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ICT services export promotion in Egypt: Strategies, opportunities and future prospects

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Abstract

This chapter examines Egypt's approach to promoting services exports, with a focus on the digitally delivered and technology-enabled segments, one of the country's most dynamic sectors of the economy. It analyses Egypt's trajectory in fostering information and communications technology (ICT) and outsourcing exports. Drawing on key indicators, policy analysis and stakeholder interviews, the study examines how Egypt has developed a comprehensive, multi-stakeholder strategy to promote the sector and enhance global competitiveness.

The findings suggest that Egypt's emergence as a regional hub is underpinned by macroeconomic and institutional resilience, regulatory reforms and a reliable, multilingual, cost-competitive talent pool. These strengths have been reinforced through major investments in digital infrastructure and broadband expansion, targeted fiscal incentives (e.g., technological zones), specialized institutional support (Information Technology Industry Development Agency – ITIDA), sector-focused training and upskilling programmes (such as those led by the Software Engineering Competence Center), along with early private-sector engagement.

Despite these strengths, several challenges continue to constrain the sector's full potential, including talent outmigration, restrictive banking practices regarding the use of foreign currency and fierce competition from established outsourcing hubs; all of which underscore the need for focused measures to sustain regional expansion, foster innovation and achieve stronger global positioning.

Key points

Main elements of Egypt's export promotion strategy:

- Financial and growth incentives – financial rebates and operating expense (OpEx)-based schemes that reward export performance and job creation.
- Skills development and talent pipelines – digital training, university partnerships, Information Technology Institute (ITI) and Software Engineering Competence Center programmes; inclusion-focused initiatives (e.g., women and youth).
- Global market access and promotion – trade missions, matchmaking, partnerships with industry associations, and participation in international forums and rankings.
- Infrastructure and ecosystem development – broadband expansion, cloud and cybersecurity readiness, and regional tech parks and innovation hubs.

Main achievements and impacts:

- Rising digital and information and communications technology (ICT)-enabled exports, reaching around US\$ 4.3 billion by 2023/24.
- Job growth in ICT and outsourcing, supported by domestic and multinational investors.
- International partnerships and global visibility through co-investments and joint programmes.
- Recognition as a leading African outsourcing hub and improved rankings by the

International Association of Outsourcing Professionals, Global Business Services (GBS) World, and other indices.

Challenges:

- Talent retention, upskilling and compensation competitiveness.
- Regulatory and governance modernization (data protection, intellectual property, digital policy clarity).
- Infrastructure and regional inclusion gaps, especially outside major cities.
- Moving up the value chain towards higher-value services and innovation.

Good practices:

- Public-private collaboration and co-investment, involving multinationals, small and medium-sized enterprises (SMEs), non-governmental organizations (NGOs) and government.
- Performance-based financial incentives targeting exporters, investors and startups.
- International benchmarking and participation in rankings to guide strategy and visibility.
- Digital inclusion and women-focused employment efforts embedded in training and hiring programmes.
- Building a multi-stakeholder ecosystem, and aligning policy, skills, infrastructure and private-sector growth.

Introduction

The chapter first examines the evolution and growing competitiveness of Egypt's services sector, with a particular focus on the rapid rise of digitally delivered services. The analysis goes on to explore Egypt's emergence as a regional hub for ICT and outsourcing by unpacking the macroeconomic, institutional and human capital foundations that underpin this trajectory.

The chapter subsequently examines Egypt's export promotion instruments, digital economy strategies, investment incentives and capacity-building

programmes that collectively reinforce the country's positioning in global rankings. By synthesizing key economic indicators, policy developments and targeted initiatives, the report provides a structured understanding of how Egypt is leveraging services – especially ICT exports – as a driver of competitiveness, sustainable development and global integration. Finally, the paper concludes by providing insights from effective practices, acknowledges persistent challenges, and advances corresponding policy recommendations.

Services exports and foreign direct investment (FDI) dynamics

The services sector has evolved as a fundamental pillar of Egypt's economy, contributing increasingly to gross domestic product (GDP), employment, FDI inflows and export revenues. The sector's performance underscores Egypt's growing capacity to compete as a regional hub for services within the Middle East and North Africa (MENA) region, with dynamism observed, in particular, in digitally delivered and technology-enabled segments. Leveraging its demographic advantages, strategic geographic location and sustained improvements in digital infrastructure, Egypt has enhanced its capacity to integrate into global value chains, notably in ICT and outsourcing. This section outlines key indicators that illustrate the trajectory and diversification of Egypt's services sector, with emphasis on the rising prominence of digital and knowledge-intensive services in shaping its export profile.

Services as a pillar of Egypt's economy

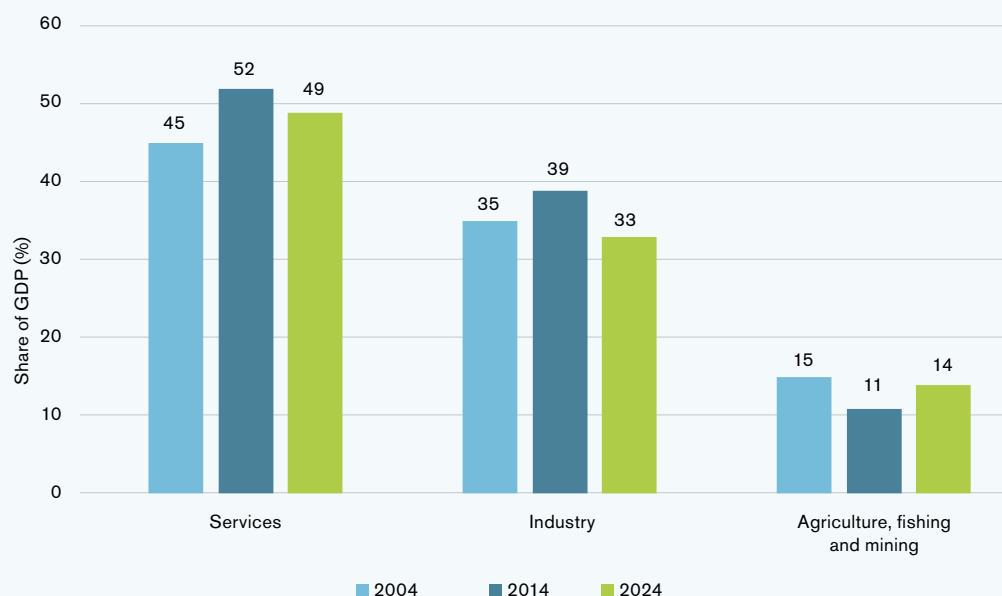
The services sector in Egypt has consistently accounted for the largest share of GDP over the past two decades. Its contribution increased from 45 per cent in 2004 to 52 per cent in 2014, reflecting the sector's dynamism and its role in

driving growth. Although the share decreased slightly to 49 per cent in 2024, services remain the dominant component of the economic structure, underpinning its strong performance and central role in Egypt's economic growth. The sector's resilience and capacity to generate value-added activities highlight its significance not only as a stabilizing force but also as a key driver of future competitiveness and sustainable development (see Figure 4.1).

The services sector also plays a critical role in employment generation within the Egyptian economy. Between 2004 and 2014, the sector consistently accounted for 48 per cent of total employment, reflecting its stability as a major source of jobs. By 2024, its share rose to 53 per cent, underscoring the sector's growing importance in absorbing labour and supporting workforce diversification. This upward trend highlights the services sector's capacity to create sustainable employment opportunities, thereby reinforcing its significance as a driver of inclusive economic growth (World Bank, 2025).

The services sector has also represented a substantial and relatively stable component of total FDI inflows to Egypt in recent years.

Figure 4.1: Egypt's structure of GDP by sector, 2004–2024



Source: Drawn up by the authors based on World Bank, World Development Indicators.

In 2022, total inflows amounted to US\$ 25 billion, of which services attracted more than US\$ 10 billion, accounting for approximately 41 per cent of total receipts; notably, the ICT segment alone represented around 18 per cent of total services FDI. In 2023, despite a decline in overall inflows to US\$ 21 billion, investment in services remained resilient, surpassing US\$ 9 billion and increasing its share to around 44 per cent of total FDI.

In 2024, FDI inflows surged to US\$ 57.5 billion – primarily driven by large-scale real estate and urban development projects – with the services sector registering US\$ 8 billion, of which ICT accounted for 14 per cent. These trends highlight both the consistent role of services as a major destination for foreign capital and the concentration of recent FDI inflows in mega-projects, underscoring the dual challenge of sustaining diversified service-oriented investment while leveraging large-scale strategic initiatives to anchor broader sectoral growth.¹

Role of services in Egypt's trade

Egypt has established itself as an increasingly services export-oriented country, with services playing a central role in both its economy and external trade performance. Services exports accounted for 10 per cent of GDP in 2000, rose to 13 per cent in 2014, and 14 per cent in 2023, underscoring their increasing relative importance. In value terms, Egypt's services exports expanded steadily from US\$ 10 billion in 2000 to nearly US\$ 22 billion in 2014, and further to around US\$ 34 billion by 2023. Notably, services account for almost 50 per cent of Egypt's total exports of goods and services, underlining the country's structural orientation toward a services-led export profile (World Bank, 2025).

Within Egypt's services export structure, travel services continue to dominate, representing 42 per cent of total services exports in 2023 and affirming the sector's long-standing role as a key foreign

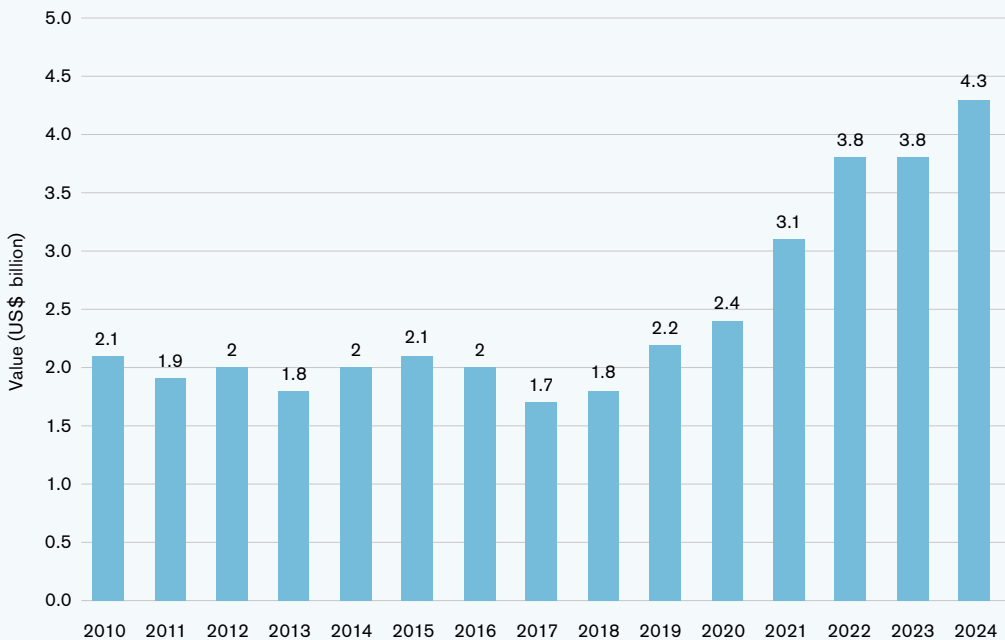
exchange earner (World Bank, 2025). Meanwhile, Egypt has achieved notable progress in diversifying its services exports, particularly in ICT whose share rose from 2.7 per cent of total trade in services in 2005 to 5.3 per cent in 2022, nearly doubling over the period. This trajectory aligns with the broader expansion of digitally delivered services (see Figure 4.2), whose share in total services exports increased from 9 per cent to around 14 per cent over the same time frame, underscoring Egypt's growing role as a competitive exporter of modern, technology-driven services alongside its traditional strength in travel (UNCTAD, 2025a).

ICT as a growth engine in Egypt's services economy

The ICT sector has emerged as a dynamic and rapidly expanding pillar of the country's economy, significantly impacting GDP, employment and

technological advancement. In 2024, the ICT sector's growth reached 14.4 per cent, making it the fastest-growing sector for six consecutive years. Egypt's ICT market was valued at approximately US\$ 19.4 billion in 2024 and is forecast to more than double to US\$ 53.1 billion by 2030, at a compound annual growth rate (CAGR) of around 17.6 per cent. The ICT sector's contribution to Egypt's GDP increased significantly, from 3.2 per cent in 2017/18 to 5.8 per cent in 2023/24, with an ambitious government target set to reach 8 per cent by 2030 to drive economic growth, enhance competitiveness, and position the country as a regional digital hub. This target aligns with the government's broader strategy to foster innovation, boost digital infrastructure, create sustainable employment opportunities and reduce reliance on traditional sectors (MCIT, 2024).

Figure 4.2: Egypt's exports of digitally delivered services, 2010–2024



Source: Drawn up by the authors based on UNCTADstat, UNCTAD (2025b).

Foundations of Egypt's competitive services ecosystem

Reflecting the central role of services in Egypt's GDP, trade, FDI attraction and export structure, the country has made notable progress in cultivating a competitive services ecosystem, within which the ICT sector has emerged as a core driver. International assessments increasingly highlight Egypt's ICT capabilities as a leading source of export strength, supported by several key enablers: sustained macroeconomic and institutional reforms, improvements in governance and regulatory clarity, and a large pool of skilled, multilingual and cost-competitive talent. These advantages are further reinforced by accelerated investments in digital infrastructure, broadband expansion and technology parks, all of which have positioned the ICT sector as both a catalyst for wider services growth and a strategic channel for export diversification and high-value FDI.

Acknowledging that macroeconomic stability is a fundamental prerequisite for enhancing its competitiveness in services exports, Egypt has prioritized measures to address persistent foreign exchange shortages. The Egyptian pound has undergone four major devaluations in recent years. The first occurred in March 2022, with a 16 per cent drop, followed by a second in October of the same year, which pushed the rate above 24 EGP/1 US\$. Despite these moves, a widening gap with the black market persisted.² In January 2023, the value of the Egyptian pound fell by another 25 per cent to reach 30 EGP/1 US\$, however foreign currency shortages and inflation – reaching nearly 38 per cent by the end of 2023 – remained. Finally, in March 2024, the Central Bank of Egypt further devalued the pound, resulting in a sharp decline from 31 to over 50 EGP/1 US\$. This move aimed at aligning the currency with market forces, boosting exports, and restoring investor confidence.³

Egypt has advanced significant regulatory reforms to strengthen its business environment and support services exports, especially in the ICT sector. Efforts include modernizing investment laws, enacting key digital regulations such as the Digital

Signature Law (2004), Cybercrime Law (2018), and Data Protection Law (2020),⁴ establishing the Egyptian Authority for Intellectual Property in 2023⁵ and launching the National Cybersecurity Strategy 2023–2027.⁶ All these steps aimed to align Egypt's regulatory framework with international standards and ensure a secure environment for technology-driven industries. These combined efforts have successfully positioned Egypt as a regional leader, with the country achieving a perfect score in the 2024 Global Cybersecurity Index (GCI) and ranking in Tier 1 alongside global frontrunners; this success underscores its commitment to building a competitive, secure and innovation-friendly services ecosystem (see Table 4.1).

Egypt possesses an abundant youth talent pool, with an average age of under 25 (CAPMAS, 2024), multilingual with neutral and easy-to-comprehend language accents, enabling effective communication and service delivery to diverse international clients across Europe, North America and the Middle East. This is further strengthened by Egypt's strategic location, which bridges Europe, Africa and the Middle East, facilitating convenient time zone alignments with primary markets and enabling real-time collaboration and extended service hours. Adding to this are favourable labour costs and exchange rates, which enable global clients to achieve substantial savings, where Egypt offers up to 80 per cent cost savings for entry-level salaries compared to its competitors, Morocco, Poland and Türkiye, positioning it as a cost-effective alternative to traditional outsourcing hubs (Al Saraeji, 2023). Despite this, talent retention remains a critical concern as economic pressures drive skilled professionals towards migration.

Recognizing that a well-developed digital infrastructure is a crucial enabler for industrial expansion and competitiveness, particularly in outsourcing, the government has taken steps to establish a robust digital infrastructure necessary for creating a thriving ecosystem. Egypt has invested heavily in expanding broadband

Table 4.1: Highlights of Egypt's Global Cybersecurity Index (2024)

Attribute	Details
Tier rank	Tier 1 – role modelling
Exact GCI score	100 out of 100 across all five pillars: legal, technical, organizational, capacity development and cooperation
Global standing	Among the top 12 economies worldwide with a perfect score
Regional leadership	Leading the MENA region alongside Mauritius, Qatar, Kingdom of Saudi Arabia and United Arab Emirates

Source: GCI, International Telecommunication Union (2024).

access, data centres and technology parks to support the growth and competitiveness of its outsourcing industries. Over the past three years, Egypt invested around US\$ 2 billion in digital infrastructure, elevating the country's fixed broadband ranking in Africa from 40th in 2019 to 1st in 2022, a rank it has maintained ever since.⁷ In this way it has enhanced its capacity to deliver high-quality digital services, outsourcing operations internationally and attracting more export-oriented outsourcing business.

Together, Egypt's macroeconomic and institutional resilience, regulatory improvements, skilled workforce and expanding digital infrastructure have positioned the country as a robust, globally recognized entrepreneurial ecosystem – valued at over US\$ 8.3 billion as documented by the Egyptian Entrepreneurship Sector Diagnostics Report (2023). Egypt's achievements reinforce its growing recognition in global rankings and underline its potential as a leading destination for knowledge and technology-driven industries (see Table 4.2).

Table 4.2: Egypt's global competitiveness and readiness indicators (2023–2025)

Indicator	Year	Rank	Notes
Global Services Location Index (A.T. Kearney) ^a	2023	23/78	
Digital Skills Development (Coursera Global Skills Report, 2025)	2025	87/109	Reflects human capital readiness
Government AI Readiness Index (Oxford Insights, 2024)	2024	62/193	+3 places since 2023, +49 since 2019
Network Readiness Index (Portulans Institute and Saïd Business School, 2024)	2024	85/134	+6 places from previous edition
Global Startup Ecosystem Report – Startup Genome (Genome and global Entrepreneurship Network, 2025)	2025	Top 100 emerging ecosystems	Top 20 for affordable talent, 3 rd in MENA for funding, talent and experience
Global Innovation Index (World Intellectual Property Organization) (WIPO, 2024)	2024	86/133	5 th in Africa in innovation capabilities ^b 1 st in Africa in hosting science and technology clusters (11 clusters)
GBS World Competitiveness Index (Global Edition) (GBS, 2021) General IT outsourcing	2023	5/76	Strong performance across services categories
Speedtest Global Index (Fixed broadband rankings)	2025	1 st in Africa	Maintained 1 st place in Africa since 2022, having improved from 40 th in 2019

Source: Drawn up by the authors based on institutional reports (2023–2025).

Notes: ^a Ranked on financial attractiveness, business environment, people skills and availability and digital resonance.

^b Preceded by Mauritius, Morocco, South Africa and Tunisia: <https://www.wipo.int/en/web/global-innovation-index/w/blogs/2024/gii-2024-african-innovation-clusters>.

Egypt’s outsourcing edge in global rankings

Outsourcing has played a pivotal role in Egypt’s economic performance and recovery in recent years, emerging as a major contributor to exports and employment. This industry is experiencing robust growth, driven by government support, private investment and increasing global demand. Egypt’s outsourcing services grew by 54.2 per cent in 2023 on a year-to-year basis, with value added rising to US\$ 3.7 billion. In particular, the information technology outsourcing (ITO) and business process outsourcing (BPO) segments have registered significant growth, with the ITO and BPO markets projected to have generated, respectively, US\$ 631 million and US\$ 461 million in revenue by the end of 2025.⁸ The outsourcing industry in Egypt currently serves approximately 100 economies in over 20 languages, with more than 200 outsourcing service centres and over 185 companies, evidencing rapid industry expansion.

Egypt’s competitiveness has also been strengthened by intensified capacity-building programmes, which boosted the country’s expertise in emerging information technology (IT) trends, such as big data, the Internet of Things (IoT), virtual and augmented reality and digital transformation services, thus enhancing firms’ competitiveness in evolving markets. The GBS

World Competitiveness Index (GBS World, 2023) highlights Egypt’s growing importance as a leading hub for global business services, especially in outsourcing and digital support.

The 2021 edition marked the inaugural release of the Index, with a primary focus on African markets in the GBS sector, particularly customer experience (CX) management⁹ and back-office operations. In this edition, Egypt ranked second, achieving a strong score of 5.93, following South Africa (6.60). Egypt’s position reflected its expanding multilingual capabilities, supportive government ICT policies, and rapidly evolving outsourcing infrastructure. Also, Egypt has been recognized among the top five nearshoring destinations for European enterprises regarding outsourcing and CX,¹⁰ according to the Ryan Strategic Advisory 2025 (see Table 4.3).

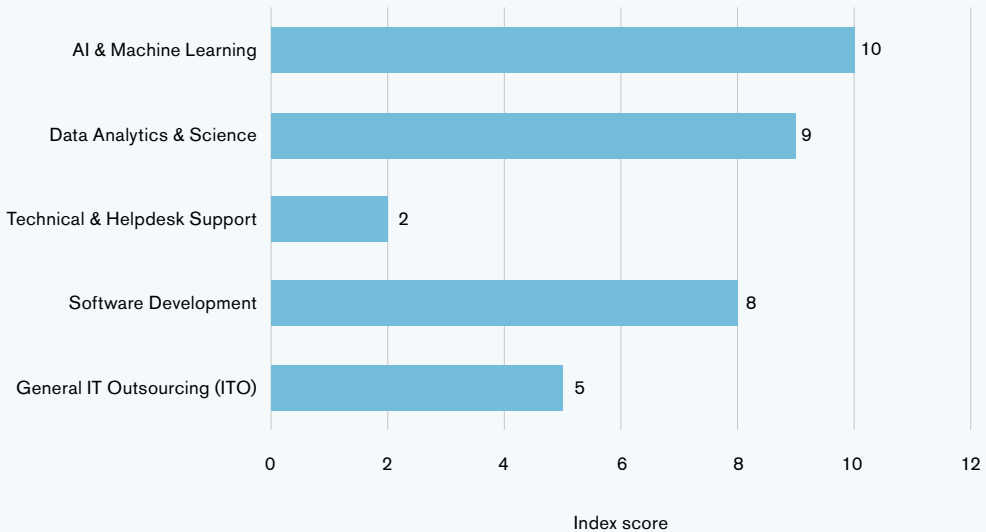
In the 2023 edition, the GBS Index expanded its scope to cover global rankings across multiple service categories. Egypt made a significant leap in recognition, ranking 5th globally in general IT outsourcing, excelling in various services categories, as reported by the World Source Marketplace for Global Business Services (see Figure 4.3). Such a favourable ranking underscores Egypt’s continued progress in digital services delivery, technical talent development and cost-competitive IT infrastructure, placing it among the most attractive destinations worldwide for IT outsourcing.

Table 4.3: Top offshore/nearshore destinations for customer experience (2025)

Rank	Country	Highlights
1st	India	Top-rated in most English-speaking markets; strong performance in Asia-Pacific; 3rd consecutive win.
2nd	Philippines	Highly favoured in Australia, Canada, the United Kingdom and the United States; top choice in Singapore and Republic of Korea.
3rd	Poland	1st in Germany and the Netherlands; top 5 in Italy and the United Kingdom.
3rd	South Africa	1st in the United States and Australia; 2nd in Canada and the United Kingdom; dropped from 2nd place in 2024.
5th	Egypt	Maintains 5th place from 2024; consistent appeal across North America, Western Europe and parts of Asia-Pacific.

Source: Drawn up by the authors based on Ryan Strategic Advisory (2025).

Figure 4.3: Egypt's global rank by Global Business Services category (2023/2024)



Source: GBS World Competitiveness Index (2023/2024).

Egypt's strategy for digital transformation: from readiness to sustainability

The Ministry of Communications and Information Technology (MCIT) in Egypt implements a nationwide strategy to modernize the State's administrative apparatus through digital transformation. The approach is ecosystem-based, covering all service-delivery entities, and is structured around three phases: preparation, adoption and sustainability.¹¹

Phased implementation of digital transformation: skills development and professional training

The preparation phase ensures institutional readiness by assessing infrastructure, connectivity, device availability, system strategies and

employee capabilities. During adoption, digital transformation units staffed by MCIT engineers are embedded within government bodies to manage implementation. Sustainability is achieved through a dedicated government capacity platform that provides continuous training and support beyond project completion. Capacity building is a core pillar of this strategy, targeting government employees and key professional sectors. Training covers essential disciplines such as project management, risk mitigation and international certification pathways such as the Project Management Institute. Specialized programmes extend to journalists, lawyers, judges and accountants, incorporating the use of artificial intelligence (AI) and digital communication tools to enhance professional performance.

Private sector integration and digital inclusion

The strategy also integrates the private sector as a primary implementation partner. To decentralize service delivery, functions traditionally handled by State bodies such as civil affairs and real estate registration are outsourced to licensed private providers which operate under strict licensing and security oversight. Quality assurance relies on competency evaluations and certifications

from bodies such as the Software Engineering Competence Center (SECC), often aligned with Capability Maturity Model Integration (CMMI) standards. The strategy promotes startup participation to diversify market engagement. In parallel, digital inclusion initiatives are undertaken via training programmes for targeted groups such as freelancers and residents of rural areas. Collectively, these efforts support wider access and citizen inclusion in the digital economy.

Egypt's ICT development: a multi-stakeholder evolution

The evolution of the ICT industry in Egypt has been a sustained decades-long process, based on a comprehensive, strategic national movement, targeting sector development and global competitiveness. The trajectory has been characterized by consistent state commitment, extensive infrastructure investment, active private-sector involvement and forward-looking policy design emphasizing export promotion, regulatory reform and digital transformation.

Foundational partnerships and infrastructure

The foundational phase began in the mid-1980s, when the Egyptian government initiated heavy investments in its technology and information infrastructure ("infostructure") to serve as a platform for economic growth. A crucial factor during the period 1985–1995 was the government-private sector partnership, which had a remarkable impact on building this infrastructure. This led to the establishment of hundreds of informatics projects and centres across various sectors, focusing on developing human, technology and financial infrastructure, thereby contributing to the emergence of an IT-literate society. Nationally, development plans in the 1980s and 1990s started shifting attention towards the role played by the private sector in ICT deployment, a trend also observed globally (Kamel, 2010; Kamel & Rizk, 2017).

Strategic policy and institutional framework

A pivotal shift occurred in 1999 when ICT was established as a national priority, leading to the establishment of the MCIT responsible for developing, regulating and advancing Egypt's ICT industry. Since its inauguration, the MCIT has launched successive national ICT strategies, each building on earlier achievements while adapting to evolving economic and social priorities. The core pillars of these strategies build on infrastructure expansion, e-government development, human capital building, private sector growth and regulatory reform.

ICT development strategies in Egypt: from infrastructure to inclusion

The initial national ICT strategy (2000–2007) marked the beginning of a structured effort to position the country as a regional leader in digital transformation and technology services. It laid the institutional, infrastructural and human capital foundations for Egypt's later growth in outsourcing, business process services and the broader digital economy. On the infrastructure front, Egypt invested in physical and digital infrastructure to attract global ICT companies. One of the earliest and most impactful projects was the development of Smart Village (2001–2003)

– through a public–private partnership (PPP) between the MCIT and private investors – as a flagship technology and business hub that hosted multinational firms such as Microsoft, IBM, Orange and Vodafone, alongside government institutions.

The establishment of Smart Village further signaled Egypt's commitment to building a competitive ICT ecosystem. This commitment was reinforced by the enactment of the Telecommunication Regulation Law in 2003 to liberalize the sector. In parallel, human capital development was another major component, with ICT curricula introduced in schools and universities, the establishment of digital training centres, and national programmes supporting computer literacy and workforce upskilling (Kamel, 2010; ESCWA, 2007).

Industry-specific agencies: ITIDA

A landmark step came in 2004 with the establishment of the Information Technology Industry Development Agency (ITIDA), which became the main entity responsible for promoting IT exports, attracting foreign investment in outsourcing, and supporting technology firms through incentives, training programmes and partnerships. The ITIDA is dedicated to creating a secure and innovative e-business ecosystem, supporting entrepreneurship, enhancing exports, fostering innovation and positioning Egypt as a competitive destination for IT investment and outsourcing. It fulfills its core mission by identifying the needs of local IT industry actors and addressing them through capacity-building programmes, market research, trade promotion in international markets and strategic consultancy services to local and multinational companies. This helps them understand diverse market requirements and regulatory environments and comply with international standards.

Public-private partnerships: expanding tech ecosystems across Egypt

Subsequently, Egypt has pursued the 2007–2010 strategy by focusing on consolidating infrastructure gains and positioning Egypt as a regional ICT hub. It emphasized broadband expansion, regulatory reform, modernization of the postal

system and cybersecurity enhancement. Social initiatives promoted affordable access through programmes such as IT clubs and the Egyptian Education Initiative. At the same time, the strategy prioritized the growth of IT-enabled services and outsourcing exports, supported by investment incentives, capacity building and partnerships with multinational firms (MCIT, 2007) (see Box 4.1).

The following 2012–2017 strategy expanded its focus in response to the post-2011 political transition. Under the vision “Towards a Digital Society and Knowledge-Based Economy,” it aimed to support democratic transformation, economic revitalization and digital inclusion. Implementation was organized around pillars targeting broadband rollout, export growth, technology park expansion and employment creation in outsourcing. It also emphasized human capacity development through training programmes targeting youth, women and people with disabilities. Legislative modernization in areas such as cybersecurity, e-commerce, data protection and freedom of information reinforced institutional reform, while e-government, green ICT and digital education initiatives further integrated technology into national development efforts (MCIT, 2012).

For instance, in 2016, the MCIT launched a nationwide initiative to establish technology parks as part of its strategy to capitalize on the growing potential of the ICT sector. The project focuses on creating major innovation hubs equipped with advanced infrastructure, support services and collaborative environments to foster entrepreneurship and drive sectoral growth (MCIT, 2024).

The same year saw the launch of the Silicon Waha company, a joint-stock company formed through a strategic PPP, to establish and operate cutting-edge technology parks across Egypt. Silicon Waha's PPP model combines State backing with private-sector participation, including engagement from local firms and multinational companies, to stimulate innovation, boost exports and attract both domestic and international investment. Silicon Waha has since developed four technology parks in New Borg Al Arab, New Assiut, New Beni Suef and Sadat City, providing a scalable technological ecosystem that supports economic development and industry competitiveness.¹²

Box 4.1: Case study of a successful NGO in Egypt's ICT industry

EiTESAL Association

EiTESAL is a private NGO established in 2004 representing around 400 ICT companies. Its member base spans system integrators, BPO and call centre providers, electronic design firms, telecom operators and software companies. The NGO works closely with MCIT and ITIDA to strengthen local companies, particularly SMEs, which form the backbone of the sector. Unlike in other industries, SME classification in ICT is based more on economic output than on headcount, noting that even small teams can generate substantial revenues.

Capacity building is another core activity, with EiTESAL running programmes that strengthen members' technical, managerial, financial and export-readiness capabilities. The NGO also runs successful initiatives in collaboration with the German international development agency GIZ, to train people with disabilities in areas

such as software development and testing. Around 80 individuals have graduated so far from these programmes, with plans to scale to hundreds. EiTESAL organizes international promotional efforts – often co-funded by ITIDA or international partners such as GIZ, the United Nations Development Programme, and UNESCO – including matchmaking missions and participation in global exhibitions such as LEAP, GITEX and Web Summit.

Additionally, EiTESAL is an active partner in the Dutch Centre for the Promotion of Imports-led Export Coaching Programme, designed to strengthen the export capacity of 21 selected SMEs in the IT outsourcing sector. The initiative focuses on enhancing firms' export readiness via technical assistance and guidance on certification requirements needed to access European Union markets, with EiTESAL involvement aiming to facilitate coordination and ensuring effective participation of selected firms.

Source: Interview with the Head of EiTESAL, Egypt (2025).

Export promotion strategy and public-private sector coordination

Promoting ICT services exports in Egypt requires a distinct policy approach compared to generic exports promotion. In particular, ICT exports depend on capacity building, digital infrastructure, connectivity, cloud platforms and export certification. SMEs play a distinct role in this domain with small tech companies generating high export revenues. The regulatory environment also differs, where traditional exports rest heavily on trade agreements and customs incentives, whereas ICT services exports centre on laws

and regulations that protect data flows, support cybersecurity and intellectual property rights.

Building an export-oriented ICT sector: Egypt's policy trajectory

From the outset, export growth has been embedded as a strategic goal within Egypt's broader ICT agenda. In the initial 2000–2004 plan, the strategy emphasized business development and aimed to position Egypt as an active participant in the global digital

economy; this was initially addressed via the ICT Export Initiative (Kamel and Rizk, 2017). This export-oriented vision was reinforced in the revised 2007–2010 strategy, where “ICT industry development” was established as one of the main pillars. The government explicitly targeted a substantial rise in ICT exports – from US\$ 250 million to US\$ 1.1 billion by 2010 – primarily through outsourcing. Alongside export growth, the updated strategy emphasized innovation, research and development, and the establishment of technology incubators to support SMEs in the sector (ESCWA, 2007; Kamel, 2010).

The subsequent ICT strategy 2012–2017 reinforced export promotion, emphasizing high-value-added services such as software, technical support and IT-enabled services. Quantitative targets included raising outsourcing export revenues to US\$ 2.5 billion, intellectual property revenues to US\$ 1 billion, and software and embedded software exports to US\$ 500 million. Employment targets included the generation of 75,000 direct and 220,000 indirect jobs in outsourcing by 2017.

Institutional framework and export programmes: Export-IT

To institutionalize this vision, the government mandated ITIDA to lead efforts in promoting and supporting ICT exports. As part of its mission, ITIDA has launched several initiatives to enhance Egypt's outsourcing competitiveness and boost the global reach of the country's IT-enabled services industry. Among these, the most prominent is the Export-IT programme,¹³ launched in 2010. The first of its kind in the region, this is a cornerstone initiative that integrates export promotion, capacity building and ecosystem development to drive the expansion of Egypt's ICT services exports. Over 15 rounds, more than 370 local companies have benefited from this initiative – with EGP 880 million (≈ US\$ 16.41 million)¹⁴ in incentives awarded – facilitating their expansion into regional and global markets.

The Export-IT programme provides direct financial support to eligible Egyptian companies, especially MSMEs, based on the value-added export revenues they generate within a specific

year (see Box 4.2). The Export-IT programme functions as a rebate system to incentivize service exports, where companies must complete service delivery and verify payment inflows into Egypt before receiving reimbursements on their value-added export revenues. Such a governance model ensures accountability and encourages companies to expand export activities.

In 2024, two new rounds of the Export-IT programme were launched, covering export proceeds earned in 2022 and 2023. During the 14th (2022) round, 191 Egyptian companies applied, including 45 newcomers from various regions. The 15th (2023) round saw an increase, with 205 applicants from Egypt and another 46 new participants. The main export sectors served were IT and communications (55 per cent). Key export services represented were software and mobile app developers, call centres, business process services, as well as electronic design and engineering services. Top destination markets included the Kingdom of Saudi Arabia, Europe and North America (see Figure 4.4).

Since the programme requires clear documentation and bank-traceable export proceeds, it encourages MSMEs to formalize and streamline their export processes, helping them improve compliance and operational efficiency while reinforcing transparency and accountability – further enhancing sustainable export growth.¹⁵ Box 4.3 illustrates an example of private sector engagement in export promotion initiatives.

Digital Egypt Strategy for Offshoring Industry 2022–2026¹⁶

Another milestone in Egypt's strategy to boost its outsourcing industry was the launch of the Digital Egypt Strategy 2022–2026, an ambitious national strategy unveiled by the Ministry of Communications and Information Technology (MCIT) in 2022 and implemented through the ITIDA. The plan aimed to enhance Egypt's position in the global digital economy, with a target to increase digitally delivered services to US\$ 9 billion by 2026, at a CAGR of 19 per cent. In 2024, Egypt's digitally delivered services exports reached approximately US\$ 4.3 billion, marking significant progress towards this goal.

Box 4.2: Export-IT rebate scheme

Who qualifies?

- **Eligible IT companies:** Eligible companies are ICT companies with more than 50 per cent Egyptian ownership, headquartered in Egypt and exporting ICT services, embedded software, and IT-enabled services (such as call centre services, consultation and training services related to IT).
- **Programme tailored to micro, small, and medium enterprises (MSMEs):** Companies are classified according to total annual revenue as follows: micro-enterprises generate up to EGP 2 million (US\$ 38,400); small enterprises earn more than 2 million and up to EGP 20 million (US\$ 384,500); while medium enterprises have revenues exceeding 20 million and up to EGP 150 million (US\$ 2.9 million). Companies with total annual revenue exceeding EGP 150 million are not eligible for the programme.

Support rates by company size

Micro-enterprises:

- Up to 35 per cent of value-added exports.
- +10 per cent if based outside major urban cities (Cairo, Giza, Alexandria).

Small enterprises:

- 12 per cent (based on export growth vs. previous round).
- +10 per cent if based outside major cities.
- Higher funding for first-time/new market exporters.

Medium enterprises:

- 10 per cent (based on export growth).
- Full support for total value added for cutting-edge tech exporters.
- Higher funding for first-time/new market exporters.

Extra incentives

- +5 per cent for exporting emerging technologies, e.g., IoT, blockchain, cybersecurity.
- +5 per cent growth incentive for micro and small firms increasing value-added exports (not applicable for small enterprises with annual revenues over EGP 15 million [US\$ 290,000]).

Maximum support

- EGP 2.5 million (US\$ 48,000) per company.

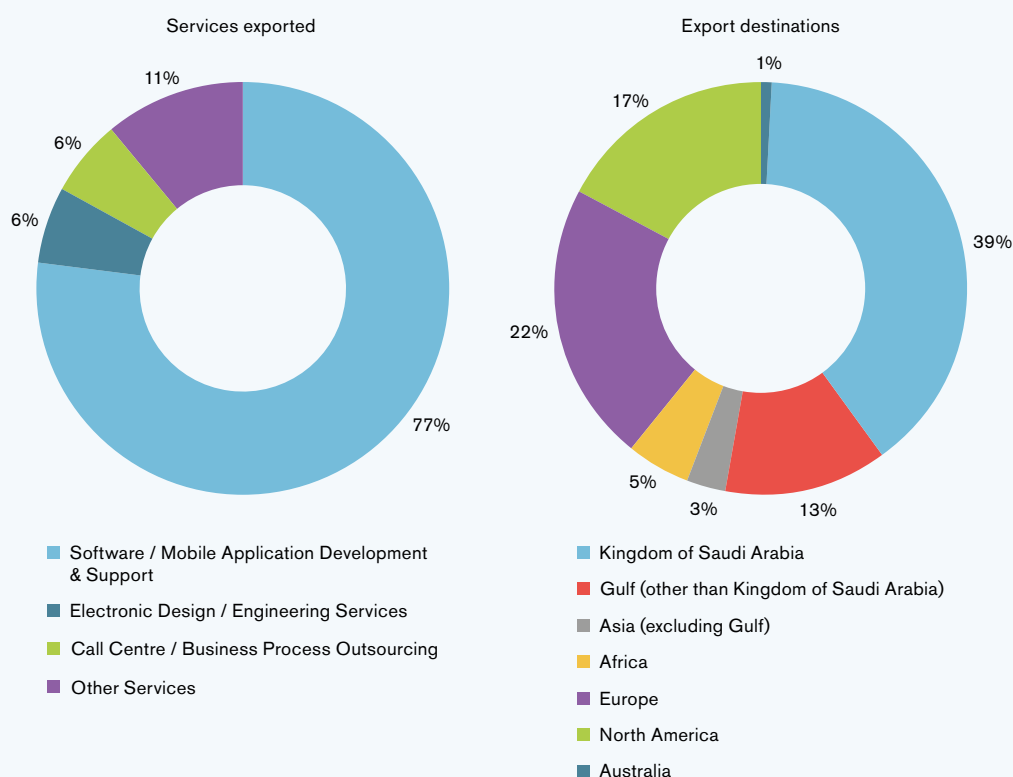
Source: ITIDA website <https://itida.gov.eg/English/Programs/Export-IT/Pages/Default.aspx>.

The Strategy aimed to create over 215,000 sustainable jobs in the outsourcing sector, prioritizing high-value segments, particularly Information Technology Services (ITS), Business Process Services (BPS), Knowledge Services (KS), and Engineering Research and Development services (ER&D) (MCIT, 2022).

With the dual goal of increasing employment opportunities and boosting the competitiveness of local IT exporters, the Strategy adopts an

operating expense (OpEx)-based incentive scheme to attract investors, focusing on reducing operating costs and rewarding net headcount growth. Incentives are tiered, based on the number of new hires, and are reduced over five years to encourage early scaling. Incentives are granted over three years for net headcount growth, with a declining scale over time according to a tiered structure: Tier 1 incentives dropped from 100 per cent in 2022/2023 to 40 per cent

Figure 4.4: Export-IT indicators 2023 (% of exports of approved companies)



Source: ITIDA website (2025).

by 2026, Tier 2 from 100 per cent to 70 per cent, and Tier 3 from 100 per cent to 90 per cent.

Eligibility is determined by the number of new jobs created across ITS, BPS and ER&D, with tiers reflecting the scale of headcount growth.¹⁷ Incentives are disbursed only upon meeting minimum hiring thresholds – no payouts are made if less than 50 per cent of targets are met, while 90 per cent is awarded if 80 per cent is achieved (MCIT, 2022).

Investment schemes on offer are multifaceted, with a unified incentive scheme for export-related jobs designed to attract both multinational and local or regional companies, covering new and existing investors. Differentiated incentives

are also available based on job complexity, skills availability and the strategic importance of business focus areas. A crucial objective is to reduce the fully loaded operating cost per full-time employee, thereby providing investors with flexibility in utilizing the benefits. The scheme particularly incentivizes job creation through scaled rewards, especially in the early stages, with additional rewards for companies surpassing hiring thresholds.

Since the Strategy's launch, 74 agreements have been signed with local and global companies. The number of companies exporting digitally delivered services has increased to more than 180, up from 64 in 2021, with 200 delivery centres employing over 145,000 specialists (MCIT, 2024).

Box 4.3: Export promotion: private sector engagement

The Egyptian Exporters Association

The Egyptian Exporters Association – ExpoLink (EEA), established in 1997 as a private, non-profit body, supports Egyptian exporters through its “Exporter’s Journey” model, with the ICT sector as one of the key sectors it serves. The association focuses on expanding export capacity by identifying new market opportunities, increasing current export volumes, bridging demand–supply gaps and enlarging the pool of qualified exporters. Two core service pillars – export promotion and export development – are delivered by technical experts covering promotion operations, market intelligence and export services. Capacity building is a central component, offering tailored training programmes by accredited professionals to ensure ICT exporters develop skills needed to compete sustainably in global markets. Market research and advocacy are led by the Policy Support Unit and its Market Intelligence Unit,

which provide data, export leads, trend analysis and access to global buyer databases.

The EEA promotes ICT exports internationally through organized trade fairs, branded roadshows and collective catalogues that gather exporters’ offers for distribution in target markets. These initiatives enable companies to showcase their services, promote visibility and access new demand. The association also fosters year-round networking with key stakeholders via seminars, workshops and meetings, giving exporters access to international partners and decision-makers. To boost companies’ competitiveness abroad, the EEA assists in building strong corporate identities and positioning them effectively in global advertising platforms. These promotional and intelligence-driven activities create critical pathways for Egyptian ICT and outsourcing service providers to enter new markets, maintain export channels and enhance international competitiveness.

Source: Egyptian Exporters Association – Expolink, <https://expolink.org/>.

Foreign direct investment incentive schemes

Egypt’s Investment Law No. 72 of 2017 introduced targeted provisions to promote the ICT sector through the creation of technological zones. These zones cover a wide range of ICT activities, including electronics design, data centres, outsourcing, software development and technological education. Projects established within these zones benefit from significant tax and customs exemptions, including duty-free imports of equipment and tools. They also qualify for special investment incentives, such as deductions of up to 50 per cent on investment costs in geographically disadvantaged areas (high-development-need areas) and 30 per cent

in other specified areas. Each zone is governed by a dedicated board of directors, which oversees project approvals and sets operational criteria.

Beyond the zones, ICT projects enjoy a package of general investment incentives. These include exemptions from stamp duty taxes and registration fees for five years, a reduced customs tax of 2 per cent on imported machinery and eligibility for location-based tax deductions. The law also provides flexibility in hiring foreign workers (up to 10–20 per cent of staff if local skills are unavailable) and grants investors the right to freely finance projects and remit profits in foreign currency without

restrictions or delays. Together, these measures create a favourable investment climate for ICT, aimed at lowering operational costs, encouraging FDI and supporting Egypt's positioning as a competitive global technology hub.¹⁸

Besides targeted incentives for the ICT sector, the industry also benefits from Egypt's broader reforms that simplify and streamline investment procedures such as the launch of the Investor Service Centre in 2017 as a one-stop shop that centralizes incorporation, licensing and post-establishment services, while improving accessibility for investors across regions,¹⁹ a step that has been particularly critical for ICT and outsourcing firms which depend on speed and operational efficiency. In parallel, the Golden License²⁰ was introduced in 2022 as a unified approval for strategic projects,²¹ granting tax and customs exemptions in return for export commitments, thereby accelerating business operations and supporting export growth.²² Collectively, these reforms have enhanced Egypt's attractiveness as an investment hub, with the UN

Trade and Development recognizing it as Africa's top FDI destination in 2022 (see Table 4.4).

Outward direct investment (ODI) in outsourcing

Egypt is also witnessing an emerging trend of ODI by its outsourcing companies driven by the desire to expand internationally, diversify markets and access advanced technologies. Several Egyptian outsourcing firms are successfully establishing a robust presence abroad – particularly in Europe, the Middle East and Gulf economies – either via subsidiaries, partnerships or a direct presence.²³ These investments help companies to get closer to key clients, integrate into global value chains and gain exposure to new technologies and management practices, further enhancing their capabilities, competitiveness and service delivery.

With government backing and increasing global recognition, Egyptian outsourcing companies are steadily gaining recognition in international rankings,

Table 4.4: ICT investment incentives in Egypt

Category	Incentives	Benefits
Technological zones	Tax and customs exemptions	▪ Duty-free imports of tools, equipment and supplies
	Investment cost deductions	▪ 50% in high-development-need areas ▪ 30% in other specified areas
	Governance	▪ Zones managed by a dedicated board handling approvals and operations
General incentives (ICT projects nationwide)	Stamp duty tax and registration fees	▪ Exempt for 5 years
	Customs on machinery	▪ Reduced to 2% on imported equipment
	Location-based tax deductions	▪ Available for qualifying regions
	Foreign workforce flexibility	▪ Up to 10–20% of staff if local skills unavailable
	Profit repatriation and financing	▪ Freedom to fund projects and transfer profits in foreign currency with no delays
Procedural and regulatory reforms	Investor Service Center	▪ One-stop shop for establishment services
	Golden License	▪ Unified approval for strategic projects ▪ Tax and customs exemptions for export commitments

Source: Developed by the authors based on the regulatory framework outlined in the text.

with four Egyptian outsourcing companies among the Top 100 Global Outsourcing Companies, according to the International Association of Outsourcing Professionals (IAOP) 2025. While other Arab peers may have representation through subsidiaries or shared operations, Egypt leads in terms of domestically headquartered outsourcing providers recognized by the IAOP.²⁴

Global recognition of Egypt's investment competitiveness

The comprehensive set of measures taken by Egypt to position itself as a competitive and investor-friendly destination for FDI, in general, and an outsourcing investment destination, in particular, is increasingly recognized globally, reflecting the country's improved rankings in several global indicators. According to the fDi Insights' 2025

report, published by the Financial Times (2025), Egypt emerged as the leading destination in the MENA region for capital investment, securing over US\$ 54.5 billion in pledged investments across 139 announced FDI projects in 2024, representing an increase of almost 4 per cent compared to FDI projects in 2023.

According to A.T. Kearney's 2025 FDI Confidence Index, Egypt ranked 13th among emerging markets, up one rank from 14th in 2023, reflecting strong investor confidence.²⁵ As shown in Table 4.5, Egypt ranks 4th within the MENA region, positioning it as a key emerging market for foreign investors, following the United Arab Emirates (2nd) and the Kingdom of Saudi Arabia (3rd). Egypt's presence in the global top 15 performers underscores its rising attractiveness amid structural reforms and growing opportunities in sectors such as infrastructure and digital services.

Table 4.5: A.T. Kearney 2023 vs. 2025 FDI Confidence Index – emerging markets ranking

Rank 2023	Economy	Rank 2025	Economy	Change in rank
1	China	1	China*	Remains on top
2	India	2	United Arab Emirates	▲ +1
3	United Arab Emirates	3	Saudi Arabia, Kingdom of	▲ +3
4	Qatar	4	Brazil	▲ +3
5	Thailand	5	India	▼ – 3
6	Saudi Arabia, Kingdom of	6	Mexico	▲ +2
7	Brazil	7	South Africa	▲ +10
8	Mexico	8	Poland**	▲ significant leap
9	Argentina	9	Argentina	No change
10	Malaysia	10	Thailand	▼ – 5
11	Indonesia	11	Malaysia	▼ – 1
12	Philippines	12	Indonesia	▼ – 1
13	Viet Nam	13	Egypt	▲ +1
14	Egypt	14	Türkiye	▲ +1
15	Türkiye	15	Chile**	▲ significant leap

Sources: A.T. Kearney 2023 and 2025 FDI Confidence Index (Kearney 2023 and 2025).

* Including Hong Kong, China. ** The country was not among the top 25 emerging markets ranking as of 2023.

Capacity building and skills development

Egypt has made capacity building a central pillar of its outsourcing and export promotion strategy, launching numerous initiatives to enhance employability and align skills with the needs of the global industry. With a capacity-building budget of EGP 1.7 billion (US\$ 30 million) and more than 420 partnerships, a total of 400,000 individuals were trained, and 1,612 direct jobs were created in 2024. Egypt's IT sector employs more than 300,000 workers – 30 per cent of which are female – a level forecast to reach 500,000 by 2026 (MCIT, 2024). To support this growth, Egypt introduced targeted initiatives focusing on capacity building, market access and international promotion to ensure that outsourcing firms stay globally competitive.

Initiatives to promote digital and language skills

Egypt's efforts to enhance digital skills are multifaceted, targeting a wide spectrum of learners, from school students to university graduates. The country aims to build a digitally competent generation by integrating technology education at early stages and expanding advanced training programmes for postgraduates. In this respect, Egypt places strong emphasis on science, technology, engineering and mathematics (STEM) education. The Ministry of Education launched specialized STEM-focused schools in 2011, integrating ICT curricula and programmes to nurture innovation, critical thinking and technical proficiency from an early age. This initiative equips students with the analytical tools needed to compete in international markets. With a current network of 21 STEM high schools across the country, Egypt boasts a youthful workforce, producing over 790,000 annual graduates, with 37 per cent holding STEM degrees (ITIDA, 2024a).

This talent pool is further strengthened via various vocational programmes and initiatives. A prominent player in this field is the ITI, established in 1993, which stands as a national leader in capacity development, offering over

30 specializations in areas such as IoT, AI, data analysis and digital arts in partnership with industry leaders. In 2024, the ITI trained more than 8,000 postgraduates and 23,400 undergraduates, achieving an 85 per cent employment rate. Its programmes covered 90 job profiles aligned with market needs and were delivered through a nationwide network of 21 hubs and 94 training centres. Collaborating with over 70 universities and 500 companies, the ITI has built a robust ecosystem that equips individuals with the digital skills needed to thrive in both local and global markets (MCIT, 2024).

The ITIDA has adopted a structured approach to human capital development through a range of targeted capacity-building initiatives designed to meet the evolving needs of the ICT and outsourcing industries. Programmes such as Learn to Go Offshoring, the Up4Jobs Project, and Train to Hire schemes are implemented in collaboration with private sector partners, training institutions and international organizations (see Box 4.4).

To date, these initiatives have trained more than 14,000 participants, providing comprehensive language and work-readiness training, strengthening trainees' language proficiency and facilitating connections between job seekers and IT-enabled services companies operating in Egypt. They are deployed across multiple regions, including underserved areas such as Upper Egypt, to ensure inclusiveness, widen access to technical training, and align workforce skills with market demand. Collectively, they form a strategic framework aimed at strengthening Egypt's talent base and enhancing the country's competitiveness in global digital services.

For instance, the Train to Hire programme provides specialized training to prepare trainees for employment in outsourcing companies, equipping them with skills tailored to the BPO and ITO industries. The programme partners directly with leading local and multinational companies, enabling them to train and recruit top talent, ensuring a seamless transition from training to employment.

Box 4.4: Capacity building, certification and industry excellence

The Software Engineering Competence Center (SECC)

The SECC, founded in 2001 as the first centre of its kind in the Middle East,²⁶ serves as Egypt's primary engine for elevating the capabilities and competitiveness of the local ICT industry. Its mission is to close the gap between current industry practices and the technological standards required to meet national economic, social and innovation goals. SECC provides specialized consultancy, training and process improvement services aligned with global frameworks such as CMMI and the International Software Testing Qualifications Board (ISTQB). It plays a strategic role in promoting quality assurance, software testing standards and international certifications, including founding the Egyptian Software Testing Qualifications Board.

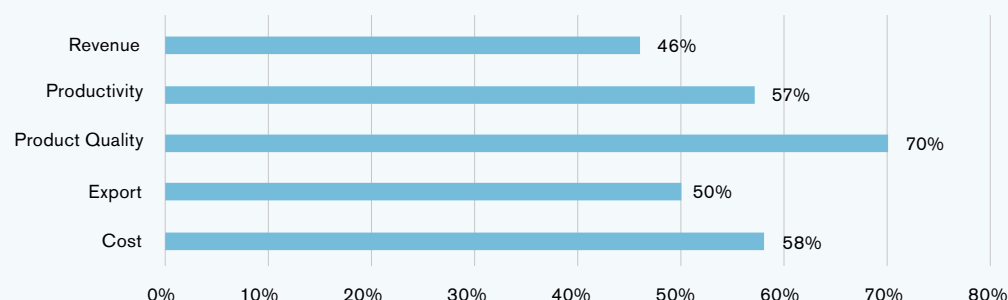
The centre also supports innovation and modernization through initiatives such as Digital Transformation for IT companies (DX4IT), fosters collaboration with global institutions such as Carnegie Mellon's Software Engineering Institute, connects Egypt to global technology ecosystems by serving as the

national focal point for free and open-source software and acting as the National Contact Point for EU-funded ICT research programmes.

To date, the SECC's impact has become both measurable and far-reaching. It has delivered 1,997 training, consultation and assessment services to 1,408 organizations inside and outside Egypt. The centre has provided 411 accreditation services, including CMMI and ISTQB provider accreditations. Its outreach and knowledge-sharing activities include 214 events and the training of 42,408 professionals through public and customized courses.

The SECC has also helped certify 16,759 professionals in fields such as ISTQB, Information Technology Infrastructure Library, Agile, Six Sigma and Control Objectives for Information and related Technology, while attracting 28,187 participants to its conferences, webinars, and Tech Nights.²⁷ The effectiveness of the SECC's interventions is further evidenced by improved company performance on several fronts (see Figure 4.5). These achievements underscore the SECC's central role in developing human capital, strengthening process maturity and enhancing the global market readiness of Egypt's software industry.

Figure 4.5: Software Engineering Competence Center services' impact (% witnessed improvements)



Source: ITIDA website; <https://itida.gov.eg/English/Programs/SECC-Offerings/Pages/default.aspx>.

Inclusive capacity building: targeted support for SMEs, startups and female workers

To ensure the inclusiveness and long-term sustainability of the outsourcing sector, Egypt has placed particular emphasis on supporting SMEs, nurturing startups and empowering women. National programmes and targeted initiatives are designed to build the capabilities of emerging ICT enterprises, especially those in early funding stages. At the same time, capacity-building efforts, incentives and skills development programmes actively promote the participation of women, enabling them to contribute more effectively to the growth of IT-enabled services and outsourcing.

Support for SMEs and startups

In Egypt's evolving ICT landscape, the drive to empower talent and fuel entrepreneurship stands at the forefront of national priorities. A key player in this field is the Technology Innovation and Entrepreneurship Center (TIEC), established in 2010, which serves as a hub for creativity and entrepreneurship.²⁸ On the one hand, it collaborates with universities to incorporate an entrepreneurship curriculum and to enhance students' understanding of the entrepreneurship ecosystem. On the other hand, it offers startups the opportunity to engage with entrepreneurs and innovators, gaining valuable insights from their successes.

The TIEC supports early-stage startups and SMEs through comprehensive programmes, including Pre-Incubation and TIEC's StartIT Incubation. The Pre-Incubation programme accelerates startup growth by enhancing team operations, hiring practices and pitching skills. Over the past decade, it has empowered over 2,000 entrepreneurs and supported 900 startups, attracting more than EGP 16 million (US\$ 304,000) in investments. The StartIT programme helps innovators transform their minimum viable product into market-ready businesses by offering equity-free seed capital, expert mentorship, office space and in-kind services, including marketing assistance and cloud computing services from global companies (e.g., Amazon).

In 2024, 16 new startups joined the programme. In addition, the TIEC provides free consultancy

services to startups and SMEs across Egypt, focusing on areas such as finance, business development, legal matters and intellectual property. In 2024, the centre delivered over 800 hours of one-to-one online sessions to 120 startups, helping them overcome challenges and achieve growth in various sectors (MCIT, 2024).

A recent notable initiative is Invest-IT, which is designed to attract and support tech startups by providing financial and non-financial incentives to help them scale and become export-ready. The Invest-IT programme, launched by ITIDA in April 2025 in partnership with Flat6Labs²⁹ and spearheaded by the TIEC, aims to bolster investment readiness for technology startups. The initiative supports 12 Egypt-based ICT startups at the seed and pre-series A³⁰ stages across various Egyptian governorates.

Invest-IT enhances funding opportunities for Egyptian tech startups by preparing them to successfully attract and close investment deals through a structured, two-phase approach. Phase 1 focuses on investment readiness training, equipping startups with the tools and knowledge needed to engage confidently with investors, thereby enhancing their readiness and ability to navigate the investment landscape. Phase 2 focuses on investor networking and deal facilitation, connecting startups with local and international investors to increase their chances of securing seed or pre-series A funding (ITIDA, 2024b).

The DX4IT initiative is another comprehensive, standards-driven approach that accelerates digital transformation within Egyptian IT companies, particularly SMEs, enhancing their ability to compete internationally and align with global best practices. The programme provides grants for participation, with higher support rates for SMEs (up to 80 per cent for small, 70 per cent for medium, and 60 per cent for large companies). Participating companies undergo an assessment of their current digital maturity, then access training on digital transformation, quality assurance, and international standards, as outlined in a tailored digital transformation road map, along with ongoing consultancy.

A prominent nationwide initiative is the Creativa Innovation Hubs network, which promotes innovation, entrepreneurship and digital skills

through 23 hubs across 19 governorates in Egypt. These dedicated spaces offer mentorship, entrepreneurship training, co-working areas and networking events, intensifying efforts to nurture entrepreneurs and accelerate the growth of startups through targeted incubation programmes. They also support academic research and commercialization efforts. In 2024, six new hubs were launched. A total of 394 startups received support, with 28 startups incubated, resulting in over EGP 76 million (US\$ 1.5 million) in investments and the creation of 1,076 jobs (MCIT, 2024).

Specific initiatives for female workers and entrepreneurs

The ICT sector has emerged as a crucial driver of women's employment opportunities. While overall ICT employment still represents a small portion of total jobs, it experienced rapid growth between 2009 and 2022, expanding at three times the average annual rate of non-ICT jobs. Notably, women's employment in ICT roles grew at an average yearly rate of 6.4 per cent, nearly twice the pace of men's ICT employment growth, which stood at 3.6 per cent. This rapid increase led to a significant shift in women's representation in the sector, whereby in 2021 the share of women working in ICT more than doubled compared to 2009, rising from 1.0 per cent to 2.3 per cent of total female employment. This trend highlights the vital role of the ICT sector in offering more inclusive and resilient employment pathways for women, especially within a private

sector landscape that often presents limited opportunities for female workers (Selwaness, Assaad and El Sayed, 2023).

Egypt places strong emphasis on promoting gender inclusion in the digital economy, focusing efforts on empowering women through targeted capacity-building programmes and inclusive training initiatives. For instance, a women's entrepreneurship initiative, "Heya Raeda," is designed to empower women entrepreneurs by integrating technology into their business ventures. The programme covers key areas essential for building a strong business, including technology, financial fundamentals, marketing and innovation. Participants gain insights into core business modelling and digital innovation, complemented by one-to-one mentoring for tailored guidance, which enables rapid progress in both business and technical skills. In 2024, the initiative made a significant contribution to the growth of women entrepreneurs in the ICT sector, supporting 400 female entrepreneurs.

Empowering women is also enhanced via various proceedings, such as the TechUpWomen Summit, which was held in October 2024, with the aim of empowering, connecting and inspiring women in the tech and engineering fields. The summit offers workshops that provide guidance on launching startups and addressing challenges in the tech landscape, while also offering attendees the opportunity to apply for the Aurora Tech Award, a global prize designed explicitly for women entrepreneurs in the IT sector (MCIT, 2024).

Conclusions and policy recommendations

Egypt has firmly established itself as a promising destination in the global outsourcing industry, supported by several compelling factors. Its strategic geographic location, robust digital infrastructure and large, young, multilingual and cost-competitive workforce give Egypt a competitive edge amongst its peers. The government's strong commitment, evidenced by investor-friendly policies, ongoing infrastructure improvements and tax incentives, has fostered an attractive environment for international

companies. Ambitious initiatives, such as the 2022–2026 strategy, signal strategic momentum and long-term commitment. Major multinational players have already invested in the country and Egypt's outsourcing sector has been making significant contributions to both export revenue and employment.

Despite Egypt's ICT sector growth, several challenges exist that could limit its momentum. Talent retention is a major concern, as economic

pressures lead skilled professionals to relocate abroad. The absence of direct flight routes – particularly to African markets – raises the cost of participating in global exhibitions, while banking restrictions on international transactions constrain firms' operational flexibility. At the same time, the growing prominence of AI and automation poses a structural threat to traditional outsourcing roles. Moreover, intense competition from established outsourcing hubs such as India and the Philippines underscores the continuous need for sustaining high service quality and fostering innovation to maintain global competitiveness.³¹

While challenges persist, the Egyptian experience provides a replicable model for building a resilient, export-driven digital economy. It underscores the importance of strategic government leadership in creating an enabling environment. Through targeted initiatives led by MCIT and ITIDA, Egypt has managed to establish support structures, including export rebate programmes, digital skills initiatives and investment incentives schemes. These illustrate how State-led coordination can catalyse private sector growth and attract foreign investment when coupled with infrastructure development and regulatory reforms.

On the other hand, Egypt's large, educated youth population is an advantage, yet maintaining a globally competitive workforce requires sustained investments in capacity-building programmes, and pinpoints the necessity for continuous alignment between education systems and evolving industry requirements. Similarly, continued efforts to decentralize the industry beyond Cairo highlight the importance of regional inclusion via infrastructure diversification and targeted capacity-building programmes, which helps broaden the talent pool and foster nationwide growth.

Ultimately, Egypt's case underscores that long-term competitiveness hinges on enhancing service quality, refining regulatory frameworks and fostering international credibility. Upgrading legal and data protection systems has been crucial in reassuring international clients, while active participation in global rankings and forums has helped enhance visibility and foster global trust. For economies aiming to replicate Egypt's progress, the key takeaway is that global integration – through partnerships, certifications and ecosystem branding – can amplify local efforts and open access to international markets.

Endnotes

- 1 Data retrieved from different issues of the Central Bank of Egypt's Monthly Statistical Bulletin over the referenced period, <https://www.cbe.org.eg/en/economic-research/economic-reports/monthly-statistical-bulletin>.
- 2 Parallel (black-market) rates had been nearly double the official rate – about 60 EGP/1 US\$.
- 3 Exchange rate figures were obtained from the Central Bank of Egypt's official exchange rates database, <https://www.cbe.org.eg/en/economic-research/statistics/exchange-rates/historical-data>.
- 4 Egypt passed its Personal Data Protection Law, in line with the requirements of the global best practice, the EU's General Data Protection Regulation.
- 5 In 2023, the Egyptian Authority for Intellectual Property was established to consolidate all intellectual property rights responsibilities under one central authority with the aim of enhancing effective intellectual property protection, support the Sustainable Development Goal (SDG 8 Decent Work and Economic Growth) of building a knowledge-based economy and promote Egypt's compliance with international standards.
- 6 National Cybersecurity Strategy of Egypt (2023–2027) aims to establish a secure and resilient digital environment that supports national security and economic growth. Its core pillars are to develop a competitive cybersecurity industry, strengthen cybersecurity capabilities across sectors, enhance public awareness, and create employment opportunities, particularly for youth. https://mcit.gov.eg/Upcont/Documents/Publications_1412024000_National_Cybersecurity_Strategy_2023_2027.pdf (in Arabic).
- 7 Speedtest by Ookla (2025). *Speedtest Global Index: Africa fixed broadband rankings*. <https://www.speedtest.net/global-index>.
- 8 Data from Statista (2025). *IT outsourcing – Egypt: Market forecast to 2025*. <https://www.statista.com/outlook/tmo/it-services/it-outsourcing/egypt>.
- 9 Customer experience (CX) refers to the strategies, tools and practices that a company uses to improve customers' interaction with its products, services or brand. It revolves around ensuring that customers have a smooth and satisfying experience at every step; before, during, and after using a service.
- 10 In 2023, Egypt was ranked as the top destination for German CX buyers, reflecting its ability to deliver culturally aligned and high-quality services.
- 11 Insights are based on a personal interview with the deputy-minister for institutional development, Ministry of Communications and Information Technology (MCIT), Egypt, 2025.
- 12 For more information about Silicon Waha: <https://siliconwaha.com/>.
- 13 ITIDA, Export-IT, <https://itida.gov.eg/English/Programs/Export-IT/Pages/Default.aspx>.
- 14 Calculation is based on the exchange rate as of 3 May 2026 (1 EGP = 0.019 US\$).
- 15 Information retrieved from ITIDA: <https://itida.gov.eg/English/Programs/Export-IT/Pages/Default.aspx>.
- 16 Digital Egypt Vision for Offshoring Industry 2022–2026 available at <https://www.itida.gov.eg/English/Programs/Digital-Egypt-Strategy-for-Offshoring-Industry-2022-2026/Documents/Executive-Summary-of-Egypt-Strategy-fo-%20Offshoring-2022-2026.pdf>.
- 17 For Tier 1, headcount growth ranges are: ITS (30–75), BPS (50–300) and ER&D (30–75). Tier 2 includes ITS (76–300), BPS (301–1800) and ER&D (76–250). Tier 3 applies to large-scale operations with ITS (300+), BPS (1800+) and ER&D (250+) headcount growth.
- 18 Egypt's Investment Law No. 72 of 2017 available at <https://www.gafi.gov.eg/English/StartaBusiness/Laws-and-Regulations/PublishingImages/Pages/BusinessLaws/Investment%20Law.pdf>.
- 19 For more information from the General Authority for Investment and Free Zones (GAFI): *Investor Services Center*, <https://www.gafi.gov.eg/English/Howcanwehelp/OneStopShop/Pages/default.aspx>.
- 20 Egypt's Golden License legal framework originated from Article 20 of Investment Law No. 72 of 2017, officially activated by the Prime Minister's Decree No. 230 of 2022 issued on 28 June 2022 and finally operational in September 2022.
- 21 The 2023 amendment of Egypt's investment law expanded eligibility for the Golden License to include companies incorporated to set up a public-private partnership in telecommunications and IT.
- 22 For more information from GAFI: *Golden License Guidebook*, <https://www.investinegypt.gov.eg/Fact%20Sheets/Golden%20License%20Guidebook.pdf>.
- 23 A key example is Xceed, established in 2001, with a presence in Egypt, Mauritius, Morocco, Kingdom of Saudi Arabia and the United Arab Emirates. Also, Centro, founded in 2010, operating in Egypt, the Philippines, Kingdom of Saudi Arabia, United Arab Emirates and the United States.
- 24 Those companies are Raya Contact Center and Xceed, categorized as leaders, as well as Centro and Octopus Outsourcing, categorized as rising stars.

- 25 The report indicates that efficiency of legal and regulatory process and domestic economic performance are the two most important factors for investors when choosing where to make their FDI. See <https://www.kearney.com/service/global-business-policy-council/foreign-direct-investment-confidence-index/2025-full-report>.
- 26 The SECC was established under the MCIT in 2001 and later incorporated into the ITIDA in 2005.
- 27 Information retrieved from the SECC website available at <https://secc.org.eg/English/Pages/default.aspx>.
- 28 The TIEC is a subsidiary of the ITIDA launched by the MCIT in 2010 to promote innovation and entrepreneurship in Egypt's ICT sector.
- 29 Flat6Labs is a startup accelerator and seed fund that supports early-stage tech and innovation-driven companies in the MENA region. Founded in 2011 and headquartered in Cairo, Flat6Labs provides funding, mentorship, workspace and access to a wide network of investors and partners. It typically invests in startups during their seed stage through structured accelerator programmes and follow-on funding.
- 30 The "Seed" stage is the initial funding phase used to develop the business idea, build a prototype or minimum viable product and conduct early market testing. The "Pre-Series A" stage is a subsequent funding phase, where startups with early traction receive capital to refine their business model, grow operations and prepare for large-scale investment. Finally, the "Series A" stage is a larger funding round aimed at scaling the business, expanding market reach and accelerating revenue growth based on proven performance and a clear growth strategy.
- 31 Insights are based on a personal interview with ITIDA former deputy CEO and founding chairperson of Silicon Waha for technology parks, Egypt, 2025.

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