

**The Speech of HE Dr. Amr Sameh Talaat  
Minister of Communications and Information Technology  
In The Financial Inclusion Global Initiative (FIGI) Symposium  
Cairo (22 January 2019)**

**HE Mr. Bilal Jamoussi, ITU Head of the Study Group Division, Telecommunication Standardization Bureau;**

**HE Mr. John Denis Basmi, Director of Practices Division, World Bank Group,**

**Ladies and Gentlemen,**

Please allow me, dear guests, in the beginning to welcome you cordially in your second country, Egypt. I would like to express my delight for hosting this esteemed symposium, which deals with one of the most significant and dynamic topics on the international agenda nowadays, that is, Fin Tech or "Financial Technology" and its role in attaining "financial inclusion". We are gathering today to exchange ideas and discuss the most creative solutions to the challenges we have been facing us in this concern. On this occasion, I would like to extend my thanks and appreciation to our dear partners: the ITU, the World Bank Group, the Committee on Payments and Market Infrastructure (CPMI) and the Bill & Melinda Gates Foundation for their great efforts exerted in organizing this important event.

In fact, "Financial Inclusion" is a socio-finance, highly technological process. It is the term "technology" that gives it a "digital" hue, to the extent that it is now considered an integral part of the digital economy. It is evident that the ICT sector is required to provide a secure and efficient digital ecosystem that enables our beloved country to incorporate the informal economy of individuals and institutions into the formal economic structure, decrease poverty rates, reduce inflation by diminishing the size and nature of informal trade, not to mention the transition to a non-monetary system to be able to eliminate and reduce corruption.

However, the obvious incidents from all over the world has emphasized the fact that the integration of technology and financial services has transmuted the provision of the financial, banking, insurance, investment and financing products. It is “Fin Tech” that allows easy access to services, far and wide, around-the-clock, hence relatively decreasing costs, giving users the highest degrees of privacy with all safe means to deal with non-cash transactions. Of course, this is not available through the traditional channels.

This could be proved by what "The Global Findex Database" has stated in its report issued in 2017 that 80% of adults in advanced economies use credit cards to pay their financial obligations at least once a year, whereas just 22% of them do this in the developing economies. Moreover, the number of adults worldwide who spend or receive digital payments has increased from 41% in 2014 to 52% in 2017, that is an increase of 11%. These figures and ratios reveal the breakthrough in the advanced economies in terms of the digital financial services. Obviously enough, they call on us in the developing economies to consolidate the non-cash payments through e-payment and “mobile” payment applications.

### **Ladies and Gentlemen...**

Egypt is looking forward, through Vision 2030 and its all-inclusive economic reform program, to being a leading pioneer in the region with regard to digital payments by launching a new phase of digital financial inclusion for citizens. Yet the percentage of bank account holders in Egypt is just 33%. Moreover, the gender digital divide, that is, the gap monitored between men and women in this regard amounts to 12%, while the digital divide between the rich and the poor is up to 21% according to the World Bank. In fact, Egypt’s policies that aim to boost the financial inclusion are implemented on several pivots and we are honoured to work in partnership with other relevant government bodies in this field.

Firstly, we adopted the "Digital Transformation and Inclusion" to be the slogan of Egypt’s National ICT Strategy (2018-2022), that we aim to enhance and support the State's developmental plans and rationalize the national resources usage, establishing a digital ecosystem that enables the upgrading of services provided to citizens and the fulfilment of the business sector needs. As I have previously mentioned, we have a set of pivots that we rely on in implementing these strategic objectives.

Chief among these pivots are: the modernization of “an efficient and secure” infrastructure for telecommunications, and the construction of an appealing environment conducive for investments and technological innovation, hence augmenting the financial inclusion rates in the Egyptian society by using information technology, and automating subsidy programs to make sure that subsidy reaches the intended beneficiaries. In this regard, this year will witness the launching of the provision of around 20 e-government services within 18 months successively through five main channels. The e-Government Portal, the National Post Authority, digital applications over "mobile" networks, call centers, and customer or citizen service centers. Furthermore, we are coordinating efforts with with the Ministry of Planning, Monitoring and Administrative Reform, concerning the launch of the "Egypt Mobile Services" for 31 government services and the provision of e-payment for these services.

In this respect, I would also like to refer to and pay tribute to the key role played by the National Post Authority in attaining financial inclusion and transformation towards a non-cash society. We have commenced the execution of a strategic plan to develop the Authority in form and content to expand new types of government, postal and financial services using the most advanced technologies.

The National Post Authority has several unique advantages, including the far-reaching geographical outreach throughout the country, through 4,000 post offices, that have been developed and automated through several phases. Indeed, we have done with around 900 offices by the end of 2018, especially in rural areas where the target population for financial inclusion dwells. Furthermore, the Authority has currently 24 million saving accounts and disburses monthly pensions to seven million citizens. It has recently provided localities services of up to 35 services in 186 post offices in Alexandria as a pilot phase. There is another significant criterion that the Authority has met, that is, “the wall of trust” that has been well established between it and the Egyptian citizens for many decades since its establishment in 1865. This has made it the Egyptian citizen’s first choice in the field of financial and postal services mainly in the countryside. Of course, this has encouraged us to expand the services provided in the context of the financial inclusion, including the provision of credit services to the small and medium-sized enterprises. This takes place in coordination with the Central Bank of Egypt, and is implemented in a way that reinforces the government's efforts to fund small projects, and the Ministry's interest in supporting technological innovation and entrepreneurship of youth.

Secondly, the National Payments Council, chaired by HE the President of the Republic was established in 2017. This evidently reflects the great attention given by the Egyptian leadership in this regard and its great interest in accelerating all measures of digital transformation and inclusion. We are committed to execute the I decisions that aim to stimulate the usage of electronic means and channels to pay in exchange for the traditional ones and the development of the national payment systems. In addition, we are about to implement a project that enables us open an account for every citizen, whether in the bank or in Egypt Post Authority, to deal with government services through a smart unified card. This card will be linked to the electronic portfolio and subsidy programs, and is executed in cooperation with the Central Bank of Egypt. We aim, through this project, to attract 27 million citizens to the official financial system in two years, as we will launch its first phase in the second quarter of this year. Hence, the citizen will receive his due payments of subsidy programs through this card.

Thirdly, there is an urgent need to create a favourable legislative environment for the transition to the digital financial inclusion. In fact, we launched the "Cyber-Crime Law" in August 2018, that stipulates severe penalties for cybercrimes, such as fraud, credit card hacking and electronic payment tools, such as e-signature, digital identity and digital evidence. We are also in the process of issuing the "Electronic Data Protection Law" to secure and protect the users' online privacy. Furthermore, we are drafting the bill of "E-commerce Law" to establish the needed legal guarantees, including those of service providers.

Fourthly, in December 2018, the Egyptian Supreme Cybersecurity Council (ESCC) launched the National Cyber Security Strategy, which aims to provide integrated communications and information infrastructures to create a secure digital ecosystem for various sectors of the country to provide integrated e-services, including the digital financial services. This necessitates the development and upgrade of the National Cyberspace Security Protection System that could preserve vital infrastructure and safeguard digital identity.

Fifthly, we are constructing the new capital in cooperation with all government entities and bodies. It is established, not only on the bases of the provision of a smart life in a smart city that keeps pace with an incessant technological progress, but also with a vision that aims to create the new capital's digital system and the transformation into a digital government, that is "paperless and cashless", founded on an electronic participatory milieu among different ministries, entities and government bodies in a way that attains digital inclusion and outreach.

Sixthly, we are paying due attention to capacity-building in cooperation with the international companies. This will eventually enhance the efficiency of the personnel working in the digital financial services sector and inform them of the latest trends in the digital payments world, motivating them to innovate and revolutionize in achieving financial inclusion.

### **Ladies and Gentlemen...**

The World Bank's report has mentioned that around 1,7 billion adults throughout the world are still unable to access a bank account. That is why Egypt has participated in the efforts exerted by the international community to find solutions to this large divide through "the ITU Focus Group on Digital Financial Services. This working group has succeeded in developing the "Financial Inclusion Global Initiative (FIGI)". Egypt has played a dynamic role in the issuance of Resolution No. 89 on "Promoting the Use of ICTs to bridge the Financial Inclusion Gap" at the World Telecommunication Standardization Assembly (WTSA) 2016 in Tunis. We also participated, during the ITU Plenipotentiary Conference, that was held in Dubai in the last quarter of 2018, in issuing the new resolution about the "Use of ICT to bridge the Financial Inclusion gap". Moreover, we welcomed the World Bank's "Global Financial Access 2020" commitment set in 2018.

This dynamic role that Egypt has been playing in the international arena was not the only reason for the execution of the Financial Inclusion Global Initiative (FIGI). Rather, Egypt's choice has been based on all the steps and measures Egypt has made in terms of digital financial inclusion. I would like to seize this opportunity to express my thanks and appreciation to our partners in the Financial Inclusion Global Initiative (FIGI) for selecting Egypt to be the third model, along with Mexico and China, to implement the initiative. This, indeed, reflects the trust and breakthrough insight of the international community towards Egypt and its all-inclusive economic reform program. Egypt has attained great achievements to date, and it owns the essentials needed to establish the digital financial inclusion system.

We do welcome this initiative and intend to exert best efforts in cooperating therewith in a positive manner in order to achieve the desired goals of all parties.

In this respect, our choice of the National Post Authority as the main Egyptian partner in the initiative rose from the dynamic role it has been playing, which I have previously mentioned. the Authority has been undergoing digital infrastructure development, which includes several systems, mainly: payment system, information security system, digital supervisory control system and digital operational risk analysis and management system, that aim to establish a "Core Trusted digital Infrastructure"

Finally, I would like to underscore the fact that digital financial inclusion must be a strategic objective for any country that yearns to take sway of its economic affairs and move towards high development rates. It is not a tough long-term goal, provided that a favourable ecosystem is created that establishes a legislative and regulatory environment that keeps abreast of the incessant changes occurring around us in the world of business and technology too. Undoubtedly, our leap towards adapting technological tools and using them to serve the financial system by using digital financial services in a creative and innovative way will eventually speed up the steps needed to achieve this strategic objective.

We see the "Financial Inclusion Global Initiative" a golden opportunity for Egypt to be aware of its measures and try its readiness for digital financial inclusion and the gaps that need to be bridged to attain our ultimate goals. It is also a great opportunity for our esteemed partners to test the initiative in a great and large country as Egypt. Our beloved country has an inclusive economic reform program that has taken promising steps. Thus, betting on the success of the experiment will make Egypt a role model for the countries of the region, whether African or Arab.

In the end, we confirm that we will always work for the benefit and welfare of our citizens and ensure a better future for future generations. We will exert best efforts to exploit technology to address all the issues and challenges we face, including digital financial inclusion, we are meeting today in this three- day symposium to discuss. I would like to welcome you all to your second country, our beloved Egypt.

Thank you!