



A National E-commerce Strategy for Egypt



Shamika N. Sirimanne
Director, Division on Technology and
Logistics

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E-Commerce is Transformational

...Bringing both
opportunities
and **risks**
for developing
countries



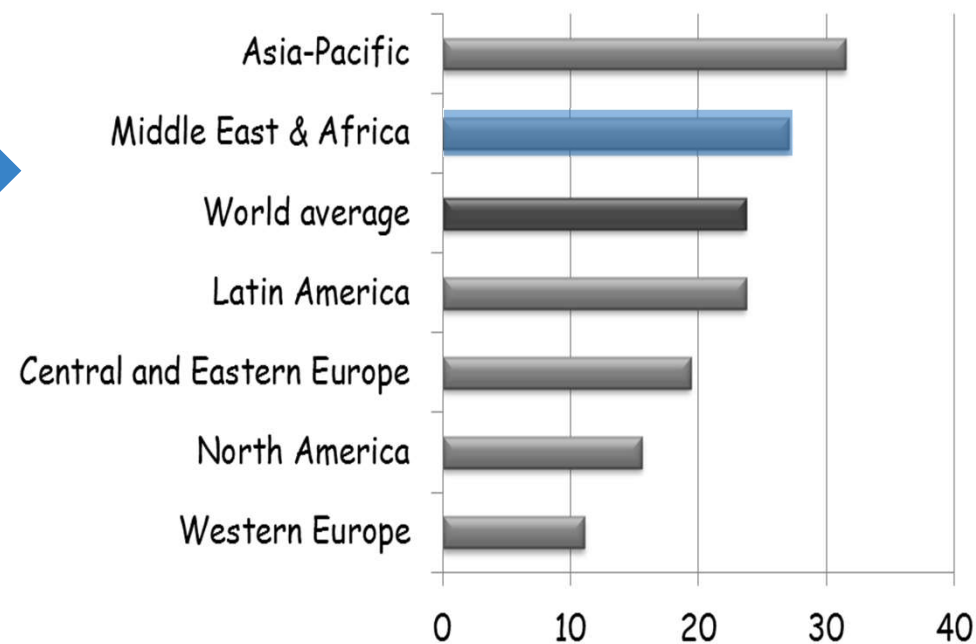
The digital evolution has major implications for the implementation of the **2030 Agenda** for Sustainable Development

Emerging markets growing fast



- Online shoppers in the top ten e-commerce markets rose from 600 million to 1.2 billion between 2010 and 2016 ...and digitalization has only begun
- Internet-enabled devices to rise from 6-8bn to 25-50bn by 2020

Retail e-commerce growth 2016

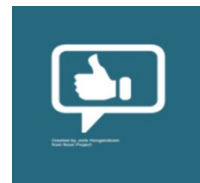


Source: UNCTAD, eMarketer, August 2016.

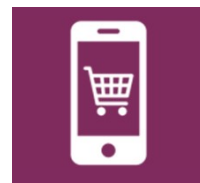
The e-commerce divide is huge



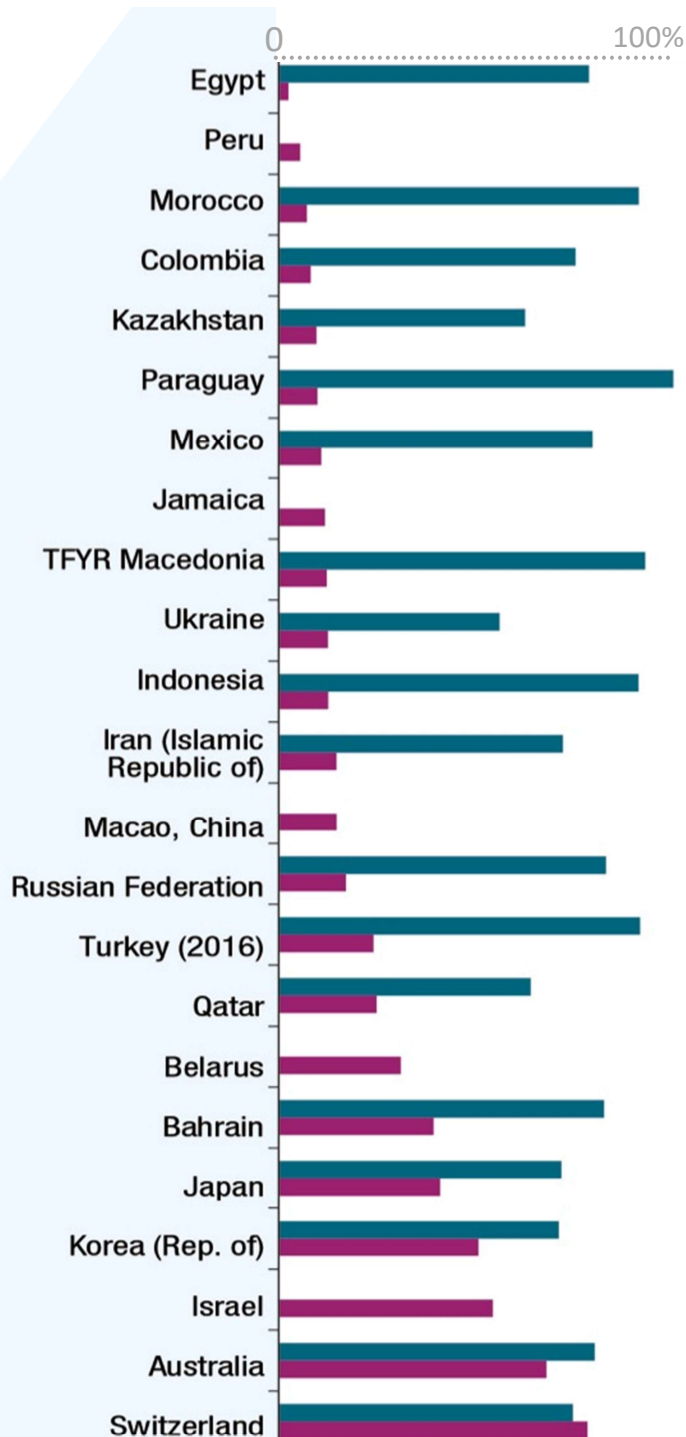
Proportion of internet users purchasing online and participating in social networks, selected countries, 2015. Source: ITU



Participation rates in social media



Purchasing goods and services online



Current uptake of e-commerce

- Key facts



Only about 5.3% of internet users 15+ years in Egypt shop online

Very few Egyptian enterprises current sell online:
17% of large firm
3% of small firms

Social media preferred channel for online marketing

Even lower for women, older people and in rural areas

Only 1 in 10 handicraft MSEs use the Internet; much fewer sell their products online



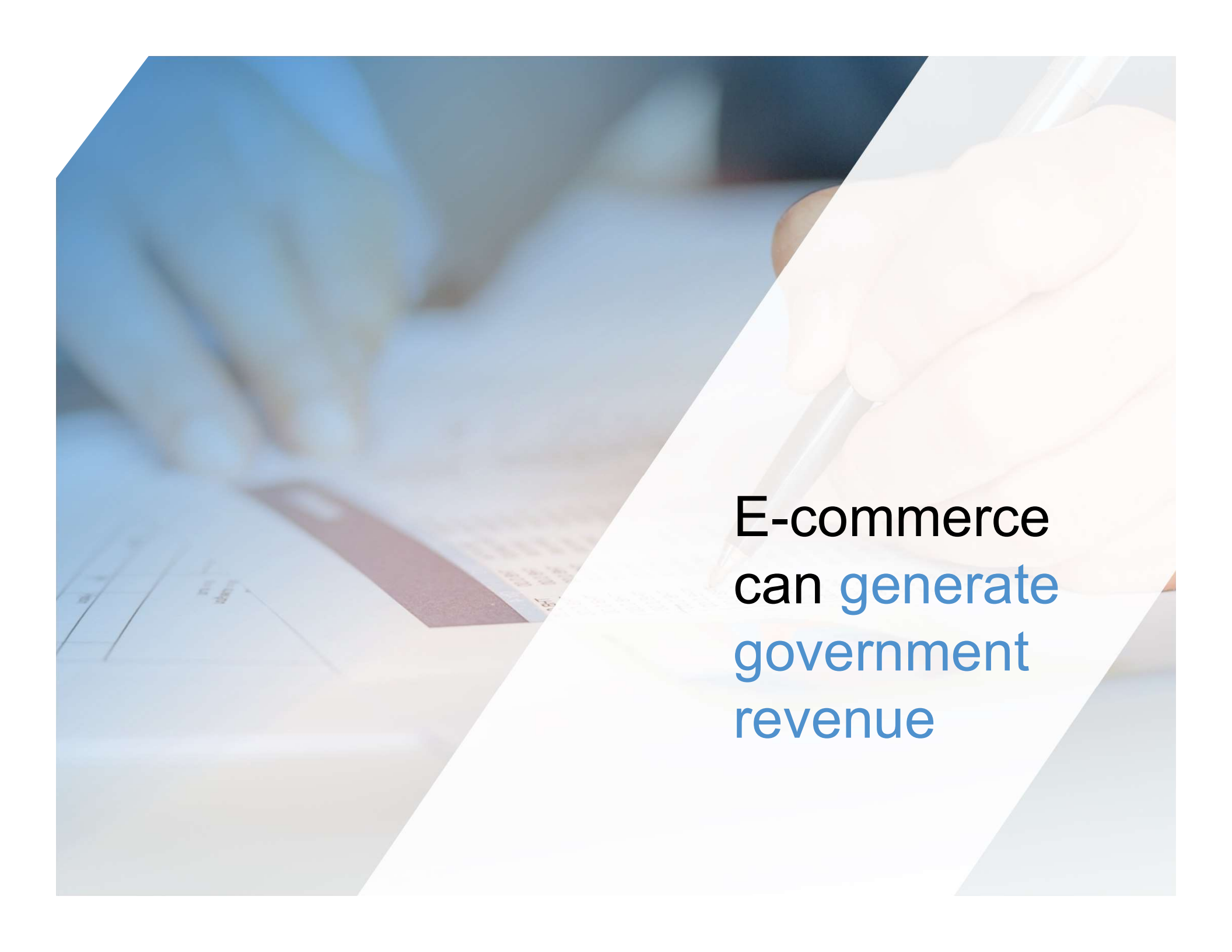
E-commerce
can boost
economic
growth



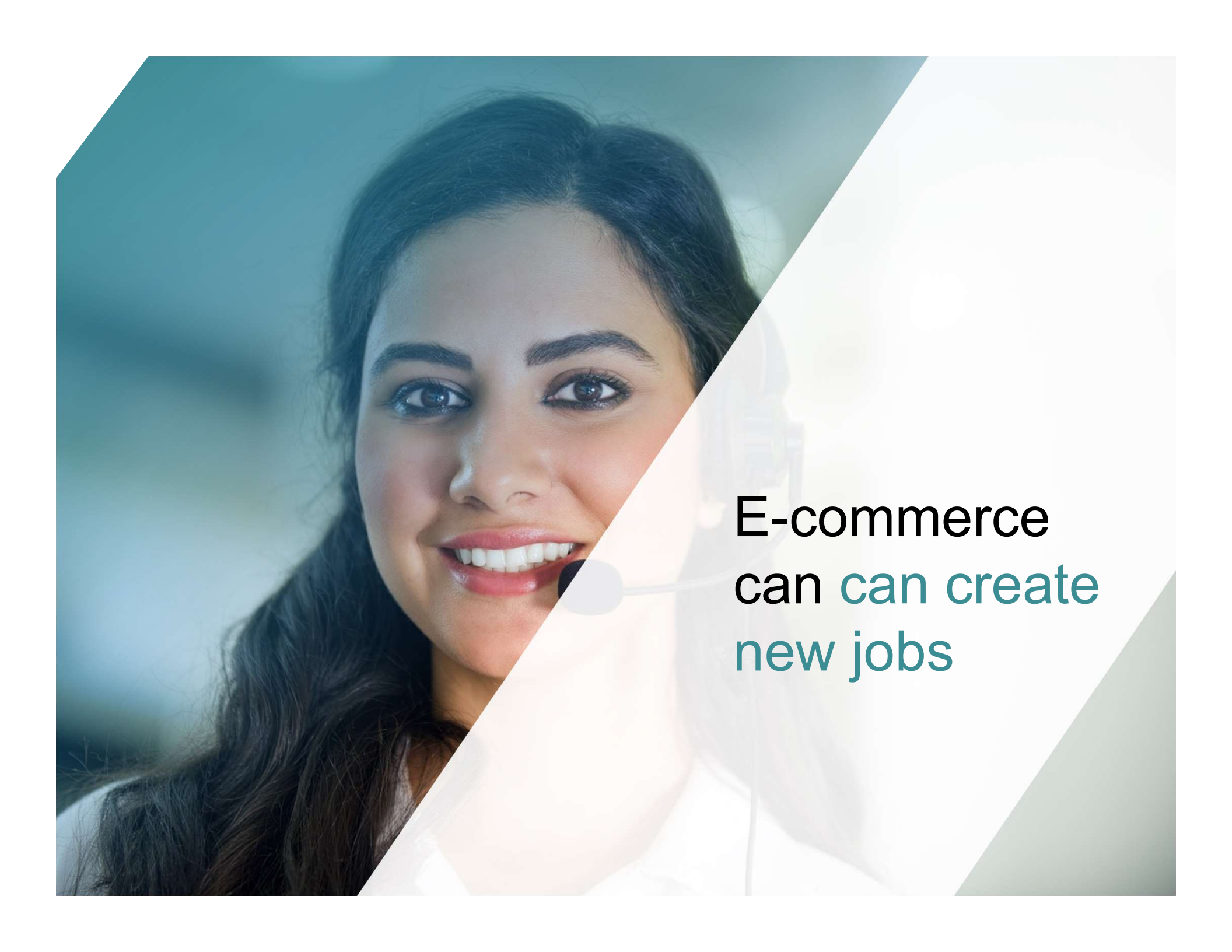
E-commerce
can facilitate
exports



E-commerce
to stimulate
rural
development

A close-up photograph of a hand holding a pen and writing on a document. The image is split into two halves by a diagonal line. The left half is a blurred image of a hand writing on a document, with a blue tint. The right half is a clearer image of a hand writing on a document, with a white semi-transparent triangle overlaid on it. The text "E-commerce can generate government revenue" is written in black and blue font within this triangle.

E-commerce
can generate
government
revenue

A woman with long dark hair, wearing a headset, is smiling. The image is split diagonally from the top-left to the bottom-right. The top-left portion is a teal color, and the bottom-right portion is white. The woman's face is in the center, overlapping both colors. The text is positioned on the white background to the right of her face.

**E-commerce
can create
new jobs**



Inclusive Process



- The development of this strategy has involved
 - Close collaboration with MCIT and other ministries
 - Desk research
 - Consultations with key stakeholders in public and private sector
 - Surveys and focus group discussions
 - Collaboration with the World Bank on payments and several other international organizations to ensure state-of-the art recommendations
 - Financial contribution by MasterCard gratefully acknowledged
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Broad consultations

100+ government officials
and stakeholders

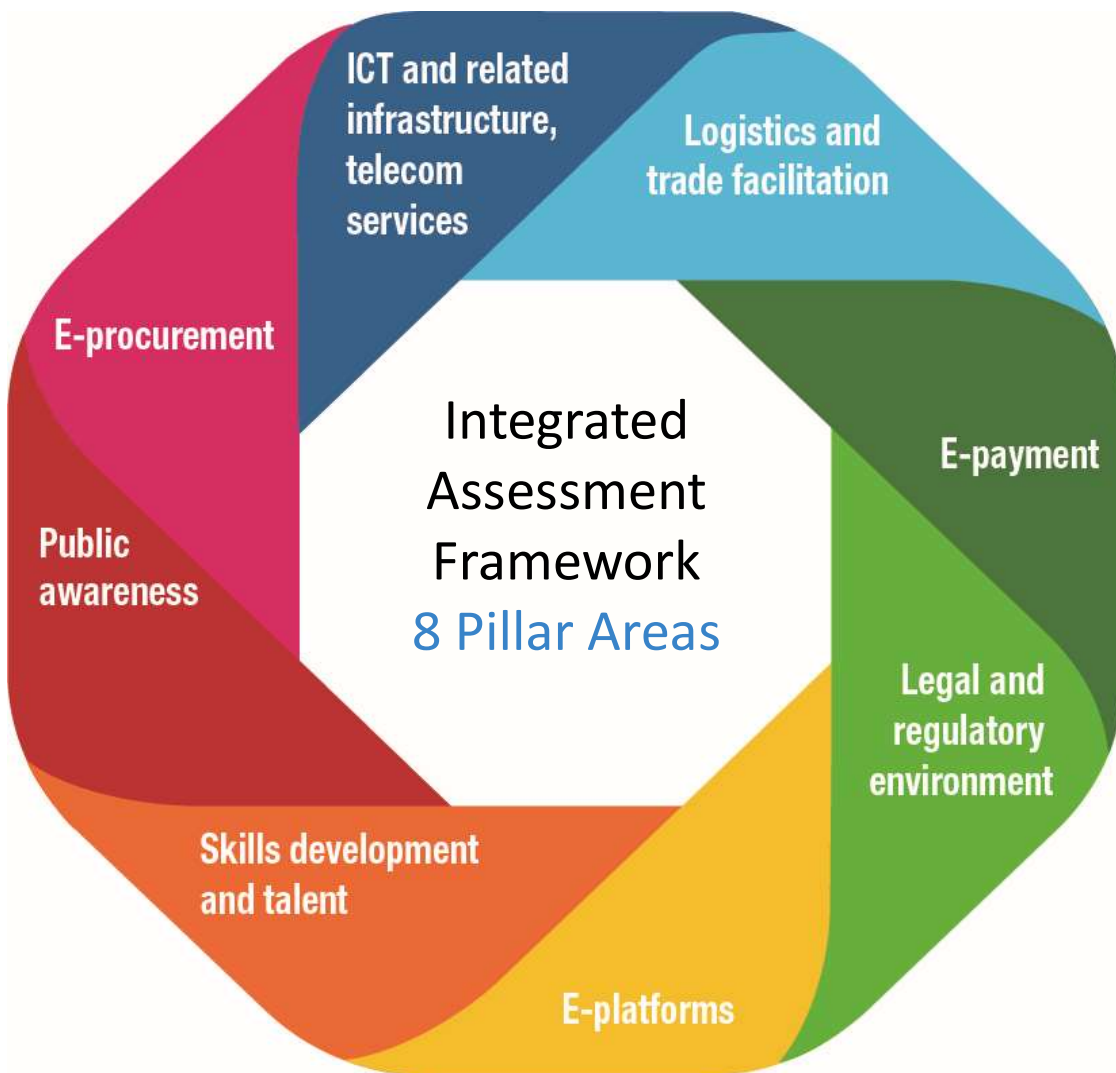


Ministry of CIT (lead)
Ministry of Trade
Ministry of Finance
General Authority for Foreign
Investment (GAFI)
ITIDA
ITI
NTRA
Central Bank
Consumer Protection Agency
Egypt Post

Customs Authority
Social Fund
Jumia
Commercial banks
MasterCard
Visa
Google
FedEx
Greek Campus
And more...



Strategy Development & Implementation Process



SWOT Analysis



STRENGTHS

- Political commitment
- Competitive IT and ITES sector
- Engineering and technology talent
- Tech-savvy youth
- Established postal sector
- Large market

OPPORTUNITIES

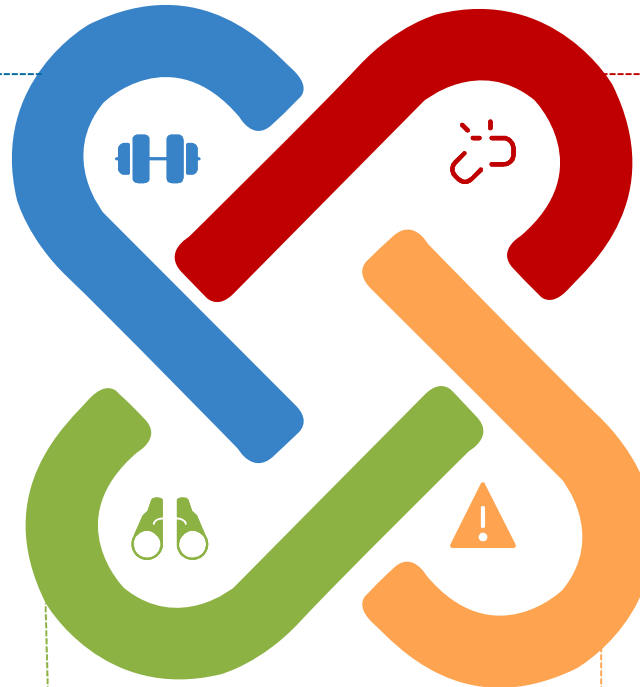
- Boost exports & competitiveness
- B2B in global value chains, such as BPO
- Connect rural and urban markets
- Mobile payments
- Entrepreneurial digital start-ups
- Logistical hub

WEAKNESSES

- Limited uptake of e-commerce
- Need for faster broadband
- Cumbersome customs procedures
- Cash-based society
- MSEs lack knowledge and value proposition

THREATS

- Regional and global competition
- Brain drain
- Re-shoring and automation
- Perception of security instability



Components of the Strategy



Egypt's
E-commerce
Vision and Goals
+ Overarching
Objective



6 Sub-
strategies



Recommen-
dations and
Action Plan



Strategy

6 Megaprojects



By 2020, Egypt fully leverages the potential of e-commerce and the talents of her people to boost regional and international exports and domestic trade, to provide a channel for consumers and businesses to buy and sell, and to create jobs and innovation in the e-commerce ecosystem producing e-commerce products, services and applications.

Egypt's Vision for E-Commerce

1

Overarching strategic objective:
Leverage e-commerce to increase the wealth of the nation through economic growth, export competitiveness and job creation

2

Raise B2C & B2B e-commerce volume to GDP from current 0.5% to 1.5-2%

3

Double the number of Egyptian businesses selling online

4

Increase significantly share of e-payments in e-commerce from current 8-10%

Egypt's Broad Goals for 2020

6 Key Sub-Strategies



1

Empower businesses through e-commerce

3

Exploit the strengths and opportunities in the ICT sector for e-commerce

5

Stimulate growth in the payments sector in support of e-commerce and financial inclusion



2

Incentivize the formalization of informal MSEs through e-commerce

4

Boost growth in the logistics sector in support of e-commerce

6

Build and protect consumer market for e-commerce



INFO

STRATEGY =

Sub-Strategy

3



Strengthen the ICT Infrastructure

Specific actions recommended



- Ensure access to cheaper, high speed broadband
- Continue improving fibre access
- Release spectrum for 4G mobile broadband
- Undertake study on the quality of service of broadband
- Reduce the price of international gateway licences





Leverage the IT sector

Specific actions recommended



- IT sector innovative small businesses
- R&D for innovative e-commerce
- Grow mobile apps developers
- Training SMEs, incubators and accelerators
- Strengthen startup institutions, ie. Greek Campus, TIEC



- 
1. E-Commerce Business Facilitation Hub
 2. National B2C E-Commerce Platform
 3. Rural E-Commerce Development Initiative
 4. Empowerment of youth and SMEs
 5. E-Payments
 6. Branding of Egypt as BPO destination

6 Mega
Projects

Megaproject 5: E-Payments



Establish authentication framework such as 3D secure and universal bank adoption

Create new payment method: electronic direct bank payment method ie. Deal, UPI

Strengthen e-money products, including Mwallet.

Awareness raising and e-payment incentive measures such as lucky draws and national lottery

Adoption of zero liability for customers in unauthorized transactions.

Cabinet

Strategy Governance

**E-commerce
Ministerial
Committee
(Chaired by ICT
Minister)**

Minister of Communications & Information Technology
Minister of Trade & Industry
Minister of Finance
Chairman of the Federation of Chambers of Industry & Commerce
Chairman of the Central Bank

Strategy Implementation

**MCIT National E-commerce
Committee**

Coordinator:

- MCIT (Central Department for Information and Decision Support)

- MoF
- ITI
- ITIDA
- Central Bank
- Federation of Chambers of Commerce

- Egypt Post
- Visa & Master
- National and Multinational ICT companies

Members:

- MTI

- Consumer Protection Agency

**Program
Management
Unit**

Project Implementation

**Focal
Point**

**Focal
Point**

**Focal
Point**

**Focal
Point**

**Focal
Point**



Conclusion

- E-commerce is an imperative for inclusive economic growth
- The potential for e-commerce growth in Egypt is high
- MCIT is well positioned to take the lead in realizing it
- To ensure net positive impact requires
 - ✓ attention to both opportunities and challenges
 - ✓ Cross-sector cooperation and effective collaboration within government and with private sector and others
- This strategy should help government leverage e-commerce for sustainable development gains
- UNCTAD looks forward to continue its partnership with Egypt



Thank you!

For more information contact
ict4d@unctad.org

ICT Policy Review Programme
Division on Technology
and Logistics UNCTAD