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EGYPT

ICT Services Export Promotion: 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. In particular, it analyzes Egypt's trajectory in fostering 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 robust supply of multilingual, cost-competitive talented 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 (ITIDA), sector-focused training and upskilling programs (such as those led SECC), 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.

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1. INTRODUCTION

The chapter begins by examining the evolution and growing competitiveness of Egypt's services sector, with a particular focus on the rapid rise of digitally delivered services. The analysis then explores 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 programs 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.

KEY POINTS

Main elements of the export promotion strategy

- Financial and growth incentives – financial rebates and OPEX-based schemes that reward export performance and job creation.
- Skills development and talent pipelines – digital training, university partnerships, ITI and SECC programs, and 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.

Key Achievements and Impacts

- Rising digital and ICT-enabled exports, reaching around USD 7 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 programs.
- Recognition as a leading African outsourcing hub and improved rankings by IAOP, GBS World, and other indices.

Challenges Tackled

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

Good Practices

- Public–private collaboration and co-investment, involving multinationals, SMEs, 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 programs.
- Multi-stakeholder ecosystem building, aligning policy, skills, infrastructure, and private-sector growth.

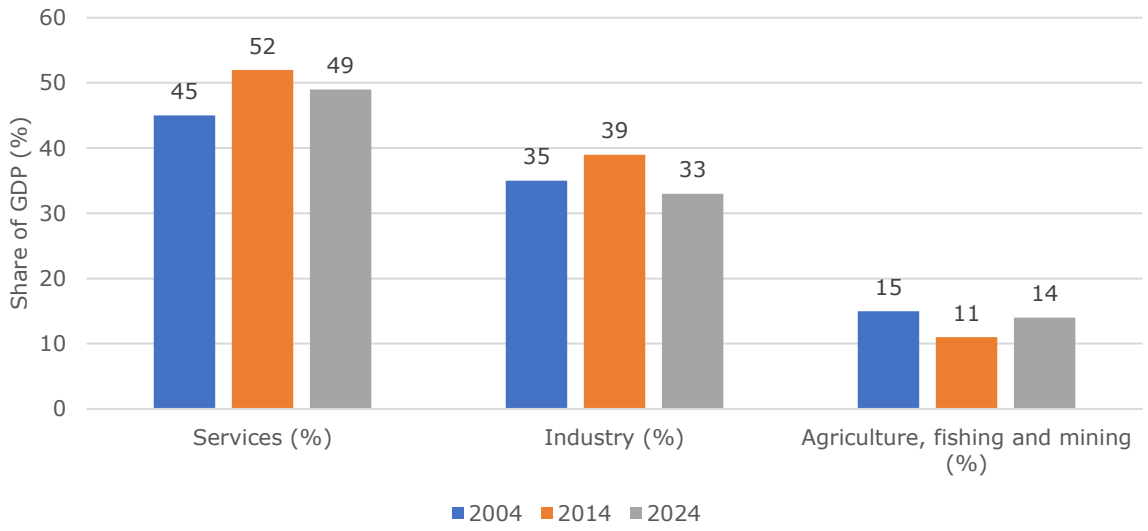
2. SERVICES EXPORTS AND FDI DYNAMICS

The services sector has evolved as a fundamental pillar of Egypt's economy, contributing increasingly to 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 MENA region, with particular dynamism observed 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.

A. Services as a pillar of Egypt's economy

The services sector in Egypt has been consistently accounting for the largest share of GDP over the past two decades. Its contribution increased from 45% in 2004 to 52% in 2014, reflecting the sector's dynamism and its role in driving growth. Although the share slightly moderated to 49% 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 (Figure 1).

Figure 1: Egypt's structure of GDP by Sector, 2004-2024



Source: Authors' elaboration based on *World Bank,* World Development Indicators *(WDI)*

The services sector also plays a critical role in employment generation within the Egyptian economy. Between 2004 and 2014, it consistently accounted for 48% of total employment, reflecting its stability as a major source of jobs. By 2024, its share rose to 53%, underscoring the sector's growing importance in absorbing labor 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. In 2022, total inflows amounted to USD 25 billion, of which services

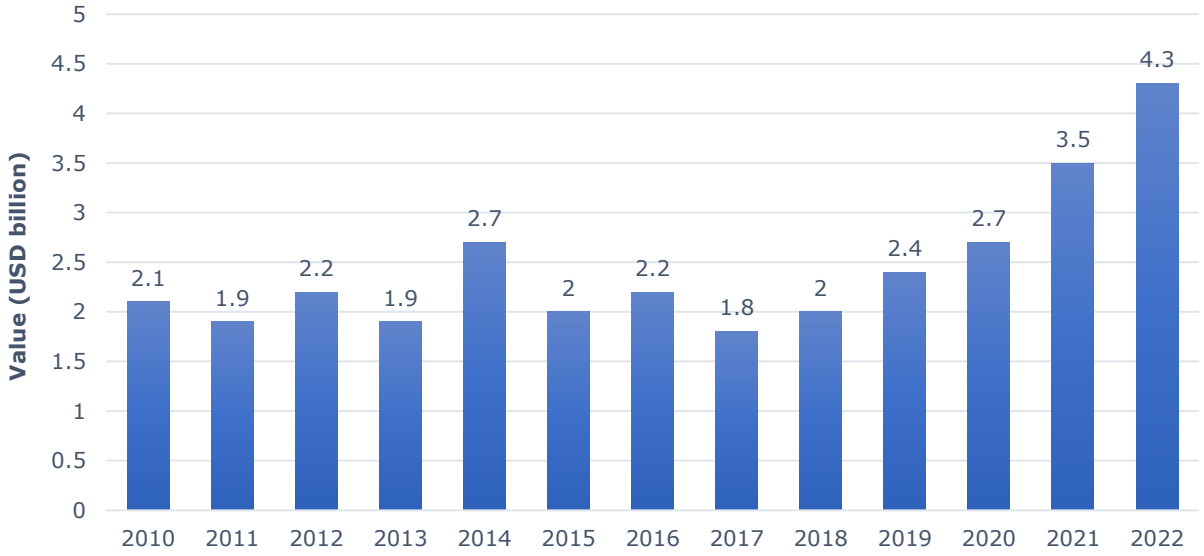
attracted more than USD 10 billion, accounting for approximately 41% of total receipts; notably, the ICT segment alone represented around 18% of total services FDI. In 2023, despite a decline in overall inflows to USD 21 billion, investment in services remained resilient, surpassing USD 9 billion and increasing its share to around 44% of total FDI. In 2024, FDI inflows surged to USD 57.5 billion – primarily driven by large-scale real estate and urban development projects– with the services sector registering USD 8 billion, of which ICT accounted for 14%. 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]

B. 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 17.3% of GDP in 2000, declined to 13% in 2014, and rose again to 14.1% in 2023, underscoring their persistent macroeconomic significance despite cyclical fluctuations. In value terms, Egypt's services exports expanded steadily from USD 10 billion in 2000 to nearly USD 22 billion in 2014, and further to around USD 34 billion by 2023. Notably, services accounts for almost 50% 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% of total services exports in 2023 and affirming the sector's longstanding 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% of total trade in services in 2005 to 5.3% in 2022, nearly doubling over the period. This trajectory aligns with the broader expansion of digitally delivered services (Figure 2), whose share in total services exports increased from 9% to around 14% over the same timeframe, underscoring Egypt's growing role as a competitive exporter of modern, technology-driven services alongside its traditional strength in travel (UNCTAD, 2025a).

Figure 2: Egypt's Exports of Digitally Delivered Services, 2010 – 2022



Source: Authors' elaboration based on UNCTADstat, UNCTAD (2025b).

C. 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%, making it the fastest-growing sector for six consecutive years. Egypt's ICT market was valued at approximately USD 19.4 billion in 2024 and is forecast to grow more than double to $53.1 billion by 2030 at a compound annual growth rate (CAGR) of around 17.6%. The ICT sector's contribution to Egypt's GDP increased significantly, from 3.2% in 2017/18 to 5.8% in 2023/24, with an ambitious government target set to reach 8% 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).

3. FOUNDATIONS OF EGYPT'S COMPETITIVE SERVICES ECOSYSTEM

Anchoring 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.

First, 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% drop, followed by a second in October of the same year, which pushed the rate above 24 EGP/USD. 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% to reach 30 EGP/USD, however foreign currency shortages and inflation – reaching nearly 38% by 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/USD. This move aimed at aligning the currency with market forces, boosting exports, and restoring investor confidence.[3]

Second, 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 (EAIP) in 2023[5] 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 and ranking in Tier 1 alongside global frontrunners, underscoring its commitment to building a competitive, secure, and innovation-friendly services ecosystem (Table 1).

Third, Egypt possesses an abundant youth talent pool, with an average age 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 is the favorable labor costs and exchange rates, which enable global clients to achieve substantial savings, where Egypt offers up to 80% cost savings for entry-level salaries compared to its competitors, Morocco, Turkey, and Poland, 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 toward migration.

Table 1. Highlights of Egypt's Global Cybersecurity Index (2023–2024)

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 countries worldwide with a perfect score
Regional Leadership	Leading MENA region alongside Mauritius, Qatar, Saudi Arabia, and UAE

Source: ITU, Global Cybersecurity Index GCI (2024).

Fourth, 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 access, data centers, and technology parks to support the growth and competitiveness of its outsourcing industries. Over the past three years, Egypt invested around USD 2 billion in digital infrastructure, elevating the country's fixed broadband ranking in Africa from 40th in 2019 to first in 2022, a rank it has maintained ever since[7], thus enhancing the capacity to deliver high-quality digital services, and 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 USD 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 2 for detailed information).

Table 2. Egypt's Global Competitiveness and Readiness Indicators (2023 – 2025)

Indicator	Year	Rank	Notes
Global Services Location Index (A.T. Kearney)	2023	23/78	
Digital Skills Development (Coursera Global Skills Report)	2024	72/109	Reflects human capital readiness
Government AI Readiness Index (Oxford Insights)	2024	62/193	+3 places since 2023, +49 since 2019
Network Readiness Index (NRI)	2024	85/134	+6 places from previous edition
Global Startup Ecosystem Report (GSER) – Startup Genome	2025	Top 100 Emerging Ecosystems	Top 20 for Affordable Talent, 3rd in MENA for funding, talent and experience
Global Innovation Index (WIPO)	2024	86/132	4th in Africa 1st in Africa in hosting Science & Technology Clusters (11 clusters)

Indicator	Year	Rank	Notes
GBS World Competitiveness Index (Global Edition) General IT Outsourcing	2023	5/76	Strong performance across services categories
Speedtest Global Index (Fixed broadband rankings)	2025	1st in Africa	Maintained 1st place in Africa since 2022, improving from 40th in 2019

Source: Authors' elaboration based on institutional reports (2023–2025).

A. 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 major contributors 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% in 2023 on a year-to-year basis, with value added rising to USD 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 generate, respectively, USD 631 million and USD 461 million in revenue by the end of 2025.[8] The outsourcing industry in Egypt currently serves approximately 100 countries in over 20 languages, with more than 200 outsourcing service centers and over 185 companies, evidencing rapid industry expansion.

Egypt's competitiveness has also been strengthened by intensified capacity building programs – which boosted the country's expertise in emerging IT trends, such as big data, Internet of Things (IoT), virtual and augmented reality and digital transformation services, thus enhancing firms' competitiveness in evolving markets. The GBS World Competitiveness Index 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 global business services (GBS) sector, particularly customer experience CX management[9] 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 (Table 3).

Table 3: Top Offshore/Nearshore CX Destinations – 2025

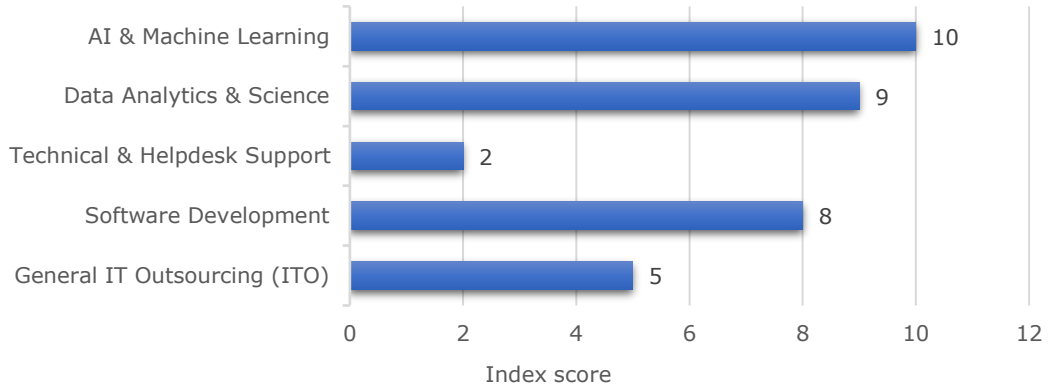
Rank	Country	Highlights
1st	India	Top-rated in most English-speaking markets; strong performance in Asia-Pacific; 3rd consecutive win
2nd	Philippines	Highly favored in the USA, UK, Canada, Australia; top choice in Singapore and South Korea
3rd	Poland	1st in Germany and the Netherlands; top 5 in UK and Italy
3rd	South Africa	1st in USA and Australia; 2nd in UK and Canada; 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: Author's elaboration based on Ryan Strategic Advisory (2025).

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 (Figure 3). Such a favorable ranking underscores Egypt's continued progress in digital service delivery, technical talent development, and cost-competitive IT infrastructure, placing it among the most attractive destinations worldwide for IT outsourcing.

Figure 3: Egypt's Global Rank by GBS Service Category (2023/2024)



Source: GBS World Competitiveness Index (2023/24).

4. 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]

A. 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 (DTUs) 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 like Project Management Institutes (PMI). Specialized programs extend to journalists, lawyers, judges, and accountants, incorporating the use of artificial intelligence and digital communication tools to enhance professional performance.

B. 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 programs for targeted

groups such as freelancers and residents of rural areas. Collectively, these efforts support wider access and citizen inclusion in digital economy.

5. 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.

A. Foundational Partnerships and Infostructure

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 of 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 centers 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 toward the role played by the private sector in ICT deployment, a trend also observed globally (Kamel, 2010; Kamel & Rizk, 2017).

B. 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 Ministry of Communications and Information Technology (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 upon infrastructure expansion, e-government development, human capital building, private sector growth, and regulatory reform.

C. 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 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 centers, and national programs supporting computer literacy and workforce upskilling (Kamel, 2010; ESCWA, 2007).

D. 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 programs, and partnerships. 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 and addressing them through capacity-building programs, 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.

E. Public–Private Partnership: expanding tech ecosystems across Egypt

Subsequently, Egypt has pursued the 2007–2010 strategy focused on consolidating infrastructure gains and positioning Egypt as a regional ICT hub. It emphasized broadband expansion, regulatory reform, postal modernization, and cybersecurity enhancement. Social initiatives promoted affordable access through programs such as IT Clubs and the Egyptian Education Initiative (EEI). At the same time, the strategy prioritized the growth of IT-enabled services (ITES) and outsourcing exports, supported by investment incentives, capacity building, and partnerships with multinational firms (MCIT, 2007) (see Box 1).

Box 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 center 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 programs that strengthen members' technical, managerial, financial, and export-readiness capabilities. The NGO also runs successful initiatives with GIZ that train persons with disabilities in areas like software development and testing, graduating about 80 individuals so far with plans to scale to hundreds. EiTESAL organizes international promotional efforts – often co-funded by ITIDA or international partners such as GIZ, UNDP, 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 Export Coaching Program – led by the Dutch Centre for the Promotion of Imports (CBI) – designed to strengthen 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 EU markets, with EiTESAL involvement aiming to facilitate coordination and ensuring effective participation of selected firms.

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

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 programs 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 "Silicon Waha" Company, a joint-stock company formed through a strategic public–private partnership, 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]

6. EXPORT PROMOTION STRATEGY AND PUBLIC-PRIVATE SECTOR COORDINATION

Promoting ICT services exports in Egypt requires 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 center on laws and regulations that protect data flows, support cybersecurity and intellectual property rights.

A. 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 which aimed at building a globally competitive and export-oriented ICT industry (Kamel & 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 USD 250 million to USD 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 USD 2.5 billion, intellectual property revenues to USD 1 billion, and software and embedded software exports to USD 500 million. Employment targets included generating 75,000 direct and 220,000 indirect jobs in outsourcing by 2017.

B. Institutional framework and export programs: 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 (IT-ES) industry. Among these, the most prominent is the Export-IT program[13], launched in 2010 – the first of its kind in the region – as 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 benefitted from this initiative – with EGP 880 million (≈ USD 18.1 million) in incentives awarded – facilitating their expansion into regional and global markets.

Box 2. Export-IT Rebate Scheme

Who Qualifies?

- **Eligible IT Companies:** Eligible companies are ICT companies with more than 50% Egyptian ownership, headquartered in Egypt and exporting ICT Services, embedded software, and IT-enabled Services (such as call center services, consultation and training services related to IT).
- **Program tailored to MSMEs:** Companies are classified according to Total Annual Revenue (TAR) as follows: micro enterprises generate up to 2 million EGP (≈ USD 40,000); small enterprises earn more than 2 million and up to 20 million EGP (≈ USD 0.4 million); while medium enterprises have revenues exceeding 20 million and up to 150 million EGP (≈ USD 3 million). Companies with TAR exceeding 150 million EGP are not eligible for the program.

Support Rates by Company Size

- **Micro Companies:**
  - Up to 35% of value-added exports
  - +10% if based outside major urban cities (Cairo, Giza, Alexandria)
- **Small Companies:**
  - 12% (based on export growth vs. previous round)
  - +10% if based outside major cities
  - Higher funding for first-time/new market exporters
- **Medium Companies:**
  - 10% (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% for exporting emerging technologies, e.g., IoT, Blockchain, Cybersecurity
- +5% growth incentive for micro & small firms increasing value-added exports [not applicable for small companies with annual revenues over 15 million EGP (≈ USD 0.3 million)]

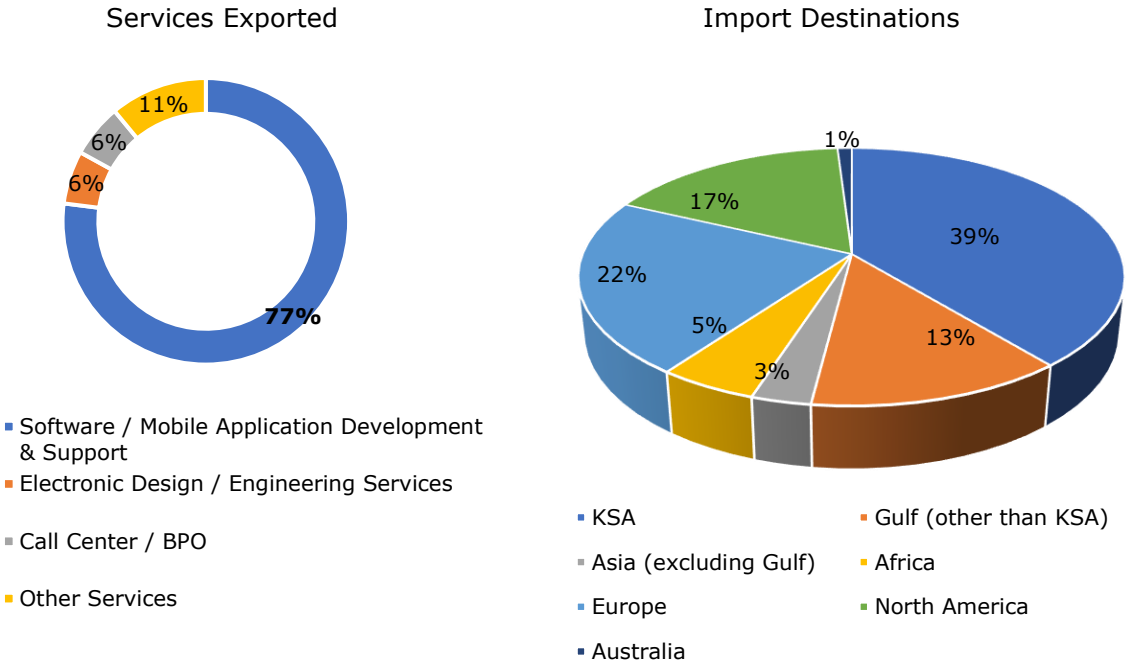
Maximum Support

- EGP 2.5 million (≈ USD 50,000) per company

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

The Export-IT program provides direct financial support to eligible Egyptian companies, especially micro, small, and medium-sized enterprises (MSMEs), based on the value-added export revenues they generate within a specific year (see Box 2). Export-IT program functions as a rebate system to incentivize service exports, where companies must complete service delivery and verify payment inflow into Egypt before receiving reimbursements on their value-added export revenues. Such governance model ensures accountability and encourages companies to expand export activities.

Figure 4: Export-IT Indicators 2023 (% of exports of approved companies)



Source: ITIDA website (2025)

In 2024, two new rounds of the Export-IT program were launched, covering export proceeds earned in 2022 and 2023. During the 14th round, 191 Egyptian companies applied, including 45 newcomers from various regions. The 15th round saw an increase, with 205 applicants and another 46 new participants. The main export sectors served were IT and Communications (55%). Key services exported represented were software and mobile app development, call centers, business process services (BPS), as well as electronic design and engineering services. Top destination markets included Saudi Arabia, Europe, and North America (Figure 4). Since the program 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.[14] Additionally, Box 3 illustrates an example of private sector engagement in export promotion initiatives.

Box 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 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 programs 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 (PSU) and its Market

Intelligence Unit (MIU), 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' offerings 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, 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, https://expolink.org/

C. The Digital Egypt Vision 2022–26

Another milestone in Egypt's strategy to boost its outsourcing industry was the launch of the Digital Egypt Vision 2022–26, an ambitious national strategy unveiled by the Ministry of Communications and Information Technology (MCIT) in 2022 and implemented through the Information Technology Industry Development Agency (ITIDA). The plan aims to enhance Egypt's position in the global digital economy, with a target to increase digitally delivered services to USD 9 billion by 2026, at a compound annual growth rate (CAGR) of 19%. In 2024, Egypt's digitally delivered services exports reached approximately USD 7 billion, marking significant progress toward this goal. The strategy aims 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 & Development services (ER&D) (MCIT, 2022).

With the twin goal of increasing employment opportunities and boosting the competitiveness of local IT exporters, the strategy adopts an Operating Expenditures (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% in 2022 and 2023 to 40% by 2026, Tier 2 from 100% to 70%, and Tier 3 from 100% to 90%. Eligibility is determined by the number of new jobs created across ITS, BPS, and ER&D, with tiers reflecting the scale of headcount growth.[15] Incentives are disbursed only upon meeting minimum hiring thresholds—no payouts are made if less than 50% of targets are met, while 90% is awarded if 80% 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 (FTE), 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 centers employing over 145,000 specialists (MCIT, 2024).

7. 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 centers, 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% on investment costs in geographically disadvantaged areas (high-development-need areas) and 30% 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 taxes and registration fees for five years, a reduced customs tax of 2% on imported machinery, and eligibility for location-based tax deductions. The law also provides flexibility in hiring foreign workers (up to 10–20% 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 favorable investment climate for ICT, aimed at lowering operational costs, encouraging FDI, and supporting Egypt's positioning as a competitive global technology hub.[16]

Table 4: ICT Investment Incentives in Egypt

Category	Incentives	Benefits
Technological Zones	Tax & 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 Tax & 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 & Financing	Freedom to fund projects and transfer profits in foreign currency with no delays
Procedural & Regulatory Reforms	Investor Service Center (ISC)	One-stop shop for establishment services
	Golden License	Unified approval for strategic projects tax & customs exemptions for export commitments

Source: Author's elaboration based on the regulatory framework outlined in the text.

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 Center (ISC) in 2017 as a one-stop shop that centralizes incorporation, licensing, and post-establishment services, while improving accessibility for investors across regions[17], a step that has been particularly critical for ICT and outsourcing firms which depend on speed and operational efficiency. In parallel, the Golden License[18] was introduced in 2022 as a unified approval for strategic projects[19], granting tax and customs exemptions in return for export commitments, thereby accelerating business operations and supporting export growth.[20] Collectively, these reforms have enhanced Egypt's attractiveness as an investment hub, with UNCTAD recognizing it as Africa's top FDI destination in 2022 (Table 4).

A. 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 countries – either via subsidiaries, partnerships, or a direct presence.[21] 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, 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 IAOP.[22]

B. 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 improving rankings in several global indicators. According to the fDi Insights' 2025 report, published by the Financial Times, Egypt emerged as the leading destination in the MENA region for capital investment, securing over USD 54.5 billion in pledged investments across 139 announced FDI projects in 2024, representing an increase of almost 4% compared to FDI projects in 2023.

According to A.T. Kearney's 2025 FDI Confidence Index (FDICI), Egypt ranked 13th among emerging markets, up one rank from 14th in 2023, reflecting strong investor confidence.[23] As shown in Table 5, Egypt ranks 4th within the MENA region, positioning it as a key emerging market for foreign investors, following the United Arab Emirates UAE (2nd) and 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 5: AT Kearney 2023 vs. 2025 FDI Confidence Index – Emerging Markets Ranking

Rank 2023	Country	Rank 2025	Country	Change in rank
1	China	1	China*	Remains on Top
2	India	2	UAE	▲ +1
3	UAE	3	Saudi Arabia	▲ +3
4	Qatar	4	Brazil	▲ +3
5	Thailand	5	India	▼– 3
6	Saudi Arabia	6	Mexico	▲ +2
7	Brazil	7	South Africa	▲+10
8	Mexico	8	Poland**	▲ significant leap
9	Argentina	9	Argentina	No change

Rank 2023	Country	Rank 2025	Country	Change in rank
10	Malaysia	10	Thailand	▼– 5
11	Indonesia	11	Malaysia	▼– 1
12	Philippines	12	Indonesia	▼– 1
13	Vietnam	13	**Egypt**	▲ +1
14	**Egypt**	14	Turkey	▲ +1
15	Turkey	15	Chile**	▲ significant leap

Source: AT Kearney 2023 and 2025 FDI Confidence Index
* Including Hong Kong.
** The country was not among the top 25 emerging markets ranking as of 2023.

8. 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 (USD 35 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% 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.

A. 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 programs for postgraduates. In this regard, Egypt places strong emphasis on STEM (Science, Technology, Engineering, and Mathematics) education. The Ministry of Education launched specialized STEM-focused schools in 2011, integrating ICT curricula and programs 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% holding STEM degrees (ITIDA, 2024).

This talent pool is further strengthened via various vocational programs and initiatives. A prominent player in this field is the Information Technology Institute (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, ITI trained more than 8,000 postgraduates and 23,400 undergraduates, achieving an 85% employment rate. Its programs covered 90 job profiles aligned with market needs and were delivered through a nationwide network of 21 hubs and 94 training centers. Collaborating with over 70 universities and 500 companies, ITI has built a robust ecosystem that equips individuals with the digital skills needed to thrive in both local and global markets (MCIT, 2024).

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. Programs such as Learn to Go Offshoring (L2GO), the Up4Jobs Project, and Train to Hire schemes are

implemented in collaboration with private sector partners, training institutions, and international organizations (see Box 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 ITES 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.

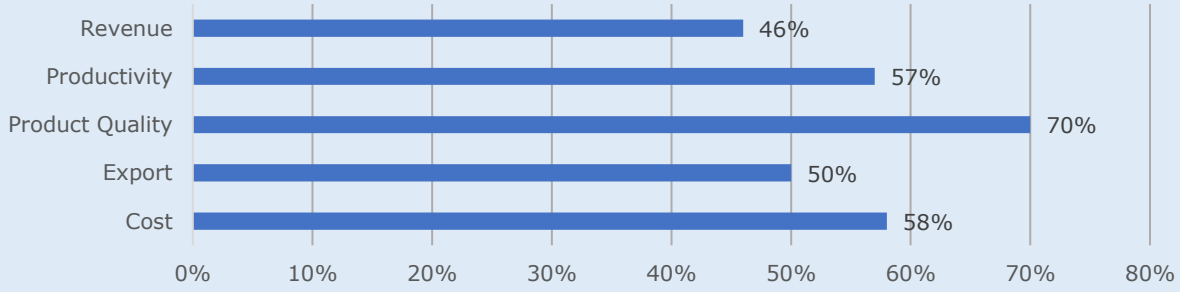
Box 4. Capacity building, certification, and industry excellence

The Software Engineering Competence Center (SECC)

The Software Engineering Competence Center (SECC), founded in 2001 as the first center of its kind in the Middle East[24], 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 (ESTB). The center also supports innovation and modernization through initiatives like DX4IT, fosters collaboration with global institutions such as Carnegie Mellon's SEI and connects Egypt to global technology ecosystems by serving as the national focal point for Free and Open-Source Software (FOSS) and acting as the National Contact Point for EU-funded ICT research programs.

By 2025, 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 center 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. SECC has also helped certify 16,759 professionals in fields such as ISTQB, ITIL, Agile, Six Sigma, and COBIT, while attracting 28,187 participants to its conferences, webinars, and Tech Nights.[25] The effectiveness of SECC's interventions is further evidenced by improved company performance on several fronts (Figure 5). These achievements underscore SECC's central role in developing human capital, strengthening process maturity, and enhancing the global market readiness of Egypt's software industry.

Figure 5: SECC Services' impact (% witnessed improvements)



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

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

the Grow IT Enterprise Capacity Building Program, designed to improve the international competitiveness of Egyptian ICT companies. It helps export-oriented firms enhance business management, strategic planning, and operational efficiency and supports companies in becoming more effective and export-ready through consultancy and training delivered by expert consortia.[26]

B. Inclusive capacity building: targeted support for SMEs, startups and women

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 programs 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 programs actively promote the participation of women, enabling them to contribute more effectively to the growth of IT-enabled services and outsourcing.

a. 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.[27] On the one hand, it collaborates with universities to incorporate 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.

TIEC supports early-stage startups and SMEs through comprehensive programs, including Pre-Incubation and TIEC's Start IT Incubation. The Pre-Incubation program 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 (approximately USD 0.33 million) in investments. The Start IT program helps innovators transform their minimum viable product (MVP) 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 program. In addition, 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 center 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 program, launched by ITIDA in April 2025 in partnership with Flat6Labs[28] 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 A[29] 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 (TIEC, 2024).

The Digital Transformation for IT companies (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 program provides grants for participation, with higher support rates for SMEs (up to 80% for small, 70% for medium, and 60% 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 roadmap, along with ongoing consultancy.

A prominent nationwide initiative is also 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 programs. 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 in investments and the creation of 1,076 jobs (MCIT, 2024).

b. 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%, nearly twice the pace of men's ICT employment growth, which stood at 3.6%. This rapid increase led to a significant shift in women's representation in the sector, whereby the 2021 the share of women working in ICT more than doubled compared to 2009, rising from 1.0% to 2.3% 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, et al, 2023).

Egypt places strong emphasis on promoting gender inclusion in the digital economy, focusing efforts on empowering women through targeted capacity-building programs and inclusive training initiatives. For instance, a Women Entrepreneurship Initiative, "Heya Raeda," is designed to empower women entrepreneurs by integrating technology into their business ventures. The program covers key areas essential for building a strong business, including technology, financial fundamentals, marketing, and innovation. Participants gain insights into core business modeling 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).

9. CONCLUSION 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, youthful, multilingual, and cost-competitive workforce give Egypt a competitive edge among 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 "Digital Egypt Vision 2022-26", 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 artificial intelligence 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.[30]

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 managed to establish support structures, including export rebate programs, digital skill initiatives, and investment incentives schemes. These illustrate how state-led coordination can catalyze 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 programs, and pinpoints the necessity for continuous alignment between education systems and evolving industry requirements. Similarly, continued efforts to decentralize the industry beyond Cairo underscore the importance of regional inclusion via infrastructure diversification and targeted capacity building programs, 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 countries 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/USD**.

[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 (PDPL), in line with the requirements of the global best practice, the EU's General Data Protection Regulation (GDPR).

[5] In 2023, the Egyptian Authority for Intellectual Property (EAIP) was established to consolidate all IPR responsibilities under one central authority with the aim to enhance effective IP protection, support the Sustainable Development Goal 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

[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 customer experience CX buyers, reflecting its ability to deliver culturally aligned and high-quality services.

[11] Insights are based on a personal interview with the Vice 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] Information retrieved from ITIDA.

[15] 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.

[16] 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

[17] For more information from General Authority for Investment and Free Zones (GAFI). *Investor Services Center – One-Stop Shop*. https://www.gafi.gov.eg/English/Howcanwehelp/OneStopShop/Pages/default.aspx

[18] 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 June 28, 2022 and finally operational in September 2022**.**

[19] The 2023 amendment of Egypt's investment law expanded eligibility for key the Golden License to include companies incorporated to set up a public-private partnership PPP in telecommunications and IT.

[20] For more information from (GAFI). *Golden License Guidebook*.
https://www.investinegypt.gov.eg/Fact%20Sheets/Golden%20License%20Guidebook.pdf

[21] Key examples are Xceed, established in 2001, with a presence in Egypt, Mauritius, Morocco, KSA, and UAE. And Centro, founded in 2010, operating in Egypt, KSA, UAE, USA and the Philippines.

[22] Those companies are Raya Contact Center and Xceed, categorized as leaders, as well as Centro and Octopus Outsourcing, categorized as rising stars.

[23] 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

[24] SECC was established under the MCIT in 2001and later incorporated into ITIDA in 2005.

[25] Information retrieved from SECC website available at: https://secc.org.eg/English/Pages/default.aspx

[26] Information retrieved from ITIDA.

[27] TIEC is a subsidiary of ITIDA launched by the MCIT in 2010 to promote innovation and entrepreneurship in Egypt's ICT sector.

[28] 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 programs and follow-on funding.

[29] The "Seed" stage is the initial funding phase used to develop the business idea, build a prototype or minimum viable product (MVP) and conduct early market testing. "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 larger funding round aimed at scaling the business, expanding market reach and accelerating revenue growth based on proven performance and a clear growth strategy.

[30] Insights are based on a personal interview with ITIDA former Vice CEO and founding chairperson of Silicon Waha for technology parks, Egypt, 2025.

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ACRONYMS

AI	Artificial Intelligence
BPO	Business Process Outsourcing
BPS	Business Process Services
CAGR	Compound Annual Growth Rate
CAPMAS	Central Agency for Public Mobilization and Statistics
CBE	Central Bank of Egypt
CMMI	Capability Maturity Model Integration
COBIT	Control Objectives for Information and related Technology (a certification field)
CX	Customer Experience
DTUs	Digital Transformation Units
DX4IT	Digital Transformation for IT companies
EAIP	Egyptian Authority for Intellectual Property
EEA	Egyptian Exporters Association – ExpoLink
EEI	Egyptian Education Initiative
EGP	Egyptian Pound
ER&D	Engineering Research & Development services
ESTB	Egyptian Software Testing Qualifications Board
EU	European Union
FDI	Foreign Direct Investment
FDICI	FDI Confidence Index
FOSS	Free and Open Source Software

FTE	Full-time employee
GBS	Global Business Services
GDP	Gross Domestic Product
IAOP	International Association of Outsourcing Professionals
ICT	Information and Communication Technology
ISC	Investor Service Center
ISTQB	International Software Testing Qualifications Board
ITIDA	Information Technology Industry Development Agency
ITIL	Information Technology Infrastructure Library (a certification field)
ITI	Information Technology Institute
ITO	Information Technology Outsourcing
IoT	Internet of Things
ITES (or **IT-ES**)	IT-enabled services
ITS	Information Technology Services
KS	Knowledge Services
KSA	Kingdom of Saudi Arabia
L2GO	Learn to Go Offshoring
MCIT	Ministry of Communications and Information Technology
MENA	Middle East and North Africa
MIU	Market Intelligence Unit
MSMEs	micro, small, and medium-sized enterprises
MVP	Minimum Viable Product
NGO	Non-profit Organization
ODI	Outward Direct Investment

OPEX	Operating Expenditures
PMI	Project Management Institute
PPP	Public–Private Partnership
PSU	Policy Support Unit
RFIs	Requests for Information
RFPs	Requests for Proposals
SECC	Software Engineering Competence Center
SMEs	Small and Medium-sized Enterprises
STEM	Science, Technology, Engineering, and Mathematics
TIEC	Technology Innovation and Entrepreneurship Center
UAE	United Arab Emirates
UNCTAD	United Nations Conference on Trade and Development
USD	United States Dollar
WIPO	World Intellectual Property Organization