

Egypt's Response to COVID-19

Market Size Stats

- The tech industry is worth \$5.5 billion USD
- ITIDA has around 2000 IT and BPO companies registered in its database.
- According to Ministry of CIT annual reports, there were around 1400 IT companies established each year of the past few years.
- Roughly 378,000 people work in the tech industry

Main challenges for the sector in Egypt country due to C-19

- While the demand for digital transformation has increased and many companies are seeing surge in their services deployment, generally customer demand has dropped due to the uncertainty and switching to “keeping the lights on” mode.
- While Egypt is seeing interest from service providers and captive centers looking to diversify their service delivery locations for BCP, many investors who were exploring Egypt as a regional/global strategic sourcing location have delayed their investment decisions and decided to hold on to the cash.
- Mobility and travel constraints

Employee Safety and WFH

At a very early stage and before the partial lockdown decision, there were instructions from the Prime Minister to promote WFH and allow ladies who are pregnant or caregivers for below 12 years to stay at home.

Government and companies have put the health of their employees' safety first. Companies and government entities promptly implemented work from home policies. Protective masks are required inside all government and private sector premises. Comprehensive awareness sessions have been conducted and awareness signs have been put in place. Hand sanitizers have been placed in several areas across premises and regular sanitization is carried out for common contact areas like door knobs and elevator buttons. For functions which require physical presence, rotation between employees was enforced and physical contact has been limited by moving physical meetings to virtual ones, closing networking areas, abandoning signing-in/out machines, spacing out desks, installing plastic shields in open office spaces, etc.

Keeping regular contact with WFH employees is crucial for employee engagement and wellbeing. Companies made sure to connect with their employees through virtual staff meetings, sending daily announcements, and putting in place an on-call medical team that would address any health questions/concerns for employees.

The industry adapted to WFH quite quickly. There were clear instructions from the Ministry of CIT to have 100% capacity WFH for sector companies. ITIDA was the first government entity to implement the work-from-home and set example for the public and private sector. Within the first 2 weeks, BPO and ITO companies had between 50% and 85% of their employees WFH and had their WFH policies in place and enforced. Companies were agile in their response, allowing employees to move their office PCs/ laptops to home and purchasing laptops for shift employees who shared PCs and swiftly rolled out required business and security systems installations.

ITIDA sampled 19 companies a few weeks later, below were their WFH%.

# of Companies	WFH %
11	100%
5	80-90%
3	50-60%

Based on ITIDA's discussion with companies, productivity decreased slightly in the first two weeks, with employees getting to use new tools and adjusting to the new norm, while maintaining client satisfaction and with no service disruption. Afterwards, productivity almost returned to its office levels.

Examples of Technology Acceleration

Egypt has seen technology acceleration in many fronts. Not only that office meetings and school classes have been moved online, but also sports classes, doctor's consultations, and virtual tours to museums.

Education - For public schools, the Ministry of Education teamed with the MCIT to introduce dedicated educational platform to students. The portal provides educational material and a platform to communicate with teachers, and submit end-of-year assignments. The government also availed free data SIM cards for all students and made tablets available for public schools students who did not have access to devices.

Health - The government launched #Drive-thru C-19 testing to avoid crowding at hospitals and improve access to tests. Booking is done through a Mobile App where results can be accessed. The Ministry of Health launched an App that acts as a knowledge center. It connects users with the closest testing centers to them, where they can undergo a test based on the symptoms reported through the app. The App allows for tracking and reporting suspected cases and includes FAQs as a wealth of articles advising people on how to practice better preventive measures for them and their families.

Examples of CSR

At ITIDA's side:

- **Talent Development** - In May 2020, ITIDA launched Future Work is Digital initiative (Egypt FWD) availing online training in areas of Data Analytics, Web Development, and Digital Marketing to 100,000 youths to boost remote work and freelancing.
- **Marketplace: Our Opportunity is Digital**
- ITIDA launched the "Our opportunity is Digital" platform, where national digital transformation projects are offered specifically for SMEs either for direct implementation or in partnership with large local and multinational companies.
- **Access to Finance** - ITIDA signed an agreement with a national bank, Bank Misr, where the Bank will avail loans for ITIDA member companies with simplified process of application and with discounted repayment interest based on a national initiative by the central bank of Egypt. Both ITIDA and Bank Misr will provide training in the field of entrepreneurship for selected SMEs. More banks are underway for agreement to avail finance to SMEs under same discounted rates and with similar simplified process.

- Access to Electronic Innovation Complexes - ITIDA provided free access to its Electronic Innovation Complexes across three cities for prototyping endeavors related to Covid-19.
- Online Services - ITIDA's Software Engineering Competence Center (SECC) shifted to online delivery for all its consultancy and accreditation services. In addition, ITIDA's Technology Innovation and Entrepreneurship Center (TIEC) created an online version of its signature program, InnovEgypt, which develops the skills of university students in entrepreneurship. More than 4000 students participated in the program.
- Expedited ExportIT Program - ITIDA incentivizes member companies to export by supporting elements of its cost in proportion to the value added of the services they have exported through its annual ExportIT program. To ease the impact of Covid-19 on Egyptian companies, ITIDA expedited the reimbursement process of ExportIT, where companies received their rebate in April rather than the annual window of the second half of the year.
- Hackathon: Hack The Virus - In April 2020, ITIDA's Technology Innovation & Entrepreneurship Center (TIEC) launched Hack The Virus Online Competition in collaboration with Dell Technologies and in partnership with Novartis, UN Technology Innovation Labs, UNDP, UNICEF, UNESCO, and ITU. The competition targeted innovators, entrepreneurs and startups to develop solutions and applications that hack the spread of Covid-19 in Egypt. In only 11 days, TIEC received more than 170 applications. Winners received over EGP 300,000 in cash prizes in addition to enrollment in TIEC Accelerator Program, access to FabLab facilities, mentorship and industry matchmaking opportunities. In addition, ITIDA sponsored a number of online hackathons on mitigating the impact of the disruption on people and business.
- Webinars: Saturday Night Live with TIEC - ITIDA's TIEC has initiated a series of online sessions called Saturday Night Live (SNL) with TIEC to encourage staying at home while keeping the ecosystem connected and providing a virtual stage for ecosystem support entities to share new ideas and opportunities. Sessions, which were viewed by over 7000 people covered technical areas like Blockchain and AR/VR Technology, and hosted local and international VCs and entrepreneurs.
- IT Academia Collaboration: Fast-Track Funding - ITIDA's opened a special call in its IT Academia Collaboration program (ITAC) for researchers and IT companies to IT-enabled Product Development Projects in the field of infectious diseases with a fast-track financing process.

At the Sector's side:

- The ICT Ministry's National Telecom Regulator Authority agreed with the four telecom operators in Egypt to provide free monthly mobile and data bundles for doctors and admin staff who operate in quarantine locations as well as provide zero-rating for national educational websites (free data usage on those sites).
- National telecom operator, WE, provided paid leave (2 weeks that gets renewed based on the situation) for females and for employees with respiratory or immunity health issues.
- Etisalat Egypt telecom operator provided expedited access for employee personal loans to the company.
- Vodafone Egypt has donated EGP 10M in cash for medical equipment, provided free access for educational material for the national school curriculum on an online platform for less vulnerable communities, and launched a free SMS service for awareness campaigns where Vodafone Egypt donates 1 EGP for every SMS received.
- Kaspersky provided free licenses for the public health sector to support with security.

- Dell Technologies launched a remote internship program.
- Zezeeta, a local startup which allows patients to book doctor appointments through an online platform with a network of 20,000 doctors, launched a free consultation service for anyone experiencing symptoms.
- Several startups have provided perk to other startup companies. For example, WideBot launched a 3-month free chatbot building service for startups. Many startups which run an online market place allowed free listing for startups. Also, to encourage staying at home, entertainment technology companies and edtech companies provided free/ discounted access to their platform. For example, LearnKhana, the e-learning platform offered 70% discount on access as well as a “learn now, pay later” model.

The role of our industry in helping economies bounce back

We see that the current crisis has provided an immense opportunity in the sector by accelerating digital transformation. The IT and business services industry has a sheer scale in helping economies bounce back as it is interwoven across all industries like healthcare, education, etc.

We believe that sourcing/offshoring in general will gain more acceptance. Given that companies tried working with their teams remotely and it has proven successful, companies would be more open to explore working with remote/offshore teams.

In addition, for the contact center industry in specific, WFH agents will be more acceptable now to providers and their clients, with attractive cost cutting implications. Also, this would widen the target employee segment, to include the elderly who are in nature good candidates for patience and customer experience.