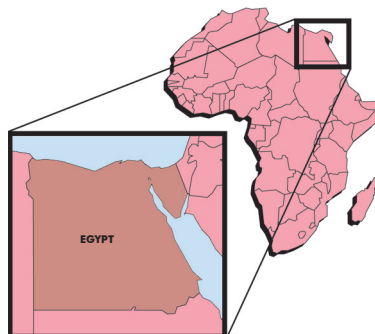


## EGYPT COUNTRY PROFILE

The Arab Republic of Egypt is located in northeast 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 1998, the process of corporatization 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 15 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



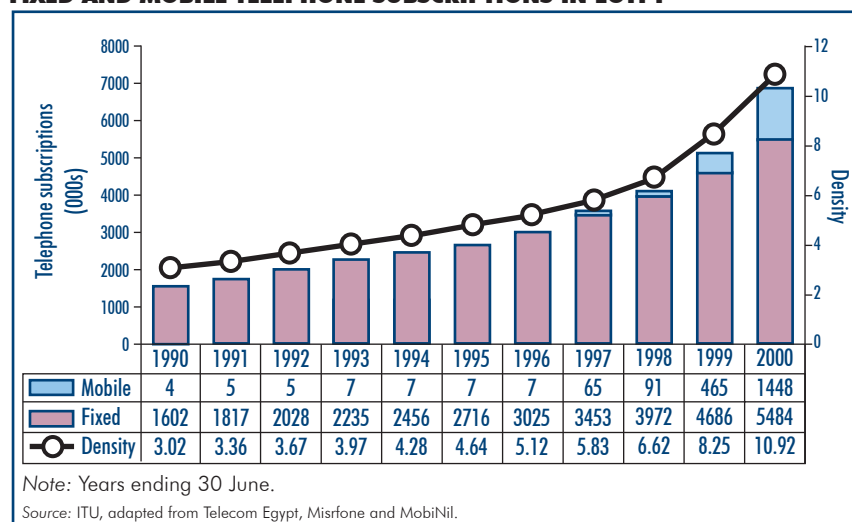
one-fourth of Egyptian families have a telephone.

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

mobile cellular service. The first GSM network was launched in November 1996 by Telecom Egypt. In April 1998 it was sold for USD 515 million to the *MobiNil* consortium headed by *France Telecom*. A second network, the *Misrfone* consortium led by Vodafone of the United Kingdom, started in November 1998. At the time, this made Egypt only the second country in the Arab region to introduce mobile competition. Mobile growth has been spectacular, due to the commencement of services by the second operator and the introduction of pre-paid service. By the start of 2001, there were more than two million subscribers and the cellular market shows little sign of slowing.

In 1999, Egypt emerged as the largest Arab Internet market. With an estimated 400 000 users at the end of 2000, Internet growth has

### FIXED AND MOBILE TELEPHONE SUBSCRIPTIONS IN EGYPT



but the goal is to increase growth to one million lines annually in the early years of the 21st century. It is likely that the phenomenal growth of mobile communications will also reduce the level of the waiting list for fixed service.

Unlike most other Arab States, Egypt was slow to introduce digital

been solid. A lack of awareness and computer literacy are bottlenecks. The ISP market is one of the most vibrant in the Arab world, with over 50 companies providing access. Egypt is one of the ITU Internet Case Studies; additional information about the country can be found at [www.itu.int/casestudies](http://www.itu.int/casestudies). ■