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Digital Opportunity Index

Egypt's Case Study

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and Information Technology**

Contents

- **Introduction**
- **Egypt DOI Results**
- **Comparison with Other Countries**
- **DOI Analysis for Egypt**
 - **Opportunity**
 - **Infrastructure**
 - **Utilization**
 - **Rural/Urban Comparison**
- **Conclusions**

Egypt's Location

- **A regional hub**
- **Linking the Mediterranean,**
- **Europe, Asia and the Arab World.**
- **From North-to-South**
- **A gateway to Africa.**
- **From East-to-West**
- **A crossroad of shipping lines and optical fiber cables.**

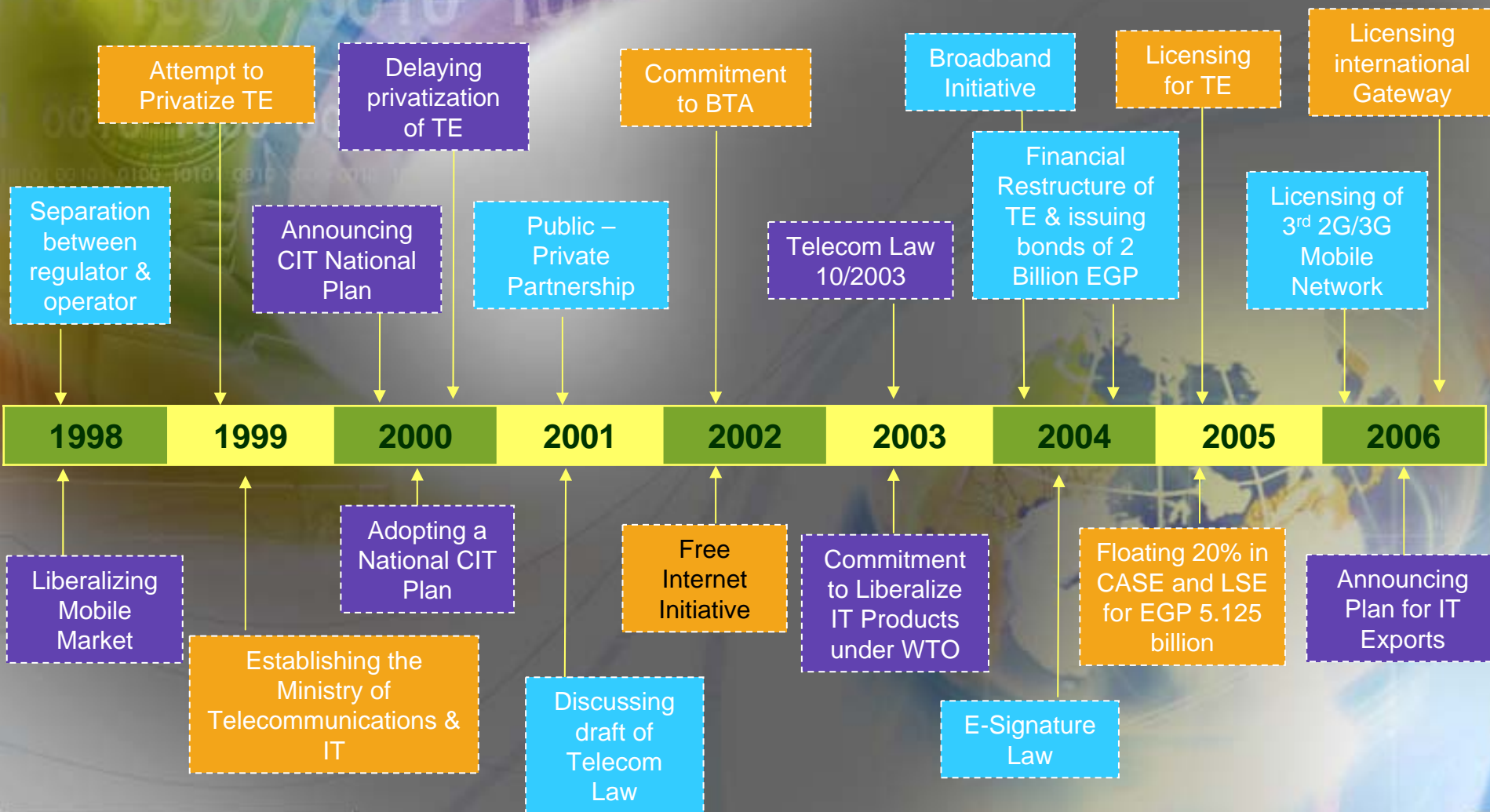


Population

- **More than 71 million inhabitants**
- **58% of the population in rural area**
- **51% of the population males**
- **58% of the population under 25**
- **Ranking 17th worldwide in number**
- **of yearly graduates**
- **1.2 million high school graduates last year**
- **265,000 university graduates**



Egypt's ICT Sector road map

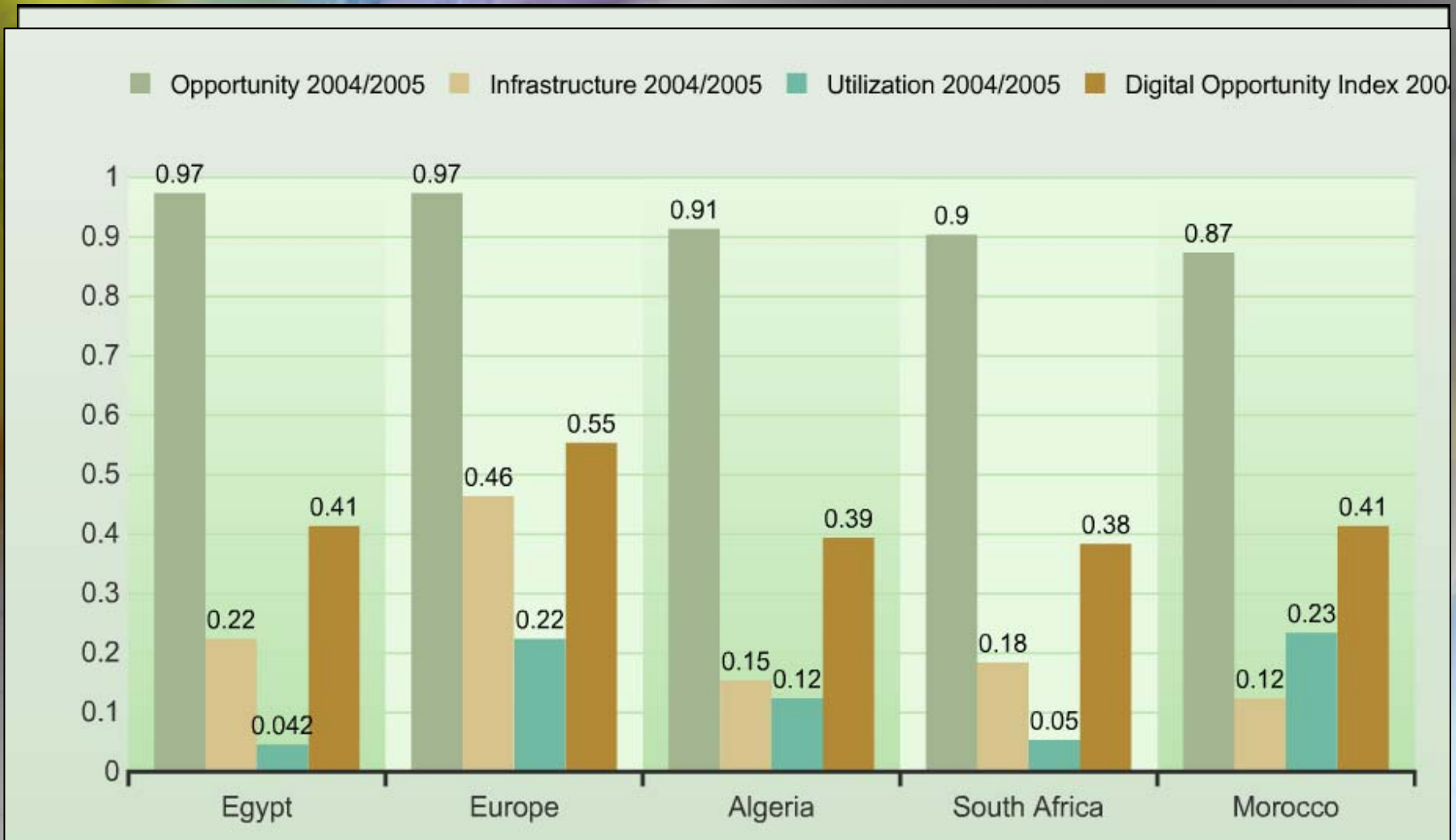




MCIT eFFORTS



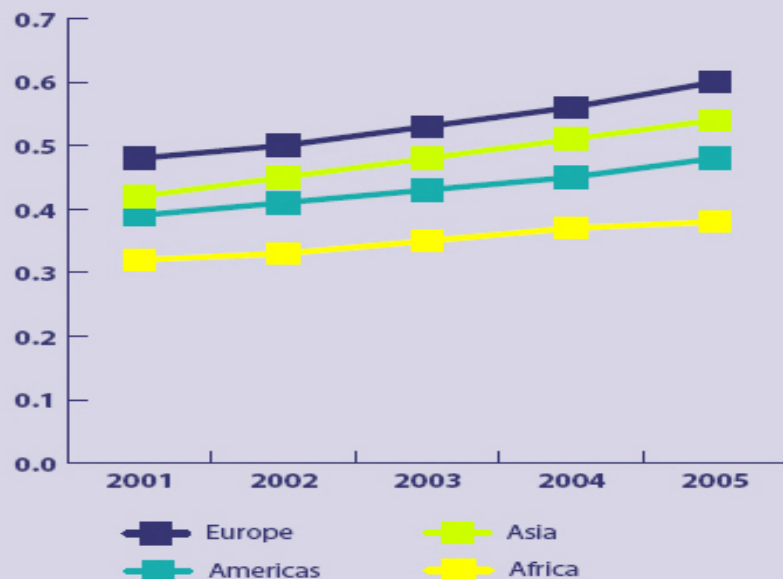
Egypt Digital Opportunity Index, 2000-2005



Comparison with other countries, 2005

Gainers in the DOI, 2001-2005

Trends in regional average DOI score for the top 15 economies among those countries for which data are available, 2001-2005



Note: Data availability means that regions are not wholly representative.

Major gainers in the Digital Opportunity Index, 2001-2005

Economy	DOI 2001	DOI 2005	Change 2001-2005	Drivers (+0.2)
1 India	0.17	0.29	73%	O
2 China	0.29	0.42	46%	I
3 Russia	0.32	0.44	41%	I
4 Hungary	0.40	0.55	37%	I,U
5 Peru	0.28	0.38	37%	O,I,U
6 Indonesia	0.24	0.33	36%	O
7 Brazil	0.32	0.43	35%	O,I,U
8 Poland	0.39	0.52	34%	I,U
9 Japan	0.54	0.71	33%	U
10 Venezuela	0.32	0.43	33%	U
11 Chile	0.40	0.52	32%	U
12 Egypt	0.29	0.38	32%	I
13 Rep. of Korea	0.60	0.78	31%	U,I
14 Israel	0.50	0.66	31%	U
15 Spain	0.47	0.61	28%	U
Average	0.37	0.50	37%	
40 economies	0.43	0.54	27%	

Note: O = Opportunity; I = Infrastructure; U = Utilization sub-index. A driver is defined as a sub-index where there is an improvement of score of 0.2 or more over the period 2001-2005.

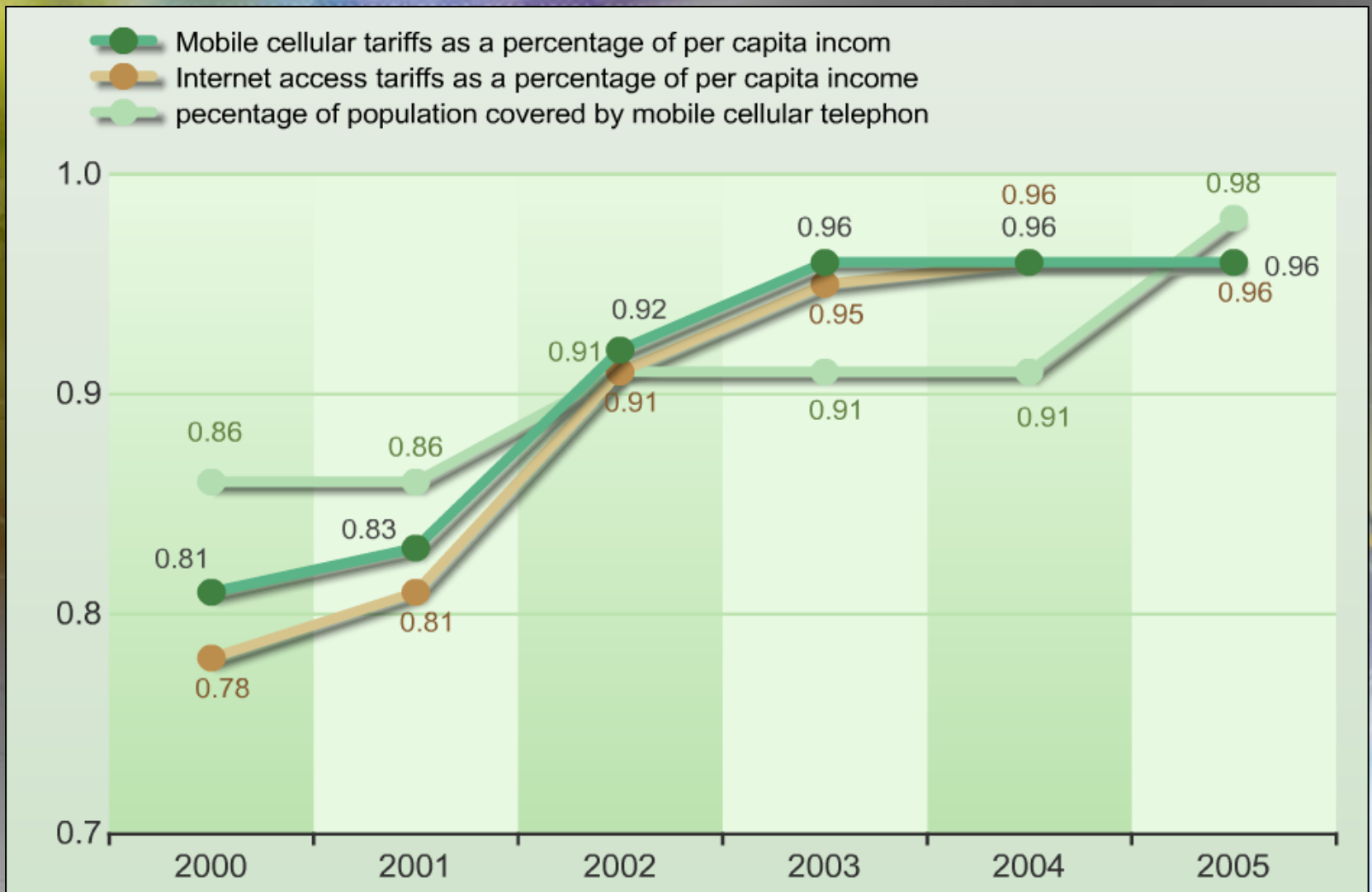
Gainers in DOI, 2001-2005

DOI Break down for Egypt, 2005

Opportunity Index, 2005

Value: .97 Rank: 52nd.

Egypt 2005	Indicator
Percentage of population covered by mobile cellular telephony	0.98
Internet access tariffs as a percentage of per capita income	0.96
Mobile cellular tariffs as a percentage of per capita income	0.96



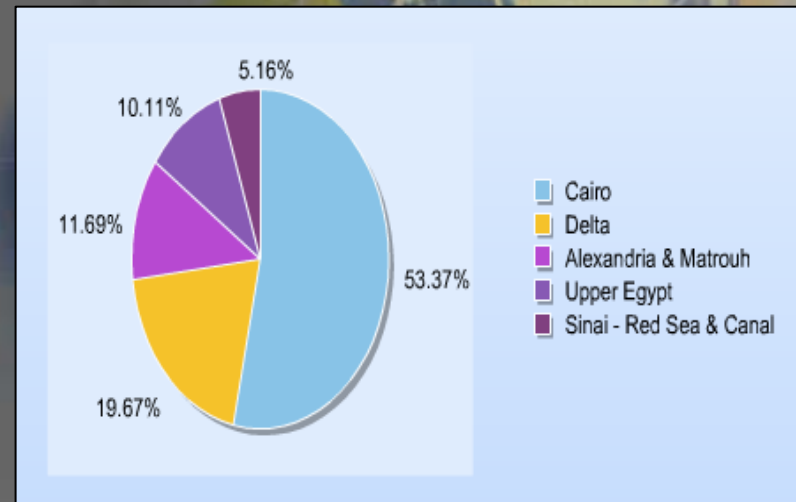
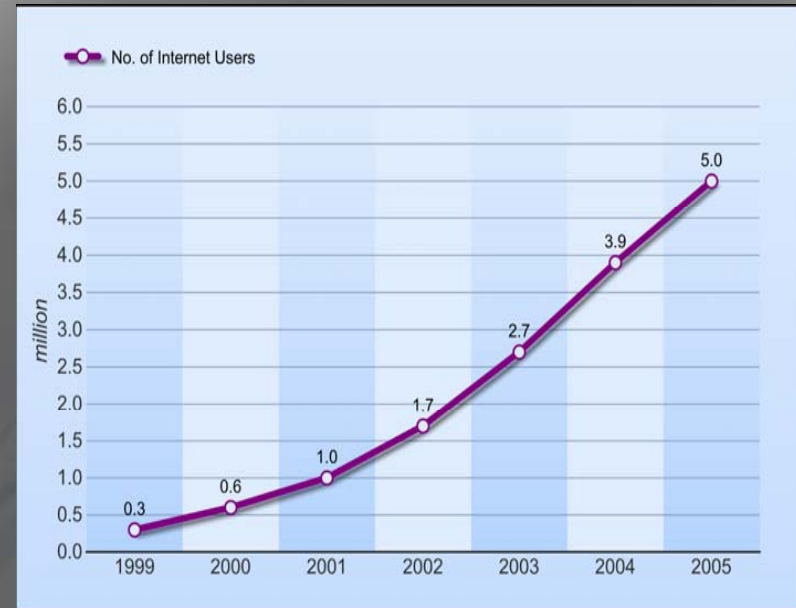
Opportunity Index, 2000-2005



MCIT Supporting Initiatives

Bring Internet Access Closer

- **Subscription-Free Internet Services:**
 - **Launched in Jan '02**
 - **Based on fair interconnection between network service providers and Telecom Egypt**
 - **Internet at cost of local calls (0.2 US\$ per hour)**
 - **4X Internet users over 3 years of operations**
- **1.7 million Egyptian households with 5.2 million users**



IT Clubs Initiative

Making Technology tools available in low income areas in Egypt

1349 clubs were built in 26 governorates and Luxor city

**Chosen places : Youth centers, Cultural centers NGOs,
Schools & Colleges**

Club activities include:

- Training courses
- Self training
- Using Internet applications

Target: 3000 clubs and a club in each village by year 2007



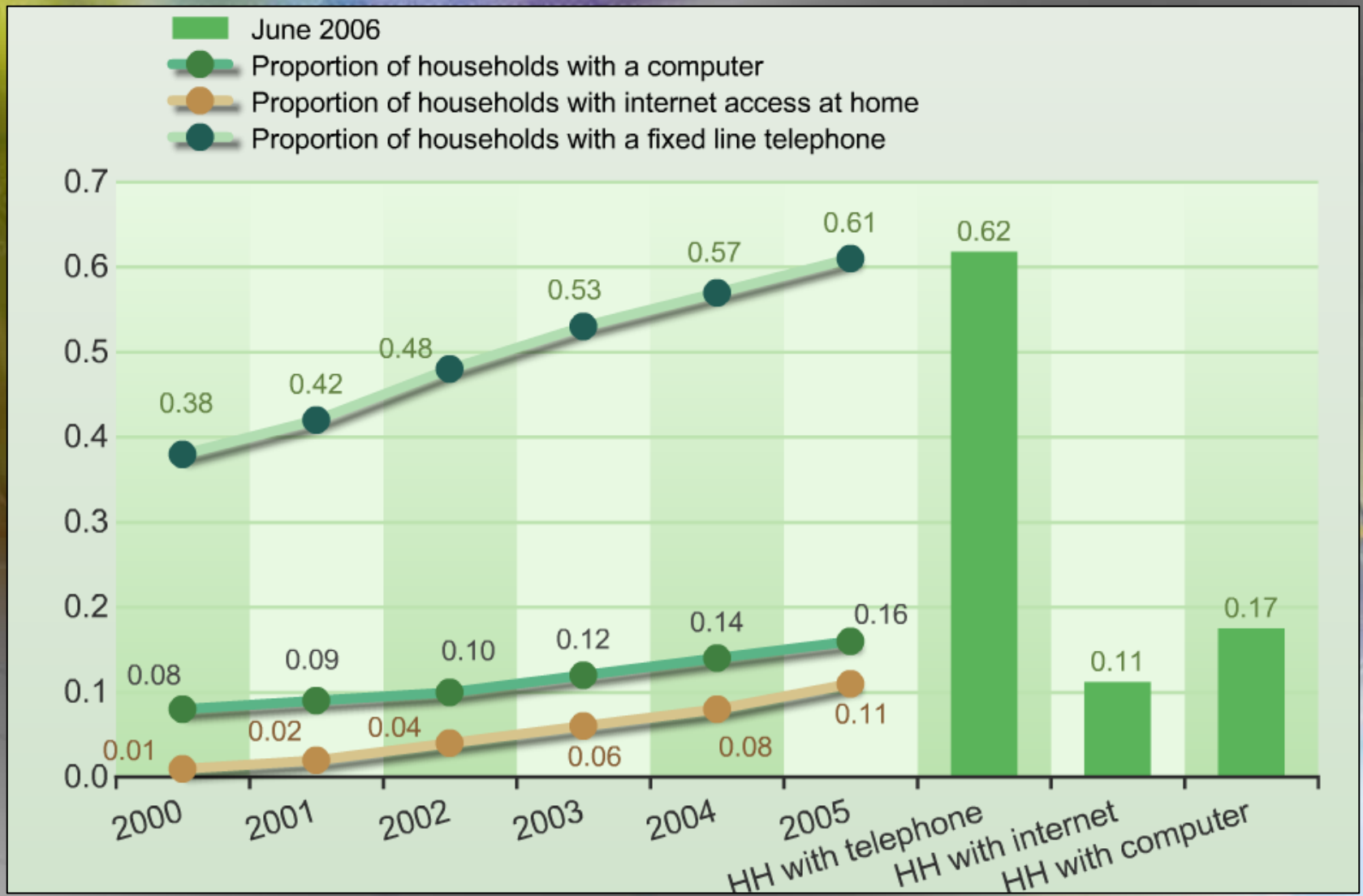
Opportunity index Comparison with Korea



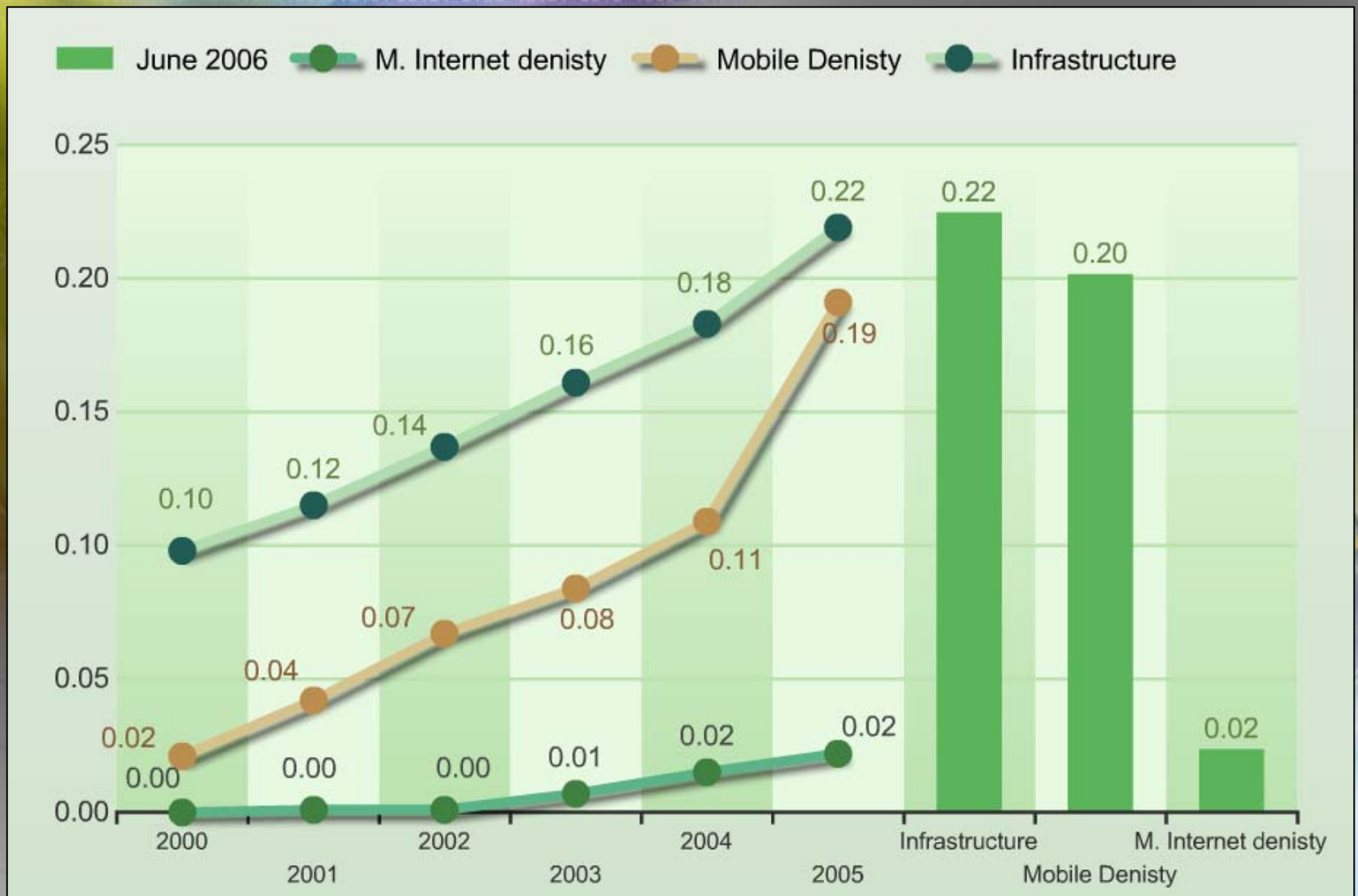
Infrastructure Index for Egypt, 2005

Value: .22 Rank: 77th.

Egypt 2005	Indicator
Proportion of households with a fixed line telephone	0.61
Mobile cellular subscribers per 100 inhabitants	0.19
Proportion of households with Internet access at home	0.11
(Mobile) Internet subscribers per 100 inhabitants	0.02
Proportion of households with a computer	0.16



Infrastructure Index (Fixed)



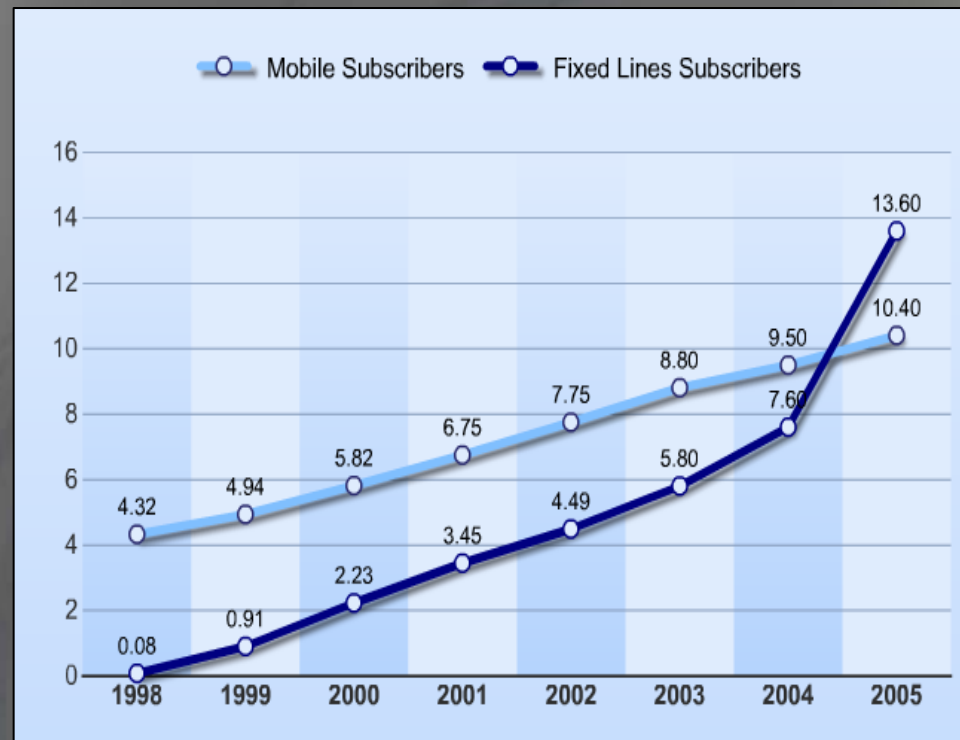
Infrastructure Index (Mobile)



MCIT Supporting Initiatives

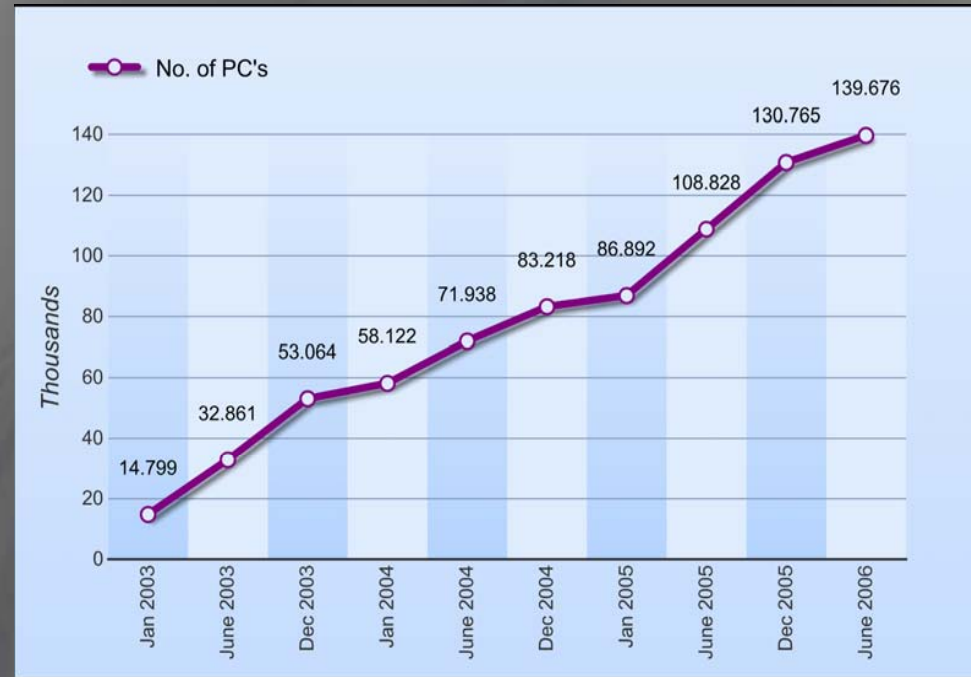
Basic Telecommunication Services

- **Rate of growth of communication sector is almost 6x the rate of growth of economy**
- **Growth rate of fixed telephony in rural areas is double that of urban users**
- **In 2005 Mobile subscribers exceeded the fixed line subscribers, almost the mobile subscribers were doubled in one year**



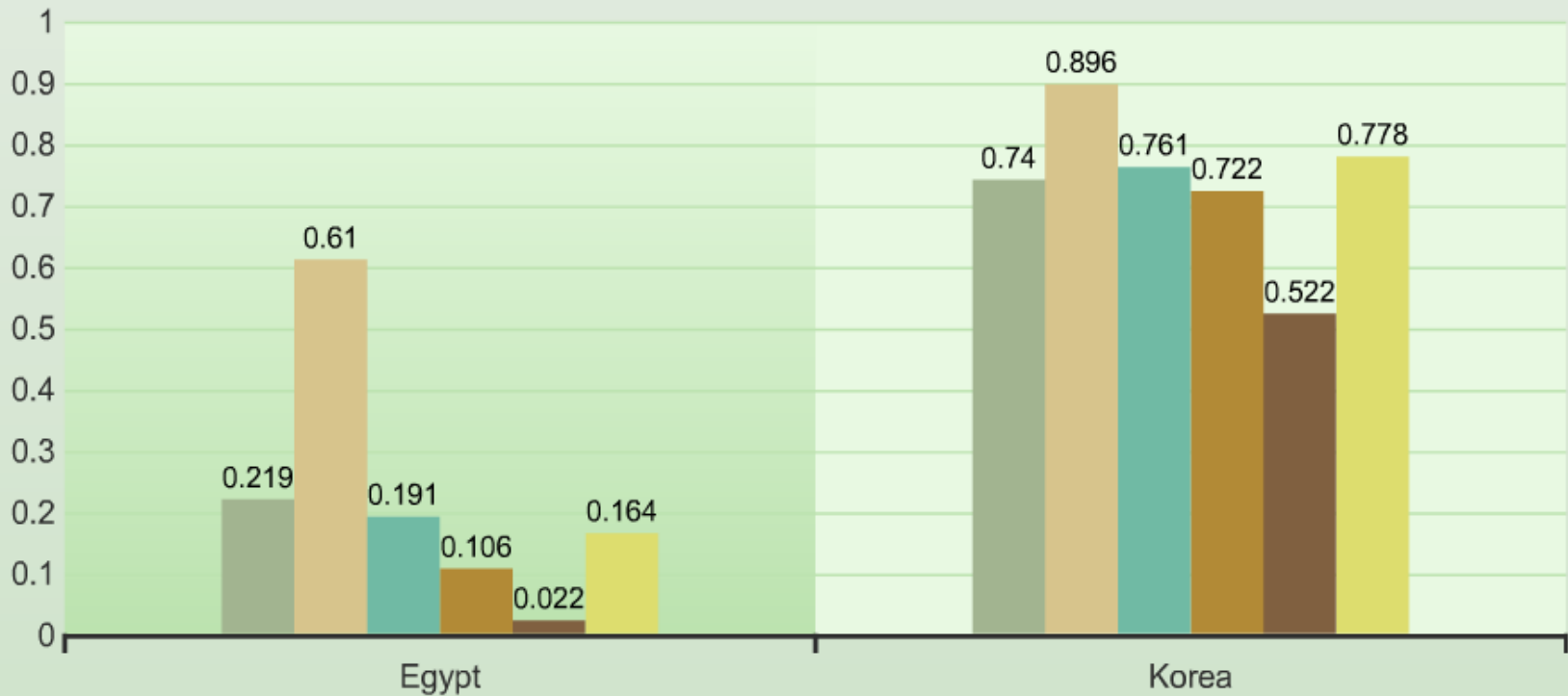
PC for Every Home

- A communal initiative enabling the Egyptian family to obtain a PC for a monthly installments
- Complements the Free Internet Initiative and the Broadband Initiative
- Providing a low cost PC for an installment less than LE 50 to reach a new segment of the population



Infrastructure index Comparison with Korea

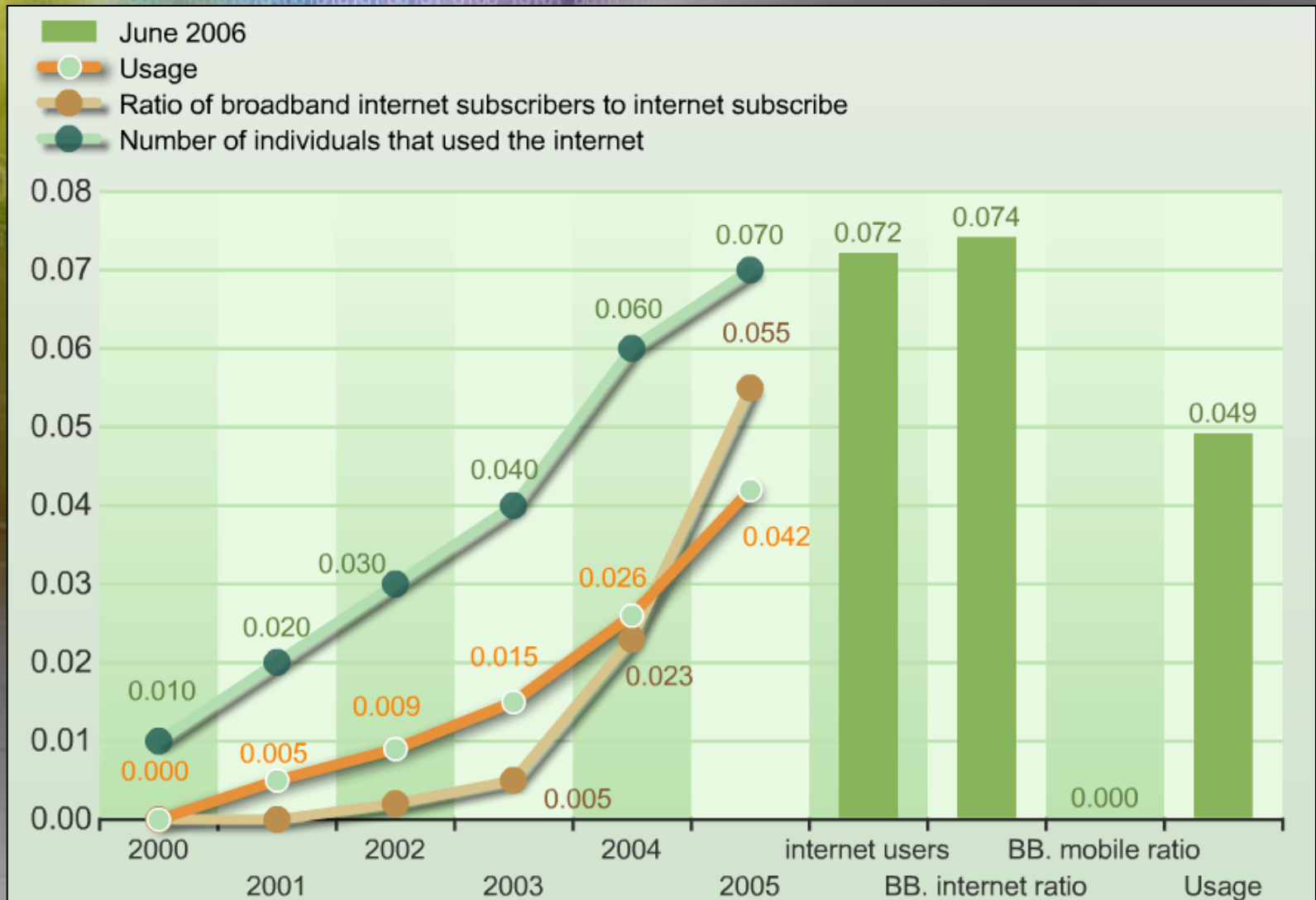
- Infrastructure
- households with a fixed line telephone
- Mobile cellular subscribers per 100 inhabitants
- households with Internet access at home
- (Mobile) Internet subscribers per 100 inhabitants
- households with a computer



Utilization Index for Egypt, 2005

Value: .04 Rank: 91st.

Egypt 2005	Indicator
Proportion of individuals that used the Internet	0.07
Ratio of Broadband Internet subscribers to Internet subscribers	0.05
Ratio of Broadband mobile subscribers to mobile subscribers	0.00



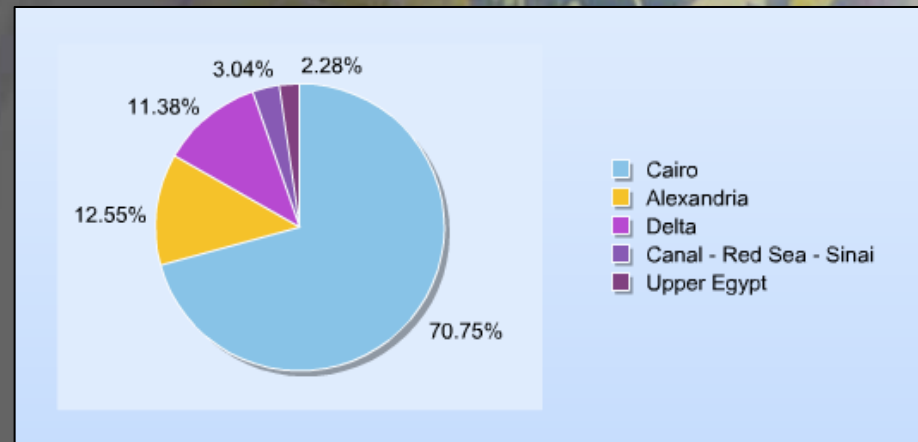
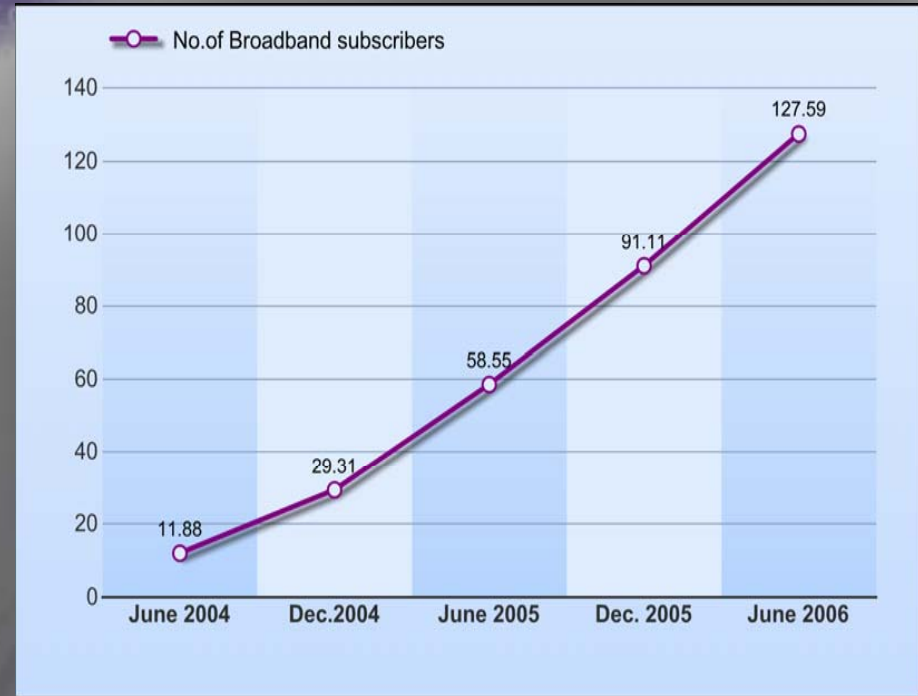
Utilization Index, 2000-2005



MCIT Supporting Initiatives

Broadband Initiative

- **Broadband Initiative:**
 - **Launched in May '04**
 - **Unbundling of the local loop**
 - **Increase ADSL Penetration – Promote WiFi Hotspots**
 - **5% of Internet users switched to ADSL during first year**
 - **First WiMAX-based deployments**
- **Providing broadband to more than 142,000 lines serving more than 1 million users**
- **Extending broadband access to schools and universities**
- **Growth rate of broadband subscribers reached approximately 10x growth rate of free Internet subscribers**



Basic Skills Development Program

June 2006

PC & Internet usage

133 737

Int'l Computer Driving License ICDL

2 565

Super User

4 735



An ambitious plan started to prepare preparatory schools and university students, as well as government employees to ICDL within 5 years

Utilization index Comparison with Korea

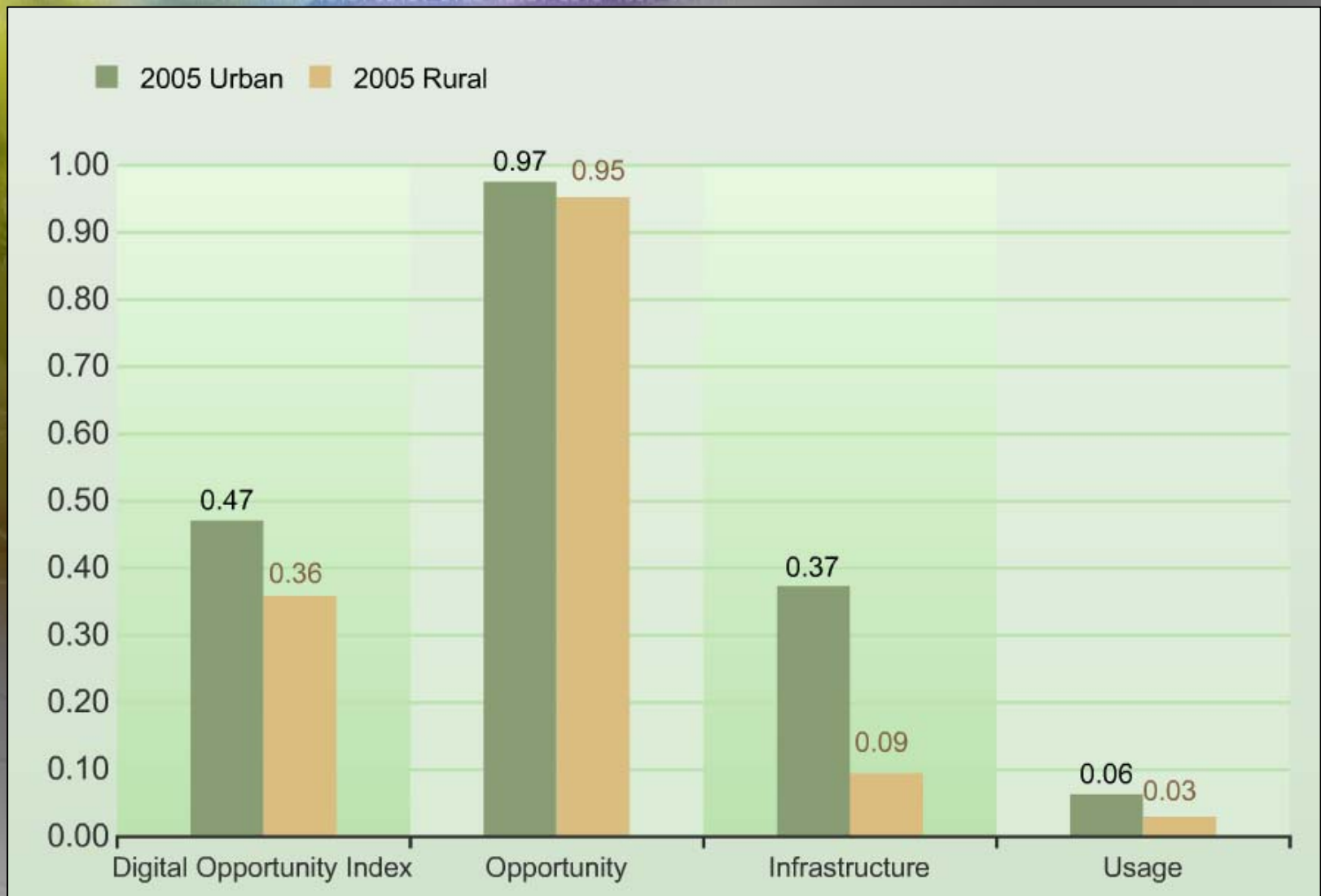
- Utilization
- Number of individuals that used the Internet
- Ratio of Broadband Internet subscribers to Internet subscribers
- Ratio of Broadband mobile subscribers to mobile subscribers



Rural-Urban comparison

	2005	2005 urban	2005 rural	% of urban
DIGITAL OPPORTUNITY INDEX	0.408	0.468	0.354	76
Opportunity	0.966	0.973	0.945	97
Percentage of population covered by mobile cellular telephony	0.980	1.000	0.950	95
Internet access tariffs as a percentage of per capita income	0.958	0.958	0.939	98
Mobile cellular tariffs as a percentage of per capita income	0.963	0.963	0.947	98
Infrastructure	0.219	0.371	0.092	25
Proportion of households with a fixed line telephone	0.610	0.990	0.285	29
Mobile cellular subscribers per 100 inhabitants	0.191	0.340	0.080	24
Proportion of households with Internet access at home	0.106	0.179	0.045	25
(Mobile) Internet subscribers per 100 inhabitants	0.022	0.039	0.009	24
Proportion of households with a computer	0.164	0.307	0.042	14
Usage	0.042	0.061	0.027	45
Number of individuals that used the Internet	0.070	0.127	0.028	22
Ratio of Broadband Internet subscribers to Internet subscribers	0.055	0.055	0.055	100
Ratio of Broadband mobile subscribers to mobile subscribers	0.000	0.000	0.000	

Digital Opportunity Index urban - rural



Digital Opportunity Index rural - urban, 2005

Conclusions

- **Quality of indicators subject to:**
 - **Internal capacity building in each country to collect basic data.**
 - **The need for countries to avail recourses to cooperate with international agencies**
- **DOI effectiveness**
 - **Flexibility**
 - **Modularity, easy to integrate with other indices.**
 - **Can track Progress when adopting new technologies.**
- **Egypt to move forward:**
 - **Focus on rural areas.**
 - **Increase broadband utilization.**
 - **Continue with human resource capacity building.**



Thank you