.6 percent in FY22/23.⁹⁹

REAL ESTATE DEVELOPERS AND THEIR CUSTOMERS

The claim that the ACUD is paying for the new capital solely with profits from land sold to investors is clearly untrue—as shown above in the details of ample government spending. However, hundreds of real estate developers *are* purchasing plots/investing in some sections of the city—namely in the R7 and R8 residential districts and the Investors' Area.

The role of real estate developers is to buy the land, secure project financing, oversee design and construction, and sell the properties. In the case of the new capital, most developers buy land from the ACUD with down payments of 10-20 percent and installments over three to four years.¹⁰⁰ In turn, they finance much of their building activity through loans and payments from customers—individual homebuyers, or more often, speculative real estate investors.

This problematic arrangement will be discussed further in a later section. For now, suffice it to say that private sector developers are financing some of the new capital project, but a minor fraction compared to overall government spending.

SUBSIDIZED LOANS FROM STATE-OWNED BANKS

These developers, homebuyers, and speculators—as well as contractors building large sections of the NAC—are, in turn, increasingly financing their spending with debt. Many of the new capital loans are either provided by state-owned banks or subsidized by the Central Bank of Egypt—in effect increasing the state's share in the risk of project failure, and surreptitiously channeling more state resources to the new capital.

By June 2021, the NBE (Egypt's largest state-owned bank) alone had financed real estate de-

velopers with 9 billion EGP (\$574 million) for their NAC projects.¹⁰¹ Real estate giant Talaat Moustafa Group (TMG) borrowed 1.3 billion EGP on favorable terms from a consortium of mostly state-owned banks to finance the largest private sector residential compound in the NAC, Celia.¹⁰² And the state-owned Saudi Egyptian Developers took out at least 1.5 billion EGP in loans from state-owned banks for its NAC compound, Bleu Vert.¹⁰³

“Many of the new capital loans are either provided by state-owned banks or subsidized by the Central Bank of Egypt—in effect increasing the state's share in the risk of project failure, and surreptitiously channeling more state resources to the new capital.”

This trend of increased debt financing is also evident at the countrywide level. Developers falling in the category of Egypt's “one hundred largest borrowers” (in any sector) had outstanding loans of more than 48.22 billion EGP (\$3.1 billion) as of June 2021, up from 30.91 billion EGP (\$1.9 billion) the year before.¹⁰⁴

The recent uptick in loans to developers has been facilitated by a package of policy changes and government initiatives. A 2021 CBE amendment allowed banks to finance land installments for real estate companies that already had credit facilities.¹⁰⁵ This decision has increased the risk of default for companies that overborrow (in turn, increasing risks for the mostly state-owned banks that are lending). But the amendment also benefited the ACUD, which could collect money from land sales more quickly—whether or not the real estate projects ever come to fruition or the developers ever pay back their loans.

Earlier, two initiatives by the Central Bank totaling one hundred billion EGP (\$6.4 billion) also allocated state resources for the benefit of real estate developers. The first 50 billion EGP package, in April 2019, helped improve developers' liquidity by allowing banks to take on the debts (installments) owed by customers. The arrangement freed up cash for developers so they could continue their projects while, again, transferring more risk of customer default onto the banks.¹⁰⁶ The second, launched in December 2019, was the Central Bank's mortgage financing initiative, which offered upper-middle income earners favorable payment plans. The program subsidized interest rates down to 8 percent (compared to the prevailing lending rate of 13.25 percent), with repayment over 25 years.¹⁰⁷

While the mortgages helped prospective buyers, they also boosted sales for developers. Most of the subsidized loans were allocated not directly to individuals, but to select real estate companies developing the new capital and al-Sisi's other new cities, which then offered them to customers. For example, City Edge Developments, majority owned by NUCA, secured more than 1.5 billion EGP of the subsidized loans for customers wishing to buy in NUCA's new capital residential districts.¹⁰⁸

The construction sector's share of bank loans has also spiked in recent years with the help of Central Bank subsidies. Egypt's largest contractors and construction companies borrowed more than companies from any other sector in the 2020/21 fiscal year. Their debt accounted for 22 percent—or 111.7 billion EGP (\$7.14 billion) of the total 507.6 billion EGP (\$32.46 billion)—of loans taken on by the largest one hundred borrowers in Egypt.¹⁰⁹

Some of this hefty borrowing was facilitated by a third Central Bank initiative—a one hundred billion EGP (\$6.13 billion) COVID-19 stimulus package launched in March 2020—which provided subsidized loans of 8 percent, compared to the lending rate of 10.25 percent, to select companies.¹¹⁰ The initiative was originally intended to support the industrial sector, but contractors successfully lobbied for their

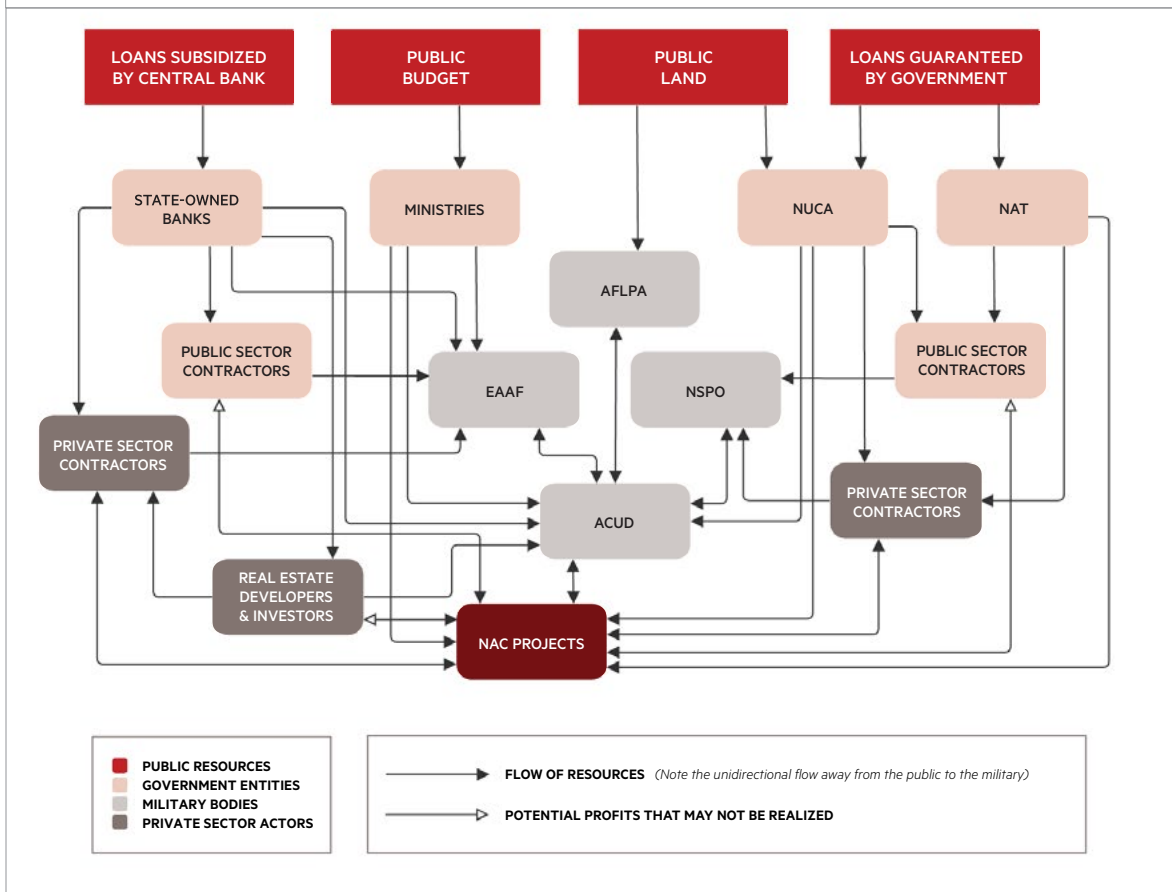


The front doors of the Central Bank of Egypt. Photo: Muhammad Mansour/Flickr

inclusion a few months later. The NBE provided most of this subsidized financing (85.5 billion EGP as of August 2022), with 16.2 billion EGP allocated to contractors.¹¹¹

Most of the construction sector's loans are financing state-commissioned projects, with several billion pounds earmarked for projects in the new capital. For example, Samcrete Construction received a 3.1 billion EGP loan from a consortium of state-owned banks in August 2019 to finance its work for NUCA on the R5 residential district.¹¹² El Marasem (a subsidiary of Saudi Binladin Group) borrowed 2.1 billion EGP in July 2020 from a consortium of banks led by the state-owned Banque Misr for projects in the R5 district and the Green River.¹¹³ And Gama Construction, which is building several major projects in the NAC, borrowed 350 million EGP from the state-owned Suez Canal Bank under the CBE subsidized loan initiative in October 2021.¹¹⁴

FIGURE 7. SUMMARY OF PUBLIC RESOURCES FLOWING TO NAC AND ITS MILITARY MANAGERS



Again, the substantial sums spent on subsidizing many of these loans should be understood as government spending on the new capital. The lack of transparency in how these state-subsidized loans were allocated (often to regime-connected firms), together with the distortions they were causing in lending rates for others, prompted the IMF to demand these subsidized lending schemes be canceled as a precondition for the latest loan package announced in December. Any subsidized loans going forward would have to be recorded in the public budget under the Ministry of Hous-

ing's expenditures to reflect the true cost to public finances.

Finally, in several instances, private sector companies have been forced to pay state-commissioned project costs up front and take out large loans to cover the expenses. But this arrangement is essentially just pushing government debt onto the private companies' books temporarily, as the loans are often guaranteed by the Ministry of Finance or repaid with funds from the public coffers once the company receives payment.

IV. WHO'S BUILDING THE NAC, AND WHO'S PROFITING?

As explained earlier, after the Emirati and the Chinese governments abandoned the new capital project, the military-led ACUD was left alone to figure out how to undertake the monumental task. This was a major shift from the original plan—which had a single Emirati real estate tycoon at the helm and assumed 100 percent external financing—and the backup plan, which relied on China's deep pockets and keenness to expand its Belt and Road Initiative.

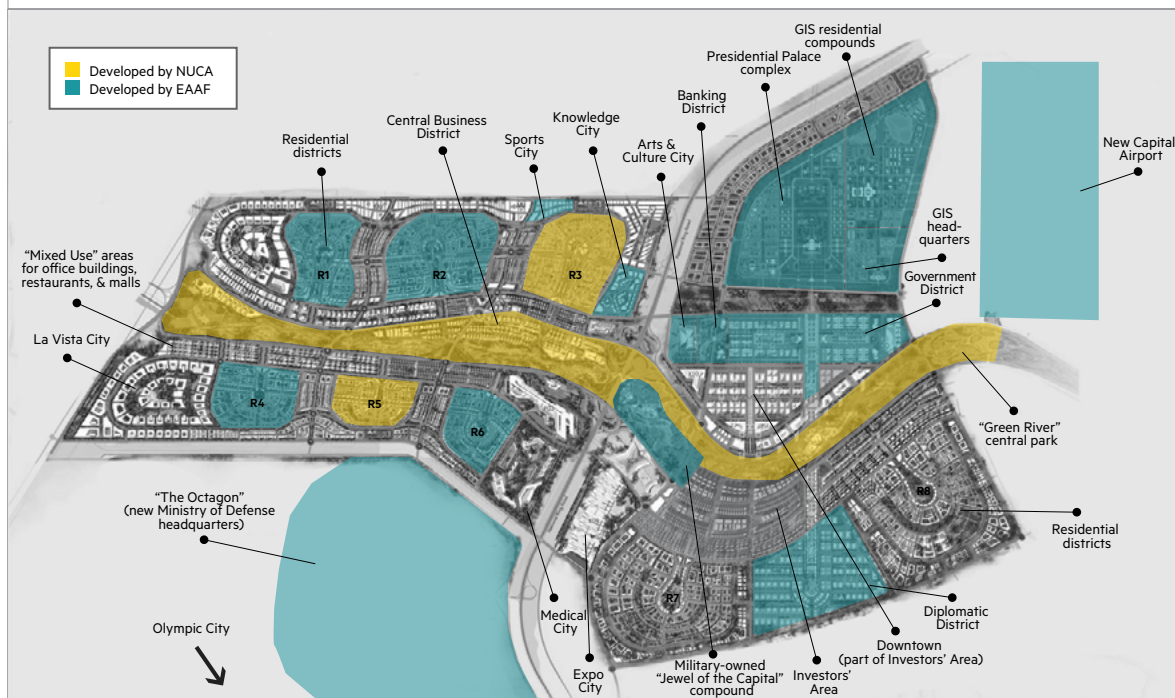
Responsibility for developing the new capital is now divided between the ACUD's two owners, NUCA and the Ministry of Defense. While the new capital projects draw heavily on resources from the former, representatives of the latter—mostly retired military generals—are really the ones in control of the ACUD and its assets.

This division of labor means that those building the new capital are not always the same as

those profiting. In other words, while the civilian NUCA is pouring billions of dollars into the project, its military co-developer is typically on the receiving end of payments (predominantly in the form of managerial fees and proceeds from land sales). Moreover, while the private sector construction companies—many of them now important clients of the regime—have enjoyed ample returns, the public sector companies record low profit margins, in effect subsidizing the project by undercharging the military.

As noted above, NUCA is developing and financing the Central Business District, the Green River, two residential districts (R3 and R5), and most of the roads and utilities throughout the new capital, including water, electricity, and sewage. This work has required enormous spending by the civilian government authority—money it draws from its expanding budget and growing debt.

FIGURE 8. MAP OF THE NAC AREAS DEVELOPED BY NUCA AND EAAF



Meanwhile, the Ministry of Defense's EAAF is in charge of supervising construction of the Government District, Diplomatic District, Knowledge City, Arts and Culture City, Sports City, Olympic City, the remaining roads and utilities not completed by NUCA, and four residential districts (R1, R2, R4 and R6). Unlike the civilian NUCA, the Engineering Authority is paid for its work supervising projects in the NAC (through managerial fees), while the financing typically comes from elsewhere—often from ministries, as is the case for the Knowledge City (funded by the Ministry of Communications), Sports City (funded by the Ministry of Youth and Sports) and Government District (which the government will finance in installments).

The main developers, NUCA and the EAAF, then subcontract to dozens of contractors and construction companies to do the actual building of the new capital's various districts. They award projects directly—without competitive tendering—with little to no transparency, and often to long-time partners of the military. Many of these contractors and construction companies have subsidiaries to provide building supplies, or they otherwise purchase from supply companies that have long-standing ties to the military or from the military itself (most notably for cement and steel).

“ [NUCA and EAAF] award projects directly—without competitive tendering—with little to no transparency, and often to long-time partners of the military. ”

Smaller real estate developers, public sector companies, and an obscure authority led by retired military generals under the Ministry of Housing—the General Authority of Construction and Housing Cooperatives—are buying land from the ACUD and building most of the

R7 and R8 residential districts and the neighboring Investors' Area.

Finally, foreign companies have received multi-million-dollar contracts, mostly for technology and services in the NAC.

1. THE MILITARY

The ACUD and EAAF

The number one beneficiary of the new capital project is undoubtedly the military-led ACUD. According to Abdeen, the company's returns had reached around three hundred billion EGP (\$19 billion) by March 2022.¹¹⁵ That same month al-Sisi said the ACUD controlled one hundred billion EGP (\$6.35 billion) worth of liquid assets, with a total of 3-4 trillion EGP (\$190.5–253 billion) in assets under its management.¹¹⁶ While these numbers (especially al-Sisi's estimation of the asset value under ACUD management) should be taken with a grain of salt, the ACUD has undoubtedly collected billions of dollars from NAC projects. This money is deposited in the company's private bank account, free from any independent oversight.

More specifically, generals operating at the highest ranks of the ACUD's military owners—the NSPO and AFLPA—and the chief overseer of projects, the EAAF, are enjoying handsome cuts of nearly all of the projects being implemented in the new capital, while carrying very little of the risk. These profits come primarily in the form of revenue from land sales for the ACUD and management fees for the EAAF. As noted above, the ACUD will enjoy additional injections of \$212 million annually for at least the next 13 years from the public coffers as “rent” for use of the new Government District.

The ACUD also enjoys a substantial share of revenues from companies subcontracted to provide services in the new capital. These arrangements inflate the cost of services—much of which will be borne by the civilian government. For example, in addition to pocketing 70 percent of revenues from the state-owned



President al-Sisi meets with the EAAF's leading generals to discuss design options for the NAC's \$45 million Grand Egypt Mosque, which can hold more than one thousand worshippers, September 18, 2021. Photo: ACUD/Facebook

SuperJet bus company, as mentioned above, the ACUD has negotiated several favorable international contracts. A 15-year contract with the Emirati Bee'ah company for waste management sends 40 percent of revenues from the company's recycling activities to the ACUD. And a 10-year contract with an Emirati-Jordanian advertising company to prepare and operate ads throughout the NAC (pending approval by the ACUD's generals, of course) gives the military-led company 50–60 percent of revenues.¹¹⁷

The ACUD's plans to launch subsidiary companies will add more tentacles to the military's parasitic patronage networks. In August 2021, the company announced plans for its stock market debut with Egypt's largest ever initial public offering (IPO).¹¹⁸ But when it became clear to the military leaders that the company could not both maintain secrecy surrounding its budget *and* be listed on the stock exchange, a new scheme was hatched. The ACUD would instead establish itself as a holding company

with subsidiaries operating in construction, real estate, and utilities (namely water, gas and electricity).¹¹⁹ These subsidiaries—not the holding company—will be offered on the stock exchange, allowing the ACUD to keep its books closed while also raising capital.¹²⁰

This arrangement increases opportunities for the military-led company to capture rents from the private companies and public entities operating in the NAC. The new ACUD subsidiaries—each providing additional sinecures for retired military generals—will act as little more than middlemen, contracting international and local companies to do the actual work of constructing or developing new projects, or maintaining and building new utility networks, while sending more “managerial fees” to the military-led companies. Government bodies operating services in the NAC will also be forced to send a share of their revenues to the ACUD subsidiaries for their “management” work, again siphoning more resources from the state coffers.



The NSPO's \$1.1 billion cement plant south of Cairo in Beni Suef (completed 2018) is the country's largest. Private sector players in the cement industry have complained of unfair competition and blamed the NSPO for flooding the market with surplus cement. Photo: National Company for Cement

The National Service Projects Organization (NSPO)

In addition to benefiting financially from its role as a co-owner of the ACUD, the NSPO has profited from massive sales of steel and cement—the most important raw materials needed to construct the new capital. It has made significant incursions into both sectors in recent years by taking over formerly private companies and establishing new ones.¹²¹ As Yezid Sayigh, a leading expert on Egypt's military economy, notes, these investments are “only feasible so long as [the NSPO] is guaranteed a return thanks to the massive demand generated by megaprojects.”¹²² And indeed, according to a purchasing manager working for one of the main NAC contractors, the NSPO is the company's exclusive cement supplier for all of its new capital projects.¹²³

The Arab Organization for Industrialization (AOI)

The Arab Organization for Industrialization—a main arm of Egypt's state-owned defense in-

dustry and led by military generals—has also been awarded profitable NAC contracts.¹²⁴ It is enjoying part of the Ministry of Communications' multibillion-pound spending on the new capital's Knowledge City—tapped to implement, manage and operate the “smart system infrastructure” there alongside international technology giants Siemens, Cisco, and Dell. The AOI is also leading an alliance to provide “smart transportation networks” inside the NAC (and in other new “smart cities”);¹²⁵ has built solar power stations for several NAC government buildings;¹²⁶ has manufactured food trucks for the NAC as part of an initiative to boost youth employment, paid for by the president's Tahya Misr (Long Live Egypt) Fund and the state-owned Misr for Entrepreneurship Company;¹²⁷ and was awarded (via direct order from al-Sisi) an exclusive contract to manufacture and install the furniture for the parliament, cabinet building, and 34 ministries (among other spaces) in the Government District. The AOI subcontracted private sector companies to help provide the massive order, taking a cut of their profits along the way.¹²⁸

Additionally, the AOI has secured special agreements with major private sector companies building the NAC to sell them equipment and supplies produced by AOI factories.¹²⁹ As Sayigh suggests, this has been part of a concerted strategy on the part of the AOI and the broader defense industry—a quid pro quo of contracts for contracts.¹³⁰

The Ministry of Military Production (MOMP)

The Ministry of Military Production has similarly “won” lucrative new capital contracts from the ACUD, most notably to supply and install 3,754 elevators,¹³¹ solar panels and water tanks on 65 government buildings,¹³² pipes for drinking water from the Gulf of Suez line, and pumps to bring water from the water station in another of Cairo’s satellite cities.¹³³ Again, most if not all of these projects will ultimately be paid for by the public coffers—whether in the form of the rent paid by government ministries and other state offices that are relocating to the Government District, or from Ministry of Housing affiliates tasked with providing water to the new city.

2. EGYPTIAN PRIVATE SECTOR CONTRACTORS AND CONSTRUCTION COMPANIES

Private sector contractors and construction companies are the second main set of beneficiaries of the new capital project, with NAC contracts awarded to regime-connected firms through non-competitive, non-transparent processes.

The largest companies enjoy contracts worth millions (sometimes billions) of dollars, translating to considerable profits. In some cases, even if returns as a percentage are modest, the sheer size of the contracts can mean impressive gains. In other cases, companies may agree to low payments on a project or two with the expectation that the net value of the megaprojects will yield a profit—whether through future attractive contracts from the state, the transfer of state assets (such as land, subsidized loans, subsidized energy, or tax breaks), or contracts

abroad facilitated by the regime.¹³⁴ The amount of money floating around the construction sector cannot be overemphasized. In 2021, Egypt had ongoing construction projects worth nearly \$109 billion—most of this in or related to the new capital—making it the largest spender in the sector in all of Africa for several years running.¹³⁵

“Regardless of company size, members of the security apparatus are deeply integrated into these profit circles, whether as shareholders, supervisors, suppliers, or contract brokers/middlemen.”

The handful of companies doing the bulk of the NAC construction are the country’s biggest and best-established—likely chosen for their superior skills and decades of experience in implementing large-scale projects. With the dozens of less established and smaller firms, cronyism is commonly at play in determining who gets contracts. Select mid-sized companies, often owned by retired military generals, have grown into construction giants at rapid speed under the al-Sisi regime thanks to their massive contracts for the NAC and other megaprojects.¹³⁶ Finally, several of the smaller private sector companies building the new capital are long-time military subcontractors, often led by retired military generals or intelligence officers, and are enjoying a piece of the pie as part of the regime’s patronage networks.

Regardless of company size, members of the security apparatus are deeply integrated into these profit circles, whether as shareholders, supervisors, suppliers, or contract brokers/middlemen.

The following section examines the main Egyptian construction companies building, and profiting from, the new capital. Efforts have been made to be as comprehensive as possible, with

information gathered from interviews, financial statements, corporate publications, and Arabic news and business articles. This report marks the first time a detailing of the main recipients of the state's multibillion-dollar NAC spending has been published. For more detailed information on each company's NAC clients, projects, and, when available, contract values, see Appendix I.

Egyptian Construction and Contracting Giants

Orascom Construction—the massive private sector company (est. 1950) majority owned by the Sawiris family, Egypt's richest—has a relationship of convenience with the regime. While Orascom executives quietly complain that the state (in oblique reference to the military, one of their top clients) doesn't always make payments on time, the company also enjoys extremely profitable contracts for al-Sisi's megaprojects across the country.

Since al-Sisi came to power, the Egyptian government has become Orascom Construction's main client, accounting for 56.8 percent of the company's revenues in 2021, up from 32.7 percent in 2016.¹³⁷ Orascom has also served as the Egyptian government's largest private sector partner for the regime's megaprojects.¹³⁸ This has been accompanied by a spike in gross profits for the company from \$192.1 million to \$346.4 million over the same period.¹³⁹

Orascom is the single largest builder of the new capital. The company has been subcontracted by the EAAF and civilian state entities to build massive projects worth several billion dollars in the NAC. Orascom Construction subsidiaries have also supplied steel and aluminum for other large new capital projects. And another company in the Orascom family, Red Sea Construction—the in-house construction arm of Orascom Hotels and Development—built more new capital projects, including several ministries, for the EAAF.¹⁴⁰

Hassan Allam Holding (HAH)—one of Egypt's largest and oldest construction, engineering, utilities, and building materials companies (est. 1936), majority owned by the Hassan Allam family—has been awarded dozens of massive

new capital contracts, totaling 20 billion EGP (\$1.27 billion) as early as May 2020 and growing.¹⁴¹ As with Orascom, the state (particularly the military) has become the company's number one client under al-Sisi's regime. The Allam family's construction arm, Hassan Allam Construction, doubled in size during the first two years of al-Sisi's tenure thanks to contracts for major infrastructure works across the country.¹⁴²

“Orascom is the single largest builder of the new capital.”

The sizable growth of HAH—through projects predominantly financed by the public coffers—has also benefited the company's co-owner, the World Bank's International Finance Corporation (IFC). Since late 2016, the for-profit corporation has been a partner in HAH after investing \$20 million in the company to “help unlock the country's economic potential.”¹⁴³

Elsewedy Electric—Egypt's electrical supplies and construction giant (est. 1938), majority owned by the Elsewedy brothers—has been another central player during al-Sisi's rule. The company's finances reflect its outsized role in the president's national ventures, with gross profits soaring to 13.93 billion EGP in 2021 up from 3.31 billion EGP in 2015.¹⁴⁴ And unlike some companies that have begun to feel the pain of Egypt's worsening economic conditions, Elsewedy continues to record growing profits, with the first half of 2022 bringing in 39.4 percent more in gross profit compared to the same period the year before.¹⁴⁵

In the new capital, Elsewedy Electric has implemented major electricity works worth billions of pounds for state clients (both military and civilian), while its sister company, Egyptian Manufacturing and Advanced Systems (EMAS), was awarded contracts to supply electricity equipment for several NAC projects.¹⁴⁶ Elsewedy's construction subsidiary,



Concord for Engineering and Contracting constructs a utility tunnel in the NAC in this undated photo. Photo: Concord for Engineering and Contracting

Rowad Modern Engineering (RME), has also been tapped to build large sections of the NAC. RME has grown exponentially in recent years thanks to projects commissioned by the state, which account for some 60 percent of its contracts,¹⁴⁷ facilitated by its connections to regime insiders. RME is chaired and co-owned by Mohamed Mahlab, son of Ibrahim Mahlab—a top ruling party official during the regime of President Hosni Mubarak, then al-Sisi’s prime minister in 2014–2015, and now al-Sisi’s adviser for national projects.¹⁴⁸

Private Sector Companies that Grew from Medium to Large under al-Sisi

Concord for Engineering and Contracting (est. 1989) was relatively unknown until al-Sisi took power and tapped the company to implement several of his megaprojects. Now Concord is working alongside Egypt’s construction giants on multibillion-dollar infrastructure projects across the country and abroad—most notably the \$1.2 billion light rail transit system, Cairo’s \$4.4 billion fourth metro line, the \$1.2 billion

tunnels under the Suez Canal, and a mega-dam in Tanzania.¹⁴⁹

Inside the new capital, Concord is executing projects worth several billion pounds, mostly for the EAAF.¹⁵⁰ The company’s social capital offers clues to explain its dramatic ascent under the al-Sisi regime. For example, former police generals head Concord’s “public relations” division, and the current CEO, Mohammed al-Shimi, was previously chairman of the state-owned Petrojet and Ganoub el Wadi Holding Company—the former with close ties to the military, and the latter reportedly a front for the General Intelligence Service (GIS).¹⁵¹

Similarly, Redcon Construction, established in 1993 by Admiral Mohamed Safwat al-Gamaal, has seen contract values soar under the al-Sisi regime.¹⁵² By 2018, the company enjoyed contracts worth 22 billion EGP (\$1.23 billion)—half of that in the new capital—compared to around five hundred million EGP in 2015.¹⁵³ By 2020, this once mid-sized company reported earnings of 5 billion EGP (\$318 million), nearly rivaling

that of the massive Orascom Construction.¹⁵⁴ The company's current chairman, Tarek al-Gammal (the admiral's son), was appointed to the original board of the ACUD as an "expert" representative and has since been heavily involved in NAC construction.¹⁵⁵

Gama Construction (est. 1994)—a subsidiary of Triangle Group, which was founded by retired Air Force officer General Abdel Minam Tawil—has also seen its contract values spike since al-Sisi took power. The size of Gama's project portfolio increased by 90 percent between 2016 and 2017 alone.¹⁵⁶ Triangle Group, which is now led by General Tawil's sons, owns companies operating in the energy, defense, and construction sectors, and is a longtime supplier of foreign defense equipment to the military.¹⁵⁷ The EAAF has been Gama's largest client in the new capital, subcontracting Gama to build several multibillion-pound projects.

SIAC Construction—established in 1986 by a former high-ranking engineer at the state-owned Arab Contractors and now led by his son—has enjoyed new capital contracts reach-

ing an estimated 20 billion EGP (\$1.27 billion) by the end of 2022, with most of those contracts granted by the EAAF.¹⁵⁸

Finally, Samcrete, founded in 1963 by prominent Mubarak-era businessman Sami Saad, has built six ministries in the NAC's Government District and large sections of the R5 residential district.¹⁵⁹ Like many connected contractors and developers of the Mubarak period, Saad also enjoyed underpriced land contracts and insider deals that made him and his partners in the government rich.¹⁶⁰ His company is now firmly integrated into the al-Sisi regime's patronage networks. Alongside Samcrete's NAC contracts, the company—now led by Saad's son, Karim Sami Saad—has also entered into joint ventures with the military for several other megaprojects.¹⁶¹

Smaller Companies

Many of the smaller contractors and construction companies building the new capital are led by regime clients, often affiliated to the military or General Intelligence (*mukhabarat*). Wadi el



Samcrete Engineers and Contractors, a subsidiary of Samcrete Holding, constructs the Banque du Caire headquarters, pictured above in an undated photo, in the NAC. Photo: Samcrete Engineers and Contractors

Nil for Contracting and Real Estate—owned by the GIS and vice chaired by a military general—has won several projects in the NAC worth at least two billion EGP.¹⁶² A top official in the company estimated in 2019 that the company's project portfolio increased by 40–50 percent in recent years owing to contracts for national projects, including the NAC.¹⁶³

El Agyal for Contracting and Trade, whose general manager is a military general, also built several projects in the NAC, all through subcontracts from the EAAF. Outside of the new capital, the company has built projects for al-Sisi's Haya Karima (Decent Life) rural development initiative, as well as several buildings and infrastructure projects for various authorities under the armed forces.¹⁶⁴

Abnaa Sinai, which predominantly executes regime projects in the Sinai Peninsula and Gaza, has also been tapped to build sections of the new capital. Most notably, the company is building at least 293 upscale townhouses in Mansoura 6—the main residential compound for intelligence officers, located just north of the sprawling General Intelligence administrative compound.¹⁶⁵

The case of Abnaa Sinai is a prime example of how the regime integrates clients into its networks to subdue dissent—using incentives financed by the state coffers. The company was founded by a North Sinai tribal leader and former enemy of the state, Ibrahim al-Organi. Egyptian security forces killed al-Organi's brother in 2008, and subsequently arrested and tortured Ibrahim. After reaching an agreement with the military, al-Organi became chairman of Misr Sinai for Investments—owned 51 percent by the EAF and 49 percent by businessmen in North Sinai—with factories working in glass, cement, and marble.¹⁶⁶

Alongside pursuing joint business ventures, al-Organi partnered with the military in the al-Sisi regime's "anti-terrorist" campaign in North Sinai. In 2015, he established the Union of Sinai Tribes, which was armed by the state and collaborated with the security forces to combat insurgents. Since then, al-Organi's business empire has expanded with several subsidiaries

under his holding company, Organi Group, including Abnaa Sinai and other companies operating in import/export, security, transportation, cement, and real estate.

Reinforcing the idea of the new capital as a microcosm of the larger political economy under al-Sisi is that fact that many of these companies that are building the NAC are also building al-Sisi's other megaprojects—most notably the 48 thousand-feddan "new summer capital" on the north coast, New Alamein; projects in the military-controlled Suez Canal Economic Zone; infrastructure projects under the Haya Karima initiative; and the major road and transportation projects across the country. Again, this has translated to billions of pounds' worth of contracts for the implementing companies.

“Reinforcing the idea of the new capital as a microcosm of the larger political economy under al-Sisi is that fact that many of these companies that are building the NAC are also building al-Sisi's other megaprojects.”

Meanwhile, enrollment of these private sector companies has benefited the regime on several fronts. The regime (1) gets its projects built quickly, (2) enhances its symbiotic relationship with powerful economic actors, and (3) can point to these partnerships as an example of "robust private sector activity" in response to international actors complaining of too much state (specifically military) involvement in the economy. At the same time, clients in the security apparatus are kept happy as military supervisors receive a cut of nearly all of the projects implemented by the private sector actors; military men and their families own and run major "private sector" companies implementing the projects; and military-controlled companies

enjoy large contracts to provide construction equipment and supplies to the contractors.

3. PUBLIC SECTOR COMPANIES

Major state-owned enterprises are working alongside these private sector actors in the NAC. The Arab Contractors is the main public sector company building the new capital, charged with implementing NAC projects worth 20 billion EGP by 2021.¹⁶⁷ Its most notable works have been those subcontracted by EAAF, but NUCA and NAT have also hired the firm for several multibillion-dollar projects.

Unlike some of the private sector companies that have seen profits soar under al-Sisi thanks to their participation in the NAC and other megaprojects, the Arab Contractors has enjoyed more anemic gains. As the company's former Chairman Mohsen Salah explained, the company is "keen to carry out its business with a very small profit margin" in service of the regime's national projects.¹⁶⁸ The Arab Contractors took in annual net profits of only 532 to 635 million EGP between FY2016/17 and FY2020/21 despite completed contracts ranging from 20.2 to 28.6 billion EGP each year. In other words, net profits represented around 2.2 percent of the contract values,¹⁶⁹ compared to around 4.5 percent in FY2011/12.¹⁷⁰

This relatively small profit margin suggests the state-owned company is charging low rates for its government and military clients—in effect, subsidizing the projects with state resources.

Other state-owned companies have also built several sections of the NAC at reduced prices. The Holding Company for Construction and Development (under the Ministry of Public Business Sector) was tapped by the ACUD to implement infrastructure projects totaling 5 billion EGP (\$563 million) early on in the project.¹⁷¹ And Petrojet (under the Ministry of Petroleum and Mineral Resources) built at least seven major projects in the new capital—only two of which fell firmly in the domain of the petroleum services company. Under the al-Sisi regime, Petrojet has taken on major jobs outside of its

“This relatively small profit margin suggests the state-owned company is charging low rates for its government and military clients—in effect, subsidizing the projects with state resources.”

traditional repertoire owing to its close ties to the Ministry of Defense—despite “lack[ing] the labor and relevant expertise,” as Sayigh notes.¹⁷²

4. EGYPTIAN REAL ESTATE DEVELOPERS

According to former ACUD Chairman Abdeen, more than four hundred real estate development companies are building in the new capital—most in the R7 and R8 residential districts, the Investors' Area, and in “mixed use areas” (comprising more malls and office buildings) that lie alongside and between the residential districts.¹⁷³

Some of these developers have longstanding ties to the regime, but many others are pop-up companies with no record of previous work and opaque ownership and financing. This latter group often overlaps with the first, with several of the unknown companies likely owned by members of the security apparatus.

For the most part, Egypt's largest real estate development firms have ducked the regime's efforts to pressure them into investing in the new capital. According to current ACUD head Khaled Abbas, this trend will change in the second phase of the project, which will be the “phase of the big developers.”¹⁷⁴ But no concrete deals have been signed to date, and judging by the state of the first phase, an outpouring of investments by top developers is unlikely. This lack of interest from most of the big real estate companies meant the ACUD had to divvy up much

of the land in R7, R8, and the Investors' Area into smaller plots, typically between 10 and 40 feddans, and sell them mostly to smaller companies (hence the four hundred-plus developers).

There are, however, major exceptions. A handful of private sector firms have agreed to build much larger sections in these parts of the NAC—forming new partnerships with the regime or consolidating old ones. The following section describes the roles played by these developers.

Talaat Moustafa Group (TMG)

The most glaring case of patron-client relations at work in the new capital, and thus one worth discussing in some detail, can be seen in the regime's partnership with Hisham Talaat Moustafa, CEO of Egypt's largest real estate developer, TMG Holding. Moustafa—a one-time favorite of the Mubarak regime and ruling party member of parliament who shared financial interests with the president's son, Gamal—is developing one of the largest plots of land in the new capital.

In June 2017, al-Sisi pardoned Moustafa, who was serving a 15-year sentence for ordering the murder of his ex-girlfriend, Lebanese popstar Suzanne Tamim.¹⁷⁵ Freed eight years early by the benevolence of al-Sisi, Moustafa expressed his appreciation by donating hundreds of mil-



Top businessman Hisham Talaat Moustafa is transferred to Tora Prison on February 9, 2016, to continue to serve his sentence for murder. In 2017, he was pardoned by al-Sisi, before becoming a major developer in the NAC. Photo: Youm7

lions of pounds to regime initiatives.¹⁷⁶ A new category appeared on TMG's income statement in 2016 called "donations and governmental expenses," totaling 1.32 billion EGP between 2016 and 2021.¹⁷⁷

Moustafa was one of the earliest and most enthusiastic private sector developers to invest in the new capital idea. Within months of his release from prison, he bought a plot of five hundred feddans for 4.41 billion EGP (\$247.8 million) to build a luxury compound, Celia. This was the largest land plot purchase by any private sector developer in the new capital—the money of course sent to the military-led ACUD.¹⁷⁸ TMG also quietly built the NAC headquarters for some of the most powerful ministries: the Ministry of Military Production, Ministry of Electricity, and Ministry of Petroleum.¹⁷⁹ The terms of the contracts are unclear, and nowhere do these projects show up in the company's financial statements, suggesting they were perhaps donations, perhaps built in return for an in-kind payment, or perhaps subsidized by Moustafa.

TMG is also partnering with state entities for major projects near the NAC, deepening their shared interests. Just across the road from the New Capital Airport, Moustafa is developing five thousand feddans with NUCA in Capital Gardens—another of al-Sisi's new cities, decreed into being in 2020 and allocated over 29,500 feddans. In exchange for the land, TMG will pay NUCA around 28.5 billion EGP, in cash and in kind, including units within the upscale residential community the company is developing there, Noor City.¹⁸⁰

This partnership indirectly benefits the military. Al-Sisi gifted 35 percent of the public land allocated to the Capital Gardens project to the AFLPA by presidential decree. The decree also ensures that the Ministry of Defense will maintain its earlier ownership over 2,700 feddans of the area, thereby placing more than 44 percent of Capital Gardens under military ownership. The public (via NUCA) will carry the costs of outfitting the area with roads and utilities—enhancing the value of the property for the military landowners and TMG. Meanwhile, work

by TMG and NUCA on Noor City—the deep pockets of the former affording sleek designs by top American urban planners and consultants—will make the military’s neighboring patch of desert more attractive to potential buyers.¹⁸¹

As in all clientelist dealings, Moustafa’s relationship with the regime is symbiotic. While he donates to al-Sisi’s initiatives and builds the president’s projects, TMG’s profits and sales have soared. The company’s gross profits reached 4.99 billion EGP in 2021, up from 3.12 billion EGP in 2017;¹⁸² and sale contracts spiked to 32.5 billion EGP in 2021 compared to 13.1 billion in 2017. Most of the recorded increases came from TMG’s Celia project and nearby Noor City. In the first six months of Celia’s launch, the company signed 12 billion EGP worth of sales contracts.¹⁸³

State-owned banks are facilitating these impressive figures, financing the company with several billion pounds through loans and joint ventures. TMG borrowed 1.3 billion EGP on favorable terms in January 2021 from a consortium of mostly state-owned banks to finance Celia.¹⁸⁴ The state-owned NBE, Banque Misr, and Banque du Caire are also financing the construction of Noor City, allowing TMG to offer payment plans of 15 years to buyers—“the first of their kind” in Egypt, according to Moustafa.¹⁸⁵ This gives TMG an advantage over most developers, which typically rely on customers’ down payments and installments to fund their projects, and thus demand shorter payment periods and more money upfront.

State-owned banks are also boosting TMG’s sales and profits by buying up land and assets from the company. The NBE and Banque Misr paid more than 14.7 billion EGP between 2020 and 2021 for land and non-residential assets in Medinaty and Rehab, Moustafa’s older mega-developments near the new capital that cover eight thousand and 2,400 feddans, respectively.¹⁸⁶

The Central Bank’s 50 billion EGP mortgage finance initiative has further aided TMG’s sales. The company collaborated with NUCA to sell

units in Medinaty and Rehab under the Central Bank initiative, securing subsidized loans for TMG’s upper-middle class clients.¹⁸⁷ And of course, as with the military’s real estate, the value of TMG’s residential compounds has also increased thanks to the government investments in roads, infrastructure, and the new capital itself.

“As in all clientelist dealings, Moustafa’s relationship with the regime is symbiotic. While he donates to al-Sisi’s initiatives and builds the president’s projects, TMG’s profits and sales have soared.”

Moustafa represents a leading case of a Mubarak-era crony reintegrating into al-Sisi’s patronage networks, only this time operating much more firmly under the thumb of the regime. He owes his freedom, along with some of his largest land acquisitions, directly to al-Sisi. While Moustafa has not resumed his seat in parliament under al-Sisi, his sister and fellow board member, Sahar Talaat Moustafa, has represented the family name in the lower house since 2015.

Misr Italia Group

Misr Italia Group founder and owner Hany al-Assal is another early supporter of the new capital idea and rising client in the regime’s patronage networks. His company was among the first and largest land buyers in the new capital, purchasing a total of 310 feddans from the ACUD between 2017 and 2018 for 3.7 billion EGP.¹⁸⁸

In addition to two luxury compounds, Vinci and Il Bosco New Capital, under construction in R7 and the nearby Investors’ Area, Misr Italia also built the NAC’s first public school in the R2 district for the military, fully funding it with a 25 million EGP donation.¹⁸⁹



Misr Italia Properties co-CEOs Mohamed Khaled al-Assal (left) and Mohamed Hany al-Assal (center) sign a Memorandum of Understanding with Khaled Hashem (right), Honeywell president for Egypt and North Africa, March 18, 2022. Photo: Misr Italia Properties/Facebook

Al-Assal, who became a member of the upper house of parliament in 2020, is extremely vocal in his support of al-Sisi and has donated at least one hundred thousand EGP to the president's Tahya Misr Fund.¹⁹⁰ In exchange, Misr Italia has enjoyed a greatly expanded land bank and accessed preferential loans exceeding 3.15 billion EGP, most of which have been lent or guaranteed by state-owned banks.¹⁹¹

Plaza Gardens Developments

Plaza Gardens Developments, established in 2013 by an unnamed group of “engineers and experts,” is building a luxury compound, Rhodes, on one hundred feddans in the R7 district, as well as a two-tower commercial complex, Audaz.¹⁹² While Plaza Gardens’ ownership structure is kept secret, the face of the company, CEO and Managing Director Naafa’ Abdel Hadi, offers clues as to who is behind the firm and its sudden rise. Abdel Hadi is a member of parliament and a secretary general of the pro-Sisi Homeland Defenders Party (*Hama al-Watan*), founded in 2013

by a group of retired military and police generals.¹⁹³ The party’s leader, General Galal al-Haridi, also founded the military’s elite special forces (*qowaat al-sa’ka*) in the 1950s and is a member of parliament’s upper house.¹⁹⁴ Haridi and Abdel Hadi are both vocal cheerleaders for al-Sisi in parliament and the public sphere, the latter appearing regularly on talk shows to promote the president’s megaprojects.¹⁹⁵

Gates Developments

Plaza Gardens is developing Audaz together with Gates Developments—another opaque company whose leadership and affiliations suggest it is owned by members of the security apparatus. The company’s founding CEO and managing director, Ahmed Aboul Fottouh, is a police general and former assistant to the minister of interior.¹⁹⁶ Gates, which was established in 2018 specifically to build in the new capital, is a spin-off of the United Arab Company for Construction, which reportedly created a joint venture with the intelligence-owned Wadi el Nil in 2013.



La Vista City is the largest residential compound in the NAC, developed in an unadvertised joint venture with the military's AFLPA. Photo: EGY Property Real Estate Consultants

In addition to Audaz, Gates is developing two luxury residential compounds, Catalan and Venia, in the R7 district. Notably, both projects were subcontracted by state-affiliated associations—Catalan by a club for employees at the Central Auditing Organization, and Venia by an association of employees from the state-owned Egyptian National Gas Company.

*Direct joint ventures with the military:
La Vista, Pyramids, and Remco*

While all developers in the new capital are doing business with the armed forces by purchasing land from the military-led ACUD, some have formed more direct partnerships with the military. A handful of companies have entered into joint ventures with the AFLPA, in an arrangement that essentially promises their military partner a share of future revenues ad infinitum in lieu of paying for the land. Each side becomes a co-owner with a vested interest in the other's continued success.

These joint ventures are facilitating the expan-

sion of military actors' rent-seeking activities, allowing them to more easily exploit their growing bank of formerly state-owned land. The military need not perform any work—it simply contributes the land. In return, it secures a stream of rents for years in the future through the value-added activities of developers. In addition to expanding the armed forces' economic interests, the projects bring new clients firmly into the regime's patronage networks.

La Vista City—the largest residential compound in the NAC, comprising villas sprawled out over 910 feddans—is being developed by the well-established Mubarak-era La Vista Developments in quiet partnership with the AFLPA.¹⁹⁷

Just beside La Vista, Pyramids Group is partnering with the AFLPA to develop the new capital's largest commercial complex, Pyramids City—a 25 billion EGP (\$1.6 billion) mega-mall on 140 feddans.¹⁹⁸ This is just one of nearly a dozen new capital works under development by the group, whose owners, the Kholi brothers, returned to Egypt from France in 2013 to support al-Sisi's

national projects.¹⁹⁹ Their other NAC projects include several smaller malls, two residential compounds, a business tower, and two schools. In addition to investing hundreds of millions of dollars in real estate ventures as part of military-led megaprojects, the Kholi brothers have donated at least 14 million EGP to al-Sisi's Tahya Misr Fund.²⁰⁰

“These revenue-sharing projects have proliferated since 2015, when Presidential Decree 446 turned the AFLPA into an unabashed profit-seeking actor.”

In a similar partnership, Remco for the Establishment of Touristic Villages (est. 1995) and the AFLPA are developing Stella Park over 151 feddans next to the R7 residential area, with a 55 percent share for the former and 45 percent for the latter.²⁰¹ Remco's owners, the Ayoub family, have a long history of building compounds and resorts for the military through the Ayoub patriarch's Ayoubco contracting company (est. 1981).²⁰² Ayoubco was also subcontracted by the armed forces to build bridges, airports, roads, and utilities networks since the 1980s. More recently, Remco partnered with the EAF on its Stella di Mare II tourist village in Ain Sokhna—granting the armed forces 40 percent of project revenues in exchange for the 514 feddans of seaside land.²⁰³

These revenue-sharing projects have proliferated since 2015, when Presidential Decree 446 turned the AFLPA into an unabashed profit-seeking actor. Previously, military officials were less keen to disclose the sale of state land for financial gain. As late as 2014, General Mohamed Amin, head of the Ministry of Defense's Financial Authority, told the *Financial Times* that the military did not sell land to developers or investors. He clarified: “When we take payment, it is not because we have sold the land. . . . It is because we may need to move a battalion or find an alternative training ground for its activities.”²⁰⁴

While this statement was as false then as it is now, today military entities no longer pretend not to profit from the sale of state land.

5. COOPERATIVE ASSOCIATIONS FOR CONSTRUCTION AND HOUSING

Another group of entities building in and profiting from the NAC are cooperative associations for construction and housing (*gama'ayat ta'awinaya lil-buna' w el-iskaan*). These community-based organizations pool their resources to build and manage housing developments for their members—generally state employees and their families—while benefiting from government subsidies and other state incentives to facilitate the construction. While Egypt boasts some 3,500 cooperative housing associations, most of those involved in the NAC are affiliated with powerful regime institutions: the military, the police, and state entities involved in the banking and hydrocarbons sectors.

These cooperatives have purchased land and are building in the Investors' Area and the R7 and R8 residential districts. They serve important functions in the new capital project by (1) offering the appearance of popular demand for new capital land (as some of the earliest buyers in the project), when in fact the purchases represent the funneling of more state subsidies to regime insiders; (2) facilitating the further transfer of resources from the public treasury to the military-led ACUD; and (3) strengthening the regime's patronage networks in the security apparatus and civilian bureaucracy—again, by tapping into the state coffers to distribute rents.

These cooperative associations operate under the umbrella of agencies within the Ministry of Housing that have long been fiefdoms of retired military generals. Both the General Authority for Construction and Housing Cooperatives (GACHC) and its sister organization, the Central Union for Housing Cooperatives (CUHC), are traditionally led by retired generals—currently Generals Hossam Rizq and Fouad Tawfik, respectively.²⁰⁵ The organizations are both deeply integrated into the networks of military generals that permeate the new capital project.

Former ACUD Chairman Abdeen, for example, served as GACHC chairman in the early 2000s after previously heading the EAAF (1997–2000).

The GACHC and CUHC serve overlapping functions in terms of overseeing cooperatives' projects—"two sides of the same coin," according to General Tawfik.²⁰⁶ In 2015, however, the GACHC expanded its role from mere supervisor and intermediary in securing finance from the state to a full-fledged "developer," according to General Rizq—buying the land, planning the layout of the new neighborhoods, contracting construction companies to install utilities and build the units, and selling the units to cooperative associations.²⁰⁷ In short, the General Authority has become more like NUCA and even less like the original vision of the cooperative movement.

Like NUCA, the GACHC is a special economic authority that claims to be independent from the state budget. But in fact, the body receives direct transfers from the treasury and enjoys access to state resources in the form of heavily subsidized land and loans. Between 2017 and 2022, for example, at least 361.7 million EGP in direct subsidies were earmarked for the GACHC from the public budget. More importantly, the authority can buy state-owned land at a discount of 25–50 percent compared to market price and can secure 20-year loans at 5 percent interest—compared to recent lending rates as high as 19.75 percent, with the difference covered by the treasury.²⁰⁸ Housing cooperatives are also exempt from taxes and customs for importing building materials and machinery, representing more lost income for the public coffers and more rent opportunities for the military general-led authority.²⁰⁹

In the new capital, the GACHC has purchased more than five hundred feddans, which it sold to around a dozen cooperative associations—at least four belonging to military officers, three to police officers, two to employees working in state-owned gas and electricity companies, and one to employees at the National Bank of Egypt.²¹⁰ The General Authority and the Central Union then oversaw the "tendering process," ultimately choosing the construction and real

estate companies that are now building and designing the compounds.

Given this arrangement, it is perhaps unsurprising that the "winners" of the tenders were typically regime-connected companies. For example, the compounds for the Golden Eagle Cooperative Association for Police Officers and the Cooperative Association for NBE Employees are being built by a company owned by Military Intelligence.²¹¹ And as mentioned above, Gates Developments, with clear connections to the security apparatus, is building and developing the Venia compound for the Cooperative Association for the Egyptian National Gas Company.

“For decades, housing cooperatives have been plagued by corruption—starting at the top with the retired military generals who led the General Authority and Central Union, down to the board members of individual cooperatives.”

For decades, housing cooperatives have been plagued by corruption—starting at the top with the retired military generals who led the General Authority and Central Union, down to the board members of individual cooperatives.²¹² Housing cooperative members have filed dozens of lawsuits over the years accusing their boards of embezzlement,²¹³ of selling them land for several times more than what the boards paid,²¹⁴ or of selling them land that had already been revoked by the state due to the cooperatives' inactivity. Many cases unfolded over decades as members continued to pay installments and waited for homes that were never built.²¹⁵ The cooperatives' oversight bodies were either incredibly negligent or complicit in this rampant corruption, with aggrieved cooperative members suggesting the latter.



General Hossam Rizq (front left), head of the General Authority for Construction and Housing Cooperatives, signs a cooperative housing development agreement with Saudi Prince Saud bin Talal bin Badr on October 14, 2021, in Cairo, while current ACUD Chairman Khaled Abbas (back left) and Egyptian Minister of Housing Assem al-Gazzar (center) look on. Photo: Saudi Press Agency

General Rizq acknowledged this historic foul play in a 2015 TV interview, but insisted that things had changed under his watch. “I’m taking this opportunity to tell all of the associations... there’s no room to elect a corrupt board of directors, because I, the authority, will not allow that,” he said, adding that crooked board members had all been removed and taken to court.²¹⁶

But the general’s watchful eye didn’t prevent major housing cooperative scandals in the NAC, as the following two episodes show.

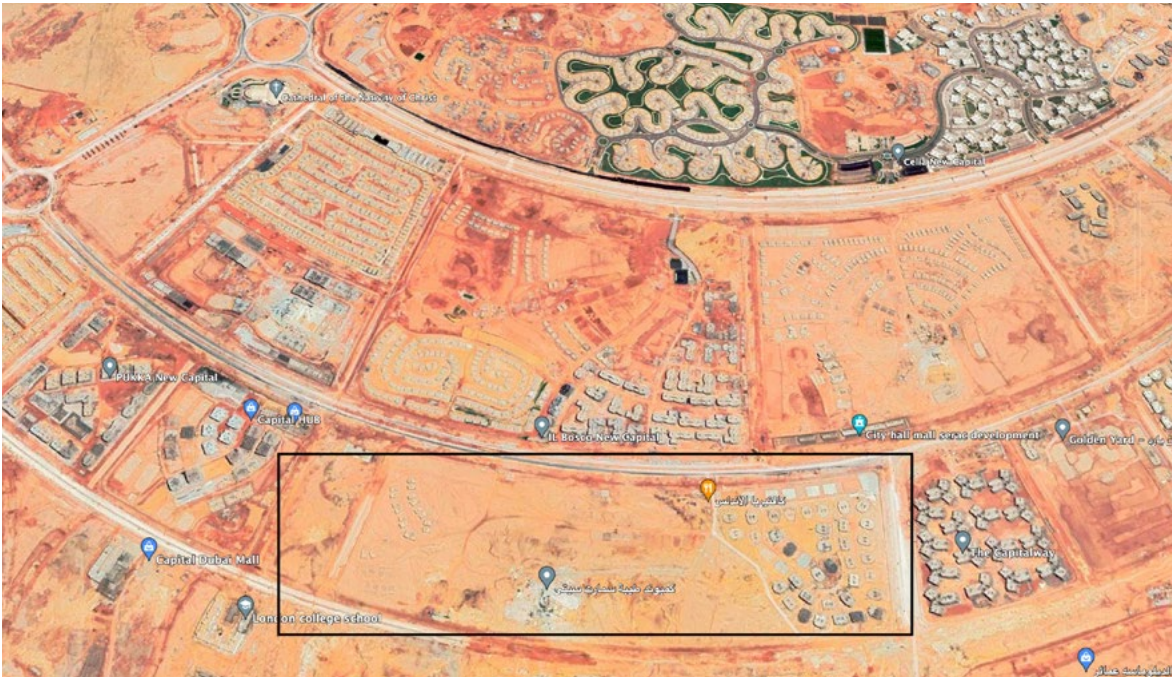
The Tiba Rose Housing Cooperative Association for Air Force Officers was one of the first entities to buy land in the new capital, as well as the first to receive ministerial approval to build a residential compound. In May 2017, the cooperative began advertising units in its 150-feddan Tiba Rose Compound to Air Force officers and their families, with delivery promised in 2020.²¹⁷ But by the end of 2021, it seemed that Atum Developments—another opaque pop-up developer that was subcontracted by the Tiba Rose Cooperative board with approval from the

Central Union—had absconded with the down payments of the Tiba Rose homebuyers. The cooperative board (led by retired Air Force generals) denied the existence of any contracts or receipt of payments.

Desperate buyers turned to social media in an attempt to recover their money, filming an impassioned plea to President al-Sisi from outside the Tiba Rose Cooperative headquarters.²¹⁸

The video received so much attention that even pro-regime news outlets picked it up—but only after the same defrauded buyers had made a second video, in which they thanked al-Sisi for coming to their rescue and reassured viewers that buying in the new capital was a safe investment.²¹⁹

State-controlled media suggested it was the case of one bad apple; the CEO of Atum Developments had been taken into custody. But this was not the first time the board of the Tiba Rose Housing Cooperative had been accused of misusing members’ funds. An Air Force general



The new capital's Tiba Rose Compound (in the black box) remains mostly desert, as seen in this satellite image from April 17, 2023. (The green patch to the north is Talaat Moustafa Group's Celia). Photo: Google Earth

and member of the cooperative filed an official complaint alleging similar accusations against the chairman of the board in 2017 for a Tiba Rose project in nearby New Heliopolis.²²⁰ And again, if it were the case of one bad apple, the responsible oversight bodies—the Tiba Rose board of directors, the General Authority, and the Central Union, all of which are led by retired military generals—revealed themselves to be extremely incompetent supervisors.

The incident disappeared from the news, but as of May 2023, the Tiba Rose Compound still remains mostly barren desert. In May 2022, the Tiba Rose Housing Cooperative signed a new NAC contract with the chairman of the Military Production Company (under the MOMP) and a long-time military contractor, Argynza Construction, to develop an 85-feddan residential complex, Argynza City.²²¹ It is unclear if this will be built on the same plot of land, or on a new one, or at all.

Members of the El Fida' Housing Cooperative for Military Special Forces made similar videos last summer—issuing more “rescue calls to the

president.” In one (since removed from YouTube), a retired military officer accuses the board of directors of using the money paid by 1,600 members to build “50 to 60 villas for certain people” (the only units completed in the five years since the project was announced). And in another, members complain that the cooperative board failed to honor original price agreements—demanding extra money from the members who had been dutifully paying installments for five years, without receiving contracts or receipts, for units that should have been delivered two years earlier.²²²

The Tiba Rose and El Fida' sagas offer insight into how the regime's patronage networks can backfire—fomenting the resentment of natural regime allies who fall victim to the corruption or mismanagement of regime insiders. The military officers and their extended families bought homes in the “president's project” from associations led by military generals, in a mega-development led by military generals. An understandable conclusion would be that the failure of their investments is a direct reflection of the failure of the president and his military regime.

6. FOREIGN COMPANIES

The final category of entities profiting from the NAC are foreign companies, namely Gulf-based contractors and Western firms implementing massive infrastructure and technology projects. A list of foreign companies involved in the NAC is provided as Appendix II.

Gulf Companies

Gulf companies are notable more for their absence than for their presence in the new capital. Most of the high-end Gulf real estate developers have stayed away from the project. Despite sending billions of dollars in rents to al-Sisi's regime, Saudi Arabia and the UAE are not happy with the military's expanding economic role. Egypt's military actors typically demand excessive cuts in profit-sharing agreements and are often above the law—making for less than ideal partners (and even worse competitors). This dynamic demonstrated itself clearly in the failed negotiations between the initial Emirati developer, Alabbar, and his Egyptian military-led counterparts.

Only two Gulf contractors are building significant portions of the city for NUCA. These heavyweights with access to finance helped the authority build its sections of the new capital quickly. ASGC Egypt, owned and founded by a retired Emirati Air Force officer, built at least one hundred residential and mixed-use buildings for NUCA in the R3 and R5 residential districts, along with all of the infrastructure works for R7 and the Investors' Area.²²³ These works, along with other NAC projects, has made the Egyptian government ASGC Egypt's number one client, accounting for some 65 percent of the company's contracts.²²⁴ And El Marasem, a subsidiary of Saudi Arabia's largest construction conglomerate, the Saudi Binladin Group, was tapped by NUCA as early as July 2019 to build 15 billion EGP worth of new capital projects.²²⁵

Western Companies

A handful of European and American firms have secured lucrative contracts for hun-

dreds of millions (sometimes billions) of dollars. These Western companies are complicit in weighing down the Egyptian state's books with debt and redirecting its scarce resources to expensive showpiece projects that are prioritized over less glamorous, essential social spending. Because their contracts are typically signed with military-controlled entities, they also contribute to lining the bank accounts of military fiefdoms along the way.

“These Western companies are complicit in weighing down the Egyptian state's books with debt and redirecting its scarce resources to expensive showpiece projects that are prioritized over less glamorous, essential social spending.”

German technology giant Siemens is by far the largest Western partner in the NAC. While there is nothing inherently wrong with the Siemens-led ventures, the size of the projects—costing several billion dollars and financed almost entirely by debt—raises serious questions about the role of foreign companies in profiting from al-Sisi's mis-prioritization of state spending.

The company's share of the new capital's combined cycle power plant—the world's largest—accounted for most of the \$2.34 billion deal, followed by an additional \$352 million to manage and operate the plant and two others for eight years.²²⁶ Siemens also signed a \$3 billion contract with NAT for the \$4.5 billion high-speed train linking the new capital to the Red Sea and the Mediterranean,²²⁷ and a \$53.61 million contract (with Hassan Allam) to build the new capital's National Energy Control Center, a power grid control center to manage transmission networks and power plants across the country.²²⁸ Several other new capital deals are in the works, including with a government

body to supply electricity systems for Africa's tallest building, the Iconic Tower;²²⁹ with the military-led AOI to jointly manage and operate the NAC's Knowledge City;²³⁰ and with the Ministries of Communications and Industry to establish and equip an Innovation Center in the Knowledge City.²³¹

American Dell Technologies and Cisco are working alongside Siemens and the military-led AOI in the Knowledge City and elsewhere in the NAC, enjoying massive contracts financed by the Ministry of Communications. Most of the contract values are not disclosed, but according to the general manager of Dell Technologies in Egypt, Tarek Haiba, "The state does not skimp on spending for technology [in the new capital]. . . . the projects are large and the investments are huge."²³² Indeed, in 2020, Cisco won a \$300 million contract (in partnership with a local company) from the Ministry of Communications to supply equipment and systems for communication centers around the NAC.²³³

French multinational Schneider Electric also won at least €100 million in new capital contracts between 2019 and 2021 to build technological infrastructure, power stations and electricity distribution networks throughout the NAC—all with government deals.²³⁴

Another France-based multinational, Alstom (with its manufacturing center in the United Kingdom), signed a major new capital transportation contract with NAT—€2.7 billion to design, build, and install 70 monorail trains and provide 30 years of operation and maintenance services.²³⁵

Other Western companies have signed agreements directly with the ACUD, which, according to General Abdeen, will yield impressive profits for the military-led company.²³⁶ French telecom and technology company Orange was awarded a \$135 million contract to build and operate the NAC's main Data Center, which will host all "smart city" platforms like cloud computing, internet, phone, and TV services.²³⁷ The French state-owned electricity company, Électricité de France (EDF), signed a deal to manage the new

capital's electricity distribution and supervise the execution of the Energy Control Center;²³⁸ and the German Dorsch Gruppe signed two similar service contracts to manage water (including drinking water, irrigation, and sewage) as well as traffic and transportation throughout the entire new capital.²³⁹ (The company had earlier implemented infrastructure and landscaping for the EAAF's R6 residential district with a one billion EGP contract).²⁴⁰

The ACUD also signed a 10-year strategic partnership with Mastercard to make the new capital the "first city in the world where no cash is circulated."²⁴¹ According to initial plans, every resident of the NAC will be required to use a Mastercard smart card for electronic payments for everything from utilities to car license renewals to public transportation. The deal, with an unadvertised contract value, includes among its objectives "maximizing financial returns and the ACUD's ability to collect service fees."²⁴²

Ironically, this cashless city will also house "the largest money printer in the Middle East," with technology and infrastructure courtesy of the German Giesecke+Devrient (G+D) as part of a €260 million contract with Egypt's Central Bank.²⁴³ According to an accountant at one of the local firms building the project, General Intelligence is a silent partner in the venture and controls operations of the mega-printer, which is located within the sprawling GIS compound beside the Presidential Palace.²⁴⁴

While these profit-sharing agreements with the ACUD are problematic for sending additional rents to the military-led company, other deals have more sinister implications. Notably, in 2019 American defense and technology firm Honeywell signed a contract with the ACUD worth at least 2.2 billion EGP to establish a surveillance system and the Integrated Command and Control Center to track all activity in the new capital, including through live video broadcasts from six thousand cameras around the city. This control center will be monitored by bodies of Egypt's security apparatus, which under al-Sisi's rule has imprisoned tens of thousands of Egyptians for peaceful political activity.²⁴⁵

V. OBJECTIVES VS. LIKELY OUTCOMES FOR THE NAC

The new administrative capital, like others of al-Sisi's megaprojects, is not a new idea. It is drawn from long-shelved plans that his predecessors either decided were not economically viable, or tried, but failed, to implement.

President Anwar al-Sadat, for instance, created Sadat City in the 1970s in an early attempt to give the republic a new administrative capital. More than 40 years later, sand still dominates the landscape of this urban community—part rural, part industrial, but with nothing capital about it.²⁴⁶

Despite the terrible track record for megaprojects in Egypt, al-Sisi believes himself to be different. He pushed through his first—the \$8.5 billion Suez Canal expansion completed in 2015—in year one of his presidency, showing that he could do what others before him could not, and in record time.

But his desire for pop-up grandeur comes at a steep cost. Al-Sisi's demand that the project be completed in one year instead of three inflated the original price by more than 100 percent.²⁴⁷ And instead of doubling Suez Canal revenues to \$13.2 billion by 2023 from \$5.3 billion in 2014, as the regime originally predicted,²⁴⁸ the project has led to meager gains—with revenues actually decreasing in the first two years, before reaching a high of \$7 billion in 2022.²⁴⁹ Ultimately, the Ministry of Finance had to cover at least \$600 million of the overdue loan repayments owed by the Suez Canal Authority—another *haya' iqtisadaya* (economic authority) like NUCA and NAT—after it failed to keep up with repayments on its \$1.4 billion debts owed to local banks.²⁵⁰ As Sayigh points out, this unfavorable outcome for the treasury notwithstanding, the Ministry of Defense still enjoyed healthy project management fees, and private sector companies hand-picked by the regime still benefited from the massive contracts.²⁵¹



President al-Sisi waves during the opening ceremony of the Suez Canal expansion, August 6, 2015. Photo: Abdel Fattah Elsis/Facebook

A similar logic can be found in the new capital.

For al-Sisi, the NAC should have been built “yesterday”—a demand that has inflated costs and gobbled up scarce financing that could have funded productive, rather than speculative, activities. Moreover, there is nothing in the numbers to suggest that the state will see a positive return on investment from the enormous public resources poured into the project. On the contrary, as with the Suez Canal expansion, the Ministry of Finance will very likely have to step in to repay—from the public coffers—loans taken on by the “self-sufficient” economic authorities (NUCA and NAT) building major new capital projects.

Al-Sisi’s obsession with grand megaprojects filled with superlatives—the “tallest tower in Africa,” the “largest money printer in the Middle East,” the “highest flagpole in the world”—makes it hard to ignore the psychological complex driving the new capital misadventure.²⁵² Yes, as much media coverage and analysis of the NAC project has posited, his desire to move Egypt’s seat of government to the desert no doubt has a security element to it.²⁵³ The fact that the epicenter of the January 2011 popular revolt against Mubarak was Tahrir Square, right in downtown Cairo and ringed by government buildings—not to mention the dramatic burning of the ruling party’s headquarters—is seared into the memory of the president and his ruling partners. Clearly, they never want Egyptian citizens to be able to gather en masse against the regime so close to the seat of power again. Moving the government headquarters to a tightly controlled, heavily surveilled new location is surely part of al-Sisi’s goal.

But perhaps an even more important driver can be found in al-Sisi’s psychology. Call it megalomania, call it the Napoleon complex (he does share the approximate height and career path of its namesake)—there’s no getting around the fact that al-Sisi’s quest for, or delusions of, grandeur has been central to the NAC project.

As he explained to the 2019 National Youth Conference, a state-sponsored gathering of pro-regime Egyptians: “I’m building a state in the

new capital that the whole world will notice. Is Egypt unworthy, or what? I’m serious. Do you think Egypt is unworthy or something? I’m building an Arts and Culture City—it’s the largest in the world.”²⁵⁴ And a centerpiece of this Arts and Culture City is a sprawling museum dedicated to the capitals of Egypt, where al-Sisi is memorialized alongside Alexander the Great and Pharaoh Menes (the first unifier of the Egyptian kingdom) for their extraordinary legacies.

“Al-Sisi’s obsession with grand megaprojects filled with superlatives—the “tallest tower in Africa,” the “largest money printer in the Middle East,” the “highest flagpole in the world”—makes it hard to ignore the psychological complex driving the new capital misadventure.”

But desiring a project as ambitious as the new capital is one thing, and implementing it is another. For this, al-Sisi has had to cultivate the patronage networks outlined in this report, distributing incentives to the various elements of his regime—most notably, the country’s most powerful institution and the main backer of his rule, the armed forces.

While al-Sisi envisioned a futuristic, Dubai-esque city in the Egyptian desert, the fact that the military is developing most of the project has led to a decidedly different aesthetic. Even the residential districts marketed (and priced) as upper-middle class resemble the cookie-cutter social housing projects overseen by the military across the country. And the upscale hotels and cultural centers managed by the armed forces also betray the unmistakable Egyptian military touch—a kind of rococo meets 1980s, with an occasional nod to Islamic and pharaonic motifs, and beige color palettes predominating.



The “Green River” in the NAC remains mostly desert as of June 2022. Photo: Sarah Taweel

“I’m making it so chic, as you can see,” al-Sisi said in an interview defending the venture.²⁵⁵ But aside from this military-chic aesthetic, what else can we expect from the new capital?

1. MUCH LONGER TIMELINE AND DOWNSIZING FROM ORIGINAL VISION

The new capital project is a clear case of an authoritarian leader demanding the impossible, pushing aside anyone who offers a clear-eyed assessment of his unrealistic demands, and turning to yes-men who promise to fulfill his dreams but inevitably fall short. This can be seen in the developments of both the timeline and the planned grandeur of the new capital.

Originally, ministries and other state institutions were to start moving to the new capital in 2018.²⁵⁶ In 2018, this was pushed back to “mid-2019,” then “mid-2020,” “mid-2021” and “mid-2022.”²⁵⁷ In March 2023, the government finally initiated the first phase of transferring some ministry employees to their new workplaces in the NAC, with the second phase to be completed by “mid-2023.”²⁵⁸

When the ACUD launched the project in April 2016, the appointed company leaders promised al-Sisi they would finish the first phase in just three years as opposed to Alabbar’s five to seven.²⁵⁹ That would have put the completion date well before the pandemic disrupted economic projects worldwide. But of course, officials wasted no time blaming COVID-19 for delays. Pressed on the question in 2021—two years after the ACUD’s promised completion date—ACUD Spokesman Brigadier Hussein said he did not expect the first phase to be finished before 2025, and only then would work on the subsequent two phases begin.²⁶⁰

When this author visited the new capital in May 2023, the Downtown and an entire residential district (R4) out of eight were indistinguishable from the empty desert that surrounded the new capital borders. The Medical City had one hospital; the R8 residential district remained mostly vacant (despite most developers’ advertised delivery date of 2022 or 2023); few compounds in R7 had advanced beyond the stage of concrete skeletons; the Diplomatic District had little more than a row of unimpressive model embassies; and the “Green River” looked more like a parched desert valley, with small patches of browning grass, some rows of saplings, and miles of sand.

Even the Central Business District—financed and built by China, known for its own pop-up cities—has overrun its completion date. As then-Minister of Housing Madbouly explained at the CBD’s March 2018 construction launch, a project of that type—consisting of 20 towers, including the tallest skyscraper on the continent—would usually take seven to ten years. “But,” he added, “the instructions of the president are that we finish these projects in the fastest possible time,” which officials agreed would be just under three years.²⁶¹ Five years later, cranes still swing in the sky, and rebar still decorates the tops of the district’s unfinished buildings. This, however, did not stop the government from staging a “completion” celebration at the site in May 2022, with the asterisk that they were celebrating the completion of the towers’ concrete structures.²⁶²

Other grand sections of the new capital have been postponed indefinitely—like the theme park that would be 6.5 times the size of Disneyland and the Expo City intended to rival Dubai’s “future-centric mini-city” that hosted the World Expo in 2021/22.²⁶³

Former ACUD Chairman General Abdeen offered rare moments of candidness regarding the project’s feasibility, while still toeing the line on the economic value of the new capital. This position was no doubt expedient for the head of the ACUD, which has enjoyed (by Abdeen’s own accounts) billions of dollars in profits while also failing to meet any of the deadlines the president has set. As Abdeen explained in December 2019—more than two years into his tenure as ACUD chief—the civilian government, with the help of the Western urban planners, “showed something really rosy, so I said, ‘no, what you’re showing there will get us in trouble. When you make a video and show images from your imagination’... I told them, ‘I haven’t worked on anything yet except the central utilities.’”²⁶⁴

Abdeen “stepped down” from his position at the end of August 2022, ostensibly due to “a need for rest.”²⁶⁵ According to the independent Egyptian news outlet Mada Masr, an insider source explained that Abdeen’s departure was due to his aggressive demands that contractors rush large projects, which led to shoddy construction.²⁶⁶ Experts from the Ministry of Housing found



The Central Business District, shown above in June 2022 with the Iconic Tower in the background and a “Mixed Use” area in the foreground, has overrun its completion date. Photo: Sarah Taweel

cracks in buildings, requiring parts of projects to be demolished, the source said.

2. AN OVERSUPPLY OF UNAFFORDABLE HOUSING

At the March 2015 NAC project unveiling in Sharm el Sheikh, Madbouly explained to the crowd, “We wanted to make a place that brings together all categories of Egyptian society, beginning with the youth, the low and middle-income earners, and up.”²⁶⁷

But the ACUD’s economic interests in the new capital have all but erased early plans for the city to include affordable housing for anyone but members of the security apparatus and their families. The military-led company, which acquires most of its profits from land sales, prefers to sell to the highest bidder. Social housing projects have instead been pushed outside of the new capital borders. For example, several thousand subsidized units in Badr City, just north of the new capital, have already been set aside for the government employees who will have to relocate to the NAC for work.²⁶⁸

With the average salary for Egyptians at six thousand EGP per month (according to official numbers), it would take average earners more than 64 years to pay for the cheapest option—assuming half of their salaries went toward making the installments.²⁶⁹

These prices are enough to discredit officials’ repeated claims that the NAC is intended to reduce population pressures on Cairo. Few of Cairo’s 20-some million residents could ever dream of buying in the new capital, and few with the money *do* dream of it—raising the question: Who will actually live there?

The answer: far fewer than the estimated 1.5 million people supposed to populate the areas completed in phase one (not to mention the six to seven million people that authorities have said will ultimately reside in the completed city). Plans for the first phase anticipate the completion of 240 thousand new units

by 2023.²⁷⁰ (Blueprints for all three phases of the NAC plan for 1.5 million new residential units).²⁷¹

Even before the deluge of new capital residential units poured onto the market, Egypt was already suffering from an oversupply of unaffordable housing. A 2017 report by the government’s official statistics agency counted 13 million units under construction, or finished but vacant, across the country—more than half the number of units that were inhabited at the time (22.4 million).²⁷² Despite this surplus housing, an estimated 850 thousand Egyptians were living in unsafe structures, most unable to afford the available flats on the market.²⁷³

“[T]he ACUD’s economic interests in the new capital have all but erased early plans for the city to include affordable housing for anyone but members of the security apparatus and their families.”

In October 2022, ACUD Chairman Abbas implored the government to release up-to-date data on Egypt’s real estate market.²⁷⁴ Basic figures—the size of investments in the industry, along with the number of housing units sold, under construction, and planned—are unknown even to industry insiders like him. Without this information, no one, not even the state-owned banks financing many of the projects, can accurately assess the financial risks of developers and their projects.

Many of the developers that have purchased plots in the NAC are little more than speculators, hoping to profit from an increase in land prices as more public funds are poured into building other sections of the new capital. While the ACUD has said it is implementing strict measures to prevent this—threatening to take land away from developers who fail to make progress

on their proposed projects—dozens of parcels sold years ago remain empty as of May 2023, and even more look like abandoned construction sites. Ultimately, if the ACUD revoked the land from all non-performers, that would reflect poorly on the company, and on the new capital project itself. These speculative purchases have artificially inflated the price of land in the new capital, but it remains to be seen if the developments will ever be completed or, in some cases, even started.

A similar dynamic can be seen in the purchase of residential units in the new capital. With annual inflation reaching as high as 32.9 percent in recent years and devaluations reducing the EGP to nearly a quarter of its pre-November 2016 worth, Egyptians with any extra cash have flocked to real estate as a relatively attractive investment option.²⁷⁵ While some buyers plan to live in their purchased unit or invest for their children, many are speculators, hoping to sell later at a profit. Again, these speculative investments are driving up prices of the new capital units, but it is unclear that they will be able to sell on the secondary market at a profit. The

numbers above—demonstrating a supply that far surpasses demand—suggest they will not.

Which leads us to our third likely outcome.

3. THE BUBBLE POPS

On the front page of the July 15, 2021 issue of the state-owned newspaper *Al-Gomhuria*, the ACUD warned that “the reservation of any real estate unit is a bilateral relationship between the citizen and the developer, and the ACUD has no role in that,” adding that “the real estate market in the new capital is open to everyone.”²⁷⁶ The announcement came in response to the defaulting of several NAC developers that had already accepted down payments and installments from customers. The buyers wanted their money back, and the ACUD wanted nothing to do with it.

The case of The City compound from Master Group—another opaque pop-up developer established in 2016 to build in the NAC—received widespread attention in the summer of 2021, when CEO Mohammed Lashin fled



Mohammed Lashin (third from left), CEO of the Master Group, photographed in May 2019, fled Egypt in 2021 after collecting payments for development of The City Compound. Photo: Mohammed Lashin/Facebook

the country after collecting installments from 1,400 investors.²⁷⁷ The ACUD confiscated the land and told buyers that it was not the ACUD's responsibility to recover their money. It took buyers months of pleading, bad press, and social media messages beseeching al-Sisi—in this case, with a hashtag “#Ilhaqna_ya_ra'is” (#Save_Us_President)—before the ACUD was pressured to step in and work out a deal.²⁷⁸

As Brigadier Husseini explained in an interview with the BBC, the military-led company would solve the problem, but it was not legally obligated to do so.²⁷⁹ This lack of legal measures regulating the new capital (and other real estate ventures across the country) has created a precarious system, ripe for abuse.²⁸⁰

The most prevalent financing model in Egypt's real estate sector—the “off plan” model—also lends itself to facilitating Ponzi schemes, intentional or not. In this arrangement, buyers place down payments on yet-to-be-built units with an agreement to pay installments, typically over five to seven years. The developers use this upfront cash to begin building. But as with a classic Ponzi scheme, if the developers fail to secure new investors, they will not be able to deliver returns (in this case, homes) to earlier investors.

Without new cash inflows, building stops, the project may be abandoned, and those who have already invested their savings are out of luck. This has happened again and again in Egypt over the past several decades. Vestiges of failed development projects lie scattered across the country—skeleton compounds caked in dust along desert roads.

Conditions in the new capital suggest there is an even higher risk of this outcome there than elsewhere. The prevalence of developers who emerged overnight to work on the NAC raises the first red flag. In many cases, it is entirely unclear who owns the companies or where their money comes from—or if they have any at all. Additionally, real estate companies have begun offering more lenient payment plans for new capital developments in a bid to attract buyers—with 44 percent of developers not

requiring any down payment, according to a Mada Masr report, and payment timelines increasing to 10 years or more.²⁸¹ Combined with Egypt's economic instability, high inflation, and the continued devaluation of the pound, there is a high risk that buyers on these low upfront cost plans will default, which could bring the whole project crashing down.²⁸²

“ Vestiges of failed development projects lie scattered across the country—skeleton compounds caked in dust along desert roads.”

Added to the risk pool is the fact that in nearly all cases, developers do not even own the land they build on before they start selling. Developers in the NAC are required to make a 10–20 percent down payment on the land and pay the remaining installments to the ACUD over three to four years.²⁸³ Ultimately, if enough buyers fail to materialize, the developer may not be able to afford the cost of the land, let alone build the promised units. This is especially true for smaller companies without much liquidity, which account for the great majority of new capital developers. In this system, buyers have little guarantee that they will receive quality housing, or even any housing at all.

In March 2022, in a bid to re-instill waning trust in the new capital project, the ACUD announced a series of measures to help struggling developers and protect investors. Rather than revoke the land and licenses of defaulting companies, the ACUD postponed the timeline for paying off land installments. The ACUD also promised to monitor the bank accounts of the floundering developers to ensure customers' money actually went to developing the projects.²⁸⁴ But the military-led company is still not *legally* obligated to do anything. And in the event of mass defaults, it is unlikely it would.

Creating False Wealth: The GDP Illusion

Piecemeal oversight and developers' scams aside, the debt dependency of the new capital project makes the whole endeavor a fragile one. While the massive government spending on the NAC and al-Sisi's other megaprojects is boosting GDP figures in the immediate term, the regime's heavy reliance on loans means the growth of today will become the debt burden of tomorrow.

Heterodox economists have a term for this: bezzle. Derived from "embezzlement," bezzle need not be accompanied by its namesake, but emerges "anytime the reported market value of an asset or portfolio temporarily exceeds its real economic value."²⁸⁵ In other words, bezzle is a temporary, false sense of wealth.

Al-Sisi and his regime allies create bezzle when they talk about the "value" of their megaprojects. Suez Canal revenues would more than double in al-Sisi's fantasy world based on the calculation of the number of ships that could physically pass through the canal after the expansion (never mind the number of ships that would *want* to pass through).

"I earned two trillion pounds," al-Sisi said of the new capital in an October 2022 interview.²⁸⁶ He then proceeded to explain his calculation—the land area allocated to the new capital multiplied by the price of the land—revealing that his "earnings" were a hypothetical based on the amount he would bring in if private investors bought all of the land at the arbitrary price he set for his equation (assuming the state did not pay anything to develop the land in the first place).

In reality, vast sections of land in even the first phase of the new capital remain unsold, and the land that has been sold is itself another instance of bezzle—most of it unloaded onto state entities that were forced to buy, thus creating artificial demand.

Speculative investments in Egypt's real estate sector create even more of this illusion of wealth, and more artificial—and temporary—

increases in GDP. This speculative activity also raises the market price of assets (land and real estate), allowing for more asset-based borrowing—as seen in the case of NUCA and private sector real estate developers. These increasingly leveraged entities further inflate a false sense of wealth, which will come crashing down if and when their project returns fail to exceed expenditures, and they cannot repay their debts.

“These increasingly leveraged entities further inflate a false sense of wealth, which will come crashing down if and when their project returns fail to exceed expenditures, and they cannot repay their debts.”

Again, this scheme can only be sustained by continuous access to “fresh dollars,” or new streams of foreign capital. In recent months, all three of the “Big Three” credit rating agencies (Fitch, Moody's, and S&P) have suggested these new streams will soon be even harder to come by, with two of the agencies downgrading Egypt's credit outlook from stable to negative.²⁸⁷ As soon as the fresh dollar faucet is turned off, the bubble will pop, the projects will stop, and the new capital—save the Government District, which will be forcibly populated by government employees—will be left to gather dust as more concrete skeletons in the desert.

4. AL-SISI LOSES SUPPORT FROM REGIME INSIDERS

Al-Sisi's irresponsible demands that the NAC and dozens of other vanity projects be completed, and be completed “yesterday,” has set Egypt on a dangerous path, worsening an already acute economic crisis. While al-Sisi has kept the plates spinning by siphoning resources from the public coffers and piling on government debt, the money will run out eventually. When



After fleeing to Spain, Mohamed Ali released a series of videos such as the one in the above screenshot from September 11, 2019, alleging corruption in al-Sisi's military economy. Photo: Mohamed Ali Secrets/YouTube

that happens, not even his military clients will stand by him, as they decide their opportunistic allegiances are better placed elsewhere.

Some of al-Sisi's private sector partners are also losing faith in their patron. According to industry insiders at companies building large sections of the NAC, work on the capital and al-Sisi's other megaprojects is increasingly losing its appeal. As they explained to this author, during the first two years of the national ventures (2016–2018), the military and government patrons not only paid on time, but also offered contractors down payments with which to build the projects.²⁸⁸ Companies would park this money in the bank until it was needed, collecting healthy sums from high interest rates. But beginning around 2020, this trend reversed, with overdue payments delayed indefinitely and companies forced to take out more and more loans to cover costs and plug the holes when expected payments from the state failed to arrive.

In 2022, al-Sisi told a room of contractors that the state would pay them just a quarter

of project values up front and provide the rest upon completion.²⁸⁹ An executive of El Soadaa Group—which built six ministries, part of the Knowledge City, and sections of the R1 and R2 residential districts in the NAC—suggested that this has become a common occurrence in the execution of al-Sisi's megaprojects. “The assignments of the president are orders,” he explained, adding that “the president would never let his people drown...and when he sees they're drowning, he bails them out. We're confident in that.”²⁹⁰

But with the state's mounting debts and dwindling liquidity, it is unclear for how much longer this will be the case. It is worth remembering that one of al-Sisi's most vocal adversaries in recent years, Mohamed Ali, had been a contractor for major military projects. Ali fled to Spain and, in fall 2019, released a series of videos alleging that his military clients had failed to pay him some \$13 million for completed works, making lurid claims of corruption in the military economy, and calling on Egyptians to go into the streets in protest.²⁹¹ The videos, clearly touching a nerve with the

public amid worsening economic conditions, garnered millions of views and spawned small protests around the country. The regime responded with a massive crackdown, jailing thousands of suspected dissidents and handing Ali a lifetime prison sentence in absentia.²⁹²

Even autocrats depend on coalition partners to govern and maintain their rule. In al-Sisi's case, these coalition partners are predominantly military generals. But as Sayigh notes, al-Sisi does not enjoy complete control over the military. "He has the means to manipulate the various military interest groups and play them against each other, but must also award them economic resources and opportunities."²⁹³

The president's economic misadventures may be fueling his patronage networks for now,

“The president’s economic misadventures may be fueling his patronage networks for now, but they are also exacerbating Egypt’s economic crisis.”

but they are also exacerbating Egypt's economic crisis. Without new streams of cash, al-Sisi will run out of ways to reward his loyalists—loyal to he who holds the purse strings, not to the man.

VI. CONCLUSION

The economic logic of the new capital only makes sense when we consider that the parties funding the project—the Egyptian public—are distinct from the ones profiting from it: regime insiders, regime-connected companies, and above all, the Egyptian Armed Forces. This arrangement means that while the project will undoubtedly create a net loss when taken as a whole, the NAC has been extremely lucrative for important actors in Egypt’s political economy. If you take out a loan of \$1 million, give it to a child to open a lemonade stand, and he earns \$10 a day, he still comes out with a profit (never mind that you lose \$1 million plus interest).

As demonstrated above—and contrary to official claims—construction of the NAC is undoubtedly weighing on the state’s finances. Tens of billions of dollars in public spending and loans—mostly from state-owned banks to government entities—are making the building of the new capital possible. This arrangement is

funneling capital away from other potential productive activity and saddling the treasury with debt that will plague Egyptians for generations to come.

Meanwhile, the new capital projects are sending cash to al-Sisi’s most important patronage networks. Chief among them are the active and retired generals leading the ACUD, NSPO, AFLPA, and EAAF, as well as their long-time partners in construction, real estate, and building materials. International actors are also enjoying a piece of the pie, with Western firms securing multimillion-dollar contracts and additional maintenance and operation deals, often locked in for several years.

All of this is happening with a complete lack of transparency and accountability. While democracies debate the economics of hosting the Olympics—with the billions spent on new stadiums and infrastructure rarely recouped by the revenues—al-Sisi is building an entire Olympic



Phase one of the NAC remains uncompleted in this aerial view of residential districts 2 and 3, the “Green River”, Central Business District, Government District, and Presidential Palace complex, posted March 2023. Photo: The Capital Cairo/Facebook



At the closing of Egypt's Economic Conference, October 23, 2022, hosted in the NAC, al-Sisi gave a two-hour speech justifying his economic policies. Photo: Egyptian Presidency

City in the new capital before he even knows if Egypt will be chosen to host the games.

Information on which companies enjoy contracts from the ACUD and how much they are paid—from state resources—is available to the public only through piecemeal reporting. Criticism of the new capital project is suppressed or dismissed as ignorance, while al-Sisi and his regime allies rely on the “illusion of truth” effect (the propaganda strategy of repeating a lie enough times to make it seem true) to pretend that, by some magic, the state—the Egyptian people—is not paying for the NAC and the dozens of smaller white elephant schemes across the country, despite incontrovertible evidence to the contrary.

At the closing of Egypt's October 2022 Economic Conference, hosted in the NAC, al-Sisi gave a two-hour speech justifying his economic policies. “I’ll talk about the capital here,” he told the audience. “All of Egypt has to be like this. *All of Egypt has to be like this.* And your dream should be this! Like this!” he continued, reaching a crescendo. “How? You won’t eat, and you won’t sleep, and you won’t rest.”²⁹⁴

For all of al-Sisi’s repeated falsehoods, this statement offered a rare moment of truth: The new capital is being built at the expense of the Egyptian people, who are forced to forgo essentials to realize the autocrat’s dream.

But the fact that the new capital and other megaprojects are “the president’s projects” also puts al-Sisi in a precarious position. The cost of the new capital alone is daunting in the face of more than \$400 billion in government debt that continues to mount. Add to that the 48 thousand feddans under construction in the “new summer capital” in New Alamein, the 20-some other new “smart cities,” the expensive agricultural land reclamation campaigns, and regular spending for essential public goods and services, and the prospect of being able to afford the national projects currently on the books becomes downright fantasy.

When these projects fail to materialize, the *presidential* initiatives will become *presidential* disasters. And the capital of al-Sisi’s “New Republic” will reflect the true nature of the venture—full of superlatives, high-tech surveillance, and ordered streets, but ultimately lifeless.

APPENDIX I:

Who's Building the NAC? Main Egyptian NAC Contractors and Construction Companies

Due to the opaque nature of the new administrative capital project, few contract values are available and data is incomplete. The table below is drawn from author interviews, financial statements, and Arabic-language news and business reports in an attempt to be as comprehensive as possible.

Company, Owner, and/or Regime Connection (if applicable)	NAC Clients, Projects, and Contract Values (when available)
EGYPTIAN CONSTRUCTION AND CONTRACTING GIANTS	
<p style="text-align: center;">ORASCOM (est. 1950)</p> <p style="text-align: center;"><i>Orascom Construction</i> <i>Red Sea Construction</i>²⁹⁵</p> <p style="text-align: center;">Majority Owner Sawiris family</p>	Orascom Construction
	<p>For EAAF: the 127-feddan Arts and Culture City (complete with a 2,150-seat opera house and 24 additional buildings dedicated to the arts);²⁹⁶ the Cathedral of the Nativity of Christ (“the largest cathedral in the Middle East”);²⁹⁷ the cabinet building; the Central Bank headquarters; Banque Misr headquarters; the military-owned Almasa Hotel; the 93,440-seat stadium in the Olympic City;²⁹⁸ and telecommunications networks throughout the new capital.²⁹⁹</p> <p>For NUCA: the Crescent Tower in the CBD; 205 feddans of the one thousand feddan Green River (approximately \$103 million);³⁰⁰ 60 residential buildings in the R5 district;³⁰¹ and infrastructure throughout R3 (including sewage, water, irrigation, and electrical networks).</p> <p>For NAT: a share of all of the main transportation projects servicing the new capital, including the \$4.5 billion monorail, the \$1.2 billion light rail transit system, and the \$4.5 billion high-speed rail system.³⁰²</p> <p>For other state entities: a \$1 billion industrial complex issuing government documents (sprawled over 101 feddans);³⁰³ two data centers for a “confidential” client (the Ministry of Defense);³⁰⁴ another data center comprised of four buildings; at least 248 kilometers of internal roads;³⁰⁵ the Mansoura 6 and 7 Compounds (for General Intelligence);³⁰⁶ and the \$2 billion-plus new capital power plant (alongside Siemens), subcontracted by the EEHC.</p> <p>Just south of the new capital, Orascom was tapped to build the new Ministry of Defense headquarters—a sprawling sub-city dubbed “the Octagon.”</p> <p>Orascom Construction’s subsidiary, National Steel Fabrication, was contracted to supply steel for the NAC power plant and NAC Cathedral. Another Orascom subsidiary, Alico, supplied aluminum and glass for the military’s 92 thousand-plus spectator stadium in the NAC’s Olympic City, among other undisclosed projects.³⁰⁷</p>
	Red Sea Construction
	<p>For EAAF: the Ministry of Finance; the Security Directorate of the New Administrative Capital (<i>Mudirayat Amn el-Asima</i>); two large data centers in the Government District: the Central Command Center (CCC) and City Operation Center (COC);³⁰⁸ the Capital Walkway Park (6 administrative buildings, 5 retail buildings, landscaping and roads) next to the Arts and Culture District.³⁰⁹</p>

<p>HASSAN ALLAM HOLDING (est. 1936)</p> <p><i>Hassan Allam Construction</i> <i>Hassan Allam Utilities</i> <i>3S Ready Mix</i></p> <p>Majority Owners Allam family and the World Bank Group's International Finance Corporation</p>	<p>Estimated NAC contract values: 20 billion EGP (\$1.27 billion) by May 2020.</p> <p>For EAAF: the NAC Airport; four ministerial buildings; the NAC's main conference center in the military's Almasa Hotel; several key roads and bridges; sewage networks; a large hospital; and a five-year contract to manage facilities in the Government District (beginning late 2021).³¹⁰</p> <p>For NUCA: the construction of over 138 feddans of housing in the R5 district;³¹¹ a \$130.87 million wastewater treatment plant;³¹² an \$892 million water station and line connecting the NAC to the Nile (as part of a consortium);³¹³ and a five-year operation and maintenance contract for infrastructure networks throughout the city.³¹⁴</p> <p>For NAT: the \$1.2 billion light rail transit project (alongside Orascom).³¹⁵</p> <p>For other state entities: a \$53.61 million National Center for Energy Control (alongside Siemens for the state-owned Egyptian Electricity Transmission Company);³¹⁶ and a district cooling plant (subcontracted by the state-owned Gas Cool, under the Ministry of Petroleum).</p> <p>Hassan Allam's concrete subsidiary, 3S Ready Mix (launched in January 2016), has also been tapped to supply concrete "to major projects in the New Capital."³¹⁷</p>
<p>TALAAAT MOUSTAFA GROUP (TMG) HOLDING (est. 1980)</p> <p><i>Alexandria Construction Company</i> <i>Arab Company for Projects and Urban Development</i></p> <p>Majority Owner Talaat Moustafa family</p> <p>Regime Connections Hisham Talaat Moustafa was a central crony of the Mubarak regime. Al-Sisi pardoned him from prison (convicted of killing his ex-girlfriend). Talaat Moustafa has since donated billions of pounds to the regime and led several of the regime's major real estate projects</p>	<p>For EAAF: Ministry of Military Production, Ministry of Electricity, and Ministry of Petroleum; several buildings in military-led residential districts.³¹⁸</p> <p>For NUCA: 262 feddans of the Green River (approximately \$131 million).³¹⁹</p> <p>For parent company (TMG Holding): the largest residential compound built by the private sector in the NAC, Celia, covering five hundred feddans in the Investors' Area.</p> <p>Joint ventures with the military outside of NAC: TMG's five thousand feddan, five hundred billion EGP Nour City in Capital Gardens—a new city owned in large part by the military under construction across the street from the new capital—has made the military's projects there more valuable.</p>

<p>ELSEWEDY COMPANIES (est. 1938)</p> <p><i>Elsowedy Electric</i> <i>Egyptian Manufacturing and Advanced Systems (EMAS) (est. 2006)</i></p> <p>Majority Owner Elsowedy family</p>	<p>Elsowedy Electric</p> <p>For EAAF: the main control room of a \$90 million smart transportation system (toll collection and traffic management systems for 7 highways).³²⁰</p> <p>For NUCA: \$22.5 million (365 million EGP) contract to link electricity stations in the NAC in 2019;³²¹ \$70 million (1.24 billion EGP) contract to build an electricity substation in the NAC in March 2018;³²² \$28.14 million (443 million EGP) contract for road lighting;³²³ an undisclosed amount for tunnels to transport electricity from stations to buildings throughout the NAC.</p> <p>Joint ventures with the military outside of NAC: the Economic Zone Utilities Company (est. 2019)—49 percent owned by Elsowedy Electric, 51 percent by the military-led Suez Canal Economic Zone Authority. Elsowedy develops, operates, and maintains all major utilities in the 107 thousand feddan economic zone—work valued at billions of dollars.³²⁴</p>
	<p>EMAS</p> <p>For EAAF: supplies electrical equipment for: the Administrative Control Buildings and data centers (CCC, COC, NN1, and NN2), New Capital Power Plant, ministries, parliament, R2 residential district, and the Ministry of Defense's Octagon.³²⁵</p>
<p>DORRA GROUP (est. 1943)</p> <p>Majority Owner Dorra family</p>	<p>For NUCA: 952 villas, 22 residential and mixed-use buildings, and landscaping in R3.</p>
<p>PRIVATE SECTOR COMPANIES THAT GREW FROM MEDIUM TO LARGE UNDER AL-SISI</p>	
<p>ROWAD MODERN ENGINEERING (RME) (est. 1998)</p> <p>Majority Owners Elsowedy family and Mahlab family</p> <p>Regime Connections Chaired and co-owned by Mohamed Mahlab, son of Ibrahim Mahlab—a high-ranking member of the ruling National Democratic Party during the Mubarak era, and former minister of housing, then prime minister under al-Sisi, before becoming the president's adviser for national projects</p>	<p>For EAAF: four ministry buildings,³²⁶ a sports hall to accommodate 15 thousand spectators in the Olympic City;³²⁷ infrastructure over 1,500 feddans for the Downtown, Government District, and Diplomatic District; large road and bridge projects, including the New Cairo Capital Bridge;³²⁸ the NAC's Air Defense College.³²⁹</p> <p>For NUCA: 120 feddans of residential units in the R5 district.³³⁰</p> <p>For NAT: train fence and 26 workshop buildings for the light rail transit system (with Gama),³³¹ parts of the high-speed train.³³²</p> <p>For Elsowedy Education: a \$390 million cluster of international universities, branded The Knowledge Hub, on a plot of 50 feddans in the R7 district.³³³</p>

<p>CONCORD (est. 1989)</p> <p>Majority Owners Ahmed el Abd (son of a former high ranking official in the Ministry of Land Reclamation, appointed by Sadat in 1972)³³⁴ and Ahmed Abdel Rahman Suliman (son of a former board member of the Arab Contractors)³³⁵</p> <p>Regime Connections Police generals head Concord's "public relations;" and since October 2021, the CEO has been Mohammed el Shimi, previously chairman of the state-owned Petrojet and Ganoub el Wadi Holding Company—the former with close ties to the military, and the latter likely a front for the GIS³³⁶</p>	<p>For EAAF: two ministry buildings; 1.5 billion EGP contract in the Olympic City; 2 billion EGP contract for the Sports City; 1.78 billion EGP for the headquarters of the Administrative Control Authority (a government oversight body dominated by military officers); infrastructure for R1 and R2 residential districts.³³⁷</p> <p>For NUCA: 1 billion EGP to build 61 upscale residential buildings in R3; 1.7 billion EGP for infrastructure projects; 900 million EGP for a utility tunnel; and an undisclosed amount for several kilometers of roads.</p> <p>For NAT: part of the \$1.2bn light rail transit system.</p> <p>For other state entities: Concord was also entrusted to build sections of the GIS complex (Mansoura 1 and 3).</p> <p>Notable jobs for the military outside of the NAC: land reclamation in Toshka; new tunnels under the Suez Canal for 18 billion EGP (with Orascom and Arab Contractors); and at least 7 billion EGP worth of infrastructure works for al-Sisi's Haya Karima initiative.³³⁸</p>
<p>REDCON (est. 1993)</p> <p>Regime Connections Established by Admiral Mohamed Safwat el Gamaal, and now led by his son, Tarek el Gamaal, who was appointed to the original board of the ACUD as an "expert" representative³³⁹</p>	<p>Estimated total NAC contract values: 10 billion EGP (\$600 million) by 2018.</p> <p>For EAAF: two military-owned hotels in the El Kayan military district for 750 million EGP.³⁴⁰</p> <p>For NUCA: a 600 million EGP (\$38 million) contract to build 90 feddans in the Green River.³⁴¹</p> <p>For NAT: new capital stations for the light rail transit system and high-speed rail (subcontracted by NAT).³⁴²</p> <p>For other state entities: a 450 million EGP contract to build a central cooling plant (subcontracted by the state-owned Gas Cool);³⁴³ and a 420 million EGP contract to build a residential development, Bleu Vert, for Saudi Egyptian Developers (50 percent owned by the Egyptian Ministry of Housing).³⁴⁴</p>
<p>GAMA CONSTRUCTION (est. 1991)</p> <p>Regime Connections A subsidiary of Triangle Group, founded by retired Air Force officer General Abdel Minam Tawil. Triangle Group now led by the general's sons; owns companies in energy, defense and construction; a longtime supplier of foreign defense equipment to the military³⁴⁵</p>	<p>For EAAF: Ministry of Health; Ministry of Youth and Sports; Ministry of Transportation; Ministry of Local Councils; Aquatics Center for three thousand spectators and the Equestrian Club in the Olympic City; Industrial Development Bank headquarters; El Narges Hospital; El Shohada Mosque; 8,336 residential units for the military's four hundred feddan residential compound, <i>Gowharat el Asima</i> (Jewel of the Capital).³⁴⁶</p> <p>For NAT: train fence and 26 workshop buildings for the light rail transit system (with RME).³⁴⁷</p> <p>Notable jobs for the military outside of the NAC: several bridges, tunnels, canals and social housing projects; land reclamation of 10 thousand feddans for agriculture; major infrastructure projects in the Suez Canal Economic Zone, the Sinai peninsula, and on the north coast; wastewater treatment plants in Menofia (owned by EAAF) as part of Haya Karima; sections of the military's \$1.1 billion cement plant in Beni Suef, and of a cement plant in Arish; massive textile and wood factories in the Roubaiky Industrial Zone megaproject; National Mining Training Institute; Borg el Arab Sports Hall for five thousand spectators.³⁴⁸</p>

<p>SAMCRETE HOLDING (est. 1963)</p> <p>Majority Owners Saad family</p> <p>Regime Connections Founded by prominent Mubarak-era businessman Sami Saad,³⁴⁹ and now led by his son, Karim Sami Saad</p>	<p>For EAAF: Ministry of Supply; Ministry of Industry and Trade; Ministry of Manpower; Ministry of Public Business Sector; Ministry of Immigration; and Ministry of International Cooperation.³⁵⁰</p> <p>For NUCA: large sections of the R5 residential district.³⁵¹</p> <p>For other state entities: Banque du Caire NAC headquarters.³⁵²</p> <p>Notable jobs for the military outside of the NAC: several large road projects.³⁵³</p> <p>Joint ventures with the military outside of the NAC: established East Port Said Development in 2016 with the NSPO and Hassan Allam Holding to build the 3,800-feddan East Port Said Industrial Zone megaproject in the Suez Canal Economic Zone.³⁵⁴</p>
<p>SIAC CONSTRUCTION (est. 1986)</p> <p>Regime Connections Established by a former high-ranking engineer at the state-owned Arab Contractors and now led by his son, Nehad Ragab</p>	<p>Estimated total NAC contract values: 20 billion EGP (\$1.27 billion) by 2022.</p> <p>For EAAF: New Capital Hospital; Ministry of Foreign Affairs; several bank headquarters (including that of the NBE); and the National Council for the Care of Martyrs' Families and the Injured—a 35-feddan medical and recreation center for the families of regime-designated martyrs.³⁵⁵</p> <p>For NAT: the central new capital train station (alongside the Arab Contractors).³⁵⁶</p> <p>For Chinese state-owned companies: two of the 20 towers in the Central Business District, and another station for the light rail transit project.³⁵⁷</p> <p>Notable jobs for the military outside of the NAC: work on the NSPO's cement plants in Beni Suef and the Sinai.</p>
<p>EL SOADAA GROUP (est. 1980)</p> <p>Majority Owner Founder and chairman, Said Mahmoud and family</p>	<p>For EAAF: six ministries; two buildings in the Knowledge City; 28 buildings in the R1 residential district and 16 buildings in R2.³⁵⁸</p> <p>For other state entities: Arab Investment Bank headquarters.³⁵⁹</p> <p>Notable jobs for the military outside of the NAC: several bridges, roads, and military housing projects.³⁶⁰</p>
<p>GHRABLY INTEGRATED ENGINEERING COMPANY (GIECO) (est. 1912)</p> <p>Majority Owner El Gharably family</p> <p>Regime Connections The Gharably family is reportedly related to former EAAF chief, General Ehab al-Far, through marriage</p>	<p>For EAAF: ministry buildings; Armed Forces Club; Central Bus Station (over 105 feddans); the world's largest flagpole and largest flown flag (earning the company two Guinness Book world records).</p> <p>Notable jobs for the military outside of the NAC: Abu Qir military port (for which it borrowed 12.7bn EGP from a consortium of mostly state-owned banks); a 4bn EGP port in the Suez Canal Zone (with Arab Contractors); several bridges, hotels, mosques, grain silos, and social housing projects.</p>

SMALLER EGYPTIAN “PRIVATE SECTOR” COMPANIES	
<p>WADI EL NIL CONTRACTING AND REAL ESTATE (est. 1989)</p> <p>Regime Connections Reportedly owned by General Intelligence (<i>mukhabarat</i>) and vice chaired by a military general</p>	<p>For EAAF: 1.1 billion EGP contract to build 121 residential buildings; contract for at least 850 million EGP to build the National Post headquarters.³⁶¹</p>
<p>EL AGYAL FOR CONTRACTING AND TRADE (est. 1980s)</p> <p>Regime Connections General manager is a military general</p>	<p>For EAAF: aquatics center for Sports City; a cafeteria, villas, residential buildings, and a mall in the military’s Jewel of the Capital compound.³⁶²</p> <p>Notable jobs for the military outside of the NAC: several buildings and infrastructure projects for various authorities under the armed forces; infrastructure projects for al-Sisi’s Haya Karima initiative.³⁶³</p>
<p>ABNAA SINAI (est. 2010)</p> <p>Majority Owner Ibrahim al-Organi</p> <p>Regime Connections Founder and owner, al-Organi, has collaborated with the military in joint security operations in the North Sinai and in business ventures</p>	<p>For other state entities: parts of Mansoura 6—the main residential compound for GIS officers, including 293 upscale townhouses, just north of the sprawling GIS administrative compound.³⁶⁴</p> <p>Notable jobs for the military outside of the NAC: Suez Canal expansion; land reclamation projects; reconstruction in Gaza.</p> <p>Joint ventures with the military outside of the NAC: Al-Organi is chairman of Misr Sinai for Investments (owned 51 percent by the military and 49 percent by businessmen in North Sinai) with factories working in glass, cement, and marble.³⁶⁵</p>
<p>ARGYNZA CONSTRUCTION (est. 2001)</p> <p>Majority Owner Ahmed El Gharbawi</p> <p>Regime Connections Long-time subcontractor for the military</p>	<p>For EAAF: a set of soaring entry gates to the new capital; Military Academy at the Strategic Headquarters of the Armed Forces in the NAC; 85-feddan Argynza City residential compound; part of the Grand Egypt Mosque (including the world’s tallest minbar).³⁶⁶</p> <p>Notable jobs for the military outside of the NAC: a large mall owned by the EAAF; a military sporting club in Ismailia (including hotel with 105 rooms); a large theater (Victory Theater) in Ismailia; a textile industrial complex in Hosh Eissa; a military memorial in New Galala City; a new car market complex; military training camps.</p>

LARGE EGYPTIAN PUBLIC SECTOR COMPANIES	
<p>ARAB CONTRACTORS</p> <p>The main public sector company building the NAC</p>	<p>Estimated total NAC contract values: 20 billion EGP by 2021.³⁶⁷</p> <p>For EAAF: 5 billion EGP parliament building;³⁶⁸ the slightly smaller Senate Council;³⁶⁹ the 750 million EGP al-Fattah al-Aleem Mosque (with capacity for 17 thousand worshipers);³⁷⁰ the \$45 million Grand Egypt Mosque (for 107 thousand worshipers);³⁷¹ roads and aviation field for the NAC airport;³⁷² and several roads for the Government District.</p> <p>For NUCA: 136 feddans of Green River (approximately \$68 million),³⁷³ two water lines servicing the new capital's residential and commercial areas for 485 million EGP; the central power station; at least 94 residential buildings;³⁷⁴ and infrastructure and utilities over 550 feddans (including water, sewage, irrigation, electricity, and communications).³⁷⁵</p> <p>For NAT: the \$4.5 billion monorail project linking the new capital to the rest of Cairo (with Orascom and French company, Alstom);³⁷⁶ the \$1.2 billion light rail transit system (with Orascom and Hassan Allam); and the central NAC train station (with SIAC).³⁷⁷</p>
<p>HOLDING COMPANY FOR CONSTRUCTION AND DEVELOPMENT (HCCD)</p> <p>Under the Ministry of Public Business Sector</p>	<p>For EAAF: infrastructure projects totaling 5 billion EGP (\$563 million) in 2017/18 including construction of the Ministry of Justice, roads and utilities in the Government District, and residential buildings in R6.³⁷⁸</p> <p>For NUCA: At least 17 residential buildings and infrastructure for utilities in R3.³⁷⁹</p> <p>For private sector: foundations for villas in TMG's Celia compound and for RME-built towers.</p>
<p>PETROJET</p> <p>Under the Ministry of Petroleum and Mineral Resources</p>	<p>For EAAF: 36 residential buildings for "a sovereign entity" (either the military or GIS);³⁸⁰ tunnels and basic infrastructure; the widening of the Cairo-Suez Road, which leads to the NAC.³⁸¹</p> <p>For NUCA: 94 feddans of the Green River (approximately \$47 million).³⁸²</p> <p>For NAT: part of the \$1.2 billion light rail transit system.³⁸³</p> <p>For other state entities: a network of cooling pipes;³⁸⁴ a network of gas pipelines.³⁸⁵</p>

APPENDIX II:
Foreign Companies with Major NAC Contracts

Gulf Companies	
<p>MARASEM</p> <p>Majority Owner Saudi Arabia's largest construction conglomerate, Saudi Binladin Group</p>	<p>Estimated total NAC contract values: 15 billion EGP by July 2019.³⁸⁶</p> <p>For NUCA: sections of the R5 district; 212 feddans of the Green River (approximately \$106 million); and a project in the Central Business District.³⁸⁷</p>
<p>ASGC EGYPT</p> <p>Majority Owner Emirati Air Force officer (ret.) Mohamed bin el Sha'far</p>	<p>For NUCA: at least one hundred residential and mixed-use buildings in the R3 and R5 residential districts; all of the infrastructure works for the 1,700-feddan Investors' Area (including water and irrigation networks, sewage, electricity and roads).³⁸⁸</p>
Western Companies	
<p>SIEMENS</p>	<p>\$3 billion contract for high-speed train linking the new capital to the Red Sea and the Mediterranean; \$2.34 billion contract (with Orascom) to build NAC power plant, and an additional \$352 million to manage and operate the NAC plant (and two others) for eight years; a \$53.61 million contract to build the National Energy Control Center (with Hassan Allam); additional contracts pending for an Innovation Center in the NAC's Knowledge City.</p>
<p>DELL TECHNOLOGIES</p>	<p>Contracts in the Knowledge City and elsewhere in the NAC.</p>
<p>CISCO</p>	<p>\$300 million contract (in partnership with a local company) from the Ministry of Communications to supply equipment and systems for communication centers around the NAC.</p>
<p>SCHNEIDER ELECTRIC</p>	<p>At least €100 million in new capital contracts to build technological infrastructure, power stations, and electricity distribution networks throughout the NAC.</p>
<p>ALSTOM</p>	<p>A €2.7 billion contract to design, build, and install 70 monorail trains, plus provide 30 years of operation and maintenance services.</p>
<p>ORANGE</p>	<p>A \$135 million contract to build and operate the NAC's main Data Center.</p>
<p>ÉLECTRICITÉ DE FRANCE (EDF)</p>	<p>Contract to manage the new capital's electricity distribution and supervise the execution of the Energy Control Center.</p>
<p>DORSCH GRUPPE</p>	<p>Contracts to manage water (including drinking water, irrigation, and sewage) and traffic/transportation throughout the entire new capital.</p>
<p>MASTERCARD</p>	<p>A 10-year strategic partnership with the ACUD for a smart card payment system.</p>
<p>GIESECKE+DEVRIENT (G+D)</p>	<p>A €260 million contract for "the largest money printer in the Middle East."</p>
<p>HONEYWELL</p>	<p>At least 2.2 billion EGP to establish a surveillance system and the Integrated Command and Control Center.</p>

ENDNOTES

1. HH Sheikh Mohammed Bin Rashid Al Maktoum, "Mohammed bin Rashid and Al-Sisi review a model of the project to build the new administrative capital of Egypt," YouTube video [Ar], 3:35, March 15, 2015, <https://www.youtube.com/watch?v=2tjsgSiBGDI>
2. "Emaar Has No Role in New Egyptian Capital: Chairman - EEDC 2015 - Business," Ahram Online, March 15, 2015, <https://english.ahram.org.eg/News/125269.aspx>
3. "President al-Sisi's comment on the implementation period of the new administrative capital," YouTube video [Ar], 2:42, March 14, 2015, <https://www.youtube.com/watch?v=pYAL72TQIII>
4. Alabbar wanted Egyptian banks to contribute to the financing, while al-Sisi wanted all of the money to come from the Gulf. The Egyptian regime wanted 24 percent of the shares in exchange for contributing the land, while Alabbar was only willing to give 20 percent; See Mohamed Darwish, "Al-Abbar requests reduction in administrative capital project share to 20%," *Daily News Egypt*, July 12, 2015, <https://dailynewsegyp.com/2015/07/12/al-abbar-requests-reduction-in-administrative-capital-project-share-to-20/>
5. Sahar Nasr, "Khaled Abbas: 60% of the construction of the first phase of the new administrative capital has been completed," *Al-Borsa* [Ar], February 7, 2023, <https://www.alborsaonline.com/2023/02/07/1629873>
6. The Suez Canal Economic Zone is technically larger, but it existed prior to al-Sisi's presidency. Al-Sisi is expanding the zone through his Suez Canal Corridor Project—plans for which are expected to cost around \$100 billion (still smaller than the estimated \$300 billion price tag for the entire new administrative capital project).
7. TeN TV, "Are the administrative capital and El Alamein paid for from the state's money? A definitive response from President Sisi to the skeptics," YouTube video [Ar], 3:01, August 14, 2021, <https://www.youtube.com/watch?v=FMw7ham2DBY>
8. Constitutionally mandated minimums for health and education spending have been routinely missed in the state's annual budgets that are approved by the president and his largely rubber-stamp parliament.
9. Channel 1 Egypt, "Intervention of President Abdel Fattah al-Sisi, President of the Republic, during Attesia program," YouTube video [Ar], 1:18:39, October 25, 2022 <https://youtu.be/6DDzA4cue-E?t=310>
10. International Monetary Fund, "Arab Republic of Egypt: Request for Extended Arrangement Under the Extended Fund Facility-Press Release; and Staff Report," January 10, 2023, <https://www.imf.org/en/Publications/CR/Issues/2023/01/06/Arab-Republic-of-Egypt-Request-for-Extended-Arrangement-Under-the-Extended-Fund-Facility-527849>
11. The main sources include laws, budgets of government entities, media interviews given by government officials, reporting in Arabic business and economic news outlets, official corporate reports, and companies' social media accounts.
12. Heba Salem and Simeon Kerr, "Egypt to unveil plans for new administrative capital," *Financial Times*, March 12, 2015, <https://www.ft.com/content/dd1ed1ec-c8c3-11e4-8617-00144feab7de>
13. Tamer El-Ghobashy and Esther Fung, "Soft Power: China Backs Egypt's New \$45 Billion Capital," *Wall Street Journal*, May 3, 2016, <https://www.wsj.com/articles/big-chinese-developer-pushes-overseas-ambitions-with-egypt-project-1462267802>
14. Aidan Lewis and Mohamed Abdellah, "Egypt's new desert capital faces delays as it battles for funds," Reuters, May 13, 2019, <https://www.reuters.com/article/us-egypt-new-capital-idUSKCN1S1J10I>
15. Al Nahar Classic, "Housing Minister Mostafa Madbouly presents the project of the new administrative capital of Egypt # EEDC2015," YouTube video [Ar], 24:50, March 13, 2015, <https://youtu.be/OiNx3IPSUGc?t=890>
16. Yasmine Samra, "Egypt Invests \$12B (sic) in Implementing 'Knowledge City' in March," *Egypt Today*, February 11, 2018, <https://www.egypttoday.com/Article/3/42512/Egypt-invests-12B-in-implementing-%E2%80%98Knowledge-City%E2%80%99-in-March>
17. Al Nahar Classic, "Housing Minister Mostafa Madbouly," 15:40
18. Shadi Bushra and Yara Bayoumy, "What Can \$300 Billion Buy in Egypt? A New Capital or a Pipedream," Reuters, March 19, 2015, <https://www.reuters.com/article/us-egypt-cairo-idUSKBN0MF1BK20150319>

19. Al Nahar Classic, "Housing Minister Mostafa Madbouly," 12:40
20. Dalia Othman, "[Allocating 45.4 thousand feddans to the Ministry of Trade to be used in the planned expansions of the Administrative Capital, *Al-Masry Al-Youm* [Ar], June 22, 2022, <https://www.almasryalyoum.com/news/details/2627677>
21. "Saudi king invites countries to attend donor conference for Egypt," Reuters, June 3, 2014, <https://www.reuters.com/article/uk-egypt-election-saudi-aid-idAFKBN0EE1WG20140603>
22. By January 2015, world oil prices had dropped by more than 59 percent compared to when King Abdullah called for the donor conference in June 2014. See Dave Mead and Porscha Stiger, "The 2014 Plunge in Import Petroleum Prices: What Happened?" *Beyond the Numbers* 4, no. 9 (May 2015): 3, <https://www.bls.gov/opub/btn/volume-4/pdf/the-2014-plunge-in-import-petroleum-prices-what-happened.pdf>
23. Mahmoud Mohamed, "[Al-Sisi mocks the Gulf in a new leak: their money is like 'rice,'" YouTube video [Ar], 6:36, February 8, 2015, <https://youtu.be/b83nH97ilFQ?t=182>
24. The full name is the Ministry of Housing, Utilities, and Urban Communities, but I will shorthand this to the Ministry of Housing.
25. Kieron Monks, "Egypt is getting a new capital – courtesy of China," CNN, October 10, 2016, <https://www.cnn.com/style/article/egypt-new-capital/index.html>
26. The state-owned China State Construction Engineering Corporation (CSCEC) expressed interest in building and financing ten thousand feddans. See "Signed by the Minister of Investment in Beijing: the first memorandum of understanding on the new administrative capital with China," *Al-Ahram* [Ar], September 3, 2015, <https://bit.ly/41Rd92j>
27. The hope was that these MoUs, or unenforceable pledges, would become full contracts upon President Xi Jinping's visit a few days later. See Islam al-Gohary, "We publish the details of the memorandums of understanding between Egypt and China regarding the 'new administrative capital,'" Masrawy [Ar], January 3, 2016, https://www.masrawy.com/news/news_various/details/2016/1/3/726003/
28. The CSCEC, which presented its designs for the new government buildings to an Egyptian delegation in March 2016, was to break ground that spring and have financing in hand by the summer. Negotiations stalled, but by August, Madbouly was still reassuring the public that China would come through, promising that the CSCEC would start work on the site "next week." The then-minister of housing went so far as to tell *El Watan* news outlet that the new capital would be "the piggy bank that will bring money to Egypt for the next 50 years and it will be a source of funding for the state," adding that "it's enough to tell you that the Chinese will come today and fund the Government District." But the Chinese did not start work in August, nor did they ultimately fund the Government District. See Mahmoud Mohamed Ali, "Video...Minister of Housing: A Chinese contracting company undertakes the implementation of the 'Administrative Capital,'" *Al-Shorouk* [Ar], January 19, 2016, <https://www.shorouknews.com/news/view.aspx?cdate=19012016&id=1791dd82-6001-4002-8dba-56841c4b144d>; Mahmoud Muslim and Ahmed Mustafa, "Minister of Housing: The cost of the administrative capital is not from the state budget and will be 'a piggy bank that will bring money to Egypt for the next 50 years,'" *El Watan* [Ar], August 25, 2016, <https://www.elwatannews.com/news/details/1354102>
29. On China's retreat, see Eric Knecht, "Egypt's capital project hits latest snag as Chinese pull out," Reuters, February 8, 2017, <https://www.reuters.com/article/egypt-china-construction-idUSL5N1FT5IY>; on Egyptian companies, see Hossam Mounir, "Assigning implementation of New Administrative Capital to Egyptian companies falls in favour of banks in Egypt: Abdellah," *Daily News Egypt*, February 19, 2017, <https://dailynewsegypt.com/2017/02/19/615665/>
30. "Chinese company to spend \$20 billion developing second phase of Egypt's new capital," Reuters, October 3, 2016, <https://www.reuters.com/article/us-egypt-china-financing-idUSKCN12328A?il=0>; Work was to commence in June 2018 when the first phase of the capital—at this point still to be built by the other Chinese state-owned company—should have been completed. See "Chinese company signs US\$20 billion agreement to build new administrative capital," Mada Masr, October 4, 2016, <https://www.madamasr.com/en/2016/10/04/news/u/chinese-company-signs-us20-bn-agreement-to-build-new-administrative-capital/>
31. According to Hussein, the ACUD spokesman, the ACUD wanted 40 percent of profits, while CFLD

was only willing to give 33 percent. See Mohamed Mustafa and Shaimaa Al-Aees, "The 'Administrative Capital' is negotiating foreign companies as an alternative to the Chinese 'CFLD,'" *Al-Borsa* [Ar], December 20, 2018, <https://alborsa.news.com/2018/12/20/1163298>

32. Deal on CBD with CSCEC reached in October 2017. See "Egypt signs \$3 billion loan deal with Chinese commercial bank to build business zone in new capital," *Al-Ahram*, April 28, 2019, <https://english.ahram.org.eg/News/330776.aspx>

33. Afaf Ammar, "The Administrative Capital Raises Its Paid-up Capital to EGP 80 Billion," *Al-Shorouk* [Ar], July 18, 2020, <https://www.shorouknews.com/news/view.aspx?cdate=18072020&id=2be28fab-6582-44c1-8511-4ab7a71243ce>; \$1 = 16.12 EGP in July 2020 for the 60 billion EGP (\$3.72 billion) plus the original \$2.3 billion endowment; Hussein was quoted as saying 204 billion EGP was injected into the ACUD, but this contradicts most other statements by officials in the Ministry of Housing and ACUD. See Ruth Michaelson, "'Cairo has started to become ugly': why Egypt is building a new capital city," *Guardian*, May 8, 2018, <https://www.theguardian.com/cities/2018/may/08/cairo-why-egypt-build-new-capital-city-desert>. It's possible Hussein confused the paid-in capital (which most say was initially 20 billion EGP) and the authorized capital, which was set at 204 billion EGP. The official ACUD brochure does, however, state that "the company's capital is 204 billion EGP" ("Administrative Capital for Urban Development," https://www.ecrg.de/images/Download_pdf/Brochure.pdf). It's also possible that the company did enjoy this amount of paid-in capital, but not everyone wanted to advertise the number; some government sources say the original paid-in capital was 6 billion EGP (\$675.68 million); \$1 = 8.88 EGP in April 2016.

34. See Presidential Decree 446/2015 in Yezid Sayigh, "The Return of Egypt's Military Interest Groups," Carnegie Middle East Center, December 21, 2015, <https://carnegie-mec.org/diwan/62337>

35. It was decided among the ACUD owners that this plot of land amounted to 22 percent of company shares, while the NSPO made a contribution equal to a 29 percent share in the company. This meant the civilian NUCA paid most of the actual cash that went into the ACUD, granting the authority its 49 percent share. See Afaf Ammar, "Three Files at the Top of the Priorities of the Administrative Capital," *Al-Shorouk*

[Ar], January 15, 2022, <https://www.shorouknews.com/news/view.aspx?cdate=15012022&id=d96b4739-5766-46f7-adba-61fee58f9e9>; Presidential Decree 57/2016 allocated 184,216 feddans to the AFLPA for the establishment of both the NAC and the Sheikh Mohammed Bin Zayed Urban Community—the latter which was supposed to run between New Cairo and the NAC over 10.5 thousand feddans with 21 thousand housing units to be established in a year and a half. See Presidential Decree 57/2016, "Considering the lands of the new administrative capital and Sheikh Mohammed bin Zayed Urban Community as part of the new urban communities," Manshurat [Ar], February 8, 2019, <https://manshurat.org/node/11678>; In April 2016, when Mohammed bin Zayed visited the site, a ministry of housing official said they had already started work on the utilities and infrastructure, but it seems to have disappeared from the map. It's unclear what the ACUD has done with the land. See Ahmed Hassan, "The fruits of the visit of the Crown Prince of Abu Dhabi to Egypt... 'Housing' begins implementing the facilities works for the gathering of Sheikh Mohammed bin Zayed at a cost of 4 billion pounds...and the Deputy Minister: the construction of 21 thousand housing units in the new city on an area of 500 acres," *Youm7* [Ar], April 23, 2016, <https://bit.ly/3AGnbau>. It seems the land has since gone to the luxury Hyde Park Developments (owned by NUCA and HBD, among others) and the NUCA-led Beit el Watan project—an attempt to market to Egyptians abroad and access U.S. dollars by offering mid-level to luxury housing. See "Company," Hyde Park Developments, <https://www.hydeparkdevelopments.com/about-us/>

36. Mubarak's Presidential Decree 152/2001 was a major step toward expanding presidential and military authority over state land, allowing the president to designate vast areas of desert land as strategically important for the military. Soon after, Mubarak's Presidential Decree 153/2001 established a body "which sought to inventory and govern use of all state land, in coordination with the Military Survey Department; [a Ministry of Defense] representative sat on the new center's board, whose head was moreover to be approved by the ministry and has often been a retired [Egyptian Armed Forces] officer." See Yezid Sayigh, *Owners of the Republic: An Anatomy of Egypt's Military Economy* (Washington: Carnegie Endowment for International Peace, 2019), <https://carnegie-mec.org/2019/11/18/owners-of-republic-anatomy-of-egypt-s-military-economy-pub-80325>, 29.

37. Beesan Kassab, "The new administrative capital: Outside the state budget or outside public accountability?" Mada Masr, May 25, 2019, <https://www.madamasr.com/en/2019/05/25/feature/economy/the-new-administrative-capital-outside-the-state-budget-or-outside-public-accountability/>
38. Lewis and Abdellah, "Egypt's new desert capital"
39. eXtra news, "Now | Speech by Major General Ahmed Zaki Abdeen, Chairman of the Board of Directors of the new administrative capital Company," YouTube video [Ar], 32:49, October 11, 2017, <https://youtu.be/-iO4JqZf2PQ?t=1020>; eXtra news, "Now | President al-Sisi inaugurates the first phase of the new administrative capital projects," YouTube video [Ar], 2:31:52, October 11, 2017, <https://www.youtube.com/watch?v=tnzsr6PHi8c>
40. The original version of the claim—that not a single cent would be spent from the public budget [*el mizanaya el 'aama*—has since evolved into a more sweeping assertion that the state itself has not spent a single cent on the project. See, for example, TeN TV, "Are the administrative capital and El Alamein part of the state's money?"
41. This number is no doubt much higher as of mid-2023, with estimates of around double this amount. In October 2022, Abbas said 80 billion EGP had been spent on NAC utilities alone. In March 2021, Abbas provided the following cost breakdown for some sections: 50 billion EGP for the Government District; 50 billion EGP for the CBD; 40 billion EGP for the Banking District, plus the Green River and six residential districts. The average exchange rate in March 2021 was \$1=15.7 EGP. See Mohamed Abdel Nasser, "Outside the budget...Deputy Minister of Housing: 500 billion pounds is the value of spending on projects in the new administrative capital," Masrawy [Ar], March 14, 2021, https://www.masrawy.com/news/news_egypt/details/2021/3/14/1987278
42. Afaf Ammar, "90 billion EGP is the volume of spending of the Administrative Capital [Company] from its own resources on the projects of the first phase," *Al-Shorouk* [Ar], January 8, 2022, <https://www.shorouknews.com/news/view.aspx?cdate=08012022&id=84931e1e-a152-4686-8cf0-ec94f24bc82a>
43. Marwa Hamdan, "Zaki Abdeen: The Administrative Capital achieves the highest investment returns from land sales...and intends to be offered on the Stock Exchange within two years," *El Watan* [Ar], March 5, 2022, <https://www.elwatannews.com/news/details/5980564>; Afaf Ammar, "Ahmed Abdeen: The Administrative Capital contributes about 50 billion pounds to the Sovereign Fund," *Al-Shorouk* [Ar], February 9, 2020, <https://www.shorouknews.com/news/view.aspx?cdate=09022020&id=d1f595b7-1770-45d5-8be0-6374eee7b6d3>; Abdeen quoted the cost as 60 billion EGP in March 2022. At the time, the exchange rate was \$1 = 15.76 EGP.
44. Six thousand of those feddans had originally belonged to the Ministry of Industry and Trade—another clear instance of the regime redirecting resources away from potential productive activity (industry) to speculative real estate ventures.
45. eXtra news, "Where do you get this money from?...President al-Sisi clarifies the sources of financing the projects of the new administrative capital," YouTube video [Ar], 2:01, July 6, 2022, <https://www.youtube.com/watch?v=zM-dbZgacBY>; \$1= 18.86 EGP in July 2022.
46. Ahmed Hassan, "The full story of the Green River in the new administrative capital...the Prime Minister lays the foundation stone today...the completion of the first phase within two years, with a length of 10 kilometers...starting from the Middle Ring Road to the Regional...and 'Housing' is responsible for implementation," *Youm7* [Ar], January 14, 2019, bit.ly/3B60WuV; Amal Nabil, "After Sisi's statements. How are the projects of the new administrative capital financed?," *Cairo 24* [Ar], August 14, 2021, <https://www.cairo24.com/1269055>
47. In a May 2019 interview, Hussein said the ACUD sold 1,050 feddans (4.41 million square meters) to the Ministry of Housing (NUCA) at 10 thousand EGP per square meter. See Shaimaa Al-Aees, "US-Saudi-UAE consortium negotiates with ACUD to develop 500 feddan entertainment area in NAC," *Daily News Egypt*, March 27, 2019, <https://dailynewsegypt.com/2019/03/27/us-saudi-uae-consortium-negotiates-with-acud-to-develop-500-feddan-entertainment-area-in-nac/>; \$1= 17 EGP in May 2019.
48. NUCA is only one of several government authorities that have special budgets outside of the official public budget. While it is undoubtedly the largest off-budget authority funding the NAC, other authorities are also likely spending money on NAC projects.

49.

For FY2014/15, see Law 98/2014, “The budget of the New Urban Communities Authority for the fiscal year 2014/2015,” Manshurat [Ar], July 2, 2014, <https://manshurat.org/node/10345>;

For FY2015/16, see Law 65/2015, “The budget of the New Urban Communities Authority for the fiscal year 2015/2016,” Manshurat [Ar], July 2, 2015, <https://manshurat.org/node/9576>;

For FY2016/17, see Law 41/2016, “The budget of the New Urban Communities Authority for the fiscal year 2016/2017,” East Law Network [Ar], July 10, 2016, <http://site.eastlaws.com/GeneralSearch/Home/ArticlesTDDetails?MasterID=1845913>;

For FY2017/18 and FY2018/19, see Law 133/2018, “The budget of the New Urban Communities Authority for the fiscal year 2018/2019,” Manshurat [Ar], June 27, 2018, <https://manshurat.org/node/32860>;

For FY2019/20, see Law 112/2019, “The budget of the New Urban Communities Authority for the fiscal year 2019/2020,” Manshurat [Ar], June 26, 2019, <https://manshurat.org/node/61135>;

For FY2020/21, see Official Gazette of Egypt (al-Jaridah al-Rasmiyah) of May 26, 2022, No. 21, <https://gate.ahram.org.eg/media/News/2022/6/6/2022-637901142781534791-153.pdf>;

For FY2021/22, see Law 109/2021;

For FY2022/23, there is conflicting data regarding the budget for NUCA. The official budget had not been published at the time of writing. Some reports cite 173.34 billion EGP—see “Housing: 172 billion, the size of the New Urban Communities Authority’s budget for the fiscal year 2022/2023,” Tahia Masr News [Ar], May 31, 2022, <https://www.tahiamasr.com/701116>; “With the support of 45%...Urban Communities’: 65,000 new social housing units,” Masrawy [Ar], May 31, 2022, <https://tinyurl.com/55axc36x>—while the report from the lower house of parliament’s planning and budget committee cites 212.6 billion for NUCA and four other authorities under the Ministry of Housing. Historically, these other authorities have commanded budgets no larger than 460 million–2.5 billion EGP each. Based on FY2021/22 budgets for these other authorities, NUCA would enjoy a budget of 207 billion EGP in FY22/23. See Heba Hossam, “Housing allocations in the state’s general budget increased to LE 254.7 billion,” *Youm7* [Ar], October 10, 2022, bit.ly/3plZRfO

50. Law 109/2021, “The budget of the new Urban Communities Authority for the fiscal year 2021/2022,” Manshurat [Ar], June 30, 2021, <https://manshurat.org/node/7500>; Law 52/2013, “The budget of the New Urban Communities Authority for the fiscal year 2013/2014,” Manshurat [Ar], June 29, 2013, <https://manshurat.org/node/9183>

51. Again, NUCA is responsible for developing and financing several sections of the new capital, with early estimates for its NAC project costs totaling \$12.5 billion. Main projects include: the \$3 billion Central Business District; the \$500 million Green River; two residential districts (plots R3 and R5 for 104 billion EGP); and most of the roads and utilities, including water, electricity, sewage, irrigation and “smart networks” throughout the new city (at an estimated cost of 50 billion EGP). See Ahmed Sobhi, “140 billion pounds...‘Housing’ adopts the largest budget in the history of the Urban Communities Authority,” *Al-Mal* [Ar], March 7, 2021, bit.ly/3HC0UyY; “Mohamed Abdel Maksoud to Osoul Misr: The new administrative capital will receive its first residents next January,” *Osoul Misr* [Ar], November 18, 2020, <https://osoulmismagazine.com/269138/>; Al Nahar TV, “The New Republic | Friday, October 22, 2021 - a meeting with the head of the Administrative Capital Authority and Mona Al-Omda,” YouTube video [Ar], 57:17, October 22, 2021, https://www.youtube.com/watch?v=PyOwB7_6yJ4

52. Ayman Hamza, “The ‘Urban Communities’ allocates 5 billion pounds to the ‘Administrative Capital’ in the new budget,” *Al-Masry Al-Youm* [Ar], July 6, 2015, <https://www.almazryalyoum.com/news/details/769161>; \$1 = 7.8 EGP in July 2015.

53. Ahmed Hassan, “Head of the Administrative Capital Authority: 220 billion pounds of investments in the new administrative capital from the Ministry of Housing...On June 30, there will be a full life in the residential neighborhood...Abdel Maksoud: New units offered with the real estate financing system.. Video,” *Youm7* [Ar], January 13, 2021, bit.ly/3nirQfM. \$1 = 15.84 EGP in January 2021

54. Afaf Ammar, “Urban Communities spends the first tranche of a 150 billion EGP loan from banks to finance fourth generation cities,” *Al-Shorouk* [Ar], February 20, 2021, <https://www.shorouknews.com/news/view.aspx?cdate=20022021&id=6df96bfb-98e7-45bc-a548-386cbfd5dbf4>; \$1 = 17.93 EGP in January 2019.

55. \$1 = 15.78 EGP.

56. "Approval of the Urban Communities Authority's budget for the year 2021-2022, at 140 billion pounds," *Al-Shorouk* [Ar], March 7, 2021, <https://www.shorouknews.com/news/view.aspx?cdate=07032021&id=90259e4f-d61f-4fb7-8a51-a9d243821a13>; While the price of the wastewater plant is undisclosed, a similarly sized plant built in 2009 in New Cairo cost \$472 million. See Water Technology, "New Cairo Wastewater Treatment Plant," <https://www.water-technology.net/projects/new-cairo-wastewater/>
57. Afaf Ammar, "Hassan Allam is implementing a water treatment project in the new administrative capital at a cost of EGP 2.2 billion," *Al-Shorouk* [Ar], December 8, 2018, <https://www.shorouknews.com/news/view.aspx?cdate=08122018&id=00120381-ec06-4034-8be2-353cc473d34c>; Ayat Ahmed, "The new administrative capital is preparing for the opening...the implementation rate reaches 98%...and the workers' housing is ready to receive its residents...and the transfer of ministries' employees soon," Sada El-Balad [Ar], October 14, 2021, <https://www.elbalad.news/5003568>
58. Menna Farouk, "Egypt's farmers fear rising social tensions over scarce water," Reuters, October 31, 2022, <https://www.reuters.com/business/cop/egypts-farmers-fear-rising-social-tensions-over-scarce-water-2022-10-31/>
59. Stephanie Martinovich, "Egypt could face extreme water scarcity within the decade due to population and economic growth," Massachusetts Institute of Technology Department of Civil and Environmental Engineering, August 2, 2021, <https://cee.mit.edu/egypt-could-face-extreme-water-scarcity-within-the-decade-due-to-population-and-economic-growth/>
60. Cabinet resolution 45/2020, "Considering the project of the turbid water intake and lines from the Nile River to the new administrative capital as a work of public interest," Manshurat [Ar], December 17, 2020, <https://manshurat.org/node/70939>
61. Hisham Abdel Jalil, "Urban Communities to the parliament members: Support for social housing units reaches 45%," *Youm7* [Ar], May 31, 2022, [bit.ly/40Y46er](https://www.youm7.com/story/40Y46er)
62. Egypt News, "President al-Sisi's speech at the conclusion of the activities of the Egypt Economic Conference 2022," YouTube video [Ar], 1:59:39, October 25, 2022, <https://youtu.be/5Qb1v0o1yw?t=5770>
63. Sarah Allam and Mohamed Abdel Rahman, "Spokesman for the new administrative capital: We fought rumors and sought a life worthy of Egyptians," *Youm7* [Ar], January 26, 2019, [bit.ly/40W0CJC](https://www.youm7.com/story/40W0CJC)
64. Author's calculations (255 feddans for four thousand EGP per square meter); Mohamed Youssef, "Telecommunications: Establishment of the Knowledge City in the Administrative Capital at a Cost of EGP 15 Billion," *El Watan* [Ar], May 22, 2019, <https://www.elwatannews.com/news/details/4171484>
65. Hussein said this in January 2019, long before the Knowledge City had been completed. The cost has almost certainly risen since then.
66. Yasmeen Fawaz, "Telecom Achieves Profits Exceeding One Billion Pounds during the Current Fiscal Year," *Al-Mal* [Ar], May 23, 2019, [bit.ly/41T0YSq](https://www.al-mal.com/story/41T0YSq)
67. For data on FY2018/19 and FY2019/20, see Fawaz, "Telecom Achieves Profits"; For FY2020/21 and FY2021/22, see Yasmeen Fawaz, "Details of the budget for 'communications' and its subsidiaries in the fiscal year 2021/2022," *Al-Mal* [Ar], June 14, 2021, [bit.ly/3p2myFC](https://www.al-mal.com/story/3p2myFC); For FY2022/23, see "Program and performance budget for the fiscal year 2022-2023," Arab Republic of Egypt Ministry of Finance [Ar], [bit.ly/3HPBMUK](https://www.mof.gov.eg/3HPBMUK)
68. Salim Hassan, "2.2 Billion EGP, the Cost of the Sports City in the Administrative Capital," *Al-Borsa* [Ar], January 15, 2018, <https://alborasaanews.com/2018/01/15/1078733>
69. Amr Mostafa, "Schneider Electric intends to implement 10 automatic electricity control centers at a cost of 600 million euros," Al Masdar [Ar], February 20, 2022, <https://www.almasdar.com/114233>
70. "Bleu-Vert New Capital," Egypt Real Estate Hub, <https://www.egyptrealestatehub.co.uk/bleu-vert-new-capital-secon>
71. Sharif Omar, "An insurance consortium invests 2.5 billion pounds in a real estate project in the Administrative Capital," *Al-Mal* [Ar], May 10, 2018, [bit.ly/3oXxlAN](https://www.al-mal.com/story/3oXxlAN); Chairman of the board: General Ragui Ismail Masalhi. See Esmat al-Shami, "Misr for Investment and Urban Development and Marseilia sign a development contract to establish an integrated urban project in the Administrative

- Capital," *Al-Ahram* [Ar], January 31, 2019, <https://gate.ahram.org.eg/News/2104015.aspx>; "Al Shams Housing invests EGP 3.4bn in SOLANA New Capital," Mubasher, July 30, 2019, <https://english.mubasher.info/news/3511045/Al-Shams-Housing-invests-EGP-3-4bn-in-SOLANA-New-Capital/>; "Egypt's Ava Mina to Partner El Shams Housing in Oro New Capital," Invest Gate, February 1, 2022, <https://invest-gate.me/news/egypts-ava-mina-to-partner-el-shams-housing-in-oro-new-capital/>; chaired by General Mahmoud Maghary. See Bodour Ibrahim, "The Administrative Capital is preparing to withdraw the lands of 17 real estate companies," *Al-Mal* [Ar], July 2, 2019, bit.ly/3oYN3LX
72. Rahma Ramadan, "Establishing an electricity control center in the new administrative capital at a cost of 840 million pounds," *Youm7* [Ar], August 11, 2021, bit.ly/42itVak
73. Ahmed Hassan, "The Banking District in the new administrative capital is under implementation... Zaki Abdeen: 30 banks have obtained plots of land...4 years implementation period...Distinctive architectural facades...15 thousand pounds per square metre...The Government District and the commercial area are the most prominent landmarks," *Youm7* [Ar], November 2, 2018, bit.ly/41YYyBG
74. Author's calculations based on the price of land in the Banking District of 15 thousand EGP per square meter. The whole Banking District totals three hundred thousand square meters, or 71.4 feddans (bringing in 4.5 billion EGP for the ACUD). Each bank has bought around 5–7 thousand square meters, but some of the largest state-owned banks bought considerably more—e.g. the CBE bought 130,419 square meters; Banque du Caire 5,869 square meters; Suez Canal Bank 8,600 square meters; NBE 42 thousand square meters; Export Development Bank 3,715 square meters; Agricultural Bank of Egypt 5,825 square meters; and the HDB 35 thousand square meters. See "The Housing and Development Bank plans to be one of the first working banks in the Administrative Capital," Masrawy [Ar], November 4, 2020, <https://www.masrawy.com/news/news-banking/details/2020/11/4/1906249>
75. As Madbouly relayed to the TV news program *al-Hayah al-Yom*. See Amani Aboul Naga, "Minister of Housing: Establishing a national company to implement the new administrative capital," *Al-Shorouk* [Ar], January 28, 2016, <https://www.shorouknews.com/news/view.aspx?cdate=28012016&id=4bedc96c-a90e-44fc-a098-c4c28c6aa9b1>
76. For the Nov. 2018 loan, see Manal al-Masry, "Three banks agree to a loan of 20 billion pounds for the Urban Communities Authority," Masrawy [Ar], November 28, 2018, https://www.masrawy.com/news/news_economy/details/2018/11/28/1470411; \$1 = 17.86 EGP;
- For the Apr. 2019 loan for "urgent financial needs," see Afaf Ammar, "'Urban Communities' reached an agreement with banks to borrow 6 billion pounds," *Al-Shorouk* [Ar], April 21, 2019, shorouknews.com/news/view.aspx?cdate=21042019&id=0c666871-8ca4-4f84-90ca-de64448644a0; \$1 = 17.18 EGP;
- For the Apr. 2019 loan for the CBD, the 2019 average exchange rate \$1 = 16.81 EGP; NUCA received the final tranche of the loan package (\$538 million) in December 2020. See Mahmoud Zaki, "'Urban Communities' receives 538 million dollars from Chinese banks for the 'Central Business' account in the Administrative Capital," *Al-Mal* [Ar], December 29, 2020, [bit.ly/3p0ykAf;](http://bit.ly/3p0ykAf)
- For the Jul. 2019 loan, \$1 = 16.59 EGP in July 2019; "AAIB arranges EGP 6bn securitised bonds," Mubasher, September 12, 2019, [https://english.mubasher.info/news/3529934/AAIB-arranges-EGP-6bn-securitised-bonds/;](https://english.mubasher.info/news/3529934/AAIB-arranges-EGP-6bn-securitised-bonds/)
- For the Jan. 2020 loan, \$1 = 15.77 EGP in January 2020; Afaf Ammar, "'Urban Communities' borrows 10 billion pounds from a banking consortium and is negotiating another tranche," *Al-Shorouk* [Ar], January 12, 2020, <https://www.shorouknews.com/news/view.aspx?cdate=12012020&id=499b14f6-2820-4489-893c-f590e4f8ed1a;>
- For the Jul. 2020 loan, \$1 = 15.95 EGP; Dreny & Partners Law Firm, "Egypt: Deal of the year," IFLR1000, <https://www.iflr1000.com/NewsAndAnalysis/Egypt-Deal-of-the-year/Index/12499;>
- For the Oct. 2020 loan from consortium of banks, \$1 = 15.70 EGP in October 2020; "Enterprise poll: Central Bank of Egypt to leave rates on hold in September 2020," Enterprise, September 20, 2020, [https://enterprise.press/stories/2020/09/20/enterprise-poll-central-bank-of-egypt-to-leave-rates-on-hold-in-september-2020-22107/;](https://enterprise.press/stories/2020/09/20/enterprise-poll-central-bank-of-egypt-to-leave-rates-on-hold-in-september-2020-22107/)
- The Oct. 2020 loan package from commercial banks was disbursed over two years. See Afaf

Ammar, “Urban Communities is addressing local banks to obtain a new financing package of approximately 50 billion pounds,” *Al-Shorouk* [Ar], February 19, 2022, <https://www.shorouknews.com/news/view.aspx?cdate=19022022&id=af164dd1-9118-4b5f-99a0-bb17299393df>; “Decision of the Authority’s Board of Directors, in its session No. (145) on 10/12/2020, regarding the approval of the authority to obtain a loan of 150 billion pounds over two years, at an average of 6 billion pounds per month, from commercial banks,” New Urban Communities Authority [Ar], October 12, 2020, <http://www.newcities.gov.eg/about/Decisions/dispdec.aspx?ID=432>; Afaf Ammar, “Urban Communities spends the first tranche of a 150 billion EGP loan from banks to finance fourth generation cities,” *Al-Shorouk* [Ar], February 20, 2021, <https://www.shorouknews.com/news/view.aspx?cdate=20022021&id=6df96bfb-98e7-45bc-a548-386cbfd5dbf4>;

For the Mar. 2022 loan, \$1 = 16.66 EGP in March 2022; “Urban Communities agrees with the National Bank of Egypt and Banque Misr on financing of 50 billion pounds,” Bloom Gate [Ar], March 8, 2022, bit.ly/3HwnQ1U;

For the Jul. 2022 loan, see “Urban Communities is negotiating a new financing package of more than 50 billion pounds,” Bloom Gate [Ar], July 5, 2022, bit.ly/3p4R8OG

77. Egypt’s fiscal year runs from July 1 to June 30. Loans are listed under “Capital revenues”: “a non-recurring income cash flow into the business that leads to the creation of liability and a decrease in company assets.” See toppr, “Distinction Between Capital Revenues and Capital Expenditures,” [https://www.toppr.com/guides/accountancy/financial-statements/distinction-between-capital-revenues-capital-expenditures/#:~:text=1.,a%20decrease%20in%20company%20assets](https://www.toppr.com/guides/accountancy/financial-statements/distinction-between-capital-revenues-capital-expenditures/#:~:text=1.,a%20decrease%20in%20company%20assets;);

For FY2013/14, see Law 176/2014, “The final account to the budget of the New Urban Communities Authority for the fiscal year 2013/2014,” Manshurat [Ar], November 23, 2014, <https://manshurat.org/node/10440>; \$1 = 6.87 EGP in 2013 (average);

For FY2014/15, see Law 52/2017, “The final account of the New Urban Communities Authority budget for the fiscal year 2014/2015,” Manshurat [Ar], May 20, 2017, <https://manshurat.org/node/24992>; \$1 = 7.08 EGP in 2014 (average);

FY2015/16, see Law 119/2017, “The final account to the budget of the New Urban Communities Authority for the fiscal year 2015/2016,” Manshurat [Ar], July 15, 2017, <https://manshurat.org/node/24959>; \$1 = 7.71 EGP in 2015 (average);

FY2016/17, see Law 68/2018, “The final account to the budget of the New Urban Communities Authority for the fiscal year 2016/2017,” Manshurat [Ar], June 5, 2018, <https://manshurat.org/node/32771>; \$1 = 10.02 EGP in 2016 (average); the currency devaluation happened well into FY2016/17 (November 2016) and was reflected in the subsequent fiscal year’s budget;

For FY2017/18, see Law 52/2019, “The final account to the budget of the New Urban Communities Authority for the fiscal year 2017/2018,” Manshurat [Ar], April 24, 2019, <https://manshurat.org/node/57170>; \$1 = 17.83 EGP in 2017 (average);

For FY2018/19, there is missing data;

For FY2019/20, see Law 45/2021, “The final account to the budget of the New Urban Communities Authority for the fiscal year 2019/2020,” Manshurat [Ar], May 30, 2021, <https://manshurat.org/node/75064>; \$1 = 16.81 EGP in 2019 (average);

For FY2020/21, see Mohamed al-Gali, “President al-Sisi ratifies laws related to the final accounts for the fiscal year,” *Youm7* [Ar], June 6, 2022, bit.ly/42E4gsR; \$1 = 15.81 EGP in 2020 (average).

78. Author’s calculations using the dollar value (due to 2016 currency devaluation).

79. “Enterprise poll: Central Bank of Egypt to leave rates on hold in September 2020,” Enterprise, September 20, 2020, <https://enterprise.press/stories/2020/09/20/enterprise-poll-central-bank-of-egypt-to-leave-rates-on-hold-in-september-2020-22107/>

80. Afaf Ammar, “‘Housing’ signs the third tranche of the Chinese loan to finance the Administrative Capital Towers next January,” *Al-Shorouk* [Ar], December 19, 2020, <https://www.shorouknews.com/news/view.aspx?cdate=19122020&id=5c5549a3-e5d6-4fa8-bffa-5d1d7b374dd8>

81. Middle East Rating & Investors Service, “El Taamir for Securitization Company S.A.E. – Fourth Issue 2020-2027,” MERIS press release, September 2021, <https://merisratings.com/wp-content/uploads/2021/09/El-Taamir-for-Securitization-Company-TSC-English-Press-Release-4th-Issue-1st->

- Renewal-September-2021.pdf; Nibal Zgheib, "EBRD backs Egypt's largest local currency bond issuance," European Bank for Reconstruction and Development, July 21, 2020, <https://www.ebrd.com/news/2020/ebrd-backs-egypts-largest-local-currency-bond-issuance.html>
82. "The history of the EBRD," European Bank for Reconstruction and Development, <https://www.ebrd.com/who-we-are/history-of-the-ebrd.html>; Middle East Rating & Investors Service, "El Taamir for Securitization Company"; Zgheib, "EBRD backs Egypt's."
83. "The Urban Communities signs a loan agreement with the National Bank of Egypt and Banque Misr at a value of 50 billion pounds," *Hapi Journal* [Ar], October 1, 2020, bit.ly/42govfN
84. "El Taamir for Securitization Company," European Bank for Reconstruction and Development, <https://www.ebrd.com/work-with-us/projects/psd/51256.html>
85. "Egypt's Monorail," Orascom Construction, <https://orascom.com/projects/egypts-monorail/>; The consortium of Orascom Construction, Arab Contractors, and Bombardier secured much of the financing. "The ECA-backed funding is provided by a syndicate of international banks led by JP Morgan and supported by UKEF"; Deal signed with consortium in August 2019 and includes operation and maintenance for 30 years. See "Egypt receives UK financing support for transport project," Economist Intelligence Unit, January 22, 2021, http://country.eiu.com/article.aspx?articleid=640637847&Country=Egypt&topic=Economy&subtopic=Fore_3; Al-Sisi approved a loan package by presidential decree (642/2020) of 1.88 billion euro for NAT from JP Morgan Europe, JP Morgan Chase, and other financial institutions signed in August 2020. See "Al-Sisi approves a loan facility agreement of 1.88 billion euros for the Monorail train," Mubasher [Ar], April 15, 2021, <https://www.mubasher.info/news/3793719/>
86. Deal signed in January 2016; "Egypt secures \$1.2 billion from China's EximBank for electric rail to new capital," Amwal Al Ghad, January 17, 2019, <https://en.amwalalghad.com/egypt-secures-1-2bn-from-chinas-eximbank-for-electric-rail-to-new-capital/>
87. "Siemens Mobility Signs Historic Contract for Turnkey Rail System in Egypt worth USD 3 bn," Siemens, September 01, 2021, <https://press.siemens.com/global/en/pressrelease/siemens-mobility-signs-historic-contract-turnkey-rail-system-egypt-worth-usd-3-bn>
88. "The National Authority for Tunnels topped the first place, the largest owner of projects in the Middle East for the year 2022," National Authority for Tunnels, July 17, 2022, <http://www.nat.gov.eg/NewsDetails.aspx?id=1158>; Its purview has been expanded in recent years to oversee all of the major transportation projects in Egypt (the monorail, light rail transit system, and high-speed train system, in addition to the Cairo metro expansion). See Law 113/1983, "Regarding the establishment of the National Authority for Tunnels," East Law Network [Ar], August 11, 1983, <http://site.eastlaws.com/GeneralSearch/Home/ArticlesTDDetails?MasterID=4291>
89. NAT was converted into an economic authority [*haya' iqtisadaya*] on al-Sisi's orders in 2020 (Law 180/2020). See "Amending some provisions of the law establishing the National Authority for Tunnels by Law No. 180 of 2020," Manshurat, September 5, 2020, <https://manshurat.org/node/67608>; Mahmoud Hussein, "Amendments to the 'National Tunnels' law turn it into an economic body... Learn the details," *Yom7* [Ar], September 15, 2020, bit.ly/3nqRiP0
90. Mohamed Yousif, "Deputy Coordinator: Establishment of 7,200 special funds that violate the law," *El Watan* [Ar], April 18, 2022, <https://www.elwatannews.com/news/details/6049123?t=push>
91. Beesan Kassab, "251 billion pounds in new loans to economic bodies outside the general budget," Mada Masr [Ar], June 20, 2022, bit.ly/40S3dEg
92. Again, most of the loans are guaranteed by the Ministry of Finance.
93. "Combined Cycle (COGAS) power plants for Egypt: Deutsche Bank, HSBC and KfW IPEX-Bank structure and arrange EUR 3.5 billion in fi," KfW IPEX-Bank, April 12, 2016, https://www.kfw-ipex-bank.de/Presse/News/Pressemitteilungsdetails_347520-2.html; Patrick Werr, "Pricing and speed of Siemens deal shakes up Egypt's energy sector," *The National*, June 5, 2016, <https://www.thenationalnews.com/business/pricing-and-speed-of-siemens-deal-shakes-up-egypts-energy-sector-1.211865>
94. Youssef Magdy, "Parliament approves borrowing 800 million pounds to finance the expansion of 'Super Jet,'" Amwal Al Ghad [Ar], May 19, 2022, bit.ly/40S3dEg

- ly/3ngtdM1; Nour Ali, "The House of Representatives discusses the plan to finance internal transportation in the new administrative capital," *Youm7* [Ar], January 23, 2022, bit.ly/3nkPNTD
95. According to MP Mahmoud Assam. See "Egypt's parliament approves a new loan to finance the administrative capital's projects," *Al-Araby Al-Jadeed* [Ar], January 23, 2022, bit.ly/3NyDBcy
96. Yasmeen Karam and Ayat al-Hubal, "Major General Adel al-Zamiti, Head of the Services Sector at the Administrative Capital Company: We seek the help of major companies to provide services, and we are keen to follow international standards," *Al-Masry Al-Youm* [Ar], November 30, 2021, <https://www.almasryalyoum.com/news/details/2473026>
97. The ACUD, SuperJet, and an Emirati company, Mowasalat Misr, signed an MoU in 2021 that had SuperJet and Mowasalat Misr collaborating to provide transportation within the new capital. The Emirati company is an obvious choice for the city—it operated the first "smart buses" in Egypt, consisting of a sleek fleet of air conditioned buses with an electronic payment system. But negotiations stalled with the ACUD over revenue sharing (again, the ACUD expected 70 percent, with the remaining 30 percent to be shared between the two bus companies), and as late as May 2022, a final agreement had yet to be signed. As of July 2022, only SuperJet is part of the agreement. See Youssef Magdy, "Superjet establishes a new company with a capital of EGP 200m," *Amwal Al Ghad* [Ar], May 25, 2022, bit.ly/42csEBs
98. Author's calculations from public budgets.
99. See "A Guide to the Egyptian Budget," *International Budget Partnership*, August 2014, <https://internationalbudget.org/wp-content/uploads/A-Guide-to-the-Egypt-Budget.pdf>, 36; Beesan Kassab, Ehab al-Naggar, and Rana Mamdouh, "Egypt to seek LE1.5 trillion in borrowing as debt servicing consumes 50% of 2022/23 expenditures," *Mada Masr*, May 11, 2022, <https://www.madamasr.com/en/2022/05/11/feature/economy/egypt-to-seek-le1-5-trillion-in-borrowing-as-debt-servicing-consumes-50-of-2022-23-expenditures/>
100. Sharif Omar, "The Land Developers are negotiating with banks and financial leasing companies to borrow 400 million pounds," *Al-Mal* [Ar], February 17, 2021, bit.ly/3LLXPYg
101. "Hewar...National Bank of Egypt pumps 9 billion pounds to finance the projects of the 'Administrative Capital,'" *Capital News* [Ar], June 30, 2021, <https://capitalnewseg.com/25769/>; \$1 = 15.69 EGP in June 2021.
102. The money was earmarked for construction and paying installments on the cost of land to the ACUD. Most of the funds came from state-owned banks, led by the National Bank of Egypt with 350 million EGP, the Arab African International Bank (owned in equal parts by the Central Bank of Egypt and the Kuwaiti Investment Authority) with 200 million EGP, and the Suez Canal Bank (partially owned by the Central Bank of Egypt) with 150 million EGP. See Mohamed Salem, "An alliance of 5 banks pumps 1.3 billion pounds into one of the 'Talaat Moustafa' companies," *Al-Mal* [Ar], January 14, 2021, bit.ly/3nqJRZm
103. Sahar Nasr, "CEO: 1.7 billion pounds sales of 'Saudi Egyptian Development' in the 'Bleu Vert' project," *Al-Borsa* [Ar], March 6, 2022, <https://alborsaaneews.com/2022/03/06/1516581>
104. See "Financial Stability Report 2020," *Central Bank of Egypt* (2020), 18, <https://cbe.org.eg/-/media/project/cbe/page-content/rich-text/financial-stability/english/fsr-2020-english-version.pdf>; \$1 = 16.24 EGP in June 2020.
105. Provided the developers were buying land from the government or a body affiliated with the government. See Afaf Ammar, "Four banks are considering providing a syndicated loan of 6 billion EGP for Rock Redcon," *Al-Shorouk* [Ar], July 2, 2022, <https://www.shorouknews.com/news/view.aspx?cdate=02072022&id=70685e24-5f44-421f-9361-a68d1c2d6748>
106. Abdul Qader Ramadan, "'50 billion pounds' Details of the Central Bank's initiative to revitalize the real estate sector," *Masrawy* [Ar], April 8, 2019, https://www.masrawy.com/news/news_economy/details/2019/4/8/1546899/
107. The financing initiative is technically for "middle income" earners, but with an individual maximum monthly salary cap at 40 thousand EGP, the initiative benefits upper middle income earners (the average monthly salary in Egypt is six thousand EGP according to official numbers); The original conditions called for repayment over 20 years, but this was amended in October 2021 to 25 years; "Egypt's central bank amends terms of 8% real estate

- mortgage initiative,” *Egypt Today*, October 4, 2021, [https://www.egypttoday.com/Article/3/108498/Egypt-s-central-bank-amends-terms-of-8-real-estate; Central Bank of Egypt, *Annual Report 2019-2020*, 2020, <https://www.cbe.org.eg/en/EconomicResearch/Publications/Pages/AnnualReport.aspx>, 2; The 50 billion EGP CBE is different from the 100 billion EGP CBE mortgage finance initiative for low to middle-income earners at subsidized rates of 3 percent for up to 30 years. This latter initiative will not likely apply to housing offered in the NAC due to high prices.](https://www.egypttoday.com/Article/3/108498/Egypt-s-central-bank-amends-terms-of-8-real-estate;Central-Bank-of-Egypt,Annual-Report-2019-2020,2020,https://www.cbe.org.eg/en/EconomicResearch/Publications/Pages/AnnualReport.aspx,2;The50-billion-EGP-CBE-is-different-from-the-100-billion-EGP-CBE-mortgage-finance-initiative-for-low-to-middle-income-earners-at-subsidized-rates-of-3-percent-for-up-to-30-years.This-latter-initiative-will-not-likely-apply-to-housing-offered-in-the-NAC-due-to-high-prices.)
108. “City Edge signs a cooperation protocol with the Commercial International Bank worth one billion EGP,” *Hapi Journal* [Ar], January 25, 2021, bit.ly/44kiukb; 1 billion EGP in loans came from CIB, 500 million EGP came from United Bank (owned by the Central Bank), and an undisclosed amount came from Banque Misr—all subsidized by the CBE initiative; “Al-Taameer Securitization is preparing to implement two deals worth EGP 1.6 billion for City Edge and Misr Italia,” *Hapi Journal* [Ar], January 26, 2021, bit.ly/44eLx8G
109. \$1 = 15.64 EGP; Central Bank of Egypt, *Annual Report 2019-2020*, 2020, <https://www.cbe.org.eg/en/EconomicResearch/Publications/Pages/AnnualReport.aspx>, 17.
110. Central Bank of Egypt, *Annual Report 2019-2020*, 2020, <https://www.cbe.org.eg/en/EconomicResearch/Publications/Pages/AnnualReport.aspx>, 17.
111. Ahmed al-Batran, “85.5 billion pounds, the volume of financing granted by the National Bank of Egypt within the Central Bank’s 8% initiative,” *Al-Mal* [Ar], August 14, 2022, bit.ly/44IAHh8
112. Afaf Ammar, “A banking alliance spends 3.1 billion pounds in favor of Samcrete to implement projects in the Administrative Capital,” *Al-Shorouk* [Ar], August 4, 2019, <https://www.shorouknews.com/news/view.aspx?cdate=04082019&id=64fd87ef-ddc2-4467-ba3f-f7918f50844b>
113. Mohamed Salem, “El Marasem agrees on new financing of one billion pounds,” *Al-Mal* [Ar], October 22, 2018, bit.ly/3LPTJVE; Afaf Ammar, “Banque Misr arranges four joint Islamic financing packages worth 3.6 billion pounds for the benefit of El Marasem,” *Al-Shorouk* [Ar], July 18, 2020, [https://www.shorouknews.com/news/view.aspx?cdate=18072020&id=e8b31605-3caa-4a09-8af7-00fae420aa25; In July 2020: a 590 million EGP](https://www.shorouknews.com/news/view.aspx?cdate=18072020&id=e8b31605-3caa-4a09-8af7-00fae420aa25;InJuly2020:a590millionEGP)
- loan for El Marasem’s work on the Green River, and another 1.5 billion EGP loan to build part of R5 district.
114. Afaf Ammar, “The Suez Canal Bank agrees to grant Gama Construction a loan of EGP 350 million,” *Al-Shorouk* [Ar], October 2, 2021, <https://www.shorouknews.com/news/view.aspx?cdate=02102021&id=be699b90-fb6c-4838-81c5-35908b0cb5c1>
115. Hamdan, “Zaki Abdeen: The Administrative Capital Achieves”; \$1 = 15.75 EGP in March 2022.
116. “President al-Sisi: The Administrative Capital Company will be listed on the Stock Exchange, and its assets amount to 4 trillion pounds,” *Hapi Journal* [Ar], August 14, 2021, bit.ly/3WGuv05
117. Karam and al-Hubal, “Major General Adel al-Zamiti”
118. Mirette Magdy, “Egypt Readies What May Be Its Biggest IPO as Capital Emerges,” *Bloomberg*, August 15, 2021, <https://www.bloomberg.com/news/articles/2021-08-15/egypt-readies-what-may-be-its-biggest-ipo-as-new-capital-emerges>
119. Ammar, “Three Files at the Top”
120. Ahmed Sobhi, “Zaki Abdeen: 55 billion pounds, the cost of establishing the government district in the administrative capital,” *Al-Mal* [Ar], March 2, 2022, bit.ly/3ANRcVR
121. The NSPO acquired majority shares in the Suez Steel Company (Egypt’s second largest steel company) and Egyptian Steel in 2016 and 2018, respectively (Sayigh, *Owners of the Republic*, 213). The NSPO similarly expanded into the cement industry, beginning in earnest in 2016 when it broke ground on a \$1.1 billion cement factory just south of Cairo (inaugurating the National Company for Cement in Beni Suef) and resolved to double capacity of its Al-Arish Cement company (est. 2012) (Sayigh, *Owners of the Republic*, 215).
122. Sayigh, *Owners of the Republic*, 212
123. Author interview, August 14, 2022. The cost of the product is subtracted directly from the company’s project revenues.
124. The AOI is technically an “international organization,” but for all intents and purposes it belongs to the armed forces. Like other military affiliates—and unlike most civilian state-owned

entities, which are expected to deposit their proceeds in the treasury—the AOI has a separate budget and holds on to its profits. For more on the AOI, see Sayigh, *Owners of the Republic*, 58.

125. “The Arab Organization for Industrialization leads the first alliance to provide an integrated platform for smart urban transport,” Al Bosla [Ar], November 11, 2019, bit.ly/3VnrYXP

126. Mohamed Faraj, “The ‘Administrative Capital’ invites international companies to submit proposals for building solar cells on roofs,” *Al-Borsa* [Ar], May 28, 2022, <https://alborsa.news.com/2022/05/28/1544340>

127. The Tahya Misr Fund was established in 2014 by al-Sisi as a donations-based charity under the president’s direct control. In recent years, the Fund has expanded its activities to include investments in a range of sectors including real estate, financial instruments, education administration, and online shopping. See Beesan Kassab and Rana Mamdouh, “MPs give nod to exempt Tahya Masr Fund, partners from ‘all future taxes,’” *Mada Masr*, April 28, 2021, <https://www.madamasr.com/en/2021/04/28/feature/politics/mps-give-nod-to-exempt-tahya-masr-fund-partners-from-all-future-taxes/>; Mohamed Magdy, “Arab Industrialization: Starting the youth food car project in the ‘administrative capital,’” *El Watan* [Ar], March 12, 2018, <https://www.elwatannews.com/news/details/3157985>

128. AlHadath Alyoum, “The head of the Arab Organization for Industrialization reveals the details of equipping the government district in the new administrative capital,” YouTube video [Ar], 5:50, January 9, 2021, <https://www.youtube.com/watch?v=B6SW0MQDmzU>; Zaki al-Qadi, “Arab Industrialization: No piece of imported furniture will enter the government district in the administrative capital,” *Youm7* [Ar], February 5, 2020, bit.ly/3ngQKwh; Safia Hamdi, “Chairman of the Arab Organization for Industrialization: 20 national companies participate in furnishing government headquarters in the administrative capital,” *Al-Mal* [Ar], September 19, 2020, bit.ly/3AMRs7t

129. Hassan Allam, Triangle Group and Samcrete (discussed below) all signed agreements to this effect in 2020–2021 for both their national megaprojects and international works. These are just a few of the many companies, both public and private, that have signed special agreements of this nature with the AOI since al-Sisi came to power and the military

economy began its exponential ascent. See Arab Organization for Industrialization [Ar], “Cooperation protocol with Hassan Allam Holding Company,” bit.ly/40ZFeTR; Zaki al-Qadi, “Arab Industrialization and Triangle Group cooperate to implement national projects...Pictures,” *Youm7* [Ar], October 14, 2020, bit.ly/420KEPM; Maha Salem, “Cooperation between ‘Arab Industrialization’ and Samcrete and NERIC to implement national projects in Egypt and the African and Arab regions | photo,” *Al-Ahram* [Ar], April 15, 2021, <https://gate.ahram.org.eg/News/2692942.aspx>

130. Sayigh, *Owners of the Republic*, 59

131. Zaki al-Qadi, “Minister of Military Production to *Youm7*: We are implementing a number of projects in the administrative capital, most notably the installation of solar energy panels and elevators... Minister Mohamed Morsi: Relying on local components to maximize benefit and encourage the national industry,” *Youm7* [Ar], September 29, 2021, bit.ly/42jZCjE

132. Marco Aadl, “Military Production wins the tender for the implementation of solar energy stations on top of 65 government buildings in the administrative capital,” *Akhbar el-Yom* [Ar], July 19, 2020, <https://m.akhbarelyom.com/news/newdetails/3085234/1/>

133. Al-Qadi, “Minister of Military Production to *Youm7*”

134. Author interviews with industry insiders.

135. Deloitte, *Africa Construction Trends Report*, 2021, <https://www2.deloitte.com/content/dam/Deloitte/za/Documents/energy-resources/za-African-Construction-Trends-2021-V8.pdf>

136. These projects have boosted the companies’ portfolios and capacities, in turn making them more attractive partners for lucrative private sector clients—typically from the Gulf. The Emirati Emaar, Al Futtaim, and SODIC are the leaders in granting lucrative contracts to these growing firms.

137. Orascom Construction, *FY 2021 Results Presentation*, March 22, 2022, <https://orascom.com/wp-content/uploads/FY-2021-Results-Presentation.pdf>, 44; Orascom Construction, *FY 2016 Results Presentation*, April 27, 2017, <https://www.orascomservices.com/wp-content/uploads/FY-2016-Results-Presentation.pdf>, 42

138. “Al-Sisi responds to Sawiris: You got \$4.7

- billion worth of business,” *Al-Araby Al-Jadeed* [Ar], December 22, 2021, bit.ly/3LQE3SI
139. Orascom, *FY 2016 Results Presentation*, 13; Orascom, *FY 2021 Results Presentation*, 12
140. “Our Projects,” Red Sea Construction, <http://www.rsc.com.eg/index.aspx>
141. “Hassan Allam Holding achieves 23 billion EGP in revenues from business inside and outside Egypt,” *Hapi Journal* [Ar], May 3, 2020, bit.ly/3LrwNL5; \$1 = 15.81 EGP in May 2020.
142. “Hassan Allam - ESRS Summary,” International Finance Corporation, <https://disclosures.ifc.org/project-detail/ESRS/37831/hassan-allam-1>
143. “IFC CEO Signs \$20 Million Investment to Support Construction Sector in Egypt,” International Finance Corporation, December 14, 2016, <https://pressroom.ifc.org/all/pages/PressDetail.aspx?ID=18169>
144. Elsewedy Electric, *FY 2021 Earnings Release*, February 9, 2022, <https://s3.amazonaws.com/resources.inktankir.com/swdy/Elsewedy-Electric-FY-2021-ER-En-.pdf>; the Elsewedy family owns 67.7 percent of the company, while the rest of the shares (32.3 percent) are free floated.
145. “Q2 2022 EARNINGS RELEASE: ELSEWEDY ELECTRIC Reports Q2 2022 Results; Records Strong Consolidated Top-Line Growth of 48.6% for the Second Quarter and 49.8% for the First Half of the Year,” Elsewedy Electric, August 22, 2022, <https://enterprise.press/wp-content/uploads/2022/08/Elsewedy-Electric-2Q2022.pdf>
146. Like many of Egypt’s largest private sector companies, Elsewedy Electric has also deepened its shared business interests with the armed forces through direct joint ventures. In 2019, Elsewedy formed a company with the military-led General Authority for the Suez Canal Economic Zone (SCZone), called the Economic Zone Utilities Company (49 percent owned by Elsewedy Electric, 51 percent by the SCZone Authority). Under the partnership, Elsewedy develops, operates, and maintains all major utilities in the massive 107 thousand feddan economic zone—work valued at billions of dollars. See “Utility Development: Projects,” Elsewedy Electric, <https://www.elsewedyelectric.com/en/business-lines/infrastructure-investments/utility-development/>
147. “Muhammad Mahlab, President of Rowad Modern Engineering: We aim to grow its business volume at a rate between 30-50%,” *Akhbarak.net* [Ar], June 5, 2021, <https://akhbarak.net/news/23591118/articles/42147551/>
148. “Mahlab: Egyptian-Chinese relations strong, unique,” *Egypt Today*, November 6, 2017, <https://www.egypttoday.com/Article/1/31208/Mahlab-Egyptian-Chinese-relations-strong-unique>
149. “Concord Engineering and Construction...the giant of the contracting sector in Egypt,” *Elshoura* [Ar], October 16, 2019, <https://www.alshouranews.com/1720147/>; “Ismailia Tunnels,” Concord for Engineering and Contracting, <https://www.concord-ec.com/projects-posts/ismailia-tunnels/>. Concord built the tunnels in collaboration with Petrojet. Concord is also working with the Arab Contractors to build infrastructure over ten thousand feddans for New Mansoura at an estimated cost of 5–6 billion EGP. See “Duplication of Martyr Ahmed Hamdy Tunnel,” Concord, <https://www.concord-ec.com/projects-posts/duplication-of-martyr-ahmed-hamdy-tunnel-project/>; Marwa Hamdan, “Engineer Ahmed El-Abd: Concord raises its turnover to 6 billion pounds. The administrative capital and New Alamein are our top priorities,” *Amwal Al Ghad* [Ar], August 5, 2018, bit.ly/3HzbFLz
150. Marwa Hamdan, “Concord acquires 8 infrastructure projects within the Tahya Misr Initiative, at a cost of 7 billion EGP,” *Amwal Al Ghad* [Ar], December 30, 2021, bit.ly/3NxTEHM
151. Sayigh, *Owners of the Republic*, 199; Abdelrahman Saleh, “Breaking...Appointment of Engineer Mohammed el Shimi, CEO and Managing Director of Concord International,” *Power News* [Ar], October 18, 2021, bit.ly/42iwr0g
152. The company’s chief financial officer is also a former high-ranking official in the Ministry of Culture under Mubarak, as well as the son of a famous radio broadcaster under Nasser (head of *Sawt al-Arab* radio) and advisor to Sadat. See Dina Abdel Aleem, “Hossam Nassar, Head of External Relations at the [Ministry of] Culture,” *Youm7* [Ar], August 10, 2010, bit.ly/42AiECv; “Hossam Nassar, the son of the journalist Saad Zaghloul Nassar, the former head of the Voice of the Arabs network, in an interview with *Youm7*: Taha Hussein, when he heard my father, said: ‘We congratulate you on this new voice,’” *Youm7* [Ar], July 4, 2022, bit.ly/3VpRwn6

153. “Egypt’s Redcon Construction planning to float 15% of its shares – COO,” Redcon Construction Co., January 23, 2019, <https://www.redconcon.com/news/egypts-redcon-construction-planning-to-float-15-of-its-shares-coo/>; Hossam Nassar, “A Great Year for Redcon Construction,” LinkedIn, January 15, 2017, <https://www.linkedin.com/pulse/great-year-redcon-construction-hossam-nassar/>; As early as August 2018, the company had been commissioned to build new capital works totaling 10-12 billion EGP—a number that has grown substantially since then. See Hamdan, “Engineer Ahmed El-Abd: Concord raises its turnover.”
154. Eman Hamed, “PROJECTS: Egypt’s Redcon Construction targets \$382mln earnings in 2021,” Zawya, <https://www.zawya.com/en/projects/projects-egypts-redcon-construction-targets-382mln-earnings-in-2021-ys31dk7u>
155. “Establishing the ‘Administrative Capital for Urban Development’ company, with a capital of 6 billion pounds,” *Al-Borsa* [Ar], May 9, 2016, <https://alborsaanews.com/2016/05/09/841218>
156. “Gama Construction is implementing various projects within the Technology Innovation Complexes initiative,” *Al-Mal* [Ar], December 5, 2017, bit.ly/3LNPIXr
157. Sayigh, *Owners of the Republic*, 130
158. Marwa Hamdan, “SIAC targets EGP 20 billion in total business volume in the administrative capital during 2022,” Amwal Al Ghad [Ar], January 17, 2022, bit.ly/41W6ALN; \$1= 15.73 EGP in January 2022. By the end of 2021, SIAC had already secured at least 18.5 billion EGP in contracts for NAC projects (mostly from the EAAF). See “Ahmed Azmy: SIAC Holding is implementing contracting projects worth EGP 2 billion in the first quarter,” *Hapi Journal* [Ar], May 31, 2020, bit.ly/3NxkklvR; “SIAC Holding targets contracts worth EGP 10bn in 2022,” *Al-Borsa* [Ar], December 21, 2021, <https://alborsaanews.com/2021/12/21/1492562>; Between the new capital and the “new summer capital” in New Alamein, the company has already secured more than 34 billion EGP (\$2.16bn) in contracts, with at least 15 billion EGP in potential contracts under review. “SIAC plans to sign contracts worth 12 billion pounds this year,” Bloom Gate [Ar], February 15, 2022, <https://bloom-gate.com/%D8%A7%D9%84%D9%86%D8%B4%D8%B1%D8%A9/%D8%B3%D9%8A%D8%A7%D9%83/>; Sahar Nasr, “SIAC targets 15 billion EGP in its business portfolio in the administrative capital and New Alamein,” *Al-Borsa* [Ar], June 7, 2022, <https://www.alborsanews.com/2022/06/07/1544572>
159. Hassan Haridi, “Learn about the executing companies for the government district in the new administrative capital,” *Akhbar el-Yom* [Ar], March 11, 2018, <https://akhbarelyom.com/news/newdetails/2637932/1/>; Ammar, “A banking alliance spends 3.1 billion pounds.”
160. See, for example, “Sami Saad, the owner of a contracting company, obtained lands to establish educational facilities, which he sold as residential units for 378 million pounds, after the approval of the governor,” *Youm7* [Ar], March 6, 2009, bit.ly/41YkTiP; Industry insiders also suggest Saad’s early rise to success was helped by his friendship with a major arms dealer during the Mubarak regime, Rushdi Subhi. Saad became the exclusive selling agent for Mercedes in the 1990s, allegedly thanks to this relationship. He is the current head of the Egyptian Contractors’ Federation—a Federation that plays a lobbying role for the sector with mandatory membership for all contractors working in Egypt.
161. Most notably, the East Port Said Industrial Zone in the SCZone. Together with the NSPO and Hassan Allam Holding, Samcrete co-founded East Port Said Development to build the massive special economic zone. See “About Us,” East Port Said Development, https://www.ep-egypt.com/en/about_us
162. Hassan Kamel, “Head of Technical Affairs at Wadi el Nil for Contracting: The company is studying the implementation of works in Africa,” *Al Dostor* [Ar], October 26, 2019, <https://www.dostor.org/2887345>; eXtra news, “Speech by Major General Ahmed Zaki Abdeen” (see 14:20); Wael Nabil, “The head of the ‘Post’ inspects the Authority’s building in the new administrative capital,” *Akhbar el-Yom*, December 24, 2020, <https://akhbarelyom.com/news/newdetails/3204992/1/>; For an earlier instance of Wadi el Nil enjoying contracts without a tender and accusations of illicit gains, see Hazem Youssef, “A statement accusing the ‘intelligence services’ and ‘insurance’ of wasting 13 million pounds of public money,” *Al-Masry Al-Youm* [Ar], March 6, 2013, <https://www.almasryalyoum.com/news/details/293173>
163. Kamel, “Head of Technical Affairs at Wadi el Nil for Contracting”; Outside of the NAC, the company has also received 40 percent of the Ministry of Health’s national projects, according to a high-

ranking company executive. This has included everything from building new hospitals, upgrading old ones, and procuring medical devices, hospital supplies, ambulances and traveling clinics. See Hassan Kamel, "Assistant to the president of 'Wadi el Nil for Contracting': We implement 40% of the 'Health' projects," *Al Dostor* [Ar], October 26, 2019, <https://www.dostor.org/2887342>

164. "Previous projects," El Agyal for Contracting and Trade [Ar], https://www.elagyal-egypt.com/previous_project#

165. Abnaa Sinai Company for Construction and Building, "We proudly present the 'Mansoura 6' project in the new administrative capital," Facebook video [Ar], 2:04, November 25, 2021, <https://www.facebook.com/watch/?v=224942953044830>

166. DW Fifth Estate, "Ibrahim al-Orhani: From 'imprisonment and torture' to the partnership between the army and the reconstruction of Gaza," YouTube video [Ar], 3:43, January 12, 2022, <https://www.youtube.com/watch?v=KYSJ45mqgGo>; Misr Sinai was established in mid-2014 by the NSPO. See Sayigh, *Owners of the Republic*, 263; After the 2021 bombardment of Gaza, Abnaa Sinai became the largest actor carrying out the regime's reconstruction project.

167. Marwa Hamdan, "Arab Contractors exceeds 20 billion pounds in the total business portfolio in the administrative capital until 2021," *Amwal Al Ghad* [Ar], November 28, 2021, bit.ly/3LwPixH

168. "Headed by Dr. Mostafa Madbouly, the General Assembly of Arab Contractors approves the financial statements and final accounts for the year 2016/2017 and the draft budget for 2018/2019," *Arab Contractors* [Ar], May 10, 2018, <https://arabcont.com/Release-2018-1229>

169. Moreover, the company's profits are inflated by its work abroad (around 22% of its contract values), for which it is paid market prices. See: Ahmed Sobhi, "The Arab Contractors General Assembly: Increasing the issued and paid-up capital of the company to 7.5 billion pounds," *Al-Mal* [Ar], August 2, 2021, bit.ly/3Vuk6nf; Ahmed Sobhi, "The Arab Contractors General Assembly approves the financial statements, final accounts, and the new budget," *Al-Mal* [Ar], July 26, 2022, bit.ly/3HzsXhV

170. When the company enjoyed net profits of around 505 million EGP from 11.2 billion EGP in

contracts; Bodour Ibrahim, "Exclusive: The Arab Contractors achieved half a billion pounds in difficult economic conditions," *Al-Mal* [Ar], January 22, 2013, bit.ly/44pVbFy

171. \$1 = 8.88 EGP in April 2016; Abdul Halim Salem, "The new administrative capital is good for the public business sector," *Youm7* [Ar], September 9, 2021, bit.ly/3HAg2fD

172. To carry out the actual work, Petrojet subcontracts to smaller companies. See Sayigh, *Owners of the Republic*, 256

173. Boosting the overall tally of developers are those building smaller projects like commercial centers or administrative offices. Entities that have purchased land from the ACUD to develop more complex residential compounds account for a much smaller fraction—just a few dozen by the start of 2022.

174. Mohamed Abdel Nasser, "Why didn't the big real estate developers participate in the implementation of the first phase of the administrative capital?" *Masrawy* [Ar], January 10, 2022, https://www.masrawy.com/news/news_egypt/details/2022/1/10/2156228

175. The real estate tycoon had received a death sentence in 2009, which was converted to 15 years in prison in 2010.

176. El Hekaya Show, "Hisham Talaat Moustafa explains the details of his donation of 62 million pounds to combat the coronavirus," YouTube video [Ar], 6:10, April 17, 2020, <https://www.youtube.com/watch?v=fkC3twamYec>.

177. Author's calculations from earning releases FY2017–2021, accessible at "Reports," TMG, <http://www.talaatmoustafa.com/Reports.aspx?SID=Presentations&K=Reports%20%20Presentations>

178. According to the contract, TMG would pay the ACUD 2,100 EGP per square meter with a 10 percent down payment and installments over nine years. TMG's down payment was 441 million EGP (\$24.78 million) [\$1 = 17.8 EGP]. See "Strategy Presentation," TMG Holding, September 2018, [http://www.talaatmoustafa.com/Upload/TMG%20INVESTOR%20PRESENTATION%20\(ENGLISH\).pdf](http://www.talaatmoustafa.com/Upload/TMG%20INVESTOR%20PRESENTATION%20(ENGLISH).pdf)

179. Subcontracted by the EAAF; Developed by

TMG's subsidiary, the Arab Company for Projects and Urban Development.

180. Author's calculations based on price of 1,350 EGP/square meter; Sharif Omar, "1350 pounds is an initial value for the price per square meter in Talaat Moustafa land in the Capital Gardens," *Al-Mal* [Ar], January 17, 2021, bit.ly/420z0Ej

181. The master plan for the futuristic Noor City was designed by SWA, SASAKI, and Perkins Eastman, with consulting by Boston Consulting Group (BCG). See "Noor Capital Gardens," TMG, <http://www.talaatmoustafa.com/Cities.aspx>

182. "FY2021 earnings release," TMG Holding, March 2022, <http://www.talaatmoustafa.com/upload/TMG%20Holding%20FY2021%20earnings%20release.pdf>; "FY2017 earnings release," TMG Holding, March 4, 2018, <http://www.talaatmoustafa.com/Upload/TMG%20Holding%20FY2017%20earnings%20release.pdf>

183. Hany al-Houti, "Talaat Moustafa: 21.3 billion pounds, the group's sales in 2018," *Youm7* [Ar], January 2, 2019, bit.ly/44qaGNZ. Noor City's sales reached 15 billion EGP in just the first three weeks of the launch—a record in Egyptian real estate history—and totaled 18.56 billion EGP by the end of 2021, accounting for 58 percent of TMG's sales that year. Ragab Ezzedine, "Talaat Moustafa records the highest historical sales, with a value of 27.5 billion pounds," *Al-Mal* [Ar], November 14, 2021, bit.ly/3p0Fd4L; "FY2021 Update," TMG, February/March 2022, <http://www.talaatmoustafa.com/upload/Investor%20presentation%20-%20Feb%202022.pdf>

184. The money was earmarked for construction and paying installments on the cost of land to the ACUD. Most of the funds came from state-owned banks, led by the National Bank of Egypt with 350 million EGP, the Arab African International Bank (owned in equal parts by the Central Bank of Egypt and the Kuwaiti Investment Authority) with 200 million EGP, and the Suez Canal Bank (partially owned by the Central Bank of Egypt) with 150 million EGP. See Ezzedine, "Talaat Moustafa records the highest historical sales."

185. Maha Essam, "Talaat Moustafa: Offering 'Noor City' in installments over 15 years, in cooperation with National Bank of Egypt, Banque Misr, and Banque du Caire," *Amwal Al Ghad* [Ar], June 6, 2021, bit.ly/3Lnvddj; Mohamed Hamdy, "Reservation places in Noor City for customers in the UAE and

Saudi Arabia," *Amwal Al Ghad* [Ar], June 7, 2021, bit.ly/3Lnvddj

186. The banks established two real estate companies for the transactions (First Design and Rawasy), which are also now paying TMG to manage and develop their purchases. See TMG Holding, *TMG FY2021 Update*, February/March 2022, <http://www.talaatmoustafa.com/upload/Investor%20presentation%20-%20Feb%202022.pdf>, 17

187. Recall, the initiative launched in December 2019 offers subsidized mortgages of 8 percent (compared to prevailing lending rates of 13.25 percent) and repayment plans of up to 25 years. "Book your unit online," Talaat Moustafa Group [Ar], <https://nuca.tmg.com.eg/home>

188. Misr Italia bought two hundred feddans in May 2017 for 2.1 billion EGP, followed by another 110-feddan plot for 1.6 billion EGP the following year. Both amounts to be paid in installments. See "Misr Italia Properties buys two hundred feddans in the new administrative capital for 2.06 billion Egyptian pounds," *Aleqaria* [Ar], May 14, 2017, bit.ly/3LM9QUq; Maha Essam, "Misr Italia buys 110 feddans in the administrative capital, at a value of 1.6 billion pounds," *Amwal Al Ghad* [Ar], May 23, 2018, bit.ly/3nia4t5

189. "Misr Italia is building a public school in the administrative capital, with investments of 25 million pounds," *Aqargate* [Ar], June 17, 2019, bit.ly/3p5rwk. The company had worked with the armed forces earlier to build (as donations) a military high school in the South Sinai in 2017, and an elementary school in the Qalyoubia governorate in 2015. See Mahmoud Taha Hussein and Faiza Mersal, "Video...The Minister of Education opens 3 schools in South Sinai on the occasion of its National Day," *Youm7* [Ar], March 28, 2017, bit.ly/42f5UAQ

190. Sayed al-Obaidi, "List of final names for senators on the 'list and individual' systems," *Al-Wafd* [Ar], September 19, 2020, bit.ly/42gChz1; Sharif Omar, "Hany al-Assal donates one hundred thousand pounds to the Tahya Misr Fund," *Al-Mal* [Ar], March 30, 2020, bit.ly/3LOmmCE

191. Afaf Ammar, "Misr Italia Properties launches a three-year EGP 2.5 billion securitization program," *Al-Shorouk* [Ar], January 8, 2022, <https://www.shorouknews.com/news/view.aspx?cdate=08012022&id=68ead629-9859-48b4-bc80-7786a7b6c2e0>; Mahmoud Zaki, "Misr Italia

- obtains a loan of 650 million pounds from a banking consortium," *Al-Mal* [Ar], May 13, 2020, bit.ly/44qqFM2
192. In the R7 district and in the Investors' District, respectively. See "The CEO of the company: Plaza Gardens Development pumped 1.6 billion pounds into its projects during 2019," *Al-Borsa* [Ar], April 30, 2019, <https://www.alborsaanews.com/2019/04/30/1200097>
193. "Naafa' Abdel Hadi," The Egyptian Parliament, <http://www.parliament.gov.eg/MembersDetails.aspx?id=392>; Sama Hany, "Police generals launch the 'Hama al-Watan' party to unite police officers and integrate all currents," *Masrawy* [Ar], June 27, 2013, https://www.masrawy.com/news/News_Regions/details/2013/6/27/26177/
194. Samah Anwar, "During the reception of Ashraf Sobhi...the head of the Homeland Defenders party: the implementation of joint activities with the Ministry of Sports," *Sada El-Balad* [Ar], October 6, 2022, <https://www.elbalad.news/5471528>
195. ETC TV, "Representative Naafa' Abdel Hadi praises the most important national projects during the recent period," YouTube video [Ar], 4:27, November 9, 2022, <https://www.youtube.com/watch?v=Zz3QHV0fUPA>; Asrar al-Balad Program, "Dr. Naafa Abdel Hadi, a member of the House of Representatives and Secretary of the Hama al-Watan Party in Giza, in a dialogue for the Asrar al-Balad program," YouTube video [Ar], 26:12, July 23, 2021, <https://www.youtube.com/watch?v=sW33ahUGfxc>; Mohamed al-Shaabi, "Naafa Abdel Hadi: 'Haya Karima' has become a revolution in the world of comprehensive change," *Al-Ahram* [Ar], September 22, 2022, <https://gate.ahram.org.eg/News/3705445.aspx>
196. Mohamed Kamal, "Major General Ahmed Aboul Fottouh, Sohag security director, is promoted to assistant minister of interior," *Sada El-Balad* [Ar], December 21, 2015, <https://www.elbalad.news/1876610>
197. The original developer of the NAC—the Emirati Mohammed Alabbar—had planned to buy this corner of the capital but again withdrew his bid after more disputes with his military interlocutors. See Afaf Ammar, "La Vista is negotiating the development of 680 feddans in the administrative capital," *Al-Shorouk* [Ar], February 20, 2021, <https://www.shorouknews.com/news/view.aspx?cdate=20022021&id=c5feeb33-540c-4db2-8ed5-e23f2cb7abde>
198. Maha Essam, "Pyramids Investment is launching the Pyramids City project, with investments of 25 billion pounds, in the administrative capital," *Amwal Al Ghad* [Ar], December 7, 2021, bit.ly/3Lti3v8; \$1 = 15.71 EGP.
199. Other projects include the \$120 million Paris Mall, 750 million EGP (\$41.9 million) Grand Square Mall, Paris East Mall, Pyramids Mall, Champs Elysees Mall, Pyramids Business Tower (Downtown), La Capitale Suite Lagoons, and the 1.5 billion EGP La Capitale luxury residential compound (in R7). See Pyramids Developments, "Pyramids New Capital Projects," <https://site.pyramidsdevelopments.com/new-capital/>; "Hisham El-Kholi: 1.5 billion pounds are the investments of 'La Capital' in the administrative capital," *Al-Mezan* [Ar], <https://www.almezannews.com/61188>; \$1 = 17.91 EGP in January 2019; The company allegedly has French and Egyptian investors and did work on the European Parliament and Louvre; "750 million pounds from Pyramids Real Estate to implement the first medical commercial mall in the administrative capital," *Al-Masry Al-Youm* [Ar], January 19, 2019, <https://www.almasryalyoum.com/news/details/1362290>
200. "Pyramids for Development is pumping new investments in the administrative capital and the North Coast," *Al-Masry Al-Youm* [Ar], March 27, 2019, <https://www.almasryalyoum.com/news/details/1382139>; "La Capitale Suite Lagoons," Pyramid Developments, September 2022, <https://site.pyramidsdevelopments.com/la-capitale-suite-lagoons/>; Outside of the NAC, Pyramids is developing a sprawling resort town covering 247 feddans in Galala City—another new city decreed into being by al-Sisi near the Red Sea resort town of Ain Sokhna, also developed by the EAAF—in a revenue sharing agreement with the AFLPA. See "Sky City El Galala," *New Aqar*, <https://newaqar.net/en/projects/sky-city-galala/>; KHM Property, "In partnership with the Armed Forces Land Projects Agency and under the control and supervision of the Engineering Authority of the Armed Forces on the work of the city of Galala, Pyramids announces the launch of a European resort..." Facebook video [Ar], 1:00, December 15, 2020, <https://www.facebook.com/watch/?v=724509511813545>; "Pyramids Real Estate Development donates two million pounds to the Tahya Misr Fund to provide Corona vaccines," *Hapi Journal* [Ar], January 5, 2021, bit.ly/3HzihGx

201. Salahuddin Abdullah, "Remco invests 12 billion pounds in the new administrative capital," *Al-Wafd* [Ar], February 7, 2018, [bit.ly/44qbSkr](https://www.zawya.com/en/business/egypts-remco-reveals-latest-updates-on-projects-in-sokhna-new-administrative-capital-wlj1aejx); "Egypt's Remco reveals latest updates on projects in Sokhna, New Administrative Capital," *Zawya*, September 27, 2021, <https://www.zawya.com/en/business/egypts-remco-reveals-latest-updates-on-projects-in-sokhna-new-administrative-capital-wlj1aejx>; Abdul Hadi Fawzi, "Remco reduced its losses by 81.2 percent during the first quarter," *Al-Borsa* [Ar], May 8, 2022, <https://alborasaanews.com/2022/05/08/1536111>
202. "Company History," Ayoubco, <http://www.ayoubco.com/History.html>
203. In February 2023, Remco sold one of its resorts (Stella di Mare) in Sharm el Sheikh to the NSPO's Tolip hotel chain subsidiary. The nature of the sale was opaque, but there was an outpouring of support by the Coptic community accusing the military of forcing CEO Ayoub Adli Ayoub (who is Coptic) to sell against his will. Remco has been struggling financially for several years, but according to the company's financial statements, the losses have been incurred primarily in Remco's real estate activities, while its main source of profits has been hotels. This seems to suggest that the military is both pressuring the company to undertake loss-making real estate investments while stripping the company of its most profitable businesses. See "Remco for Touristic Villages Construction (RTVC.CA) Reports 9 Months Consolidated Results," Mubasher, <https://english.mubasher.info/news/4083885/Remco-for-Touristic-Villages-Construction-RTVC-CA-Reports-9-Months-Consolidated-Results/>; Shaimaa Al-Aees, "Stella Di Mare 2 project achieves 20% sales in two months," *Daily News Egypt*, May 8, 2016, <https://dailynewsegypt.com/2016/05/08/stella-di-mare-2-project-achieves-20-sales-in-two-months/>; "Egypt's Remco reveals latest updates" ZAWYA
204. Heba Saleh, "Egyptian army's role expands as it gives land for homes," *Financial Times*, March 23, 2014, <https://www.ft.com/content/3b6e0762-b02f-11e3-b0d0-00144feab7de>
205. The current chairman of the union is Major General Fouad Abbas Tawfik (2020–2025). His two vice chairmen and additional board members are also retired military generals (see "Board Members," Central Union for Housing Cooperatives, <https://bit.ly/45B43ZN>). Tawfik was preceded by Major General Adel Nushi (2015–2019), and before that Major General Mohammed al-Misiri (2007–2014), who was also a former intelligence officer. The latter was allegedly fired for mismanagement and poor construction of units (See Zeinab Abul-Magd, *Militarizing the Nation: The Army, Business, and Revolution in Egypt* (New York: Columbia University Press, 2018), 173)). General Rizq has been the chairman of the General Authority since at least 2012.
206. Amr Abdel Ghany and Amr Fahmy, "The new housing board of directors is on a 'war mission,' and its chairman: the return of the spirit to housing cooperatives during the next stage," *Al-Ahram* [Ar], February 4, 2021, <https://gate.ahram.org.eg/News/2571280.aspx>
207. "After winning the hosting of the regional office in Egypt...The Construction and Housing Cooperatives Authority...60 years of achievements," *Akhbar el-Yom* [Ar], October 1, 2021, <https://akhbarel-yom.com/news/newdetails/3519145/1/>
208. Sami Beltagy, "After al-Sisi's directives to coordinate between the regulatory agencies, a new birth for cooperative housing," *Soutalomma* [Ar], December 3, 2019, bit.ly/3Htz3R2; The authority's budgets show loans from the state-owned development bank, the National Investment Bank, totaling more than 1.3 billion EGP during this period (2017–2022). (Author's calculations from budgets.) See Law 46/2021, [The final account to the budget of the General Authority for Construction and Housing Cooperatives for the fiscal year 2017/2018]; Manshurat, April 24, 2019, <https://manshurat.org/node/57171>; <https://manshurat.org/node/75065>; Law 110/2021, "The budget of the General Authority for Construction and Housing Cooperatives for the fiscal year 2021/2022," Manshurat [Ar], June 30, 2021, <https://manshurat.org/node/74992>; General Rizq explained the process in a 2015 interview: "The authority buys the land from the state at subsidized prices, and it sells the lands at reduced prices to the associations." Nile News, "Exclusive interview 07-28-2015," YouTube video [Ar], 44:25 (see 14:48), December 27, 2015, <https://youtu.be/xOk2J4kjZ24?t=888>
209. "FCH Housing Project," Co-operative Housing International, <https://www.housinginternational.coop/co-ops/egypt/>
210. Ahmed Hassan, "The administrative capital and El Alamein are 'not for the rich only,'" *Youm7* [Ar], January 5, 2020, bit.ly/3nkTKYv

211. El-khabeer el-a'qaari, "Only for police officers, Golden Eagle, the administrative capital, the golden eagle," YouTube video [Ar], 13:28 (see 0:27), September 1, 2021, <https://www.youtube.com/watch?v=RCcT8eD8e8k>; according to the sign at the NAC site; El-khabeer el-a'qaari, "The National Bank's creativity in the Investors' Area, the administrative capital, and a tour by the real estate expert, Dr. Ayman Sukkar," YouTube video [Ar], 19:35, August 28, 2021, <https://www.youtube.com/watch?v=sO9pGO6c6xU>
212. A 2009 audit from the CAO reported several violations in the housing cooperative sector. After reviewing the union's finances, the agency found that the cost of the housing developments far outweighed the money collected, making it unlikely that the union would be able to finish the projects. The CAO also reported that 1.4 million EGP of members' money collected by the Central Union after liquidating non-performing associations was not returned to the members more than three years later. See "The Audit Authority monitors many violations in the Central Union...and the housing committee in parliament gives the Union a month to respond," *Al-Masry Al-Youm* [Ar], February 11, 2009, <https://www.almasryalyoum.com/news/details/1919900>
213. Amer Abed, "Members of the Upper Egypt Bus Workers Association accuse its president of seizing their money | Live broadcast," Cairo 24 [Ar], January 30, 2022, <https://www.cairolive24.com/1488314>
214. Shawky Abdel Qader, "With the documents... six hundred lawsuits against the Horizon Cooperative Housing Association," *Youm7* [Ar], February 5, 2010, bit.ly/42hvUvv; Sahar Saber and Mahmoud al-Helaly, "Land crisis, Giza Education Workers' Cooperative in 6th of October is looking for a solution," *Al Bawaba* [Ar], March 1, 2021, <https://www.albawabhnews.com/4281787>
215. Saber and al-Helaly, "Land crisis."
216. Nile News, "Exclusive interview 07-28-2015," YouTube video [Ar], 44:25 (see 21:57), December 27, 2015, <https://youtu.be/xOk2J4kjZ24?t=1317>
217. "Pictures... Very interesting details for the first military compound in the administrative capital," El-Nabaa [Ar], May 6, 2017, <https://www.elnabaa.net/643876>
218. Mustafa Ahmad, "After they called for help, the state intervened to solve the problem of citizens who were defrauded by a real estate company," *Akhbar el-Yom* [Ar], December 13, 2021, <https://m.akhbarelyom.com/news/newdetails/3604260/1/>
219. "The president's response to 'Anahwa'.. dissolving the board of directors of Tiba Rose, the administrative capital... video," Anahwa [Ar], December 13, 2021, <https://www.anahwa.com/266733>
220. Central Housing Cooperative Salvation Front, "Complaint of Major General," Facebook post [Ar], August 24, 2017, <https://www.facebook.com/1876508445920310/posts/1969902533247567/>
221. "Contract of the Giants at Tiba Rose Hotel. To construct Argynza City Compound in the administrative capital," *Al-Anwar Al-Msreah* [Ar], May 26, 2022, <https://alanwaralmsreah.com/archives/129645>
222. OBSaS, "Defrauding of the military's Special Forces cooperative in the administrative capital, the unit price is 6 million and 200 thousand.@obsas9065," YouTube video [Ar], 2:20, June 20, 2022, <https://www.youtube.com/watch?v=5QcBf6fbogQ>
223. ASGC, "Oasis Mixed Use Buildings- R3," <https://www.asgcgroup.com/projects/residential/oasis-mixed-use-buildings>; ASGC, "Baroque Residential Development- R5," <https://www.asgcgroup.com/projects/residential/baroque-residential-development>; ASGC, "Infrastructure Works – R7," <https://www.asgcgroup.com/projects/infrastructure/infrastructure-works-r7>
224. Ahmed Ali and Essam Amira, "The ASGC company targets 10 billion pounds of contracting work in Egypt during 2023," *Al-Mal* [Ar], October 27, 2022, bit.ly/44ntcGr
225. "Urban Communities Assigns the Development of One Hundred Feddans in the Green River to El Marasem Company," *El Watan* [Ar], July 14, 2019, <https://www.elwatannews.com/news/details/4259364>; "El Marasem aims to complete its work in the capital within 3.5 years," *Hapi Journal* [Ar], July 14, 2019, bit.ly/44nEnz1
226. "Egypt inks \$352 mln deal with Siemens to manage power stations," Reuters, September 20, 2018, <https://www.reuters.com/article/egypt-power-idUKL8N1W63Q3>
227. Siemens, "Siemens Mobility Signs Historic Contract for Turkey Rail System in Egypt worth USD

- 3 bn," Siemens press release, September 1, 2021, <https://press.siemens.com/global/en/pressrelease/siemens-mobility-signs-historic-contract-turnkey-rail-system-egypt-worth-usd-3-bn>
228. 840 million EGP project; \$1 = 15.67 EGP in December 2020. See: Siemens, "Hassan Allam Construction to build Egypt's new National Energy Control Center," Siemens press release, December 8, 2020, <https://press.siemens.com/middleeast/en/pressrelease/siemens-hassan-allam-construction-build-egypts-new-national-energy-control-center>
229. Alongside Elsewedy sister company EMAS; Sharif Omar, "Mostafa El Bagoury: Siemens undertakes various infrastructure works in the administrative capital," *Al-Mal* [Ar], December 29, 2021, bit.ly/3Vn1aXP
230. Omar, "Mostafa El Bagoury: Siemens undertakes."
231. "MoU to Establish the 1st Industry 4.0 Innovation Center in Egypt," ITIDA, April 1, 2021, <https://itida.gov.eg/English/PressReleases/Pages/MoU-to-Establish-the-1st-Industry-4.0-Innovation-Center-in-Egypt.aspx>
232. Mr. Haiba explained that Dell had several large projects in the NAC, but could not disclose them without its partners. See "Tarek Haiba: Dell Technologies acquires the lion's share in the storage units and servers market...and the train of digital transformation in Egypt will not be stopped by anyone," FollowICT [Ar], June 29, 2021, bit.ly/3Vy59Rh; on Cisco's participation in the NAC, see Kareem Salah, "Cisco contributes to the implementation of new projects in the 'administrative capital' and 'New Alamein,'" *Al-Borsa* [Ar], October 30, 2019, <https://alborsaanews.com/2019/10/30/1260122>
233. Mahmoud Jamal, "'Cisco' and 'Fiber' win the supply of communication centers in the administrative capital," *Al-Mal* [Ar], February 16, 2020, bit.ly/3VsjM8L
234. Omar Salem, "Sebastian Reyes, regional head to *Al-Mal*: Schneider Electric signs nine contracts to supply equipment and participate in national projects," *Al-Mal* [Ar], October 11, 2022, bit.ly/3LLO8oK; For one hundred million euro figure, see Amr Mostafa, "Schneider Electric intends to implement 10 automatic electricity control centers at a cost of six hundred million euros," Al Masdar [Ar], February 20, 2022 <https://www.almasdar.com/114233>; Schneider executed the technological infrastructure across massive swaths of the NAC, including the Government District, Central Business District, Knowledge City, and Arts and Culture City.
235. Canadian train maker Bombardier signed the first agreement, but it was acquired by the French firm Alstom in January 2021. Alstom is now implementing the project as part of a consortium with Orascom and Arab Contractors. See Samuel Miller and Coralie Collet, "A transformational step for Alstom: completion of the acquisition of Bombardier Transportation," Alstom, January 29, 2021, <https://www.alstom.com/press-releases-news/2021/1/transformational-step-alstom-completion-acquisition-bombardier>; "Alstom in Egypt 2021," Alstom, October 2021, https://www.alstom.com/sites/alstom.com/files/2021/12/06/Alstom_in_Egypt_November_2021.pdf; "Egypt receives UK financing support for transport project," Economist Intelligence, January 22, 2021, http://country.eiu.com/article.aspx?articleid=640637847&Country=Egypt&topic=Economy&subtopic=Fore_3
236. Marwa Hamdan, "Chairman of the Administrative Capital Company: Signing investment partnerships with specialized companies to manage utility projects in the city," Amwal Al Ghad [Ar], March 1, 2022, bit.ly/3AN0Vf1
237. "The Administrative Capital for Urban Development Signs an Agreement of \$135 million with Orange Egypt to Build and Operate Its Data Center and Cloud Computing Platform," Enterprise, January, 2020, <http://enterprise.press/wp-content/uploads/2020/01/E-Orange-and-New-Administrative-Capital-final.pdf>
238. Hamdan, "Chairman of the Administrative Capital Company: Signing investment partnerships"; Eman Said, "Details of the Minister of Electricity's follow-up to the latest developments in the National Control Center in the administrative capital," Aswaq [Ar], October 11, 2022, <https://www.aswaqinformation.com/149438>
239. Hamdan, "Chairman of the Administrative Capital Company: Signing investment partnerships"; "New Administrative Capital: New Administrative Capital ITS," Dorsch Gruppe, <https://www.dorsch.de/en/projects/detail/project/new-administrative-capital-its>
240. "New Administrative Capital: R6 residential

- area Infrastructure Networks & Landscape,” Dorsch Gruppe, <https://www.dorsch.de/en/projects/detail/project/r6-residential-area-infrastructure-networks-landscape>
241. Mohamed Essam and Sarah Hamza, “Mastercard: The new administrative capital is the first city in the world without cash,” *Al-Shorouk* [Ar], March 6, 2022, <https://www.shorouknews.com/news/view.aspx?cdate=06032022&id=ccead608-ad3d-4915-899c-cfd4e264b653>
242. Hisham Omar Abdel Halim, “The New Administrative Capital Company signs an agreement with Mastercard to provide consulting services,” *Al-Masry Al-Youm* [Ar], January 15, 2019, <https://www.almasryalyoum.com/news/details/1359968>
243. Giesecke+Devrient GmbH, “G+D wins €260 million contract in Egypt,” Giesecke+Devrient press release, January 16, 2018, <https://www.gi-de.com/en/group/press/press-releases/g-d-wins-eur260-million-contract-in-egypt>; Sarah al-Esawy “The Central Bank is preparing to operate the largest cash printing press in the Middle East in the administrative capital,” *Al-Ahram* [Ar], January 1, 2022, bit.ly/40UzwCt
244. Author interview, July 24, 2022.
245. Sana Abdel Wahab, “Honeywell is undertaking the development of public safety and security infrastructure in the New Capital,” *Al-Masry Al-Youm* [Ar], February 23, 2019, <https://www.almasryalyoum.com/news/details/1372637>
246. Ahmed Feteha, “Sadat City Is a Cautionary Tale as Egypt Plans New Capital,” Bloomberg, May 12, 2015, <https://www.bloomberg.com/news/articles/2015-05-12/sadat-city-a-cautionary-tale-as-egypt-leader-plans-new-capital#xj4y7vzkg>; As David Sims points out, Sadat’s other new first generation cities were also given names aggrandizing his supposed triumphs—for example, 15th of May City (referring to his “corrective revolution” when he consolidated power in the post-Nasser government), 6th of October City (a nod to his alleged victory in the October 6 War), 10th of Ramadan (October 6 in the Muslim calendar in 1973). See David Sims, *Egypt’s Desert Dreams: Development or Disaster?* (Cairo: The American University in Cairo Press, 2015), 233-236.
247. Sayigh, *Owners of the Republic*, 242
248. “New Suez Canal,” Suez Canal Authority, <https://www.suezcanal.gov.eg/English/About/SuezCanal/Pages/NewSuezCanal.aspx>
249. “Egypt’s Suez Canal revenue hits \$7 billion record peak,” Reuters, July 5, 2022, <https://www.reuters.com/business/egypts-suez-canal-revenue-hits-7-bln-record-peak-2022-07-04/>
250. This money was just part of the \$8.5 billion total price tag for the project. The biggest losers were the local investors of special bonds offered to the public. Because they purchased the bonds in Egyptian pounds, the predicted gains turned into losses after the November 2016 currency devaluation.
251. Sayigh, *Owners of the Republic*, 242
252. For world’s tallest flagpole, see Mohamed Abdel Nasser, “207 meters...The flag of Egypt was raised on the highest flagpole in the world in the Administrative Capital,” Masrawy [Ar], December 29, 2021, https://www.masrawy.com/news/news_egypt/details/2021/12/29/2149834/
253. See, for example, Sam Ellis, “The real reason Egypt is moving its capital,” Vox, September 7, 2022, <https://www.vox.com/videos/2022/9/7/23341064/egypt-government-capital-new-city-el-sisi>
254. Alghad TV, “Watch...Egyptian President Abdel Fattah al-Sisi’s response to Mohamed Ali’s allegations,” YouTube video [Ar], 4:04, September 14, 2019, https://youtu.be/B_ijwK4Xyz8?t=65
255. Channel 1 Egypt, “Intervention of President Abdel Fattah al-Sisi, President of the Republic, during the Attesia program,” YouTube video [Ar], 1:18:39, October 25, 2022, <https://youtu.be/6DDzA4cue-E?t=4180>
256. Amira Salah-Ahmed, “What’s the latest with Egypt’s New Administrative Capital? Board Advisor Ayman Ismail gives us the rundown,” Business Forward, September 27, 2017, <https://businessforwardauc.com/2017/09/27/whats-the-latest-with-egypts-new-administrative-capital-its-founding-chairman-gives-us-the-rundown/>
257. “Administrative Capital for Urban Development,” https://www.ecrg.de/images/Download_pdf/Brochure.pdf; Hisham al-Atifi, “Breaking | Khaled Abbas reveals the date of the entire government’s move to the Administrative Capital,” *Aleqaria* [Ar], October 3, 2022, bit.ly/3AKLfca; Hassan, “The Banks District”
258. Al Hayah TV Network, “Al-Hayah Al-Youm is following the process of transferring a number of ministries to work from their headquarters in

- the Administrative Capital,” YouTube video [Ar], 7:06, March 4, 2023, https://www.youtube.com/watch?v=XCGtxCUu_wI
259. According to Madbouly in an August 2016 interview. See Muslim and Mustafa, “Minister of Housing: The cost of the administrative capital”
260. Akhbar El Yom TV, “The plan to start the second phase of work in the new administrative capital,” YouTube video [Ar], 2:47, November 11, 2021, <https://youtu.be/XQk4blxn3yM?t=150>
261. DMC, “News - Inauguration of the financial and business district in the new administrative capital, with investments of \$3.2 billion,” YouTube video [Ar], 1:07, March 18, 2018, <https://www.youtube.com/watch?v=ekLIBSwPvZU>
262. New China TV, “GLOBALink | Egypt completes structural work of CBD towers in new capital,” YouTube video, 1:05, May 20, 2022, <https://www.youtube.com/watch?v=1MZs73BEuqY>
263. Al Nahar Classic, “Housing Minister Mostafa Madbouly presents,” 13:40.
264. Alghad TV, “Abdeen: We did not take a single penny from the state, and the first phase of the new administrative capital is the size of Washington,” YouTube video [Ar], 4:37, December 2, 2019, <https://youtu.be/3MA5JPAiMQ?t=240>
265. “Ahmed Zaki Abdeen steps down from the presidency of the ‘Administrative Capital’ in Egypt,” Asharq News [Ar], August 22, 2022, <https://www.asharqbusiness.com/article/40943>. The leadership change came shortly following the first major Cabinet reshuffle in three years and the ousting of the long-time Central Bank governor, Tarek Amer; ACUD General Manager General Abdel Latif resigned a day later. See “Egypt: Top executives at New Capital project resign after causing ‘major defects,’” Middle East Eye, August 24, 2022, <https://www.middleeasteye.net/news/egypt-top-executives-new-capital-project-resign-defects>
266. Ehab al-Naggar, “Source: ‘Abdeen’ left the ‘Administrative Capital’ due to wrong decisions that led to financial losses,” Mada Masr [Ar], August 23, 2022, bit.ly/3nlXadl
267. Al Nahar Classic, “Housing Minister Mostafa Madbouly presents.”
268. Originally, NUCA’s two new capital residential districts (R3 and R5) were to provide the low and middle-income housing that the private sector did not want to build due to expectations of low profits. See Salah-Ahmed, “What’s the latest with Egypt’s New Administrative Capital?” But even these districts are too expensive for most Egyptians to afford. Of the government employees, only those at the rank of general manager or higher are offered contracts to buy units in the R3 district. See Presidency of the Egyptian Council of Ministers, “In his meeting today, chaired by Madbouly,” Facebook post [Ar], March 3, 2022, <https://www.facebook.com/EgyptianCabinet/posts/350696720434088>
269. By 2022, the least expensive new capital flats started at 1.74 million EGP for payments over three years or 2.32 million EGP for 10-year payment plans. These prices have increased since then due to continued rounds of devaluations. The actual average salary is likely much lower than that, as the official numbers fail to account for the millions working in the informal sector.
270. Patrick Werr, “Egypt to pour new housing into seemingly sated market,” Reuters, January 28, 2018, <https://www.reuters.com/article/us-egypt-economy-housing-analysis-idUKKBN1FH0BM>
271. American Chamber of Commerce in Egypt, *Egypt’s New Administrative Capital: Lessons from Other Capital City Relocations*, https://mccit.gov.eg/Upcont/Documents/Reports%20and%20Documents_22112021000_NACResearchNote.pdf
272. Werr, “Egypt to pour new housing.”
273. Menna A. Farouk, “Cautious hopes for slum dwellers relocated in Egypt housing project,” Reuters, August 14, 2020, <https://www.reuters.com/article/us-egypt-cities-housing-feature-trfn/cautious-hopes-for-slum-dwellers-relocated-in-egypt-housing-project-idUSKCN25A0DP>
274. Medhat Ismail, “Khaled Abbas: Issuing accurate data on the real estate sector will solve the risk ceiling crisis for banks,” *Al-Mal* [Ar], October 30, 2022, bit.ly/3LONc8X
275. “Inflation Historical,” Central Bank of Egypt, <https://www.cbe.org.eg/en/EconomicResearch/Statistics/Pages/Inflationhistorical.aspx>; Werr, “Egypt to pour new housing.”
276. Asmaa Zarour, “When they want to cover up their misfortune, they post advertisements,” Facebook post [Ar], July 15, 2021, <https://www.facebook.com/>

photo.php?fbid=10215369297464824

277. “Al-Sisi intervenes to save the reputation of the Administrative Capital...Chaos in the real estate market after preventing sales before completing a third of the project,” Arabic Post [Ar], November 11, 2021, bit.ly/3AQz1is

278. The full hashtag was [#الحقنا_ياريس_TheCity_العاصمةالإدارية](https://twitter.com/TheCity_العاصمةالإدارية). See bit.ly/40YrYi3; Specifically, the ACUD reached a deal with Lashin’s brother whereby the company would return the confiscated land and allow Master Group to delay its payment of installments on the land in order to resume building.

279. BBC News, “Egypt Time: Khaled el Hussein, spokesman for the Administrative Capital, responds to citizens’ questions,” YouTube video [Ar], 27:13, July 8, 2021, <https://www.youtube.com/watch?v=9FdxlJnWadE>

280. The Real Estate Developers Union draft law—intended to protect buyers by creating a body to arbitrate disputes, monitor the performance of developers, and ensure land is only sold to companies with sufficient financial capabilities to deliver—had yet to be activated as of May 2023. In June 2022, a parliamentary vote on the law was postponed because parliamentarians wanted to see the government’s comprehensive plan for the sector first—a plan that had yet to materialize at the time of writing. See Yasmeen Fawaz, “Housing to Representatives: The government is preparing a comprehensive bill for real estate developers to send to parliament,” *Al-Mal* [Ar], March 30, 2022, bit.ly/44pK8MA; Yasmeen Karam, “Postponement of real estate developers union bill until the next parliamentary session,” June 20, 2022, *Al-Masry Al-Youm* [Ar], <https://www.almasryalyoum.com/news/details/2626450>

281. Beesan Kassab, “How Real Estate Companies in the New Capital Are Targeting the Middle Class,” Mada Masr, August 18, 2021, <https://www.madamasr.com/en/2021/08/18/feature/economy/how-real-estate-companies-in-the-new-capital-are-targeting-the-middle-class/>

282. Some buyers who were supposed to receive their new capital units as early as 2018 have nothing to show for their investments as of May 2023. See Khaled Hosni, “Large Real Estate Companies in Egypt Link Delay in Handing Over Units to the Dollar Crisis,” Al Arabiya [Ar], February 22, 2023, bit.ly/3nl11HL

283. The original requirement was 20 percent, and reduced to 10 percent following the pandemic.

284. Hamdan, “Zaki Abdeen: The Administrative Capital achieves”

285. Michael Pettis, “Why Bezzle Matters to the Economy,” Carnegie Endowment for International Peace, August 23, 2021, <https://carnegieendowment.org/chinafinancialmarkets/85179>

286. Channel 1 Egypt, “Intervention of President Abdel Fattah al-Sisi, President of the Republic, during the Attesia program,” YouTube video [Ar], 1:18:39, October 25, 2022, <https://youtu.be/6DDzA4cue-E?t=4160>

287. Michael Gunn, “Egypt’s Outlook Cut to Negative by Fitch on Weakened Liquidity,” Bloomberg, November 8, 2022, <https://www.bloomberg.com/news/articles/2022-11-08/egypt-s-outlook-cut-to-negative-by-fitch-on-weakened-liquidity>

288. Author interview, August 21, 2022.

289. CBC Egypt, “These people are very generous... President Sisi is negotiating with contractors on air to implement projects in installments,” YouTube video [Ar], 5:22, December 25, 2021, CBC Egypt, <https://youtu.be/b0chxfBET9g?t=240>

290. DMC, “Live broadcast - the private sector...a pivotal player in all national projects #evening_dmc,” Facebook video [Ar], 13:31 (see 6:15), December 26, 2021, <https://www.facebook.com/dmctv/videos/655897078923177>

291. Samy Magdy, “Egyptian whistleblower gets 5-year sentence in absentia,” Associated Press, December 10, 2019, <https://apnews.com/article/egypt-ta-evasion-abdel-fattah-el-sissi-construction-contractors-cairo-96d336ab38e0c961b5a43c34239f75ed>; “Egypt hands out life jail terms in trial over 2019 protests,” Associated Press, January 15, 2023, <https://apnews.com/article/politics-egypt-government-cairo-4e43e22cb767433eaf9f25caeed28d85>

292. Human Rights Watch, “Hundreds Arrested in Nationwide Crackdown,” September 27, 2019, <https://www.hrw.org/news/2019/09/27/egypt-hundreds-arrested-nationwide-crackdown>

293. Sayigh, *Owners of the Republic*, 273

294. Egypt News, “Remarks by President al-Sisi at the concluding ceremony of the Egypt’s Economic

- Conference 2022," YouTube video [Ar], 1:59:39, October 25, 2022, <https://www.youtube.com/watch?v=-5Qb1v0o1yw>
295. The in-house construction arm of Orascom Development Holding.
296. "Orascom Construction Inaugurates Concert Hall at Egypt's New Opera and Arts & Culture City," Orascom Construction, <https://orascom.com/updates/orascom-construction-inaugurates-concert-hall-at-egypts-new-opera-and-arts-culture-city/>
297. "The Cathedral of the Nativity of Christ in the New Administrative Capital," Presidency of the Republic, bit.ly/44qtA7s
298. Orascom Construction, *Annual Report 2020*, https://static.mubasher.info/File.Mix_Announcement_File/46A9E24C-3022-4EE6-BAC2-2D713BA10AAA.pdf, 54
299. "Project Details – New Administrative Capital," Orascom Construction, <https://orascom.com/projects/new-administrative-capital/>
300. Orascom, *Annual Report 2020*, 45; contract value calculated according to total project cost of \$500 million and size of Orascom's contract (205 out of one thousand feddans).
301. Orascom, *Annual Report 2020*, 52.
302. "Orascom Construction Consortium Signs the Second Phase of Egypt's First High-Speed Rail System to Expand the Network to two thousand KM," Orascom Construction, May 28, 2022, <https://orascom.com/updates/orascom-construction-consortium-signs-the-second-phase-of-egypts-first-high-speed-rail-system-to-expand-the-network-to-2000-km/>
303. The National Company for Advanced Industries and Integrated Strategic Printing Solutions (NASPS); "President El-Sisi Inaugurates NASPS," The Arab Republic of Egypt Presidency, April 7, 2021, bit.ly/40Wng4A, 50; Orascom, *Annual Report 2020*, 50; "Industrial Complex for The National Company for Advanced Industries and Integrated Strategic Printing Solutions 'NASPS,'" Engineering Consultants Group, <https://www.ecgsa.com/project/industrial-complex-for-the-national-company-for-advanced-industries-and-integrated-strategic-printing-solutions-nasps/>
304. "Data Centers at the New Administrative Capital," Orascom Construction, 2020, <https://orascom.com/projects/data-centers-at-the-new-administrative-capital/>; the client is listed as "confidential" on the Orascom website, but cited as the Ministry of Defense in Orascom's 2020 Annual Report (Orascom, *Annual Report 2020*, 50).
305. Orascom Construction, *Annual Report 2019*, <https://orascom.com/wp-content/uploads/FY-2019-Annual-Report-1.pdf>, 42
306. Orascom, *Annual Report 2019*, 46; Mansoura 7 comprises 360 twin houses and 24 administrative buildings; Mansoura 6: 295 building blocks. See Orascom, *Annual Report 2020*, 52.
307. "Brochure," National Steel Fabrication, 2018, http://www.nsfegypt.com/NSF_Brochure%202018.pdf; "Alico Egypt for Aluminum," LinkedIn, <https://www.linkedin.com/company/alico-egypt/posts/?feedView=all>
308. "Who We Are," Red Sea Construction, <http://www.rsc.com.eg/index.aspx>; "C.O.C & C.C.C," Red Sea Construction, <http://www.rsc.com.eg/projects/governmental/project2.aspx>
309. "Capital Walkway," Red Sea Construction, <http://www.rsc.com.eg/projects/retail/CapitalWalkway.aspx>
310. "Bin Zayed Bridge," Hassan Allam Holding, <https://www.hassanallam.com/construction/group-profile/project-details/Ben-Zayed-Bridge>; "Hassan Allam Holding achieves 23 billion EGP," *Hapi Journal*; "New Hospital Located In The Administrative Capital" Hassan Allam Holding, February 28, 2022, <https://www.hassanallam.com/media-centre/News/details/New-Hospital-Located-in-The-Administrative-Capital>; "Ministries District New Capital," Hassan Allam Holding, September 30, 2021, <https://www.hassanallam.com/media-centre/News/details/ministries-district-new-capital>
311. "We Are Pleased To Announce A New Project Award For Hassan Allam Construction By The Ministry Of Housing, Utilities & Urban Communities, For A Mixed-Use Complex In The R5 District In Egypt's New Administrative Capital," Hassan Allam Construction, May 30, 2018, <https://www.hassanallam.com/media-centre/News/details/R5-Mixed-Use-Complex>
312. Ammar, "Hassan Allam is implementing a water treatment project"; 2.2 billion EGP project—\$1 = 16.81 EGP in 2019 (average).

313. Afaf Ammar, "Four companies undertake the implementation of the water purification plant in the administrative capital, with investments of 15 billion pounds," *Al-Shorouk* [Ar], June 30, 2019, [https://www.shorouknews.com/news/view.aspx?cdate=30062019&id=09b12851-5394-4bb0-8feb-fbc93150a42e; \\$1 = 16.81 EGP in 2019 \(average\); other members of the consortium include Orascom, Arab Contractors, and Concord.](https://www.shorouknews.com/news/view.aspx?cdate=30062019&id=09b12851-5394-4bb0-8feb-fbc93150a42e; $1 = 16.81 EGP in 2019 (average); other members of the consortium include Orascom, Arab Contractors, and Concord.)
314. Abdelrahman Saleh, "Hassan Allam wins the project of operation and maintenance of infrastructure networks in the new administrative capital," *Power News* [Ar], June 14, 2022, bit.ly/3B6p80d
315. "Hassan Allam Holding achieves 23 billion EGP," *Hapi Journal*.
316. 840 million EGP project—\$1 = 15.67 EGP in December 2020. See "Siemens, Hassan Construction to build Egypt's new National Energy Control Center," Siemens, December 8, 2020, <https://press.siemens.com/middleeast/en/pressrelease/siemens-hassan-allam-construction-build-egypts-new-national-energy-control-center>
317. "Hassan Allam Holding Is Proud To Announce The Launch Of 3S Ready Mix, A Newly Formed Ready Mix Concrete Supply And Aggregate Quarry Business Serving The Group's Construction Arm And The Local Market," Hassan Allam Holding, August 7, 2016, <https://www.hassanallam.com/media-centre/News/details/3S-Ready-Mix-Company>
318. Mohamed Ibrahim - Alexandria Construction Company - Talaat Moustafa, "Alexandria Construction Company - Talaat Moustafa - New Administrative Capital Projects," YouTube video [Ar], June 27, 2020, 2:58, <https://www.youtube.com/watch?v=FxRJogxiIMM>
319. Marwa Hamdi, "Six companies undertake the implementation of the Green River project in the administrative capital," *El Mogaz* [Ar], January 14, 2019, <https://www.elmogaz.com/522842>; land area calculated by subtracting the land allocated in contracts to the five other companies building the Green River from the total size (one thousand feddans). Price estimated based on contract values for other companies building other portions of the Green River and total cost (\$500 million).
320. "Investor Presentation FY 2021," Elsewedy Electric, [https://docs.publicnow.com/viewDoc?hash_](https://docs.publicnow.com/viewDoc?hash_primary=6B503C23EEDA8EA4CC743BF05E96833ABABCF7E7; Emad Khaira,)
321. Elsewedy Electric, "ELSEWEDY ELECTRIC for Trading & Distribution Signs New Contract for execution of the electrotechnical works for a High voltage tunneling in the new administration capital Amounted EGP 365 Million," press release, October 29, 2019, <https://s3.amazonaws.com/resources.inktankir.com/swdy/Press-Release-Tunnel-project-29-10-2019-en.pdf>
322. Elsewedy Electric, "Investor Release: ELSEWEDY ELECTRIC subsidiary signs EGP 1.238 billion contract for the construction of the New Capital substation," investor release, March 13, 2018, <https://s3.amazonaws.com/resources.inktankir.com/swdy/SWDY-IR-New-Capital-Substation-E.pdf>
323. Elsewedy Electric, "We are illuminating the new administrative capital, in Mohammed Bin Zayed Area," Facebook post, January 13, 2022, <https://www.facebook.com/ElsewedyElectric/photos/we-are-illuminating-the-new-administrative-capital-in-mohammed-bin-zayed-area-st/4504237516365425/>; \$1= 15.74 in January 2022.
324. "Utility Development: Projects," Elsewedy Electric, <https://www.elsewedyelectric.com/en/business-lines/infrastructure-investments/utility-development/>
325. EMAS in partnership with Siemens; the data centers include the Central Command Center, City Operation Center, and Network Nodes 1 and 2. See "Strategic Projects," EMAS, <https://emaselsewedy.com/projects/>
326. Subcontracted by the Armed Forces Engineering Authority. See "Ministerial Buildings Project," Rowad Modern Engineering, <https://rowad-rme.com/portfolio/ministerial-buildings-project/>
327. Subcontracted by the Armed Forces Engineering Authority. See "Olympic Multi-Sports Hall," Rowad Modern Engineering, <https://rowad-rme.com/portfolio/olympic-multi-sports-hall/>
328. See "New Cairo Capital Bridge," Rowad Modern Engineering, <https://rowad-rme.com/portfolio/new-cairo-capital-bridge/>
329. Rowad Modern Engineering, "We are

- proudly announcing that Rowad is handling the Construction of The Air Defense College,” LinkedIn, August 1, 2022, <https://www.linkedin.com/feed/update/6959900487689093120/>
330. Subcontracted by NUCA; Afaf Ammar, “Rowad participates in government district 2 utilities projects in the administrative capital, with an area of 1,500 feddans,” *Al-Shorouk* [Ar], September 19, 2020, <https://www.shorouknews.com/news/view.aspx?cdate=19092020&id=1e928965-ae4c-45ed-a1cc-8b8fd6ec1136>; Rowad Modern Engineering, “Showcasing Rowad’s implementation of infrastructure networks for the Downtown Area (Gov2) in the New Administrative Capital on an area of 1400 feddans including Masjid Misr,” LinkedIn, July 2022, <https://www.linkedin.com/feed/update/6960623569252855808/>; “Gamma company,” R2N, <https://r2n-readymix.com/project/gamma-company/>
331. “Electric Light Railway Transit (LRT)- Badr Depot,” Rowad Modern Engineering, <https://rowad-rme.com/portfolio/electric-train-lrt-depot/>; Marwa Hamdan, “Rowad Modern Engineering intends to complete the delivery of works worth 10 billion pounds by the end of 2021,” *Amwal Al Ghad* [Ar], August 2, 2021, bit.ly/3oXf5HP
332. Afaf Ammar, “Mohamed Mahlab, president of Rowad Modern Engineering: We aim to grow our business volume at a rate of between 30-50%,” *Al-Shorouk* [Ar], June 5, 2021, <https://www.shorouknews.com/news/view.aspx?cdate=05062021&id=23a39681-bdc8-470d-bf26-6a0acf7c4fbb>
333. “The Knowledge Hub,” Rowad Modern Engineering, <https://rowad-rme.com/portfolio/the-knowledge-hub-university/>
334. Presidential decree 1499/1972, “Appointment of Mr. Salah El-Din Abdel-Wahhab El-Abd as Senior Undersecretary of the Ministry of Land Reclamation,” *Manshurat* [Ar], December 7, 1972, <https://manshurat.org/node/52049>
335. “Fatima Hanem Salih passed away,” *Al-Ahram* [Ar], December 8, 2015, bit.ly/40SD9sN
336. Sayigh, *Owners of the Republic*, 199; Saleh, “Appointment of Engineer Mohammed el Shimi”
337. As early as August 2018, the company had been commissioned to build new capital works totaling 10-12 billion EGP—a number that has grown substantially since then. See Hamdan, “Engineer Ahmed El-Abd: Concord raises its turnover.”
338. Hamdan, “Concord acquires 8 infrastructure projects.”
339. “Establishing the ‘Administrative Capital for Urban Development’ company,” *Al-Borsa*; “Misr Italia Holding announces Ahmed Saad El-Din Abu Hindiya as non-executive chairman of the group, and Mohamed Hany al-Assal and Mohamed Khaled al-Assal as managing directors,” *El Watan* [Ar], April 26, 2020, <https://www.elwatannews.com/news/details/4718559>
340. “Kayan 3 - Al Narges Hotel,” Redcon Construction Co., <https://www.redconcon.com/project/kayan-3-al-narges-hotel/>; “Redcon celebrates its silver jubilee and concludes contracts worth 11 billion pounds,” *Al-Shorouk* [Ar], January 19, 2019, <https://www.shorouknews.com/news/view.aspx?cdate=19012019&id=c84765a7-fbbb-40a4-82b8-c10c764793da>
341. Including the construction of 21 buildings, concrete, fountains, landscaping; “Central Park,” Redcon Construction Co., <https://www.redconcon.com/project/central-park/>
342. “LRT New Capital Station 3,” Redcon Construction Co., <https://www.redconcon.com/project/lrt-new-capital-station-3/>
343. Marwa Hamdan, “Redcon acquires 2.5 billion EGP worth of works in the administrative capital until 2021,” *Amwal Al Ghad* [Ar], July 11, 2021, bit.ly/41W0Am1; “District Cooling Plant,” Redcon Construction Co., <https://www.redconcon.com/project/district-cooling-plant/>; “Egypt’s Redcon Construction planning to float 15% of its shares – COO,” Redcon Construction, January 23, 2019, <https://www.redconcon.com/news/egypts-redcon-construction-planning-to-float-15-of-its-shares-coo/>
344. “SED signs with REDCON Construction to execute the constructions of Bleu Vert, New Capital,” Saudi Egyptian Developers, March 29, 2022, <https://se-developers.com/sed-signs-with-redcon-construction-to-execute-the-constructions-of-bleu-vert-new-capital/>
345. Sayigh, *Owners of the Republic*, 130.
346. “Buildings Sector,” Gama Construction, <https://gama.com.eg/our-operations/buildings-sector/>; A high-ranking Gama employee rejected the assumption

- that these contracts have always been lucrative—going so far as to suggest that the company's financials would have been better off without the army projects. Still, he concedes that the massive contracts have boosted the company's portfolio and capabilities considerably, making Gama more attractive to private sector partners and their more profitable undertakings. (Author interview, October 19, 2022.)
347. "10th of Ramadan Light Rail Transit," Gama Construction, <https://gama.com.eg/10th-of-ramadan-light-rail-transit/>
348. "Borg El Arab Sports Hall," Gama Construction, <https://gama.com.eg/borg-el-arab-sports-hall/>
349. Saad reportedly had close ties to an arms dealer for the Mubarak regime, Rushdi Subhi. Saad became the exclusive selling agent for Mercedes in the 1990s, allegedly thanks to this relationship. He is the current head of the Egyptian Contractors' Federation—a federation that plays a lobbying role for the sector with mandatory membership for all contractors working in Egypt.
350. "New Capital Ministries District," Samcrete, <https://www.samcrete.com/engineering/projects/270#section-2>
351. Hassan Haridi, "Learn about the executing companies for the Government District in the new administrative capital," *Akhbar el-Yom* [Ar], March 11, 2018, <https://akhbarelyom.com/news/newdetails/2637932/1/>; Ammar, "A banking alliance spends 3.1 billion pounds."
352. "New Capital Ministries District," Samcrete, <https://www.samcrete.com/engineering/projects/264#section-1>
353. "Middle Ring Road," Samcrete, <https://www.samcrete.com/engineering/projects/772#section-1>
354. "Our Company," East Port Said Development, <https://www.ep-egypt.com/>
355. Ahmed Azmy: SIAC Holding is implementing contracting projects; "National Bank of Egypt, New Capital Branch," SIAC Construction, <https://www.siac.com.eg/?q=experience-sectors/building/national-bank-egypt-new-capital-branch>
356. "High Speed Railway (HSR) Project, New Administrative Capital Station & Interchange Hub with Light Rail Transit (LRT)," SIAC Construction, <https://www.siac.com.eg/?q=experience-sectors/building/high-speed-railway-hsr-project-new-administrative-capital-station>
357. "CBD New Capital Towers," SIAC Construction, <https://www.siac.com.eg/?q=experience-sectors/building/cbd-new-capital-towers>; "Light Rail Transit (LRT) Project, New Administration Capital Station No. 6," SIAC Construction, <https://www.siac.com.eg/?q=experience-sectors/building/light-rail-transit-lrt-project-new-administration-capital-station-no-6>
358. "Constructional Buildings," El Soadaa Group, <https://elsoadaa.com/Sectors/Constructional%20Buildings>
359. "Constructional Buildings," El Soadaa Group
360. "Bridges," El Soadaa Group, <https://elsoadaa.com/Sectors/Bridges>
361. Kamel, "Head of Technical Affairs at Nile Valley Contracting"; eXtra news, "President al-Sisi inaugurates the first phase" (14:20); Nabil, "The head of the 'Post'"; For an earlier instance of Wadi el Nil enjoying contracts without a tender and accusations of illicit gains, see Youssef, "A communication accusing the 'intelligence services'"
362. "Work Team," El Agyal for Contracting and Trade, <https://www.elagyal-egypt.com/team>
363. "Previous projects," El Agyal for Contracting and Trade [Ar], https://www.elagyal-egypt.com/previous_project#
364. Abnaa Sinai, "We proudly present the 'Mansoura 6' project"
365. Misr Sinai was established in mid-2014 by the NSPO. See Sayigh, *Owners of the Republic*, 263
366. Argynza Construction, "Guinness World Records Is Here," Facebook, July 7, 2022, <https://www.facebook.com/Argynzaegypt/posts/pf-bid02CDofTTyA3qyuciM1Td6ncx2GFAN4pBYxmF8uYNkCpmtCSyTu91Mm7VsEH1PEqq>
367. Hamdan, "Arab Contractors exceeds 20 billion pounds."
368. "Parliament in the new administrative capital," Arab Contractors [Ar], <https://www.arabcont.com/project-589>; Hany Hussein, "At a cost of 5 billion pounds...the countdown to the completion of the parliament building in the administrative capital begins," Sada El-Balad [Ar], March 14, 2021, <https://www.elbalad.news/4735776>

369. "The Senate Council In the new administrative capital," Arab Contractors, <https://www.arabcont.com/english/project-634>
370. "Al-Fattah al-Aleem Mosque," State Information Service [Ar], April 21, 2022, <https://bit.ly/3oCfW0L>
371. Egypt Mosque, 'one of the largest mosques in the world': an architectural masterpiece or a waste of public money?," BBC [Ar], February 9, 2021, <https://www.bbc.com/arabic/trending-55998646>; For \$45 million price tag, see "Egypt Mosque: Who will finance the construction of a new mosque with millions of dollars?," BBC [Ar], June 11, 2019, <https://www.bbc.com/arabic/tv-and-radio-48601822>
372. Zaki al-Qadi, "Putting the final touches to the completion of the construction of the International Capital Airport in Katameya," *Youm7* [Ar], October 27, 2016, bit.ly/3noGimk
373. Ahmed Sobhi, "The head of Arab Contractors inspects the work in the Central Gardens area in the new administrative capital," *Al-Mal* [Ar], July 26, 2021, bit.ly/42edbks
374. Marco Aadl, "The head of Arab Contractors discusses news about the map of national projects," Arab Contractors [Ar], July/August 2016, <https://www.arabcont.com/magala/details-926-7-2>
375. "Minister of housing announces the start of the implementation of the administrative capital utilities networks," Arab Contractors [Ar], April/May 2016, <https://www.arabcont.com/magala/details-925-6-1.aspx>
376. "Cairo Monorail Project - The New Administrative Capital And 6th Of October Lines," Arab Contractors, <https://www.arabcont.com/english/project-599>
377. "The New Administrative Capital Station Of The High Speed Rail Project," Arab Contractors, <https://www.arabcont.com/english/project-750>
378. \$1 = 8.88 EGP in April 2016; Salem, "The New Administrative Capital is Good."
379. \$1 = 8.88 EGP in April 2016; Salem, "The New Administrative Capital is Good."
380. Youssef Magdy, "Mohamed el Shimi: Petrojet is implementing 118 projects locally and abroad... and expects to contribute to the construction of the Daba'a station," *Al-Shorouk* [Ar], January 8, 2017, <https://www.shorouknews.com/news/view.aspx?cdate=08012017&id=fb3d0819-f0a4-4aad-a03c-f08869e69aab>
381. Subcontracted by the General Authority of Roads, Bridge and Transportation. See "Cairo – Suez Road," Petrojet, <http://www.petrojet.com.eg/project-details/108>
382. See "Green River," Petrojet, <http://www.petrojet.com.eg/project-details/145>; includes the building of cinemas, food courts, gates and other buildings; "Tunnels & Basic Infrastructure (New Administrative Capital)," Petrojet, <http://www.petrojet.com.eg/project-details/153?lang=en>
383. "10th of Ramadan Railway Project (LRT)," Petrojet, <https://petrojet.com.eg/project-details/144?lang=en>
384. Subcontracted by Gas Cool. See "Network of Cooling Pipes for the Central Cooling Station in the New Administrative Capital," Petrojet, <http://www.petrojet.com.eg/project-details/84?lang=en>; for the Government District and CBD.
385. Subcontracted by the state-owned Egyptian National Gas Company. See "El Tina-New Capital (42'-165 KM)," Petrojet, <http://www.petrojet.com.eg/project-details/46>
386. "Urban Communities Assigns the Development of One Hundred Feddans," *El Watan*; "Marasem aims," *Hapi Journal*
387. "Urban Communities Assigns the Development of One Hundred Feddans," *El Watan*; "Marasem aims," *Hapi Journal*
388. "Oasis Mixed Use Buildings- R3," ASGC, <https://www.asgcgroup.com/projects/residential/oasis-mixed-use-buildings>; "Baroque Residential Development- R5," ASGC, <https://www.asgcgroup.com/projects/residential/baroque-residential-development>; "Infrastructure Works – R7," ASGC, <https://www.asgcgroup.com/projects/infrastructure/infrastructure-works-r7>

