

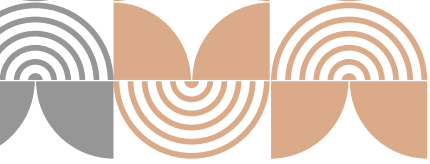


# DATA **SNAPSHOT** GOVERNANCE

## THE **EGYPT** REPORT

[www.cseaafrica.org](http://www.cseaafrica.org)

**NOVEMBER 2024**



## COUNTRY CONTEXT

Egypt's young and vibrant population has the potential to play a pivotal role in the digital transformation initiative of the Arab Republic. Adolescents and youth account for about one-third of the over 100 million Egyptian population, providing a potentially favourable demographic for rapid digital development. The Egyptian government recognises this potential and is introducing strategies and developments to realise a "[Digital Egypt](#)". For example, the Information and Communication Technology Strategy 2030 ([ICT 2030](#)) is expected to focus on improving public service delivery through e-governance initiatives, developing capacity and digital literacy, and improving research and innovation by encouraging collaborative efforts by public and private organisations. ICT is recognised as the fastest-growing sector in Egypt and contributed about [5.8 percent](#) to GDP in 2023/2024. Although these are steps in the right direction, more work needs to be done for digital development to reach the desired state in Egypt.



Affordability of devices and internet access remains a barrier to advanced digitalisation across the country. According to a 2020 Ministry of Communications and Information Technology survey ([MCIT](#)), computer usage is just 57 percent and should continue to grow with sustained initiatives. Like most African countries, digital development efforts in Egypt are urban-centric or limited to a major commercial hub. Cairo, one of the most populated cities in Africa, is home to [95 percent](#) of Egyptian start-ups.





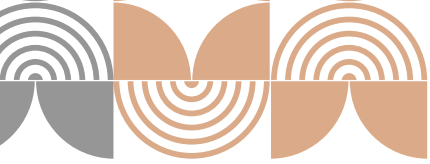
Egypt's vibrant start-up community can solve some of these limitations to digitally enabled services by cooperating with the government on development efforts and implementing digital solutions that encourage access. In addition, for widespread digitalisation to be realised in Egypt, socio-economic issues must be addressed to improve and bridge the urban-rural digital development gap, the [digital gender gap](#) (resulting from limited female participation), and the talent pool with relevant digital literacy initiatives. The strategic location of Egypt in geographic proximity to Europe and the Middle East has helped establish the country as a reliable conduit in the region, with up to [30 percent](#) of global internet connectivity transiting through the country.

## DIGITAL ADOPTION

Digital service access is constrained for the rural populace or those in hard-to-reach areas but can be improved with strategic investments in telecommunication and digital infrastructure. That notwithstanding, Egypt's mobile internet penetration is about 75 percent, and will grow with increased investments in infrastructure and subsequent gains from scale. Like other African countries, the telecoms industry is [dominated](#) by 4 players: Vodafone, Orange, Etisalat, and Telecom Egypt. Telecom Egypt dominates the infrastructure that manages Egypt's internet traffic flow. Egypt is a major hub for internet traffic flow through Africa, Asia and Europe. Egypt needs to maintain reliable service delivery at competitive prices to maintain and build on its status as connectivity hub or '[digital Suez](#)' for the region. Digital readiness in Egypt is above average for the region but falls short of ideal. Egypt has a score of -0.46 on the [Cisco Digital Readiness Index](#) with shortcomings in the start-up environment and the ease of doing business. The [CSEA digital preparedness index](#) scores Egypt 0.56, ranking 8th among 38 African countries analysed. Social media activity continues to thrive and [about](#) 50 million Egyptians are active on Facebook.

The tech industry is dominated by international giants, but local tech startups continue to offer competitive alternatives. Uber's 2020 acquisition of Careem highlights domestic tech operators as viable alternatives. At \$3.1 billion, this remains one of the largest acquisitions of an African tech startup. Only about 48 percent of rural households use the Internet compared to 70 percent of urban households. The Government of Egypt continues to make [significant strides](#) in promoting digital adoption, but it remains unclear whether these efforts would suffice in bridging the rural-urban digital development gap.





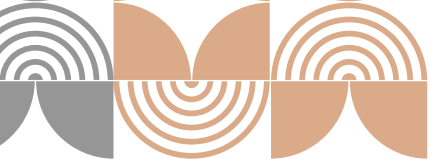
In 2017, the Egyptian government partnered with UNCTAD to develop a new strategy to increase e-commerce's contribution to economic activity, doubling the number of companies selling online. As a result, e-commerce now accounts for 2.5 percent of total retail sales (ahead of the [MENA e-commerce](#) penetration of 1.9 percent). Souq (a regional retailer) and Jumia are some of the companies driving the e-commerce surge in the region.

## DIGITAL GOVERNANCE IN PLACE

Digitalisation continues to advance in Egypt, thus highlighting the need for effective regulation and governance to ensure that digital service delivery to citizens remains responsible. This is crucial to support the provision of digital service access to Egyptian citizens. The Central Bank of Egypt enacted regulations that resulted in the creation of the National Payment Council in 2017 to expand and promote the use of mobile and digital payments. The Government, through the [E-Signature Law](#) in 2004 established the Information Technology Industry Development Agency ([ITIDA](#)) to enable the digital transformation of the country into a global hub for technology and business services. [MCIT](#), established in 1999, is charged with developing the ICT sector and its regulatory framework. As the primary government agency behind the development of IT infrastructure in Egypt, MCIT promotes digital technology adoption on a national scale.

<b>Status of Malabo Convention</b>	Present
Cybercrime Law	Present
Electronic Transaction Regulation	Present
Consumer Protection Law	Present
Privacy & Data Protection Laws	Present
Data Governance Institution	Absent





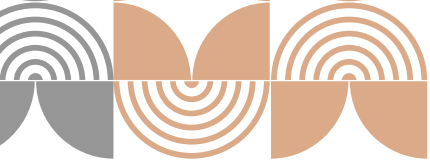
The Telecommunication Regulation Law of 2003 governs the ICT sector and resulted in the establishment of the National Telecommunications Regulatory Authority (NTRA). This agency regulates the telecoms sector and is responsible for issuing licenses to operators and service providers. The [Anti-Cybercrime Law](#) was introduced in 2018 to guard against cybercrime offenses, privacy violations, and cybersecurity threats. [Law 151/2020](#) was subsequently introduced to safeguard personal information and has set new standards for data protection. The Egyptian government has launched a new National Cybersecurity Strategy to combat cyber threats and boost the economy. The strategy, developed by the Egyptian Supreme Cybersecurity Council (ESCC), will run from 2023 to 2027. It aims to protect Egypt from cyberattacks and develop the country's cybersecurity workforce and industry. Overall, some of these efforts are yielding and have resulted in significant [improvements](#) to Egypt's cybersecurity.

## RECENT DIGITAL DEVELOPMENT

The Egyptian government remains resolute on achieving a 'Digital Egypt', investing resources into digitizing public services for improved access, digital skills empowerment for a capable workforce of the future, and promoting data governance initiatives to support and protect Egyptian interests in this new age. In December 2023, Egypt hosted the AU Capacity Building Workshop on the Data Policy Framework. The event, attended by representatives of AU member states and relevant stakeholders, aimed to foster the development of data systems on the continent and improve the domestic capacity to exploit the potential of data in this digital age. To this end, Egypt needs to ramp up efforts to establish a centre that is tasked specifically with the overall mandate of protecting personal data with relevance to Article 19 of the Data Protection Law.

Artificial Intelligence is growing in application and Egypt, in collaboration with the Italian government, is establishing a dedicated AI [centre](#) to help propel Artificial Intelligence development and application across Africa. Egypt's investments in digital development and skills seem to be yielding dividends. A report by the Information and Decision Support Centre (IDSC) highlights that Egypt's digital exports increased by 26.5% in 2023 to \$6.2 billion, up from \$4.9 billion reported in 2022.





Earlier in 2024, Telecom Egypt secured the country's first 5G license from NTRA for \$150 million and this is valid for 15 years. In the same vein, [Nokia](#) recently announced a partnership with Telecom Egypt to deploy this 5G technology on Telecom Egypt's network. The result of this arrangement is the provision of 5G-ready services to various Egyptian cities, including Alexandria, Aswan, Cairo, Giza, and Luxor. Egypt plans to add five new international submarine cables in collaboration with international partners to the existing 14 cables. Egypt continues to make the right investments in the necessary initiatives required to realise a 'Digital Egypt'. With consistent and sustained efforts, the Northern African nation should have a competitive and thriving digital economy of the future.

## SUMMARY OF KEY INDICATORS

Digital Preparedness Indicator	Rank in Africa	Score
Digital Preparedness Index 2022	8/38	0.56
Education and Skills	4/38	0.47
Infrastructural Readiness	6/38	0.57
Macroeconomic Fundamentals	14/38	0.59
Business Dynamism and Environment	11/38	0.58
Regulatory Framework and Govt Effectiveness	13/38	0.66

Digital Development Indicators	Rank in Africa	Score
Internet Speed (KBps)	34/50	1,978
Fixed Telephone Subscriptions (per 100 person)	6/37	9.63
Digital Skills (not at all 1 - 7 to a great extent)	1/35	4.66
E-Participation Index	12/54	0.4

