



Arab Republic of Egypt
Ministry of Communications
and Information Technology

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Title: ICT Minister: Technological Zones to Turn Egypt into ME Silicon Valley
Source: Daily News Egypt

The Ministry of Communications and Information Technology targets a growth rate of 10% for the telecommunications sector in the current fiscal year (2015/2016), according to Minister of Communications Yasser Al-Qadi.

In an interview with Daily News Egypt, he said the ministry is prioritizing the modernization of infrastructure and the establishment of technological zones.

Was the ministry's plan discussed with the Prime Minister?

Yes, the plan has been discussed with Sherif Ismail, the Prime Minister, during his visit to Smart Village a few weeks ago, during which he visited some international companies based in the Smart Village. The ministry's strategy until 2020 will be included in the government's 2018 plan.

What are the Ministry of Communications' priorities in the upcoming period?

Modernizing the infrastructure of the telecommunications sector is at the top of my priorities. Moreover, I will work on stabilizing the sector by resolving conflicts between companies operating in the market, especially in light of the numerous challenges the sector has faced.

How will you resolve those conflicts?

From the moment I took charge of the ministry, I have been conducting semi-regular meetings with the four telecommunications companies operating in the market to familiarize myself their problems and work to resolve them. We have met four times so far. I also met with each company individually three times. I met with Telecom Egypt (TE) about 15 times.

These meetings were held to propose solutions for the conflicts between the four operators, to stabilize the market.

Are there any updates regarding the status of the unified license, after it was suspended following Atef Helmy's departure from the ministry?

We have recently conducted several studies to launch the unified license and build a unified infrastructure entity. However, conducting studies does not necessarily lead to launching the license; rather it only provides trends that can be worked on. We are now considering the right time to launch the license, as our priority is providing frequencies to mobile operators.

We are excluding part of the proposal, as we will not be building a unified infrastructure entity, since major investments have been pumped in that sector over 10 years. As such, we believe it would be better to direct the companies' investments to providing them with new frequencies and improving 3G services, and possibly launching 4G services. In addition, building a similar infrastructure will take tens of years, as TE built its 2,000 communications centres over a long period of time.

When will the 4G service be launched?

We will launch the 4G licenses before the end of next year.

Do you think TE can efficiently provide infrastructure services?

TE has been operating for over 160 years. During that period, it managed to provide the sector's infrastructure. The company is now developing the infrastructure in accordance with the market's needs, which proves its ability to continue.

What national projects is the ministry currently working on?

We are currently working in collaboration with the Ministry of Health to automate medical services in hospitals and health units to provide more comfort and sophisticated services for citizens. We are also working on projects in education, in addition to the PPP projects we have launched for smart meters and mechanizing the notary and commercial registry offices.

We are preparing to launch a new national project during the 2015Cairo ICT conference.

What is your vision for the establishment of technological zones?

Ernst & Young and the Information Technology Industry Development Agency (ITIDA) have together prepared a study on the establishment of technological zones, and demonstrated the project's economic feasibility, as well as achieving equality in development.

We will not stop at building smart buildings, and providing innovation centers. We wish to create a business society, which we will call Business Park, in governorates to become the nucleus of development. The seven technological zones we are planning to establish will secure jobs in governorates.

Development should be distributed equally between different geographical areas. This helps to create investment opportunities for those areas, and consequently attracting investment. The state's most important focus for development is to invest in infrastructure and provide training and employment opportunities.

This will indirectly reflect on the national economy by reducing internal migration and cutting down on gas and energy consumption. It will also improve the investment climate in Egypt.

What are the main features of the establishment of the technological zones?

The state will have 20% shares in the company and the private sector will take the remaining 80% of the capital. This is to allow the private sector a chance to invest in the sector and avoid government routine. ITIDA will represent the government in the company, as it is concerned with developing the technology sector. We have offers from five investors willing to participate in the establishment of the company, which will build seven technological zones, in Alexandria, Damietta, Aswan, Assiut, Beni Suef, Sadat City, and 10th of Ramadan City. Those zones will make Egypt the Silicon Valley of the Middle East. We aim to building an innovation ecosystem.

Some believe this may not be the right time for technological zones. What do you think?

Those people can come forth and suggest the right time. Should we wait for those zones to separate from the state? I have had experience with investment mechanisms from my time spent working in the private sector. I know how to establish a business economy than can generate revenues for the sector and the state.

Does imposing a maximum wage protocol repel experts from the government sector?

Of course not. I personally worked in the private sector. I left my job to serve Egypt. The country is full of experts who are willing to serve their homeland regardless of compensation.

When will you appoint the heads of the National Telecommunications Regulatory Authority and ITIDA?

The problem with the announcement is their obligations towards their workplaces right now. The official announcement will be made in January.

We have world-class experts. Why don't we utilize them?

We welcome all Egyptian, inside Egypt and abroad, who are willing to help us boost the growth of the sector.

What growth rates do you project for the sector in the coming period?

We expect a rate between 8% and 8.5% in this period. However, we were asked to increase the rate to 10%.