وزارة الاتصالات والمعلومات

E-Readiness Assessment: Case of Egypt

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What is e-Readiness?

" Readiness is the degree to which a community is prepared to participate in the Networked World. It is gauged by assessing a community's relative advancement in the areas that are most critical for ICT adoption and the most important applications of ICTs. When considered together in the context of a strategic planning dialogue, an assessment based on these elements provides a robust portrayal of a community's Readiness. The value to a community of assessing its Readiness lies in evaluating its unique opportunities and challenges."

Source: Readiness for the Networked World (RNW), the Center for International Development at Harvard University

Egypt's e-Readiness Assessment

- Supported by the Ministry of Communications and Information Technology (MCIT), and the World Bank's InfoDev program
- Three reports were prepared:
    - National eReadiness Assessment
    - SME eReadiness in Textiles
    - SME eReadiness in Tourism

National e-Readiness Determinants

Networked learning

Network access

Networked Economy

Networked society

Network policy

Network Access Indicators

INDICATOR	STATUS
Information & Telecommunication Infrastructure	• Currently over 90% of the community has good access to telephony services. • 9.3 million fixed line subscriber. • Tele-density is 13.3/100 person, • 6.5 million GSM subscriber • ISP density is 391,000 inhabitants/ISP.
Internet Availability	• Ample opportunities for public internet access exist: 1.2 million households, (764) IT clubs, cybercafes, universities, schools, government offices, etc.
Internet Affordability	• Internet prices are among the lowest in the world at the cost of a local call (1.25LE/hr ~ US$0.2/hr). • ADSL initiative (256kbps: 150LE/mon ~ US$23/mon).

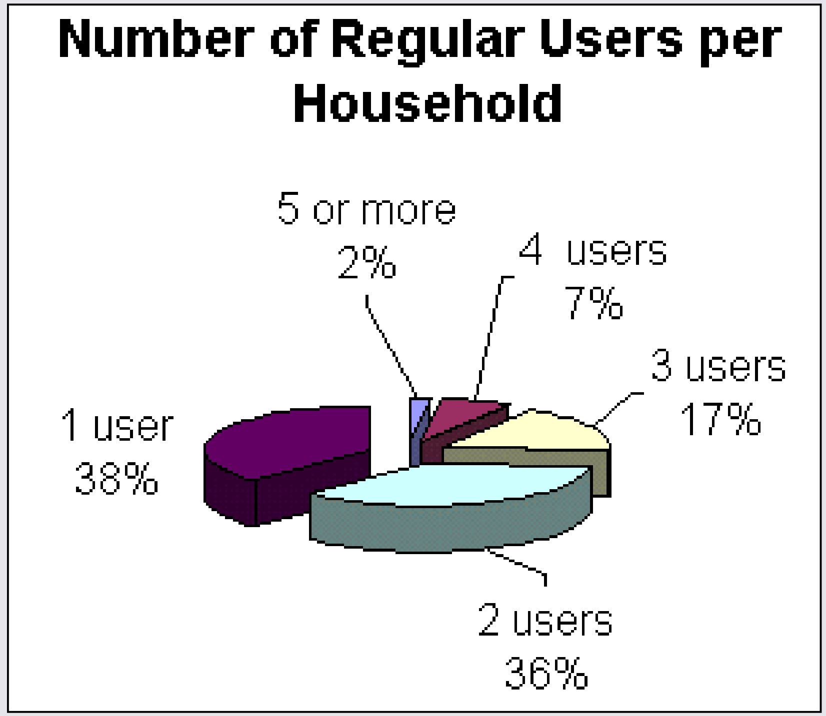
Network Access Indicators Cont.

Network speed and Quality	• **Currently 98% of all domestic calls placed are successful** • **Modem speed is on average 32-40 Kbps reaching 56 in some places.** • **Access to high speed solutions, DSL, ISDN with speeds of 64 Kkps and above exist.**
Hardware Software	• **HW and SW costs are high compared to GDP/capita and for small businesses.** • **The “PC for every Home” and “ Pc for every student” initiatives, are providing more affordable PCs though.** • **73,750 PC were sold out through the “ PC for every Home” initiative**
Service & Support	• **There are 35,200 ICT professionals, a growing number of HW technicians, web designers and network administrators.**

e-Readiness and Egypt: Household Internet Users Survey

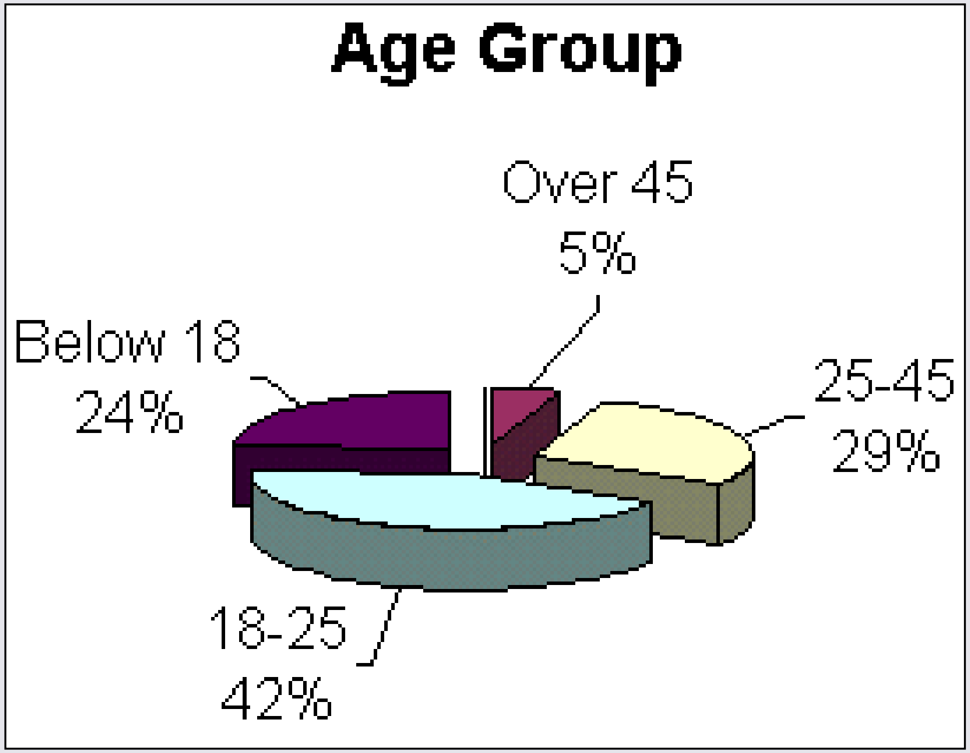
Main Results: (over 8600 families surveyed in October 2003)

- **Users: In about 1 million households, the total number of regular users is estimated to be 2.5 million users. The average number of regular users within a given household is : two users, while 24% of the surveyed households regularly host other (non-resident) Internet users.**
- **New users: About 68% of the total number of surveyed users started using the internet after the Subscription-Free Internet initiative was launched.**



e-Readiness and Egypt:
Household Internet users survey (cont.)

- **Demographic indicators:** The leading user group is between 18-25.
- **Gender indicators:**
  - → 32% Female users
  - → 68% Male users



Networked Learning

INDICATOR	STATUS
University and School Access to ICT	• **All Egyptian universities, and 2/3 Egyptian schools have access to the Internet.** • **Smart Schools Network pilot project**
Enhancing Education with ICT	• **New initiatives such as the Smart schools network and Nile Technology University (Nile-Tech) focus on improving the quality of application of ICT in the education system.**
Developing the ICT workforce	• **The workforce in the ICT sector has increased from 10,000 (in 1999) to over 35,200 in July 2004, with over 19,000 ICT professionals have been trained to date.**

Networked Economy

INDICATOR	STATUS
ICT Employment opportunities	• There is a growing demand for ICT professionals in the Egyptian market.
B2C Electronic Commerce	• Many businesses have Websites providing information on goods and services for sale. • Transactions, supported by a strong delivery infrastructure, are partially conducted over the Internet and completed in the traditional commerce process such as cash on delivery sales.
B2B Electronic Commerce	• Some B2B transactions are supported by electronic systems(e.g. propriety systems and databases).
E- Government	• A number of governmental entities publish information on websites, including directories of services, and downloadable forms.

Network Policy

INDICATOR	STATUS
Telecom Regulations	• **An independent regulatory body i.e. (TRA) sets and enforces telecommunications regulations.**
ICT Trade Policy	• **Some trade barriers exist for economy at large, and therefore for ICT. However, Egypt has signed the WTO's BTA and ITA agreements, and hence, most of the ICT related trade barriers are being lifted.**

Networked Society

INDICATOR	STATUS
People and organizations online	• Less than 10% of the population are regular users of the internet.
Locally relevant content	• There is quite a few number of local websites that that serve different community groups as music lovers, volunteers…etc.
ICT in everyday life	• Wide spread of public telephones, wireless phones, pagers and mobiles, especially in urban places. • Community use IT applications for a variety of social interactions as chatting, online reservation and sometimes online purchases.
ICT in the workplace	• Firms are deploying ICT systems in their internal workings. • Employees use the web in business transactions, and e-mail for internal and external communications .

SMEs E-Readiness in Apparel and Home Textile (A&H) Industry

- A survey was conducted among **36** A&H enterprises and **4** trading agents.
- The surveyed sample represents 65% to 75% of the total number of exporting firms.

SMEs E-Readiness in A&H industry

Findings and Observations

ICT environment and usage in all companies:

- All firms have at least one software in the management department.

Software in the management department	ICT infrastructure & networks
Among the surveyed sample: ➢67 % of the firms used software in the HR department ➢ 72% used a financial and administrative software ➢50% utilized a software in production ➢11% in the sales and marketing department	➢**64% of the surveyed sample has LAN** ➢**92% use a fax** ➢**97% is connected to the Internet.** ➢**92% use an e- mail**

SMEs E-Readiness in A& H industry
Findings and observations

ICT environment and usage in small size companies:

- **Have some perception of ICT and its potential impact on their business.**

Perception of ICT importance	Availability of PCs and networks	ICT type of usage
➢Among the surveyed sample; 57% perceived ICT as : "Important" ➢ 50% of the surveyed sample ranked ICT as " very important" in production.	➢**PCs:** 79% of the surveyed sample has from 1- 5 computers. ➢**Networks:** Only a limited number of firms had LANs	➢**Communication:** **43% of the interviewed sample use ICT in communication** ➢**Marketing: 29%** **Use ICT in marketing their products**

SMEs E-Readiness in A& H industry

Findings and observations (Cont.)

- **Medium size firms have a broader view, and hence specific needs and expectations, that require more attention from the ICT community. Their needs are generally related to ICT infrastructure, regulation of E- payment, as well as specialized training**

Perception of ICT importance	**Availability of PCs and networks**	**ICT type of usage**
➢Among the surveyed sample; 94% perceived ICT as : “Important” ➢ 71% of the surveyed sample ranked ICT as “ very important” in production.	➢**PCs:** 24% of the surveyed sample has from 11- 20 computers. 18% have from 21-30 PCs ➢**Networks:** 76% have a LAN	➢**Communication:** **94% of the interviewed sample use ICT in communication** ➢**Marketing: 41%** **Use ICT in marketing their products**

SMEs E-Readiness in Tourism

Findings and observations

ICT environment and usage in small size companies:

- **Small travel agents have a limited perception of ICT and its potential impact on their business, and consequently they have a limited capacity to assess their current & future ICT needs.**

Classic means of communication Tel/Fax	PCs and networks	Internet and e- mails
➢Among the surveyed sample; the average number of telephone lines is 4 lines. ➢While 63% of the surveyed sample wish to expand their telephone lines	➢**PCs:** average number of PCs is **6** PCs per company. ➢**Networks:** **50%** of the sample have LANs	➢**Connections: 100% of the interviewed sample have dial up Internet connections** ➢**Websites: 62% have their own Static websites and e- mails accounts.**

SMEs E-Readiness in Tourism
Findings and observations: (Cont.)

ICT environment and usage in medium size companies:

- **Medium travel agents have a broader view, and hence specific needs and expectations, that require more attention from the ICT community.**
- **Needs of medium companies are generally related to ICT infrastructure, regulation of E- payment, as well as specialized training .**

Classic communication Means: Tel/Fax	PCs and Networks	Internet and E- mail
➢Average number of fixed telephone lines per company is 8. **➢While 14% of the sample wish to expand the number of their phone lines capacity**	**➢PCs: average number of PCs available is 7 per company.** **➢Networks: over 50% of the sample have LANs**	**➢Most of the surveyed sample have their own websites and e-mail accounts, that are more interactive and informative than those of the small size companies**

SMEs E- Readiness in Tourism and A&H Industry
Needs and Recommendations

- **Among the needs identified are**:
  - Appropriate business models that empower businesses through the utilization of ICT,
  - An advanced ICT infrastructure within companies, including intranet and extranet capabilities,
  - Specialized software packages that fulfill the needs and requirements of small and medium companies,
  - Professional training and awareness programs, especially for middle and top management.
- **The future of SMEs is dependent on awareness and appreciation of the potentials ICT applications within their businesses.**

Thank you