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Egypt Built New Cities; Yet Population Remains Concentrated

Background

Egypt is one of the world's most geographically concentrated countries. Although the country covers more than one million square kilometers, over 95% of its population lives on less than 4%[1] of its total land area, primarily along the Nile Valley and Delta. This concentration has placed increasing pressure on existing urban centres, contributing to congestion, rising demand for housing, overloaded infrastructure, growing pressure on public services, and limited opportunities for future urban expansion.

To address these challenges, Egypt adopted a long-term strategy of developing new urban communities in desert areas. The establishment of the **New Urban Communities Authority (NUCA)** under Law No. 59 of 1979 marked the beginning of a national programme aimed at expanding the inhabited area, redistributing population, and creating new centres for housing, employment, investment, and economic activity beyond the traditional urban core. Over the following decades, the programme evolved into one of the largest state-led urban development initiatives in the Middle East, resulting in the establishment of **49 new cities**, covering more than **2.2 million acres,** with a planned capacity exceeding **27 million residents.**

Nearly five decades after the programme was launched, Egypt has undoubtedly succeeded in expanding its urban footprint through the construction of new cities. However, the more important policy question is whether these cities have fulfilled their primary objective of attracting population and supporting sustainable economic activity. If not, what factors continue to limit population relocation despite substantial public investment in urban development?

[1] The commonly cited figure of less than 4% refers to the historical concentration of Egypt's population along the Nile Valley and Delta. More recent estimates suggest that the inhabited area has expanded as a result of urban development and land reclamation, although the vast majority of the population remains concentrated in a relatively small share of the country's territory.

The following analysis addresses these questions by examining the population performance of selected new cities alongside evidence on the geographical distribution of employment opportunities across governorates.

Current Situation

Since the establishment of NUCA in 1979, Egypt has invested heavily in developing new cities as part of its strategy to reduce population concentration and accommodate future urban growth. These investments have included housing, infrastructure, utilities, transport networks, and public facilities designed to create attractive alternatives to existing urban centres.

Despite these efforts, available evidence suggests that many new cities continue to accommodate only a small fraction of their planned population. However, interpreting these figures requires distinguishing between cities at different stages of development. While recently established fourth-generation cities have had relatively limited time to attract residents, older cities have had decades to mature. Comparing both groups therefore provides a clearer picture of whether low occupancy is primarily a matter of time or reflects broader structural challenges.

Table 1 presents the planned and current population of selected new cities representing different generations of Egypt's urban development programme.

Table 1. Population Achievement in Egypt's New Cities

City	Planned Population	Current Population	Target Achievement
New Obour	2,900,000	≈8,000	0.30%
New October	8,100,000	≈35,000	0.40%
New Administrative Capital	6,500,000 *(500,000 in Phase I)*	≈30,000	0.50%
New Alamein	1,600,000	≈15,000	0.90%
New Assiut	750,000	9,956	1.30%
New Qena	130,000	1,736	1.30%
New Minya	638,000	18,590	2.90%
New Mansoura	680,000	≈20,000	2.90%
Capital Gardens	≈600,000	≈25,000	4.20%
Sadat City	1,500,000	74,915	5.00%
Badr	450,000	33,768	7.50%
New Cairo	4,000,000	321,091	8.00%
New Damietta	500,000	56,056	11.20%
10th of Ramadan	2,100,000	267,015	12.70%
New Beni Suef	268,000	35,467	13.20%
El Obour	1,054,500	144,074	13.70%
El Shorouk	500,000	94,228	18.80%
15th of May	500,000	101,014	20.20%
New Sohag	420,000	205*	0.05%
New Aswan	238,000	121*	0.10%

Source: ECES compilation based on Central Agency for Public Mobilization and Statistics (CAPMAS), Population Estimates by Administrative Division (1 January 2024); New Urban Communities Authority (NUCA); Administrative Capital for Urban Development (ACUD); Ministry of Housing, Utilities and Urban Communities; and official city authority announcements.

Note: *Population figures are compiled from the latest publicly available official sources. For some recently established cities, comprehensive official population statistics are not yet available; therefore, the reported figures represent the best publicly available occupancy estimates at the time of compilation.

Table 1 reveals three distinct patterns in the population performance of Egypt's new cities:

First, several fourth-generation cities—including the New Administrative Capital, New October, New Obour, New Alamein, New Sohag, and New Aswan—have achieved less than 1% of their planned population targets. Given their relatively recent establishment, part of this gap may reasonably reflect the limited time available for population growth.

Second, a number of cities that have been under development for decades—including Sadat City, New Cairo, El Obour, El Shorouk, and 15th of May—have also fallen considerably short of their planned capacity. Although these cities have recorded higher occupancy rates than newer developments, most have accommodated only between 5% and 20% of their target population despite having had several decades to mature.

Third, several intermediate-generation cities, such as New Damietta and New Beni Suef, have performed better than many recently established cities but remain well below their planned population targets.

Taken together, these findings suggest that the gap between planned and actual population cannot be explained by the recency of urban development alone. While time may partly explain the performance of fourth-generation cities, the relatively low occupancy rates observed in much older cities point to broader structural challenges that have persisted across successive generations of Egypt's new urban communities.

These findings also suggest that evaluating the experience of earlier generations of new cities could provide valuable lessons for future urban development. Understanding why many established cities have remained below their planned population targets may help improve the planning and implementation of future projects and reduce the risk of repeating similar challenges.

Can the Answer Lie in the Availability of Job Opportunities?

One possible explanation for the persistent population gap lies in the geographical distribution of employment opportunities. **Evidence from ECES's Quarterly Job Market Analysis provides further insight into this question.** The analysis, which monitors online labour demand across Egyptian governorates on a quarterly basis, consistently shows that employment opportunities remain highly concentrated in Greater Cairo and a limited number of major urban centres. This raises an important question: **can new cities attract permanent residents if employment continues to be concentrated elsewhere?**

Table 2 presents the distribution of advertised job vacancies across selected governorates between Q4 2021 and Q1 2026.

Table 2. Geographical Concentration of Advertised Job Vacancies (Q4 2021 and Q1 2026)

Governorate	Q4 2021	Q1 2026	Absolute Change
Cairo	11,830	14,893	+3,063
Giza	3,808	3,203	-605
Alexandria	1,035	944	-91
Minya	29	53	+24
Assiut	147	70	-77
Sohag	34	38	+4
Qena	15	24	+9
Aswan	11	19	+8
Fayoum	29	18	-11
Beni Suef	45	33	-12

Source: ECES Quarterly Job Market Demand Analysis.

The findings from ECES's Quarterly Job Market Analysis reveal a persistent geographical imbalance in employment opportunities. Throughout the period, Cairo consistently recorded the largest number of advertised job vacancies, while governorates hosting several new cities—including Minya, Assiut, Sohag, Qena, Aswan, and Beni Suef—continued to generate relatively limited labour demand. By Q1 2026, Cairo alone recorded nearly **15,000** advertised vacancies, compared with a combined total of only around **240** vacancies across these six governorates—more than sixty times as many opportunities.

Although some governorates experienced relatively high percentage growth in job postings over the period, this growth often started from a very small base. For example, vacancies in Qena increased by 60%, yet this represented an increase from only **15** to **24** advertised vacancies. Such increases are therefore unlikely to substantially change the scale of local employment opportunities.

Overall, the findings from ECES's Quarterly Job Market Demand Analysis suggest that the labour market has remained significantly more concentrated than Egypt's urban development. While new cities have expanded geographically, employment opportunities have not dispersed at the same pace. Consequently, many governorates hosting new urban communities have yet to develop sufficiently strong local labour markets capable of attracting large numbers of permanent residents.

The experience of the New Administrative Capital further illustrates this challenge. Although the relocation of government institutions and private businesses has increased daily commuting to the city, it has not been accompanied by a comparable increase in permanent residency. Many employees continue to commute from Cairo and neighbouring governorates rather than relocate their households, suggesting that relocating workplaces alone is not sufficient to drive population relocation.

What Do These Numbers Tell Us?

Taken together, the evidence presented in this analysis points to a broader conclusion. Egypt has made remarkable progress in expanding its urban footprint through the development of new cities. However, expanding the physical boundaries of cities alone has not been sufficient to achieve the programme's primary objective of redistributing population.

The evidence also suggests **that urban development and economic development have not always progressed at the same pace.** While substantial investments have been made in housing and infrastructure, the dispersion of employment opportunities has remained considerably more limited. As a result, many new cities have struggled to attract permanent residents despite significant public investment.

Employment opportunities alone, however, are unlikely to fully explain relocation decisions. The availability of quality schools, healthcare services, commercial facilities, efficient public transportation, and affordable housing all influence whether households choose to relocate permanently. Where these conditions are limited—or where housing and commuting costs remain high—the incentive to relocate may also remain weak.

Moreover, the persistence of relatively low occupancy rates in several older new cities indicates that this challenge cannot be attributed solely to the recent establishment of fourth-generation cities. Rather, it highlights the importance of understanding the factors that have influenced residential decisions across different generations of new urban communities.

These findings suggest that the experience of earlier generations of new cities offers valuable lessons for future urban development. Rather than focusing solely on expanding the number of new cities, future planning should place greater emphasis on understanding the factors that have limited population attraction in existing ones. Learning from these experiences can help improve the effectiveness and long-term sustainability of future urban development projects.

The analysis presented in this report suggests that the answer is: not on its own. Building new cities is an important step towards reducing population concentration, but it is unlikely to achieve this objective unless it is accompanied by stronger local economic activity and integrated urban services. Sustainable population redistribution depends on creating cities where people can live, work, and access essential services—not simply where they can reside.