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Egyptian Government's Mega Projects 2016

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In 2015, the world's nations signed an important agreement of 17 sustainable development goals (SDGs). These SDGs stress that peace, social equality, economic reform, and growth, are essential for true sustainable development. Heads of state, including Egypt, adopted the far-reaching and people centric transformative goals and targets with the pledge of "no one is left behind".

Six months after the monumental global SDG agreement, Egypt has launched a 15-year sustainable development strategy (SDS) - EGYPT Vision 2030. The lofty strategy envisions a future where Egypt will possess a competitive, balanced, and diversified economy, and where social justice is achieved – all with the end goal of improving Egyptian's quality of life.

Following the global footsteps of sustainable growth and development, the Egyptian government has over the past two years launched and revived several mega projects. In this report, we unveil the national mega projects that are projected to catapult the current flailing economy to positive growth trends.

The projects span various sectors and are spread across all governorates. Meant to tackle serious issues, like national and food security, the mega projects are quite diverse – from infrastructure, housing, to technological incubators and aquaculture projects. All those projects aim to bolster the economy, create more jobs for the youth, and lend an era of stability to the nation.

New Suez Canal

Inaugurated in August 6, 2016, the New Suez Canal development comprised the digging of 35 kilometer on a new waterway and the deepening of 37 kilometer of an existing western bypass. The national EGP 64 billion project was launched on August 5th of 2014.

In 2014, there were 17,148 ships that transited the canal, and 17,483 ships in 2015, a 2% increase. January and February of 2016 saw 2,724 ships passing through the canal, a 3.6% increase compared to the previous year. The New Suez Canal achieved \$US3.2 billion in revenues from January to August 2016, a 4% growth rate compared to the previous year.

The Suez Canal Economic Zone

The Suez Canal Economic Zone project involves developing a free zone and trade hub along the banks of the newly-expanded Suez Canal area. The Zone will span 461 square kilometers and is comprised of

four zones and six ports. The zones are Ain Sokhna, East Port Said, Qantara West, and East Ismailia. The ports are East Port Said Port, West Port Said Port, Ain Sokhna Port, Adabiya Port, Al Tor Port, and Al Arish Port. The project is in a prime location, east of Cairo, with links to Asia, Europe, Africa and the Middle East.

The establishment of the Suez Canal Economic Zone was announced by President Abdel Fattah Al Sisi in August of 2015 in a presidential decree, according to the Economic Zones Law No 83/2002.

The first phase of the project is currently underway with US 1.1 billion investments from 86 Chinese companies. The expected annual revenue for the project when completed is US 100 billion across the established 42 projects.

One and half acre project

In December 2015, President Abdel Fattah El Sisi announced the latest national project: Reclamation of 1.5 million acre of desert land, at a cost of EGP 33 billion. The land to be reclaimed will span eight governorates, namely, Giza, Mina, Qena, Aswan, The New Valley, Sinai, Ismailia, and Matrouh. Land reclamation is expected to increase Egypt's agriculture farmland by 20%, and is set to be implemented over three phases. About 500,000 million acres are to be reclaimed in the first phase, 490,000 acres in the second stage, and 510,000 acres to be reclaimed in the third stage.

National Project for the Development of Sinai

In an effort to restore order and security to the Sinai Peninsula, President Abdel Fattah Sisi pledged to implement development and infrastructure projects in the region with the aid of Saudi Arabia. The government plans to develop a 1,500-kilometer network of roads and bridges, develop main axes and construct Bedouin compounds. The Bedouin compounds will each include 150 houses and 500 agricultural acres.

By 2017, 77,237 residential units will be built, and 10,000 new residential units as well as 400 Bedouin houses will be erected in Rafah. The Sinai Development Project is estimated to cost EGP 150 billion, which will be partially funded by Saudi Arabia.



National Projects for Roads

Launched in August 2014, the National Roads Project will see the development of a wide array of new roads and highways, and the maintenance of existing roads, for an estimated costs of EGP 36 billion. With the implementation of the project, road efficiency will be increased with improved infrastructure and better roads connecting between governorates. The new road network plan is set to be implemented over two phases covering a total area of 4,400 kilometers.

The mega project development will entail construction of 39 new roadways which constitutes approximately 20% of total length of all roads in Egypt. The project is expected to be finalized within two years from the start date.

A second phase of the National Roads Project was announced by the President on August 9, 2015 where 600 kilometers of roads and new corridors are to be developed. As of now, 5,000 kilometers of the National Road Project have been completed at a cost of EGP 50 billion as well as 135 bridges.

National Project for the Development of Upper Egypt

The Upper Egypt region has ten governorates with a population of 35 million people, representing more than a third of Egypt's population. Thus, the government has pledged to implement several service and development projects in the region to provide employment for the youth and bolster Egypt's economy. For the fiscal year 2015/2016, about EGP 20 billion pounds have been injected in the upper Egypt region.

The Ministry of Housing, Utilities, and Urban Communities received EGP 7,450.8 million, Ministry of Transportation received 3,294.2 million, Ministry of Petroleum received 2,739.8 million, Minister of Local Development received EGP 1,680.6 million, Ministry of Higher Education received EGP 1,091.2 million, Ministry of Education received EGP 918.8, Ministry of Water Resources and Irrigation received EGP 1,185.4 million, Informal Settlements Development Fund received EGP 335.7 million, Ministry of Health received EGP 290.5 million, Ministry of Electricity received EGP 250 million, Ministry of Antiquities received 179 million, and Ministry of Agriculture EGP 115 million. About EGP 305.8 million were distributed to other ministries.

Establishing New Cities

With the continually rising population, the government has announced the establishment of several new cities, namely East Port Said City, The New Administrative Capital, The New Ismailia City, The New Alamein City, and an Integrated City at Al-Galala.

East Port Said City, initially established following the presidential decree, covers a total area of 70,549 acres. The city incorporates 29815.4-acre million-person city, the 23574-acre industrial zone, the 17159.6-acre East al-Tafreia Port, by a total area of 70,549 acres.

The New Administrative Capital is an EGP 400 billion (\$ 45 billion) city, set to span of 700 square kilometer and house 5 million people. Around 10,000 kilometers of avenues and streets, 40,000 hotel rooms, and retail malls with upscale amenities and facilities, are all to be part of the Administrative Capital. The city is located south of Cairo-Suez highway. Construction of the new city has commenced in April of 2016.

New Ismailia City launched in November 6, 2014, the city will span an area of 2,175 acres to home 58,047 people. Considered an extension of the existing Ismailia City, it will be established on the eastern coast of Suez Canal. The new city is expected to provide 100,000 job opportunities.

New Alamein City was established by Presidential Decree in 2014, and is set to cover an area of 88,000 acres. Construction in the new city has been underway since October 9, 2015. New Alamein City is expected to house 30,000 citizens.

On top of "al-Galala al- Bahareya" mountain at an altitude of 700m above sea-level, An Integrated City at Al-Galala is set to be built. The city was launched in January of 2014 and will span area of 19,000 acres. Al-Galala's new city is set to include tourist resort on an area of 1000 acres, two hotels, and a mall that will be linked to a 17-kilometer road, a cable car "teleferique", a water park and a yacht marina.

The National Electricity Project

The National Electricity Project, announced by President Abdel Fattah El Sisi, is set to double Egypt's electricity production to 26,000 megawatts. About 20 new power plants will be built at a cost of EGP 400 billion.



Germany's Siemens is implementing three power plants in Beni Suef, Alberles, and New Administrative Capital. The company has also installed three turbines for the power plant in Beni Suef. The contract with Siemens includes a three combined cycle power plants with a capacity of 4,800 megawatts each, as well as 12 wind farms. The Siemens deal is expected to boost the country's electricity generation by 50%.

Some of the power plants will be in service in December of 2016, and three plants will be fully operational with capacity of 14,400 megawatts by May 2018.

Al Galala Plateau Project

The Jalala Plateau project is comprised of three main parts, the main road, an integrated city at Al Galala Plateau, and an integrated tourist resort in Ras Abu Al-Darag. The integrated city will span over 19,000 acres. The main road stretches from the tunnel of Wadi Hagoul on Sokhna road until the Kilometer 10 on Beni Suef Za'farana road, a total length of 82 kilometers.

The Golden Triangle Project

Another promising national mega project, the Golden Triangle aims to create a new industrial capital in Upper Egypt through the establishment of industrial, agricultural, economic, trade, tourist, and service centers. Located in Upper Egypt in cities of Qena, Safaga, and Al-Quseir, the project will cover 840,000 acres extending from Qena governorate in the west to the Red Sea governorate in the east, and from Safaga city in the north to al-Quseir in the south. Project was launched in October of 2015. A logistic and economic center will be established in Safaga for mining purposes, to make use of the Eastern Desert's Golden Triangle. Construction for the project is expected to take two years to be completed.

Proposed projects for the Golden Triangle include mining, agriculture, and industrial projects in the region.

Northwestern Coast Development Project

A large-scale mega project, the Northwestern Coast Development projects, is created with the aims of improving social and living conditions for local community. Launched in 2014, the project is expected to provide 11 million job opportunities by the project's expected completion in 2052.

New Alamein City, a multi-billion pound eco-city, is located halfway between Alexandrian and Marsa

Matroush and is part of the Northwestern coast development project. The establishment of the EGP two billion city was announced in 2014 by the previous prime Minister, Ibrahim Mehleb, and it is expected that first phase of construction to be completed by 2020.

The first phase will span an area of 41,000 acres and an additional 8,000 acres will be earmarked for International Tourism Zone. The city will feature 13 kilometers along the shoreline for public beaches and housing for all income levels.

Logistics Center for the Storage and Handling of Grain

A Global Logistics Centre for Grain Handling and a shopping project will be built in Damietta governorate, and is expected to handle 65 million tonnes of grain and food commodities trade per year. The project was proposed in 2014 with the aim to provide food security for Egypt, the largest wheat importer in the world.

The US 6 billion logistics hub will be completed in three years and will include five industrial zones to serve various purposes. The first zone is designated for wheat and will house flour and bran mills. The second and third zones will be for soy related industries and corn-related ones. The remaining two zones will be for refining and packaging sugar, and food production such as pasta. Each zone will have an annual production capacity of 1.5 million tons.

The hub will be constructed on an area of 3.35 million square meters located on the boundaries of Damietta. Project will also include two sea piers about 650-700 meters long and 17 meters deep to receive large ships and a river pier 1,200 meters long and 5-6 meters deep. Once completed the project will quadruple the capacity of Egypt's ports from 2.5 million tons to 10 million tons.

The Ministry of Supply said that the project includes the addition of two sea piers 650-700 meters in length and 17 meters deep to receive large ships carrying up to 150,000 tons of grain. A river pier 1,200 meters long and 5-6 meters deep will also be added with all relevant equipment. The project provides for the construction of modern silos and domes for storage in three storage areas with a capacity of 7.5m tons. This project will serve to quadruple the capacity of Egypt's ports from 2.5m tons to 10m tons. In March of 2015, two deals were signed, with the Emirati Al-Suwaitan Group and the China Harbour Engineering Group, to implement the project.



East Owainat Project

The East Owainat Project lies in the south west region of the Western Desert and it is a land reclamation project for agriculture use. The target area of reclamation of 230,000 acres to serve 100,000 people and create 20,000 jobs. As of 2013, 110,675 acres have been reclaimed in the project.

National Project for Aquaculture

In 2015, Egypt launched a national project to boost the production of inexpensive, nutritious, and safe fish from sustainable aquaculture systems. In the Suez Canal Corridor, about 5,714 acres will be used for aquaculture cultivation and it includes 3,828 tubs, at investments of EGP 650 million. The project is expected to create 10,000 job opportunities in the Suez Canal Corridor.

Another aquaculture project will be developed in Kafr Sheikh over 118 kilometers at a cost of EGP 1.7 billion. The project will create 5,000 direct jobs and 10,000 indirect jobs. Furthermore, in the New Valley governorate, about 607,028 meters will be used for an aquaculture project.

A project titled Sustainable Transformation of Egypt's Aquaculture Market System (STREAMS) was launched in cooperation with The Embassy of Switzerland's Office for International Cooperation, in collaboration with WorldFish and CARE International, and in coordination with the Egyptian Ministry of Agriculture.

STREAMS is a three-year project that strives to benefit 44,750 people directly and 3.9 million people indirectly across seven governorates, namely, Kafr El Sheikh, Beheira, Sharkia, Fayoum, Port Said, Minya and Beni Suef.

National Program for Technological Incubators

In October of 2015, a National Program for Technological Incubators, Intilaq, was launched by Minister of Higher Education and Research, Ashraf El Shihy. Around six incubators are to be executed in the following governorates: Suhaj, Tanta, New Valley, Damietta, Zagazig, and Suez in the first phase.

The National Project for Social Housing

With a youthful population and an estimated 600,000 marriages a year, affordable housing is one of the nation's top priorities. The National Project for Social Housing aims to tackle the shortages of housing for

the low-income youth by providing 500,000 housing units over the course of 6 years.

The Ministry of Housing, Utilities, and Urban Communities is currently building over 500,000 units across the country, as part of the social housing scheme as well as offering 6,000 units for rent to low-income earners. With the rise in demand for social housing, the state has agreed to increase the residential units up to 600,000 units a year.

The first phase of the social housing project will create 256,000 units, to be delivered by the end of 2016. A total of 180,000 units has been completed so far. The second phase of the social housing project will see 275,000 units completed in mid-2017, which would bring the total of first and second stage to 531,000 units.

Bottom Line

All the aforementioned projects fall under three categories, namely, social justice, knowledge and innovation, and economic development. Economic development projects have the lion's share of government initiatives with economic reform a priority since June 2014 which is intertwined with achieving social justice. The following projects have a direct correlation with boosting the economy: New Suez Canal, Suez Canal Economic Zone, Sinai Development Project, and Upper Egypt Development projects. Real estate and infrastructure projects are essential to the booming Egyptian population and pave the way for foreign investments, such as the National Road Network, the New Cities, Galala Plateau Project, Golden Triangle Project, Northwestern coast development Project, New Toshka, and finally Social Housing project.

Egypt has a few projects that aim to end hunger, achieve food security, and promote sustainable agriculture, such as 1.5-million-acre reclamation project, East Owainat reclamation project, national project for aquaculture, and the Logistics center for the storage and handling of grain. For research and innovation, there is only one project in the works which is the National Program for technological incubators.





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