



Arab Republic of Egypt  
Ministry of Communications  
and Information Technology

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Title: MCIT aims to Increase Exports Volume to 3bn over Three Years

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The Ministry of Communications and Information Technology (MCIT) aims to increase the volume of its exports to 3bn over the next three years.

Minister of Communications and Information Technology Yasser Elkady told Daily News Egypt in an interview that the ministry is relying on several fronts in order to stimulate foreign direct investment in the coming period, especially in the electronic manufacturing sector.

He noted that sovereign authorities are currently freeing up the frequencies earmarked for the 4G services, in cooperation with the National Telecommunications Regulatory Authority (NTRA) in accordance with a clear timetable, adding that the 4G services will be officially activated before the end of this year.

**After mobile operators obtained the 4G services, when will the companies receive the frequencies? Was the US dollar portion of the fees paid in full? Is there a timetable for offering additional frequencies after rumours that MCIT has been negotiating with sovereign authorities to free up the frequency bands?**

The 4G frequency bands allocated for the mobile operators are now being freed up in accordance to an agreed-upon timetable. The NTRA is in talks with mobile operators to redistribute the frequencies amongst the companies. MCIT has also initiated new negotiations with the sovereign bodies to obtain more frequency bands and grant them to the companies. Companies must be prepared for additional frequencies.

As for the 4G licences fees, all companies paid for them in full. The US dollar-denominated portion was funded by their mother companies abroad—which I would consider as foreign direct investment.

The government, MCIT, NTRA, and all the players in the CIT sector support the 4G services. We aim to provide better communication services to citizens. Moreover, the sector provides adequate revenues for the state and supports its public budget. Are there specific timetables for the operators to receive the designated 4G frequency bands?

The frequencies are currently being evacuated, according to the schedule agreed upon. The NTRA is discussing with companies on how to distribute them. Frequency bands are being gradually freed up in each region separately.

Currently, telecommunication companies are running pilot 4G services. Officially, the 4G services will be available to clients before the end of this year.

**How do you see the distribution of frequencies amongst the four telecommunications companies?**

In the beginning, I want to ensure that there is a strong framework that enables the NTRA to carry out its role for the sake of companies' development and offering better services to citizens. It is important to maintain the companies' investments, being vital partners for development.

As for the distribution of the frequency bands, I could say it was good and positive for the entire sector. Furthermore, Telecom Egypt (TE) has finally managed to pivot into an integrated operator after obtaining the mobile licence—which is one of the most important moves in the sector over the past 20 years.

Etisalat received the 4G licences for 535.5m and landline service licence for 11.262m; boosting the company's allocated frequency bands to 40 MHz.

Vodafone Egypt obtained the 4G licence for 335m and the landline licence for 11.262m, which gives it a total of 42.5 MHz of frequency bands.

As for Orange Egypt, NTRA approved its 4G licence at 484m and landline licence at 11.262m.

**In what cases would the 4G licences be revoked?**

There is no such thing. Relations between companies and the government are based on partnership, with the goal of offering better services to citizens. If a company does wrong, there will be talks, but no penalties or fines. Our relationship with mobile operators is not punitive.

## **What is the main focus of the MCIT's strategy during the coming period?**

Our strategy relies on several fronts, for example developing databases through revising, updating, and linking them together. This would be the most important focus, following the directives of President Abdel Fattah Al-Sisi.

To build a nation, one must have accurate information.

We are working to improve and provide databases that could assist the state with its conquest of planning national projects through supplying correct and accurate information.

An accurate database would enable the state to assess the size of owed taxes, customs, subsidies and their distribution, and education dropout rates, as well as helping with the establishment of certain systems, such as health insurance.

We also have our eyes fixed on expanding the establishment of technological parks and the City of Knowledge at the New Administrative Capital.

The City of Knowledge is one of the cultural development projects that will be established in the New Administrative Capital. It will be established based on advanced information technology in all sectors, both in terms of transportation facilities and designs. It will rely on renewable energy sources, such as solar power.

Local manufacturing of electronics is among the most important focuses of the MCIT's strategy. We managed to sign deals with five companies to build themselves local factories in a number of technological parks. They will manufacture mobile phones and home appliances. Negotiations are currently ongoing with 10 other companies.

As part of the plans for the development of technological parks, the MCIT is negotiating with the ministries of finance and investment to allocate parts of the parks to be used as free investment zones. This aims to facilitate procedures of imports and production inputs for manufacturing companies, which would increase their production rates and help exports.

The MCIT intends to expand in the electronics industry to increase its exports and boost their value to 3bn over the coming three years.

Meanwhile, the ministry is working on improving some government services through the expansion of the establishment of technology centres to serve the citizens. These are precinct centres that offer many automated services such as post, e-authentication, traffic services, supply services, and notary services.

The first two centres of that type will be inaugurated in the technological parks in Assiut and Borg El-Arab. Two more will follow shortly in Cairo. The president gave directives to open a centre in Al-Asmarat city. Another centre will also be opened in Maadi. Our plans include opening 400 centres nationwide.

### **How is the demand on technological parks?**

There was big demand during the first phase of the project for both parks in Borg El-Arab and Assiut. Silicon Waha is currently comparing between the requests it received.

### **How do you see the performance of Egypt Post, having achieved a financial surplus of EGP 1bn?**

Egypt Post successfully achieved a surplus of EGP 1bn. This was an unprecedented breakthrough. In fact, Egypt Post will launch even more services in the coming period.

Moreover, it plans to raise the interest rates on its saving vessels. We are currently conducting studies to decide on a rate. But this is still classified information for now. Egypt Post's board of directors approved the fiscal year (FY) 2015/2016 budget with a surplus of EGP 1.41bn, compared to only EGP 165m the year before.

In FY 2013/2014, Egypt Post registered a financial surplus for the first time in 10 years worth EGP 216m. In FY 2014/2015, the surplus was EGP 165m, along with Telecom Egypt's profits of EGP 65m. This followed losses of EGP 671m in FY 2009/2010 and EGP 716m in FY 2010/2011, then EGP 856m in FY 2011/2012 and finally EGP 436m in FY 2012/2013.