

Sustainable development and inclusive growth  
for MENA cities at the crossroads

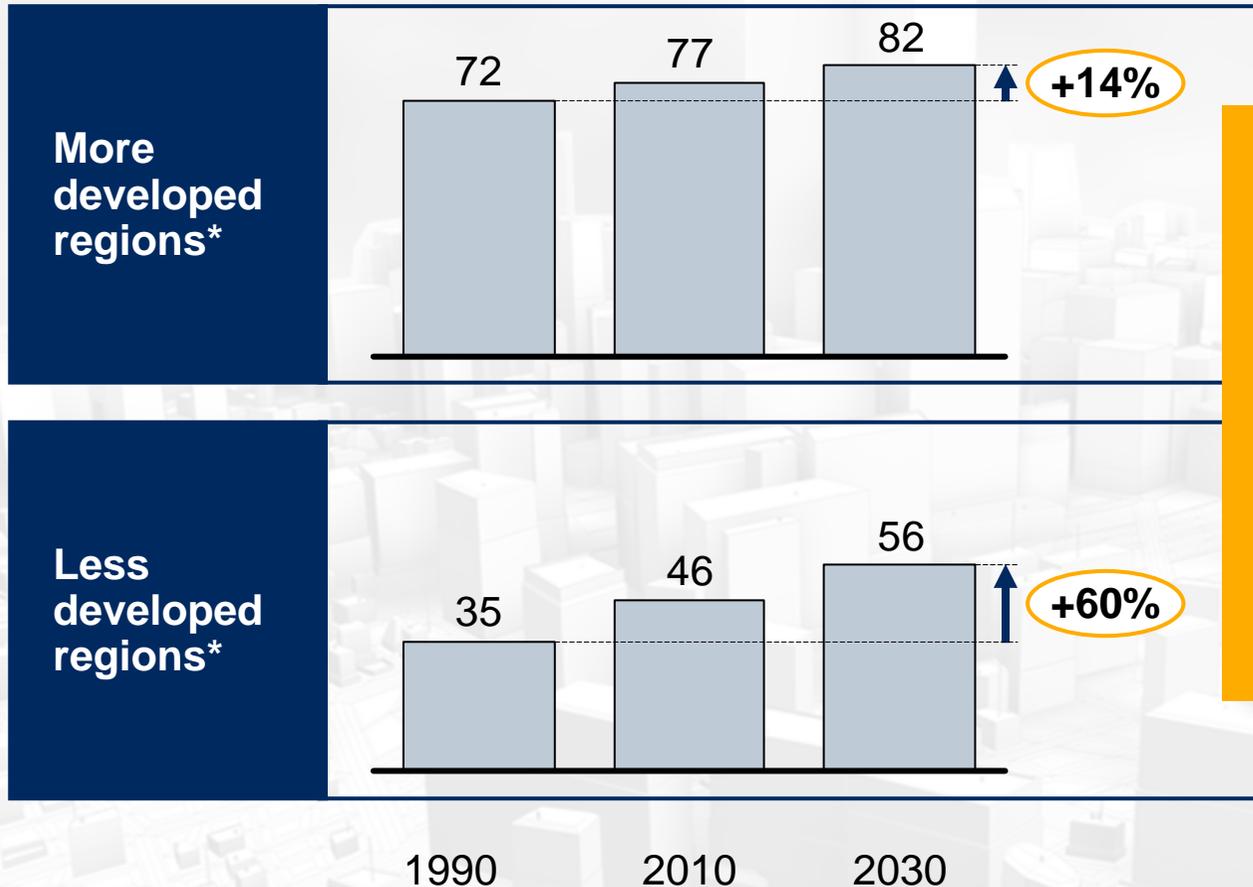
Marseille, September 18, 2012

# Building the cities of tomorrow

Dr. Kamal Fahmy Salama, [kamal\\_salama@mckinsey.com](mailto:kamal_salama@mckinsey.com), McKinsey & Company

# Urbanization is a defining global challenge of the 21st century, in particular for developing countries

URBANIZATION LEVEL  
Percent



**Acute pressures will only increase:**

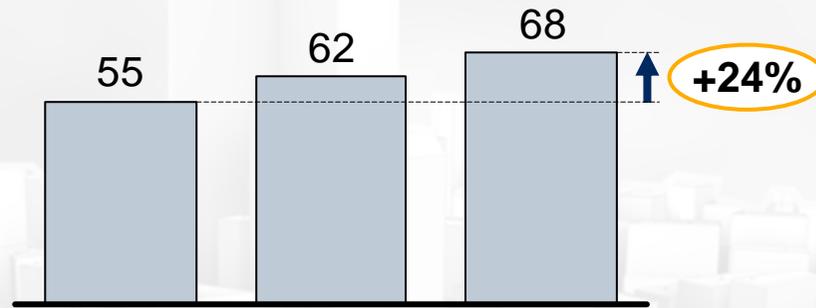
- Housing
- Infrastructure
- Public services
- Security/crime
- Congestion
- Public funding
- Resources

\* As per UN definition

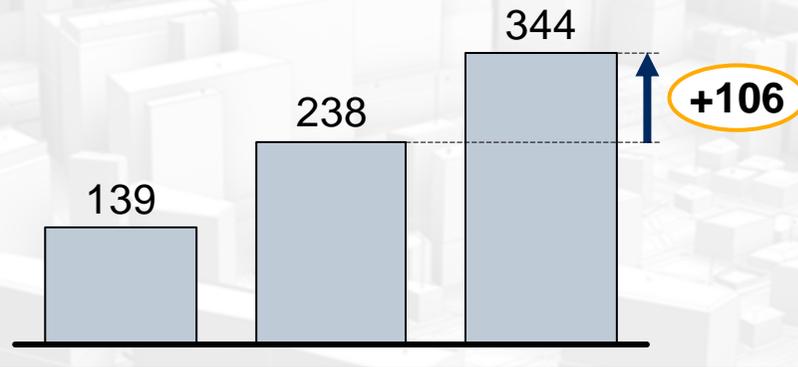
Source: UN, Dept. of Economic and Social Affairs, Population Division (2012), World Urbanization Prospects: The 2011 Revision; McKinsey analysis

# In the coming 20 years an additional 100 million people will reside in urban areas in the MENA region

Urbanization level in the MENA\* region (percent)



Million people residing in urban areas in the MENA\* region



1990      2010      2030

\* As per World Bank definition

Source: UN, Dept. of Economic and Social Affairs, Population Division (2012), World Urbanization Prospects: The 2011 Revision; McKinsey analysis

# City leaders are at the center of the urbanization challenge

## Why is difficult to get it right?

- Imagine serving
  - A 20-business unit conglomerate,
  - With no clear objective function,
  - Where each unit decides independently from the others,
  - Where most decisions are taken based on political ideas, not facts
- ...that's a city!

## Is there a recipe for success?

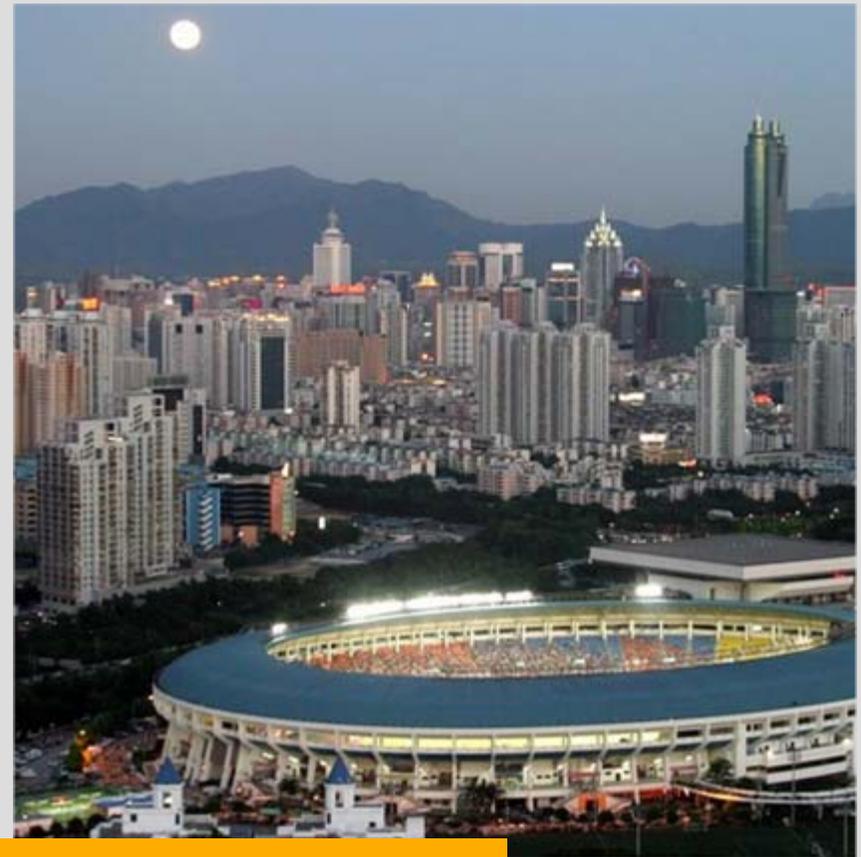
- Making change happen is possible, but it is a long and hard process
- Good cities are capable to deliver
  - robust economic growth, *AND*
  - a sustainable quality of life

# Shenzhen went through one of the most impressive developments in recent years

3 decades ago...



Today

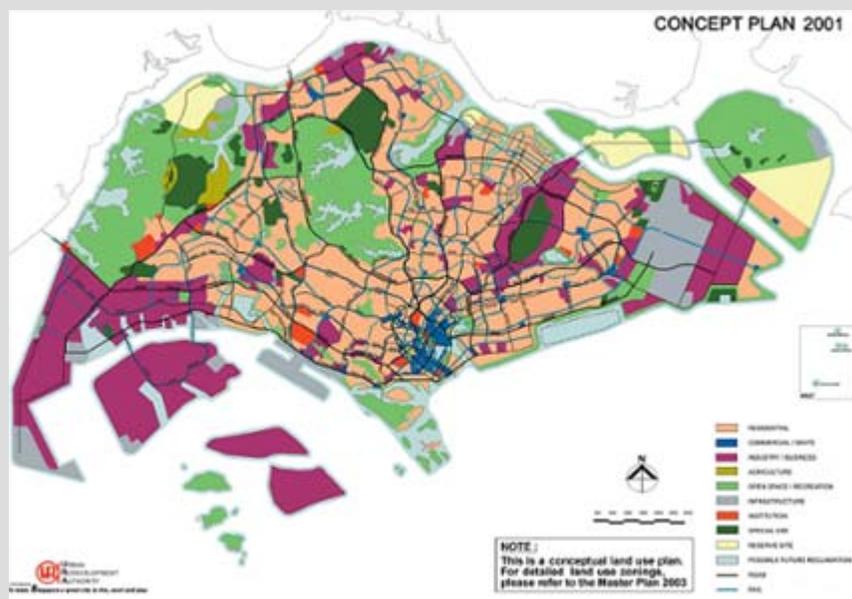


**A conducive business environment was key to Shenzhen's exceptional performance**

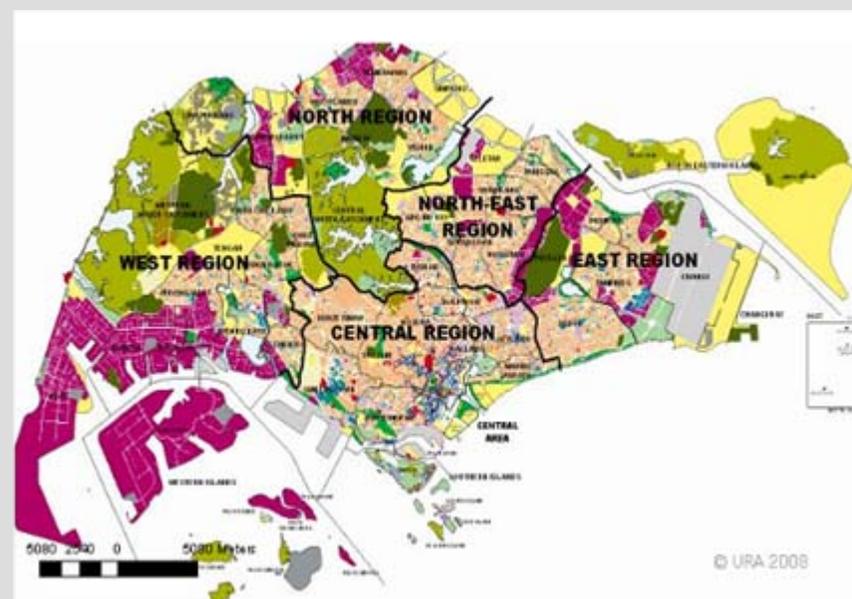


# Singapore's urban planning is structured to fulfill short- and long-term priorities, through a range of well defined mechanisms

A 40- to 50-year high-level concept plan ...



... is broken down into an actionable 20-year master plan

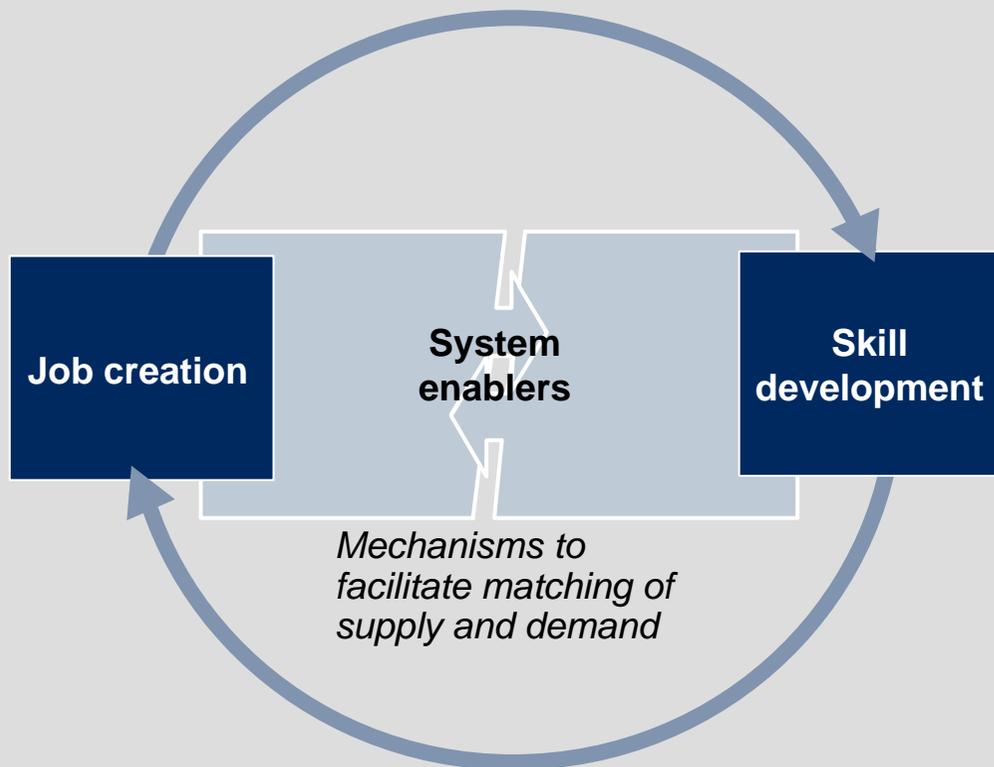


- **Multidisciplinary approach**
- **'Integrated planning' organization**
- **Flexibility in zoning and frequent review**
- **Clearly defined procedures for exceptions**
- **Several means of consultation with citizens**

# Tackling youth unemployment requires addressing both job creation and skills development

## Youth unemployment is a plague in the MENA region

*Strong economic development providing need for skilled workforce*



*Well educated workforce critical for driving economic development*

## Can cities play a role?

ILLUSTRATIVE



- Give strategic direction, a vision
- Use convening power
- Provide the conditions