

# Mapping Connections

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**State Capitalism and Sino-Egyptian Urban Development**

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# State Capitalism and Sino-Egyptian Urban Development

## Omnia Khalil

### Abstract:

Following the inception of the Chinese Belt and Road Initiative in 2013, in 2017, the Egyptian government entered into a bilateral collaboration with China. This Sino-Egyptian collaboration entails several infrastructure projects in Egypt, including light railways, and the construction of skyscrapers as part of new mega-projects. These economic changes in Egypt came about due to the political decisions made by the new militarized regime, four years after the 2013 coup. These political shifts entailed the deepening of the state's role in the Egyptian political economy. In this paper, I explain the urban development projects supported by the Sino-Egyptian bilateral collaboration. I examine the nature of the agreement and how it contributes to the Egyptian economy: do urban development projects contribute to state capitalism in Egypt, or not?

### Introduction:

It's January 2016, and Xi Jinping, the Chinese president, is visiting Egypt. In celebration, military tanks on parade fire shots towards Kasr El-Kobba, the palace traditionally used to accommodate visiting dignitaries. A YouTube video<sup>1</sup> of the event reveals a dynamic mix of red, black and white, colours found in the Chinese and Egyptian flags, which contrast with the formal black suits and white shirts worn by officials and visitors alike.

In the video, Abdel Fattah El-Sisi says: *"Truly, Mister President, it is no exaggeration when I say that we will always value and cherish the partnership that was inaugurated during my visit to China in 2014."* The voiceover continues by announcing that during a two-day visit, Egypt and China have signed 21 deals worth at least \$15 billion. In response, Xi Jinping states: *"China supports a bigger role for Egypt in regional and international affairs, which is why I invited His Excellency as a guest to my country in order to attend the G20 summit in September. We are keen to grow our efforts with Egypt to achieve mutual development."*

A year earlier, on 15 March, 2015, El-Sisi had announced the plan for the New Administrative Capital (NAC), mooted it at an economic conference convened in Sharm el-Sheikh. This new mega-scale project had a budget of \$45 billion and was planned to cover 700 square kilometers. Six years later, on 9 March, 2021, the Egyptian president announces a 'New Egypt', a new republic that would be manifested in a new capital. El-Sisi says: *"The birth of a new nation will happen with the opening of our New Administrative Capital. It will be the birth of the second republic"*<sup>2</sup>. The audience applauds, and the camera moves from close-up to Abdel Fattah El-Sisi standing in front of the Egyptian flag on a blue background.

In this paper, I explain the Sino-Egyptian bilateral collaboration in the urban development sector. To answer the main question of this paper of whether or not the urban development projects contribute to state capitalism in Egypt, I question parts of the Chinese loans to Egypt within the this sector, including the light railways and construction at the NAC and New Alamein. Methodologically, the paper analyzes newspaper reports and published fiscal data from the Egyptian and Chinese governments. This paper is organized as follows: firstly, it examines the official Egyptian discourse about China, and how this has projected a new image of China to the Egyptian public, one that merges with propaganda about a 'new Egypt'. Secondly, I explore the Sino-Egyptian urban development projects that include construction projects and transport systems, focusing on those projects built by the Chinese State Construction Engineering Corporation (CSCEC).

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<sup>1</sup> "Xi Jinping and Abdel Fattah El Sisi Hold Talks." YouTube, January 21, 2016. [https://youtu.be/XV\\_fya-dhAo](https://youtu.be/XV_fya-dhAo).

<sup>2</sup> March 9<sup>th</sup>, 2021, El-Sisi speech [https://www.youtube.com/watch?v=\\_dJSOGJMvF4](https://www.youtube.com/watch?v=_dJSOGJMvF4)

### **Sino-Egyptian Collaboration and State Capitalism:**

The history of state capitalism in Egypt started with Gamal Abdel Nasser in the 1950s, with his version of so-called ‘Arab Socialism’, which nationalized the private sector, implemented land reform policies, and reclaimed Egypt’s economy from foreign hands, putting it back into the hands of the Egyptian state. El-Sisi has also, since 2016, been reclaiming the state’s centrality in the economy, in both public and private sectors, after Mohamed Hosni Mubarak’s government pushed for direct collaboration between the state and the private sector (Sayigh 2021). According to Sayigh, the type of state capitalism that El-Sisi operates has a military component, which serves to create a network of cronyism dominated by “the presidential office and the military or to their local extensions, such as provincial governors” (Ibid). The public spending of the El-Sisi regime is massively high, using government bonds as a main source to attract foreign capital. It is this state-capital nexus that lies at the origin of the Sino-Egypt collaboration. Sino-Egyptian collaboration in both infrastructure projects and real estate are both pillars for the continued deepening of state capitalism in the contemporary era.

The Sino-Egyptian collaboration has flourished in the last few years following the Belt and Road Initiative (BRI), and the Egyptian regime has situated itself within this plan, meeting its own interests of making what the El-Sisi regime named “the New Republic” that emerged as a result of the military coup in June 2013. Concurrently, the Egyptian regime has its national urban agenda of a reimagined Egypt, part of it announced as Egypt Vision Sustainable Development Strategy (SDS 2030) in 2015. Urban development in terms of land, urban construction, and real-estate, led to state capitalism due to the increasing centralization of the economy over the last decade, and the transfer of the urban development process to some institutions already controlled by the state, notably the New Urban Communities Authority (NUCA) (Adly 2023). The social benefit of this infrastructure is still not clear, while the social impact is affecting the everyday life and future prospects of Egyptians due to loans and inflation. This is similar to the question of the social impact of BRI projects on Kenya and local development in communities where they are implemented (Zhu, Dossani, & Bouey 2020). The Chinese state structure does not work in the same way as the countries where BRI projects are set up, creating problems in relocating Chinese construction labor to those countries (Chan 2022).

### **Nationalizing Sino-Egyptian Relations:**

The current Egyptian regime has nationalized its discourse since the coup in 2013. It has been a strategy of legitimization, framing the coup as a national mission to save Egypt and the Egyptians from the danger of becoming a war zone. In a transitional year, from June 2013 to June 2014, it is notable how the image of Abdel Fattah El-Sisi mimics that of national masculine hero, Gamal Abdel-Nasser, a key figure in modern Egypt’s existence (Zaki 2015). This nationalizing of governmental discourse extends to including the Sino-Egyptian relationship. Throughout this section, I analyze this discourse by looking at the archive of the leading national newspaper, Al-Ahram, to calculate how China is portrayed by the Egyptian regime and how visible China is to the Egyptian public via the media between 2016 and 2022. From July 2016 to December 2022, there are 135 news pieces about China and the BRI, whether Sino-Egypt-related or related to other Arab countries also collaborating with China. Over the course of 77 months, there are one or two articles a month of China-related news in Al-Ahram newspaper.

This coverage started in 2016, with various articles elaborating how the BRI supports the societal strata who live below the poverty line<sup>3</sup>. The newspaper showed how the BRI’s

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<sup>3</sup> Al-Ahram archive, 27 July 2016, <https://gate.ahram.org.eg/News/1181157.aspx>

purposes work along the same line as the United Nations' development plans, and the national Egypt SDS 2030. Some of the coverage was analytical articles that showed the importance of Sino-Egyptian bilateral collaboration, and how it supports making the Egyptian economy stronger, and how the two countries working peacefully together will be economically stronger<sup>4</sup>. Moreover, statements from government officials about the importance of Egypt's collaboration with China<sup>5</sup> frame it as historically essential.

In 2017, the news started to give more detail on the Sino-Egyptian agreements, in terms of the size of economic collaboration<sup>6</sup>, and the exchange of official visits between the two governments. Some educational program exchanges started to be announced between Cairo University and some Chinese institutions, along with discussions about future research collaborations<sup>7</sup>.

Nationalizing the discourse forms part of official statements throughout 2018, including detailing China's thinking on Palestine<sup>8</sup>, and how faithful they are to the Arab League Plan. Nationalizing the Chinese agenda includes highlighting their role in defending Arabs at the UN Security Council<sup>9</sup>, the role of the Suez Canal in the Silk Route, and how it will always play this role<sup>10</sup>. This nationalization of both agendas included comparing the West's colonial history in Africa with the way in which China sees the African continent as a political peer<sup>11</sup>. This non-colonial approach in its dealings with the Arab world and Africa was re-asserted by the Chinese Foreign Affairs Minister in 2019, along with the positive economic aspects the Sino-Egyptian collaboration was bringing to the nation.

In addition, in nationalizing the role China plays in development for hospitals, schools, and infrastructure, some political party leaders gave statements to describe how the collaboration could help solve Egypt's needs for investment, technology transfer, a reduction in unemployment and some amenities and products, while pointing to China's support for the Egypt SDS 2030 plan. The Egyptian Minister of Telecommunications highlighted technology and AI and how China is going to support 5G networks across the country.<sup>12</sup> The news broadcast coverage of Sino-Arab exchanges in the region, e.g., covering the Sino-Egyptian pathway of changes held in Beijing in 2018. Egypt's plan for the new Suez Canal is drawn up, and both Arab academics and Chinese Middle East experts express how the collaboration is useful to Egypt SDS 2030<sup>13</sup>.

Up until mid-2019, there had been no detailed data released about the collaboration, but then several infographics were published by the government<sup>14</sup>. The first infographic shows a map of the BRI land and sea routes and highlights the Suez Canal as an important water connection. The second lays out economic investments by sector: 46.3% petroleum, 31.5% industry, 13.6% services, 5.8% construction, and 2.8% other. The aim was for Egypt to rank as China's 7<sup>th</sup> bilateral partner country by 2030, instead of 21<sup>st</sup> as it was in 2017. The third infographic reveals the size of investments, including the monorail at US\$1.4 billion, Suez Canal, and more. The fourth shows the energy, tourism and construction sectors that include the central business district in the NAC.

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<sup>4</sup> Al-Ahram archive, 25 October 2016, <https://gate.ahram.org.eg/News/1271619.aspx>

<sup>5</sup> Al-Ahram archive, 23 September 2016, <https://gate.ahram.org.eg/News/1240014.aspx>

<sup>6</sup> Al-Ahram archive, 10 May 2017, <https://gate.ahram.org.eg/News/1513617.aspx>

<sup>7</sup> Al-Ahram archive, 01 June 2017, <https://gate.ahram.org.eg/News/1520654.aspx>

<sup>8</sup> Al-Ahram archive, 12 June 2018, <https://gate.ahram.org.eg/News/1968921.aspx>

<sup>9</sup> Al-Ahram archive, 16 July 2018, <https://gate.ahram.org.eg/News/1981245.aspx>

<sup>10</sup> Al-Ahram archive, 15 April 2018, <https://gate.ahram.org.eg/News/1895649.aspx>

<sup>11</sup> Al-Ahram archive, 02 September 2019, <https://gate.ahram.org.eg/News/2007554.aspx>

<sup>12</sup> Al-Ahram archive, 26 April 2019, <https://gate.ahram.org.eg/News/2148822.aspx>

<sup>13</sup> Al-Ahram archive, 29 September 2019, <https://gate.ahram.org.eg/News/2017106.aspx>

<sup>14</sup> Al-Ahram archive, 26 April 2019, <https://gate.ahram.org.eg/News/2148854.aspx>

During 2020 and 2021, COVID-19 added two further levels of collaboration between Egypt and China. First was the mutual health support in supplying masks and medical equipment, while the second aspect was the safety of Chinese construction workers and how they followed pandemic guidelines on site at NAC.<sup>15</sup> In 2022, some news outlets covered stories about China collaborating with other African and Middle Eastern countries, thus broadcasting the message that the Egyptian regime was doing the right thing by allying with China. Some of these articles adopt a heavily critical tone towards US policies<sup>16</sup>, and some analyze the great power struggle between China and the US.

This nationalization of the Sino-Egyptian policy extended to government ambassadors, and to university professors in what they produced for academic publication. In a book chapter published in 2020, Yasser Gadallah (2020)<sup>17</sup>, analyzes some data showing how the status quo of the economic and commercial relationship had massively increased from 2015 to 2019. Gadallah shows how Egypt faces deficit growth in its trade with China (107). Towards the end, he says: “Egypt, on the other hand, benefits from trade with China through an easing of its high unemployment, attraction of FDI, and the increase in production volume, which will help achieve economic stability” (Gadallah 2020, 111). This last quote bears little resemblance to what has taken place in Egyptian society over the past few years, which I will examine in more depth in the next section. In another publication, Mohamed Elbadri<sup>18</sup>(2022), explains all the positive nationalized factors of the Sino-Egyptian collaboration, starting with the fact that China and Egypt are both geographic pivots in their histories and geostrategic locations. He argues that it is a normal consequence to “interact and foster relationships conducive to their interests” (Elbadri 2022, 145). The writer refers to the crucial role of both countries in the Non-Alignment Movement, which refers to the Nasser era in the 1950s and ’60s – the nationalizing part of the whole discourse – and also shows the important steps that Abdel Fattah El-Sisi was taking to align himself, through imitation, with Gamal Abdel Nasser’s nationalist position and collaboration with the Soviet Union in the Non-Aligned Movement.

While the nationalization of the Sino-Egyptian relationship has been tackled by reframing and glorifying the Egyptian building of a new republic, what it did not do is tackle the racism in Egyptian society towards its substantial Asian migrant population. Racism against Asians is embedded in everyday Egyptian culture. Some restaurants displayed signs barring entry to Chinese individuals<sup>19</sup>, while once the COVID19 pandemic had started, there were several discriminatory acts against persons of Asian appearance; for example, a widely distributed video that took place in Cairo showing an Asian-looking person getting kicked out of an Uber on the motorway.

This depiction of a nationalizing collaboration contributed to an image of state capitalism by framing how the Egyptian state has investments via the state institutions who are working with one of the strongest economies in the world. Instead of justifying the loans that the Egyptian government had obtained from China, and their spending processes, the Egyptian narrative, as shown above, glorified the bilateral collaboration with no transparency on its economic aspects.

## **The Belt and Road Initiative in Egypt**

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<sup>15</sup> Al-Ahram archive, 02 June 2020, <https://gate.ahram.org.eg/News/2413041.aspx>

<sup>16</sup> Al-Ahram archive, 01 December 2016, <https://gate.ahram.org.eg/News/1335883.aspx>

<sup>17</sup> Yasser Mohamed Gadallah, Full Professor of Economics, Director of Sino-Egyptian Research Center and Acting Dean of the National Institute for Intellectual Property, Helwan University, Cairo, Egypt.

<sup>18</sup> Mohamed Abd El-Sattar Elbadri is the Ambassador Extraordinary and Plenipotentiary of the Arab Republic of Egypt to the People’s Republic of China and Mongolia

<sup>19</sup> Egyptian Streets, 15 April 2020, Sarah Ahmed, <https://egyptianstreets.com/2020/04/15/in-the-wake-of-covid-19-egypts-asians-fall-victim-to-racism/>

The Belt and Road Initiative (BRI) or One Belt One Road (OBOR), announced in 2013, connects China to many countries in Asia, Europe, and Africa. While this connection between China and the world was manifested through its massive exports around the globe, the infrastructure on the ground still required development in order for the connections to be implemented on land and sea, connections that would revitalize the Silk Route of the fourteenth century and earlier.

The urban economic agglomeration, that developed in the early 20<sup>th</sup> century in response to new capitalistic relationships, is a material vision of systems of rule and nation-states. This urban agglomeration had the aesthetics of power and control required in many authoritarian contexts. Bridges, railways above and below ground, roads, and tunnels, were a visual translation of the capitalistic relationships of investments on the ground. These urban elements manifested the everyday life of people. The lives of citizens were influenced by these urban projects, as it changed the everyday lives of crossing the streets, or inhabiting their neighborhoods. Additionally, the urban projects changed the commuting and the walking experience in navigating the city.

The Sino-Egyptian agreement in Suez means the canal serves as the water gateway to Africa for China, connecting them to Djibouti, Nairobi, and South Africa. Other mega-projects in other parts of Egypt are on the ground, and they will provide future connections to other parts of Africa and the Middle East (see figure 1). These mega-projects include (1) Light Railway/Monorail project; (2) the Central Business District at the NAC, and (3) skyscrapers at New Alamein. These three projects are beneficial components within the BRI but also contribute to the Egyptian urban agenda SDS 2030. The urban development constructions at both NAC and New Alamein will not directly benefit the BRI, but as their construction is carried out by the CSCEC, then it is a form of loan that Egypt will pay back to China.



Figure 1: Map of Egypt showing the projects which have a Sino-Egyptian bilateral agreement. Source, created by the author

### Light Railways:

The first project is the railways that span different parts of Egypt, from the East at the Suez Canal to its West side; from the North at Alexandria on the Mediterranean coast, to the South in Aswan. During a visit to China in 2018, El-Sisi signed an agreement with the Chinese government for a loan of \$2.1 billion for the construction of the 68km electric railway<sup>20</sup> that will be called the Cairo New Administrative Capital monorail (Figures 2 and 3). This monorail is planned to connect the eastern parts of Cairo, where NAC is located, to the western parts of Cairo where 6 October District and New Giza are located<sup>21</sup>. This light railway is connected to another high-speed rail system which is implemented by contracts that form part of a German-Egyptian bilateral agreement.

The high-speed rail system<sup>22</sup> project in Egypt was signed in August 2021 between Egyptian authorities and Siemens (Figure 3), for an initial contract of 2.7 billion Euros, then a further 5.4 billion Euros in May 2022. All this was announced as German-Egyptian bilateral relations and global climate protection. The 2,000km high-speed rail network will connect 60 stations on three different lines throughout the country, and travel at speeds of 230km/hour. The first line connects the Suez Canal, with a 660km line linking the port cities of Ain Sokhna on the Red Sea with Marsa Matrouh and Alexandria on the Mediterranean, while the second new line is 1,100km long and will run between Cairo and Abu Simbel near the Sudan border. The third line will cover 225km, connecting the heritage archaeological sites in Luxor with Hurghada by the Red Sea.

The high-speed rail system is not funded by nor does it involve any Sino-Egyptian collaboration, but it supports future planning to have on-ground connections from the Suez Canal to the western parts of Egypt, as well as to the southern and northern parts of the country. These ground connections have futurity in giving access to neighbouring countries in Africa, eg, Sudan and Libya.



<sup>20</sup> Al-Youm Al-Sabea, 2 December 2022. [shorturl.at/hJLS](https://shorturl.at/hJLS)

<sup>21</sup> Construction Review online, <https://constructionreviewonline.com/biggest-projects/monorail-project-to-be-constructed-in-egypts-new-administrative-capital/>

<sup>22</sup> AlMasry AlYoum, 17 September 2017, <https://www.almasryalyoum.com/news/details/2693388>

Figure 2: Light Rail System map, including the monorail line. Source: Wikipedia, CC BY\_SA 4.0 by Momen<sup>23</sup>

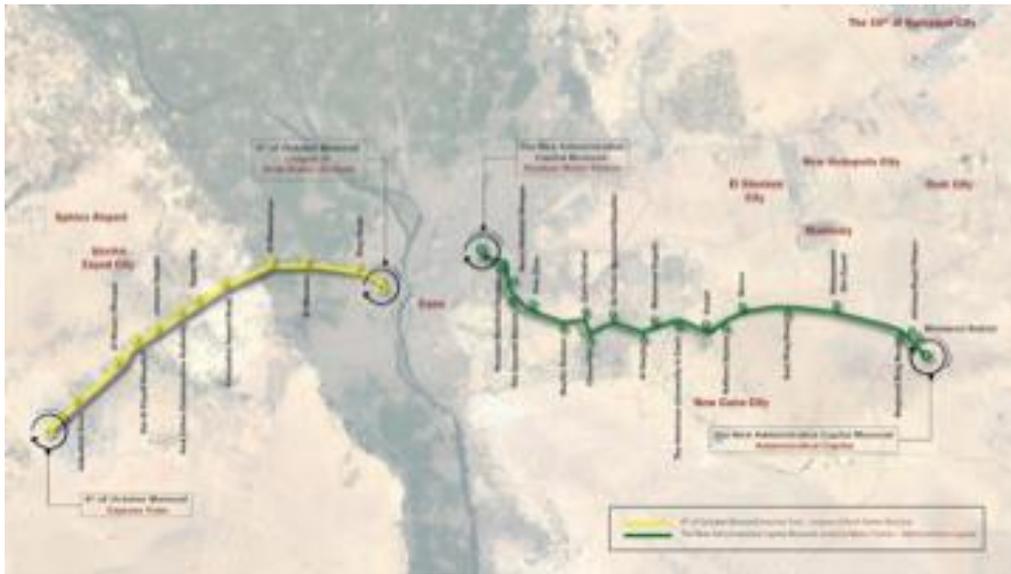


Figure 3: Monorail map.

### Central Business District at New Administrative Capital

A few months after the 2015 announcement of the New Administrative Capital (NAC), designs and plans started to circulate, including a master plan of two phases of the zoning. Located in the Eastern desert areas between Cairo and Suez, NAC is planned to include eight residential zones, two governmental zones, entertainment zones, investment zones, a diplomatic district, a central business district, a presidential palace, and more.

The source of funding for this construction project was not revealed. In 2015, state officials announced that foreign investors would finance the NAC construction, but the real costs and its potential economic profit were not shared publicly and did not satisfy urban planners and economists that the project would be either feasible or profitable.<sup>24</sup> Some agreements were made with Emirates for the initial funding of the construction, then it was cancelled.

Another connection between China and Egypt's construction economy is through Chinese construction firms. China State Construction Engineering Corporation (CSCEC) is a state construction engineering company in Beijing and is a leading company in China's construction industry. The company is the contractor responsible for constructing three towers in the NAC, in what is called the Central Business District (Figure 4); the project owner is the New Urban Communities Association (NUCA), and Dar al-Handasah Shair & Partners are the architects. The CBD contains an iconic tower, and multiple buildings spreading across 170 feddan, with a budget of \$3 billion for the iconic tower alone, while the budgets for the other two towers (buildings 07 and 08) are not yet clear. According to their height and construction costs it is estimated that this will be around \$2 billion each, which is an estimated figure calculated in line with the budget of the iconic tower (Table 1).

The CSCEC has a role as contractor for the Central Business District (CBD). They get paid as the contractor who is fully responsible for completing the skyscraper project. The funding comes via Chinese banks (HSBC), who pay the New Urban Communities Authorities (NUCA),

<sup>23</sup> [https://en.wikipedia.org/wiki/Cairo\\_Light\\_Rail\\_Transit#/media/File:Cairo\\_Rapid\\_Transit\\_map.png](https://en.wikipedia.org/wiki/Cairo_Light_Rail_Transit#/media/File:Cairo_Rapid_Transit_map.png)

<sup>24</sup> Mada Masr, 22 March, 2015, Egypt's new capital: A city for investments or for alleviating overpopulation? <https://www.madamasr.com/en/2015/03/22/feature/economy/egypts-new-capital-a-city-for-investments-or-for-alleviating-overpopulation/>

while NUCA, as project owner, along with the ministry of Housing and Administrative Capital for Urban Development (ACUD), pays the contractors, designers (architects?), and other construction-related fees. In 2017, the Egyptian government announced that the iconic tower located in the CBD will be the tallest in Egypt and on the African continent. In December 2022, the Egyptian government started meetings to discuss the investments which will start to take place in the CBD, and enable them to pay back the Chinese debt after 10 years in operation. Mohamed Gad, in his chapter “What Gives the New Administrative Capital a Value?”, argues that this mega-project debt comes with the financing cycle that Karl Marx describes as ‘fictitious capital’, value that will need to be paid for by the future labor of Egyptians (Gad, 2023).

It is the Administrative Capital for Urban Development (ACUD) that is responsible for managing the buildings at NAC. It is a state company, founded in 2016, with the capacity to implement, manage, and construct the NAC. Its capital is 6 billion Egyptian pounds, and it owns 174 feddan of land. The contributors to its foundation, who are the owners, and those who earn revenues, are divided as follows: 49% to NUCA, 21.6% to the Land Project Organization, which is part of the Ministry of Defense, and 29.4% to National Service Projects Organization, which is part of the Ministry of Defense (see diagram A). ACUD is not listed on the stock market, which, to this day, means its revenues are not transparent. While 51% of the revenues would be directed to the Ministry of Defense, it is still not clear how these funds would support the state, in terms of investing the revenues in other state construction projects.



Figure 4: Central Business District, designed by Dar Al-Handasah. Source: Dar al-Handasah Shair & Partners

| <b>ICONIC TOWER</b>                      | <b>BUILDING C07</b>                      | <b>BUILDING C08</b>                         |
|--|--|---|
| Height 393.8m<br>Floors 77               | Height 163.0m<br>Floors 32               | Height 163.0m<br>Floors 32                  |
| <b>Status</b><br>Structurally topped out | <b>Status</b><br>Structurally topped out | <b>Status</b><br>Architecturally topped out |
| <b>Expected Completion</b>               | <b>Expected Completion</b>               | <b>Expected Completion</b>                  |

| 2023  | 2022                         | 2022                         |
|---|------------------------------|------------------------------|
| <b>Function</b><br>hotel/residential/office | <b>Function</b><br>office    | <b>Function</b><br>office    |
| <b>Budget</b><br>\$3.85 billion             | <b>Budget</b><br>\$2 billion | <b>Budget</b><br>\$2 billion |

Table 1: information for buildings at the CBD, NAC. Source: Council on Tall Buildings and Urban Habitat and ?

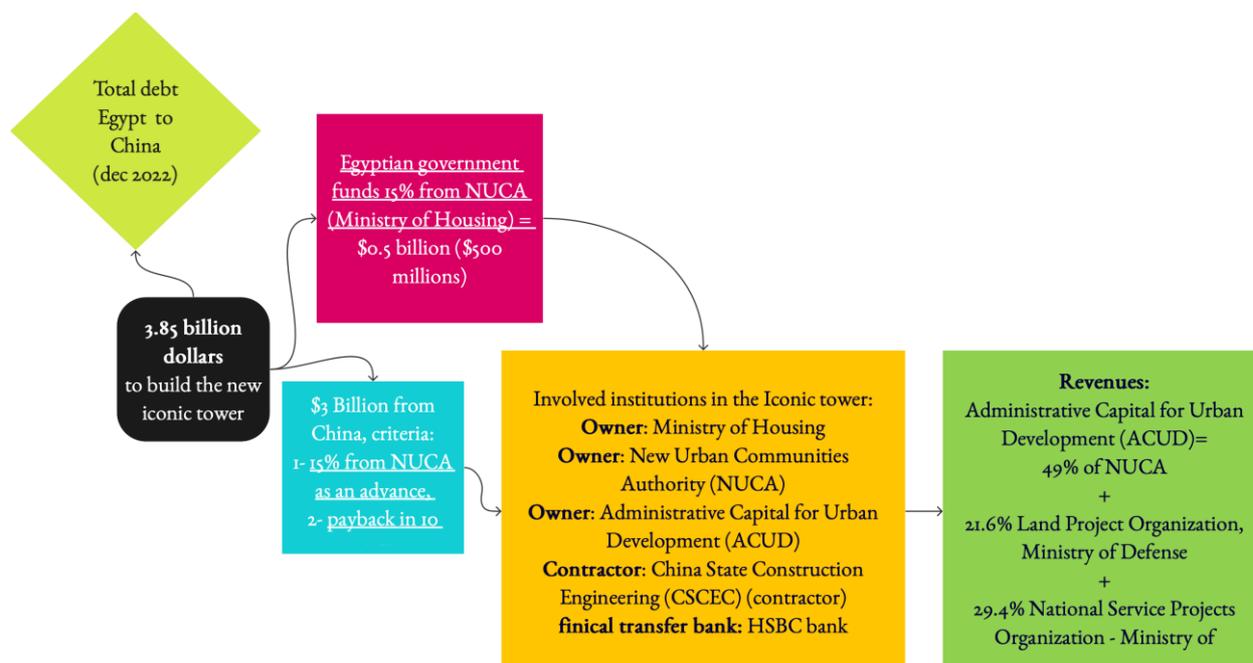


Diagram A: the Iconic Tower project's costs flow, by the author.

## Skyscrapers at New Alamein

The same investment model is used at New Alamein, another new satellite city. On 8 February, 2021, a new contract was signed between NUCA, the developer, and CSCEC, the constructor, to build five residential skyscrapers in New Alamein City (Table 2, Figure 5) on the Mediterranean northern coast<sup>25</sup>. The concrete pouring volume is about 19,683 cubic meters, and this will happen in two stages<sup>26</sup>.

| Alamein<br>Iconic tower                        | Downtown<br>Tower A                | Downtown<br>Tower B                | Downtown<br>Tower C                | Downtown<br>Tower D                |
|--|------------------------------------|------------------------------------|------------------------------------|------------------------------------|
| Height 250m<br>(820ft)                         | Height 200m<br>(656ft)             | Height 200m<br>(656ft)             | Height 200m<br>(656ft)             | Height 200m<br>(656ft)             |
| Floors 68                                      | Floors 56                          | Floors 56                          | Floors 56                          | Floors 56                          |
| Function –<br>Hotel, office<br>and residential | Function –<br>Residential<br>tower | Function –<br>Residential<br>tower | Function –<br>Residential<br>tower | Function –<br>Residential<br>tower |

<sup>25</sup> Global times, 1 August 2022, <https://www.globaltimes.cn/page/202208/1271879.shtml>

<sup>26</sup> CSCEC, 8 November 2022,

[https://english.cscec.com/english\\_cscec/CompanyNews/CorporateNews/202208/3562649.html](https://english.cscec.com/english_cscec/CompanyNews/CorporateNews/202208/3562649.html)

Table 2: information for buildings in the downtown center of New Alamein. Source: Construction Review Online



Figure 5: New Alamein downtown towers project. Source: CSCEC Egypt

### State Capitalism and Urban Construction

The Sino-Egyptian collaboration in urban construction enables the Egyptian regime in its political mission of rebranding urban living with a new aesthetic. The Egyptian regime announced its mission to rebuild Egypt through mega-projects, while China builds its future by connecting to its east via major infrastructure projects. Thus far, this collaboration does not seem to be enabling Egypt to form a strong state capitalism in ways that build towards a political economic vision for the near future. As framed by the Egyptian state's narrative and discourse, the state capital revenues are not included on the stock market, neither are they announced in the national budget due to the military's intervention. As shown above, 51% of the Administrative Capital for Urban Development is received (both capital and revenues) by the Ministry of Defense, while the other 49% is for NUCA, which is now responsible for paying back the debt to China. For the moment, it is neither clear, nor certain, how this much increased foreign debt will be paid back. There is no guaranteed economic model of investment in the construction nor in how it is going to pay back, whether to the Chinese government, or to Egyptians, who are currently living through a period of austerity due to the amount of national debt.

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