The Arab Republic of Egypt is located in northeastern Africa. With an area of just over one million square kilometres, the country is divided into two by the north-flowing Nile River. The capital and largest city is Cairo.

Telecommunications in Egypt began in 1854, when telegraph services were introduced in Alexandria. During the ensuing period, the government itself carried out the provision of telecommunication services. In 1982, telecommunications were separated from the government department. In April 1996, the process of corporatisation progressed a step further with the creation of Telecom Egypt as a joint-stock company. There are plans to sell 20 per cent of the company to the public. The same law that created Telecom Egypt, also established the Telecommunication Regulatory Authority (TRA) as an independent regulator. It is expected that TRA’s independence will be confirmed by a new law, currently being drafted. The sector was further revamped in 1999, when responsibility for telecommunications, which had previously rested with the Ministry of Transport and Communications, was transferred to a newly-created Ministry of Communications and Information Technology.

Egypt is the largest country in the Arab-speaking world with some 62 million inhabitants. Unsurprisingly, it is home to the largest fixed network in the Arab region, accounting for almost a quarter of all the telephone lines. Growth of main telephone lines averaged around 13 per cent per year, between 1995-2000, and fixed-line teledensity almost tripled between 1990 and 2000. Egypt’s current fixed teledensity of almost 11 is just above Algeria and Morocco and just below Libya and Tunisia. It is estimated that around one-fourth of Egyptian families have a telephone.

While the growth rate in the number of main telephone lines has been high, it has not been sufficient to keep ahead of demand. The waiting list has remained fairly static, at around 1.2 million for most of the 1990s. At current rates of line growth, this converts to an average waiting time of just over two years.

Some 80 million new people began using the Internet in the year 2000, bringing the total number of users to an estimated 315 million. Around 5 per cent of the world’s population gain access to the Internet. In Egypt, around 23 million people access the Internet, which is around the average for a developing country and now ranks third with 23 million users. Tiny Iceland is the world’s most connected country, with 108.6% of its population connected to the Internet.

At the dawn of the new millennium, almost every country in the world was connected to the Internet. Back in 1988, only seven countries were connected to the US National Science Foundation Internet backbone. This had grown to 200 countries a decade later. Most countries already had an Internet connection by 1997. Today, less than a half a dozen economies remain unconnected, primarily for political reasons. The beauty of the Internet is such that the first connection, no matter how slow, brings the whole of its riches. And first-mover advantage also matters: of the seven initial countries to have been connected to the US-developed Internet — Canada, Denmark, Finland, France, Iceland, Norway and Sweden — all except France currently rank among the top ten in terms of Internet penetration.

The Internet consists of a maze of permanently interconnected computers plus temporary connections that users create when they log on. The former are referred to as hosts and numbered over 100 million at the beginning of 2001. Hosts are the central nervous system of the Internet, keeping it alive by routing traffic, exchanging e-mails, and providing information. The host computer growth rate dropped in 2000, possibly a reflection of the downturn in the dot-com economy. The most popular host suffixes are “.com” with 33 million and “.net” with 23 million; together they account for 60 per cent of all hosts. The country suffix with the most hosts in Japan (.jp), which had 3.4 million in July 2000. On a per capita basis, the nation with the most hosts using its country code, is the tiny Pacific Island of Niue (.nu) with almost five hosts per person, though few of these are located in that territory.

A Web server is a particular kind of host computer — one that provides information in the popular World Wide Web format used by browsers such as Explorer or Netscape. The growth of Web servers has been dramatic — rising from 75 000 at the end of 1995 to over 25 million by the end of the year 2000. Growth in the year 2000 was 168 per cent, the highest since 1998. Web servers now account for some 25 per cent of all Internet hosts. Web servers terminating with the suffix after “.”com” suffix number 15 million and account for 57 per cent of the total. The country domain suffix with the most Web servers is the United Kingdom (.uk) at 1.7 million, or 7 per cent of the total. The most popular websites are those of Yahoo!, the Internet portal, served by some 90 million unique users in November 2000. The average user spends almost one hour per month surfing Yahoo! websites, and around 900 million Yahoo! Web pages are viewed each day.

Some 80 million new people began using the Internet in the year 2000, bringing the total number of users to an estimated 315 million. Around 5 per cent of the world’s population gain access to the Internet. One disturbing trend is that the growth rate in the number of users declined to its lowest level ever (35 per cent) in 2000. This is partly due to the downturn in the Internet economy, reflected by the sharp fall in dot-com stock prices. It also suggests approaching saturation. In many developed markets, those who want to be online already are. In developing markets, affordability, awareness and relevance are placing limits on Internet growth. Though developing markets grow at about twice the rate of developed ones and now account for around one-quarter of all Internet users, the digital divide remains huge. While almost a third of people in developed countries are online, this figure is less than 2 per cent in the developing ones. It is no surprise that the birthplace of the Internet, the United States, is the world’s largest Internet market with almost 100 million regular users at the beginning of 2001. The next largest is Japan with some 39 million users, of which half had also access across the Internet from mobile phones. China has exhibited remarkable Internet growth for a developing country and now ranks third with 23 million users. Tiny Iceland is the world’s most