

MCIT strategy part of the Statement of the Government 2016

General:

The IT sector is basically revolving on Smart technology parks that include Upper Egypt but what about incentivizing the industry and the investors in the sector especially since they are targeting to decrease corruption by relying on technology and diminishing the reliance on the human factor. Then you need to encourage investments in this sector and if you are going to invest in smart cities or villages they should be in areas that have potential not just buildings that will not find skilled manpower to operate nor companies to invest in.

Details:

1) Telecommunication Networks Infra structure;

- a. Plan is given to cover 3 years. The Government statement to the parliament is covering one year till mid 2017. First discrepancy.
- b. 10B EGP will be invested in the coming 3 years. Government investment is between 10% to 20% from the 10B. That is from 1B to 2B funds coming from the Gov. First discrepancy: where is the allocation of funds by the Gov. ? is it mentioned and accounted for in the general budget? Second discrepancy: an investment of 80% will be required from the private sector around 8B EGP !! Is identified? Where are such investors? ? Third discrepancy: with the assumption that investors will be invited and willing to invest in the 8B EGP, what is the time frame they will be on board? What is the return on their investments? It will take till end of 2017 to have such investment operational. The only 2018 will

be left to reach the required goals.

- c. 4G are presented by end of 2016. First discrepancy: is there enough free spectrum? No. Spectrum needs to be freed. That will require an investment of at least 250M EGP. First discrepancy: Such fund is not allocated and made available in MCIT strategic plan 2014/2015 and was not implemented till now. So from where is the Gov. fund and investment?

2) CIT Industry Development:

- a. According to the MCIT web page to develop the CIT Industry till end of 2020 the amount 4.2B EGP will be required. . Out of that an investment of 1.2B will be required from the Gov. **is this budget allocated?** Is the 4B private sector investment allocated?

3) Technology parks:

- a. The plan presented is to develop 7 technology parks till end of 2018. Two by the end of 2016. Total investment for the 7 parks is 20B EGP. 20% will be direct investment by the Gov. (according to MCIT web site). 2.8B EGP will be required this year 2016!! Gov. share from 2016 investment alone is EGP 570M!! Was this budget allocated? Was the 80% private sector investment EGP 2.22B allocated? From where the funding to complete such project to meet the time frame?
- b. Technology valley Suez Canal economical zone was also presented in the MCIT plan. According to the web site of MCIT EGP 3B is required as an investment. !! Again Gov. share and private investment is 20% /80% that is EGP 600M / 2.4B EGP. Where are such investments? Is it mentioned anywhere in the national

total plan. ?

- c. Attracting foreign investments will required availability of not only business plan with return on the investment but also trained skilled work force specially in underdeveloped cities. What is the edge?
- d. According to the plan presented by 2018 half a million new jobs will be created in the new technology parks. Looking on the current working force in smart village and Maadi park the work force and jobs created so far are between 15thousand to 20K / 1 thousand to 2 thousand. What is then the basis of assumption to reach half a million new jobs..??

4) Egypt Post offices development:

- a. Plan is to develop and renovate 412 Post office as phase one. What is the budget? What are the added value services that will be developed in such offices?
- b. Another 400 to 500 offices will be developed and renovated by end of 2017. Is it just construction and renovation? Or will be added value services added. Clear real estate plan but not clear from the CIT services to the public.