



Construction starts on Egypt capital city scheme

7 March, 2016 By [Hossam Abouqabal](#)



- Hassan Allam Construction working on \$783m of projects
- Work includes 60 kilometres of roads, 500-room hotel and 20,000-seat conference hall

Contracts were directly negotiated with housing ministry

Local contractor Hassan Allam Construction has started work on \$783m-worth of projects at Egypt's [New Capital City scheme](#).

A company spokesperson told MEED the firm is currently carrying out infrastructure roadwork, and building a hotel and a conference hall.

The engineering, procurement and construction (EPC) contracts were directly negotiated with the Ministry of Housing, Utilities & Urban Development, says the spokesperson.

It is understood the local firm is working on 60 kilometres of roads, a 500-room hotel and a 20,000-seat conference hall.

Egypt's New Capital City project, which was announced during the Egypt Economic Development Conference in Sharm el-Sheikh in March last year, has been central to the government's promises to improve living standards and press ahead with major housing, infrastructure and transport schemes.

It was recently announced that work is expected to start in April on the first residential section of the project.

Housing minister Mostafa Madbouly said the residential scheme will comprise 30,000 units, although no further details have been given.

While the government has at times provided little details on the development plans of the capital city since the breakdown in the initial deal with UAE businessman Mohamed Alabbar, Egypt has received sizeable investments for the scheme from China in recent months.

On 2 September 2015, Egypt's investment minister Ashraf Salman signed a memorandum of understanding (MoU) with China State Construction Engineering Corporation (CSCEC) for the contractor to take over part of the capital city project.

[China Railway Group](#) also signed an MoU in January with Cairo to implement two schemes in the administrative capital city.

[CREC](#) will carry out work on six government buildings and an Olympic park in the [New Capital City](#).

Under the terms of the agreement, the Chinese firm must submit initial designs within three months.

The first phase of the scheme, which is expected to cover 1.8 million square metres, will include government buildings, a proposed medical city and several housing projects.

The new city is expected to have a population of 5 million people and create 1.7 million jobs. It will be built 45km east of Cairo and 80km from Suez.