

Title: MCIT Strives to Promote Entrepreneurship, Tech Innovation: ICT Minister

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Egypt is well known for being one of the oldest civilizations. Its rich ancient heritage, beautiful weather, and breathtaking sceneries have attracted millions of travelers for years.

Tourism has always been vital to the Egyptian economy. It was the main source of income for many years, but this is beginning to change. In 2019, Egypt gained 13 billion USD from Tourism alone Even more, the volume of foreign investment during that same year was 15.8 billion USD, which is a big indicator of growth.

Egypt has been taking steady steps towards being the biggest technology hub in Africa and the Middle East. The largest multinational corporations are now heavily investing in the country. The pool of investors includes Amazon, Uber, HP, Microsoft, Apple, Huawei, IBM, Dell, Oracle, Intel, Valeo, Vodafone, and many more!

**What are the main reasons behind Egypt's leap? Why is it so attractive to such big entities?**

**Here are our top 10 reasons.**

### **1 .Competitive Market Wages**

Egypt is one of the most competitive markets when it comes to average wages. With all the education and high skills its workers have, it is safe to say that the labour market in Egypt offers incredible value for money.

The minimum monthly wage in Egypt is 2,400 EGP, which is 7.5 times lower than the minimum monthly wage in the USA (1160 USD). Of course, monthly wages vary depending on the field of work. Technology-related jobs in Egypt get paid much more, yet still a lot less than the rest of the world.

An IT professional earns an average of 10,000 EGP per month (635 USD). The lowest average is 5,000 EGP (320 USD), while the highest is 15,000 EGP (955 USD). The maximum wage can be higher depending on the years of experience.

The best thing about offshoring in Egypt is that the employees often get higher salaries than the local jobs. These relatively higher salaries boost the employees' satisfaction and increase their work productivity. Offshoring jobs are gaining more attraction lately, thus creating a win-win situation for foreign entities and locals. The employers are saving money and getting quality work, and the employees are improving their quality of life.

## **2 .Skilled Young Population**

Two-thirds of the Egyptian population (70 million) is under 29 years old. This figure would rise as the population is expected to hit 150 million by 2050. The labour market in Egypt welcomes more than half a million new professionals every year, which is an exceptional potential for any foreign investment.

The relatively young labour market gave Egypt an edge during the peak of the global lockdown. Most of the companies operating in Egypt went remote instantly with no reported issues. On the contrary, many local studies concluded that business productivity was boosted due to the spread of work from home policies nationwide. The skilled young market was familiar with modern technology and had a smooth transition. No wonder why Egypt has 200,000 offshoring jobs in the ICT market with an export volume exceeding 4.7 billion USD

## **3 .Strong Education System**

Egypt has more than 50 accredited universities and 100 technical institutes. The undergraduate education system is standing on solid ground and bringing out 500,000 graduates annually. Of those graduates, 330,000 can provide business process services, and 50,000 have IT-related skillsets.

Government educational initiatives also add a lot to the market (for example, Next Technology Leaders). These initiatives offer free-of-charge grants, targeting 16,000 university graduates and covering trending technology fields, such as machine learning, data science, and cybersecurity.

Besides that, Egypt's Ministry of Communications announced its target to train 115,000 fresh graduates in technology-related fields. The announcement stated that 400 million Egyptian pounds have been allocated for that purpose in 2021.

It is notable to mention that the Egyptian labour market has a workforce that can speak 20 languages. That powerful number enables this market to serve more than 100 countries through offshoring jobs.

#### **4 .Enthusiastic Government**

The top priority of the Egyptian government is to sustain its economy after years of instability. Previously, tourism and agriculture used to be the country's core sources of income. The global climate change and the political situation of the region affected both sectors dramatically. The impact was beyond endurance.

Egypt has healed, and the crisis taught its nation a valuable lesson. Increasing the country's sources of income and avoiding single points of failure was inevitable .

This explains the government's actions towards facilitating foreign investment. Several measures have been taken, such as embarking on flagship projects for boosting the ICT industry and issuing a new landmark investment law.

The main aim of that new law is to ease and reduce barriers to international companies which want to invest and work in Egypt. The terms of the law give companies a 2% tax exemption on the value of imported equipment and machinery and a 100% exemption from registration fees on articles of association, mortgages, loan agreements and land contract notarizations. Moreover, some special incentives were embedded in the law according to each company's investment volume and business performance.

Apart from these actions, the government has taken some other strategic ones, like initiating the "Digital Egypt" plan, which lays the foundations for the transformation of Egypt into a digital society by 2030.

#### **5 .Advanced Infrastructure**

With an eye on urban growth and the other on foreign investment, Egypt is directing most of its spending to construction and infrastructure. In 2019, the government spent more than 33 billion EGP (2.1 billion USD) for that purpose. With tens of smart cities and new highways being built, it doesn't take an expert to tell that the country is undergoing an infrastructure revolution.

Several measures have been taken to upgrade the internet and electricity networks. Internet cables have been upgraded to 60 Tbps capacity, and electricity is waiting for the first nuclear power plant to operate in El-Dabaa city by 2026. Egypt has also built 54 fully equipped technology hubs to offer workspaces, facilities and support for startups.

The cherry on top of all the ongoing projects would be the New Administrative Capital. Holding the tallest tower in Africa and being fully smart, the megacity would change the future of Egypt after its opening in 2022.

## **6 .Central Time Zone**

Egypt follows the Central European Time. This time zone (UTC +2) is literally “central” for both Europe (UTC -1 to UTC +5) and Africa (UTC -1 to UTC +4). Such privilege makes Egypt only 3 hours away from the furthest time zones on both heavily populated continents. (Combined population of 1.8 billion – 23% of the world’s population)

The brilliance of that time zone doesn’t stop here. Egypt is 6 hours ahead of Washington DC, USA and Ontario, Canada, and 8 hours behind Canberra ACT, Australia. It might be technically impossible for a company in Canada to conduct a work meeting with a company in Australia, but it would be much easier for a company in Egypt to conduct meetings with both countries.

One last fun fact, Egypt is 6 hours away from the world’s most populous time zone (UTC +8) and 3.5 hours away from the second most populous one (UTC +5.5). The third most populous time zone is UTC +1, almost the same as Egypt’s time zone. Those top three time zones have a joint population of 3.9 billion. (1.8, 1.4 and 0.7 respectively – 49% of the world’s population).

## **7 .Perfect Location**

Egypt has a land area in both Africa and Asia. It is as close as 500 kilometers from Europe. The country is adjacent to the three continents of the old world and is considered the main logistics hub for maritime transport between the east and the west. The main reason behind this is the Suez Canal, as it connects Egypt’s coastlines on the Red Sea and the Mediterranean.

Egypt’s geography made it a transit center for travelers and gave its main airport an edge. Flights from Cairo to most of Europe, Africa and West Asia take a couple of hours. This explains why Cairo International Airport has an average daily air traffic movement of 200 flights flying from and to everywhere in the world

## **8 .Rising Economy**

With a forecasted size of 8.2 trillion USD, the Egyptian economy was ranked seventh on the top 10 economies by 2030 list, according to the Standard Chartered Bank report published by Bloomberg in 2019.

This prediction is based on the flourishing state of Foreign Direct Investment in Egypt. Egypt’s FDI increased by 1.8 billion USD in December 2020, 12.5% more than the increase in the previous quarter. (1.6 billion USD in September 2019)

The acceleration of the economy is even faster than the forecast. The economic growth hit 5.6% in early 2020, recording the highest increase in the Middle East and the fifth globally.

## **9 .Blooming Startup Ecosystem**

Ecosystem Egypt has the most emerging startup ecosystem in the Middle East and Africa. In 2019, Egyptian startups raised 140 million USD as per the African Tech Startup Funding Report. This amount represents 28% of the 492 million USD raised in the same year by all the African startups combined.

According to recent statistics, more than 73% of Egyptians think entrepreneurship is a good career choice. This explains why the market is leaning towards working in newly founded startups.

## **10 .Ideal Weather**

Egypt is globally known for its ideal weather. The average temperature ranges between 9 – 23 degrees Celsius in Winter and 22 – 34 degrees Celsius in Summer. Wintry weather should never be a problem in Egypt, same for hot weather as modern air conditioners are almost everywhere.

Having long coasts on two seas is a gift. The breathtaking go-to beaches during summer would make anyone prefer it over winter. Another plus point is that Egypt has no history of natural disasters. Earthquakes, volcanoes and/or storms are very uncommon and almost non-existent. The weather in Egypt boosts productivity and never affects the residents' regular daily life.