

EGYPT

ICT & GBS

SECTOR ANALYSIS 2025



Revenues



Workforce



Education



Exports



Companies

ICT & GLOBAL BUSINESS SERVICE EGYPT

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CAIRO - NILE AND SKYLINE

Egypt's ICT & GBS Business Sectors at a Glance



5.8%

ICT sector GDP contribution



6.2 bln \$

ICT sector exports (IT + GBS) in '23



28%

of the regions service labor force



3.5 bln \$

GBS sector revenue ('23)



50,000

IT graduates just in the greater Cairo area



150,000

GBS labor force ('23)



760,000

Total number of graduates ('23)



20 +

Languages supported



55%

Female graduates ('23)



54%

Outsourcing model



97

Universities



46%

GBS/SSC model



GBS organizations by industries belonging



37%

Tech industry



24%

Manufacturing, logistics, utilities



17%

Retail & consumer goods



10%

Tourism, legal, services, marketing, others



6%

Healthcare



4%

Banking & finance



4%

Telecom

Data: Everest Group, The Worldbank, ITIDA, DOV. Retrieved March 2025. Map licensed via 123rf.com, borders and names updated

Analysis

Egypt's ICT & GBS Sector in 2025

Location, History, and International Relations

Egypt, located in northeastern Africa and bordering the Mediterranean Sea, is often called the “cradle of civilization” (Fouad, 2014). Its history spans over 5,000 years, with contributions from the Pharaonic era, Greek and Roman rule, and Islamic civilization, making it one of the most historically rich countries globally (Encyclopedia Britannica, 2025). The Suez Canal, a critical international trade artery, reinforces Egypt’s geopolitical significance, connecting the Mediterranean and the Red Seas (Helwa & Al-Riffai, 2025). Egypt’s regional role as a cultural and political leader is com-

plemented by its proximity to Europe, Asia, and Africa, which has historically shaped its international engagements (Everest Group Report, 2024). Over recent decades, Egypt has maintained a stable presence in international relations, balancing ties between the West, Gulf nations, Africa, and emerging economies such as China and India (World Bank, 2025).

Its active participation in organizations like the African Union, Arab League, and Non-Aligned Movement underscores its diplomatic ambitions. Post-2013, Egypt has also deepened relations with Europe and Gulf countries, securing substantial foreign investments and diplomatic support, particularly in infrastructure and ICT sectors (Oxford Business Group, African Development Bank, Arab Monetary Fund, UNCTAD).

Egypt’s foreign policy increasingly balances between fostering economic partnerships and ensuring regional security (World Bank, 2025, Oxford Business Group). This multifaceted approach enhances Egypt’s global integration and underpins its ambitious Vision 2030 agenda (African Development Bank).



Demographics, Language, and Religion

Egypt’s population has surpassed 110 million in 2025, with over 50% under the age of 25, representing one of the youngest populations in the MENA region. This demographic dividend provides an ample workforce and a potential consumer base for digital services (Everest Group Report, 2024). Cairo, Alexandria, and other urban hubs absorb the majority of this youthful population, driving urbanization and digital adoption.

Arabic is the official language, but English is widely used in business, higher education, and the ICT sector. French and German are also spoken, particularly in business circles linked to European markets. Islam is the dominant religion, practiced by about 90% of the population, while Christians, primarily Coptic Orthodox, constitute roughly 10%. This religious diversity, while historically a source of tension, has seen increasing tolerance in urban centers, supporting social stability vital for economic development (Everest Group Report, 2024).

Population (May 2025)	118,068,631
Yearly % change	+1.4%
Median age	24.5
Fertility rate	2.41
Density (people / km²)	119
Urban population (%)	40.91%
Urban population (amount)	48,427,431
Country's share of world populat.	1.44%
Egypt's global rank	13

Egypt's Demographics (Worldometer, 2024)

Key Demographic HighLights of Egypt

- 50% of Egypt’s population is under the age of 24
- Egypt has over 129 international schools with global curricula.
- There are more than 97 universities, producing 760,000+ graduates annually.
- Female representation is 50–55% at entry level but declines at senior levels.
- Egypt’s population enjoys 98.9% cellphone and 72.2% internet penetration

Economy and Trade

Egypt's economy is among the largest in Africa, with a GDP estimated at \$474 billion in 2024, showing resilience despite global downturns (World Bank, 2025). Key sectors include hydrocarbons, agriculture, tourism, construction, and increasing ICT and services (Oxford Business Group). The country's strategic location at the crossroads of continents makes it a natural trade hub, bolstered by the Suez Canal, which contributes around \$9 billion annually in revenue (Helwa & Al-Riffai, 2025).

est Group Report, 2024). Recent free trade agreements with African nations under AfCFTA and continued integration with Gulf Cooperation Council markets have diversified trade routes and reduced dependency on Western markets (UNCTAD, 2025; Calabrese, 2024).

Despite macroeconomic challenges like inflation and currency volatility, Egypt's economic reforms under the IMF and World Bank support framework have stabilized its fiscal position and encouraged foreign investment, particularly in digital industries (IMF, 2025).

Egypt's Global Services Landscape and Role in the MEA Region

Egypt has emerged as one of the most mature global services destinations in the Middle East and Africa (MEA) region, accounting for a significant 28% share of the region's global services headcount. While the MEA region as a whole has gained traction due to its cost competitiveness, multilingual talent, and geographic advantage, Egypt distinguishes itself with exceptional service depth across IT, business process (BP), and engineering, research, and development (ER&D) services.

ICT Exports

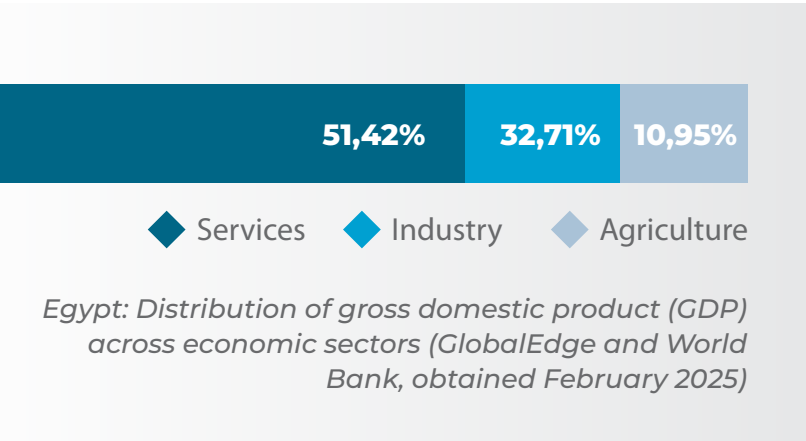
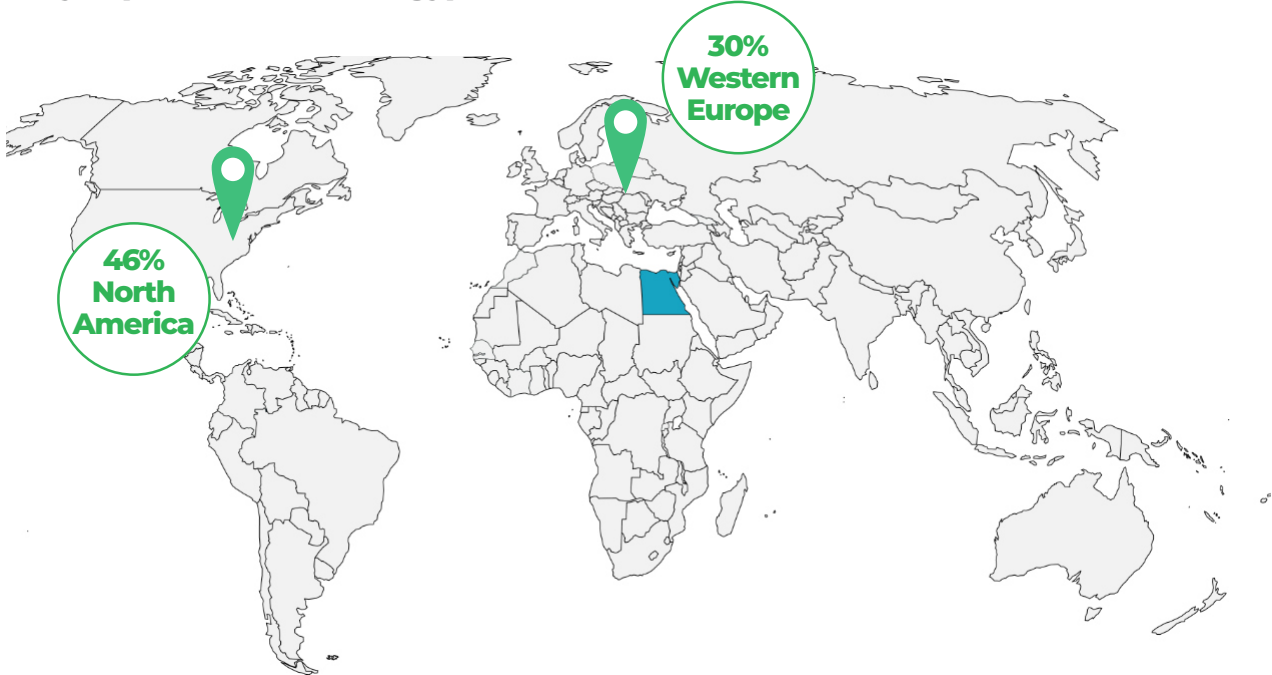
Egypt's ICT export landscape is dynamic, with services reaching key markets in North America, the United Kingdom, Europe, the Gulf region, and APAC.

North America alone accounts for nearly 46% of Egypt's ICT exports, followed by 30% going to Western Europe and the UK. Smaller but growing shares are delivered to APAC and other EMEA markets. (Everest Group 2024, ITIDA, Expolink).

Over 190 multinational organizations have set up over 260 delivery operations in Egypt, drawn by the country's cost advantages, skilled talent pool, and strategic time zone overlap with Europe and North America. Egypt's

Over the past three to four years, the country has moved beyond its traditional role as a contact center hub, transforming into a critical node for global technology and digital services. This transition is underpinned by government-led initiatives designed to strengthen Egypt's position as a regional technology hub. Fortune 500 companies increasingly rely on Egypt to deliver sophisticated IT services, reflecting growing market maturity. The government's long-term vision focuses on building Egypt's reputation as a digital powerhouse, supported by both public-sector policies and private-sector investments (Everest Group Report, 2024).

Key export markets for Egypt's ICT sector



Egypt's main export partners are the European Union, the UAE, the US, Saudi Arabia, and Turkey, while it imports heavily from China, the US, and Germany (African Development Bank). Major exports include petroleum products, textiles, fertilizers, and ICT services, while imports focus on machinery, equipment, and foodstuffs (Trading Economics, 2024, Ever-

ICT exports cover a broad range of services, from traditional call center work to sophisticated IT services, application development, data analytics, and cybersecurity.

The country has earned a reputation as a trusted partner in global service delivery, with clients ranging from tech giants to global financial institutions. This export success has become a crucial pillar in Egypt's broader economic diversification strategy.

Locations and ICT Sector Ecosystem

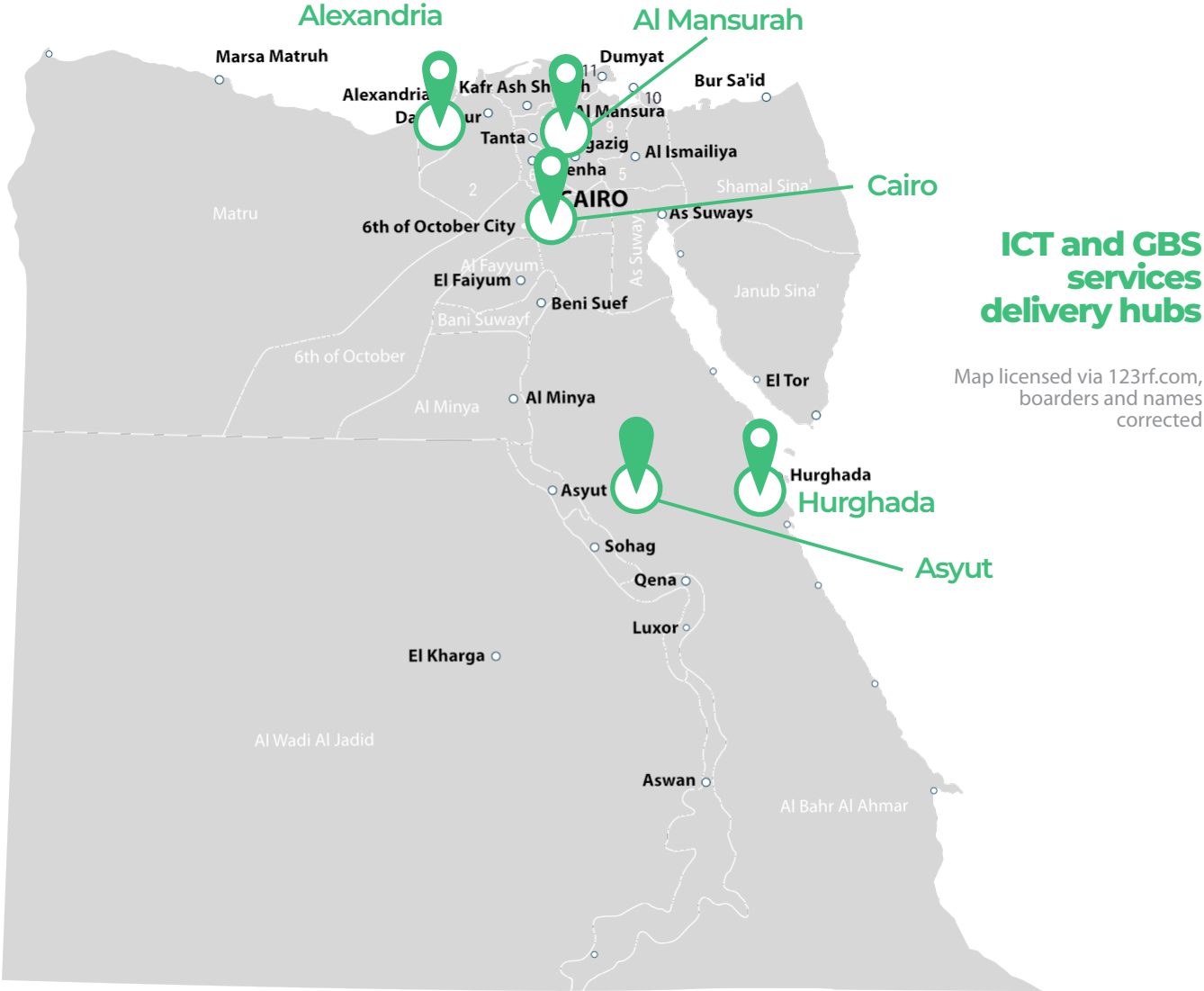
Egypt's delivery ecosystem is anchored by Greater Cairo, which hosts 75–85% of the country's total global services workforce. As Egypt's political, economic, and educational capital, Cairo offers a unique blend of scale, talent, and infrastructure.

The second largest center is Alexandria with a population of 5.7 million, which features a well-developed road network, comprising highways that link it to major cities such as Cairo and the North Coast. The city offers various transportation options including public buses, the tram network, commuter rail, taxis, and informal microbuses. Alexandria tramway network has 20 lines that serve 140 stops on 32 kilometers (20 miles) of track.

Alexandria and Asyut have emerged as natural second-choice hubs, with Alexandria leveraging its maritime and trade legacy and Asyut drawing on its oil and gas sector experience. These cities offer competitive advantages, including lower costs, government incentives, and an available talent pipeline.

Other tier-2 cities like Hurghada and Mansoura are now beginning to attract global business services, aided by new innovation hubs, including the Smart Village, Maadi Technology Park, and Silicon Waha campuses. Notably, Mansoura has invested in specialized innovation complexes, while Asyut's industrial base has supported the growth of technical delivery centers.

Picture: Asyut University Main Building, Source: Roland Unger via Wikimedia, URL: <https://commons.wikimedia.org/wiki/File:AsyutUniversityMainBldg.jpg>



Together, these regions create a geographically diversified and resilient delivery ecosystem, offering companies flexibility and risk diversification when building their Egypt operations.

Infrastructure, Quality of Life, and Business Environment

Egypt's infrastructure is robust and constantly improving, with over \$3.2 billion

invested in upgrading internet speeds, which rose by 28.4% in 2023.

The country boasts 13 international airports, 25 major railway projects, and a rapidly expanding network of smart cities, including New Mansoura and Al Galala.

Cellphone penetration stands at 98.9%, and fixed broadband speeds lead North


Silicon Waha
operates tech parks in 4 locations in Egypt. Visit siliconwaha.com for more information

Africa. Egypt offers 2.07 million m² office space, supported by major government investments, high-speed internet, and expanding urban and real estate development.

The regulatory environment has improved, with data privacy rules now aligned with GDPR standards

Egypt also offers an appealing quality of life, combining low living costs, universal healthcare expansion, and a vibrant cultural scene, making it easier to attract and retain global talent (Everest Group Report, 2024).

Safety perception is high, crime probability is low, and 70% report minimal concerns about physical attacks. Additionally, Egypt's government offers 35–55% corporate tax reductions, 100% foreign ownership, and access to over 70 countries through free trade agreements, making it an attractive, secure, and supportive destination for global investors and service providers.

Startup and Entrepreneurship

The country also boasts one of the region's most vibrant startup ecosystems, fueled by rising funding activity, collaborative workspaces, and government programs that support entrepreneurship.

The startup ecosystem is supported by coworking spaces, accelerators, and rising venture capital activity.

Government-led programs and public-private partnerships have further strengthened the entrepreneurship landscape, positioning Egypt as a key player in regional innovation

Labour Market and Education

With the largest workforce in the MEA global services sector, Egypt offers an abundant supply of skilled workers across IT, BP, and ER&D functions. Greater Cairo remains the anchor, but secondary cities like Alexandria and Asyut are gaining traction.

Egypt's multilingual talent pool supports delivery in over 20 languages, making it highly attractive to global companies. Gender diversity is a strength at entry-level positions, although there is room to improve female representation in leadership roles.

Egypt's maturity as a service market is rated high in BP, moderate-to-high in IT services, and growing rapidly in ER&D. This maturity is reflected in its ability to deliver increasingly sophisticated services and compete with

more established outsourcing destinations.

The Information Technology Institute (ITI) equips graduates with ICT and digital skills across 32 specialized tracks.

Universities and Talent Pool

Greater Cairo hosts top institutions like Cairo University, The American University in Cairo, Ain Shams University, Al-Azhar University, British University, German University, Helwan University, and October 6 University, forming the backbone of Egypt's higher education system and talent pipeline.

Egypt produces more than 760,000 graduates annually, growing at ~7% CAGR, reflecting strong education policies.

Egypt's digital talent pool is expanding, with 80 - 90 k in digital marketing, 20 - 25 k in process automation, and

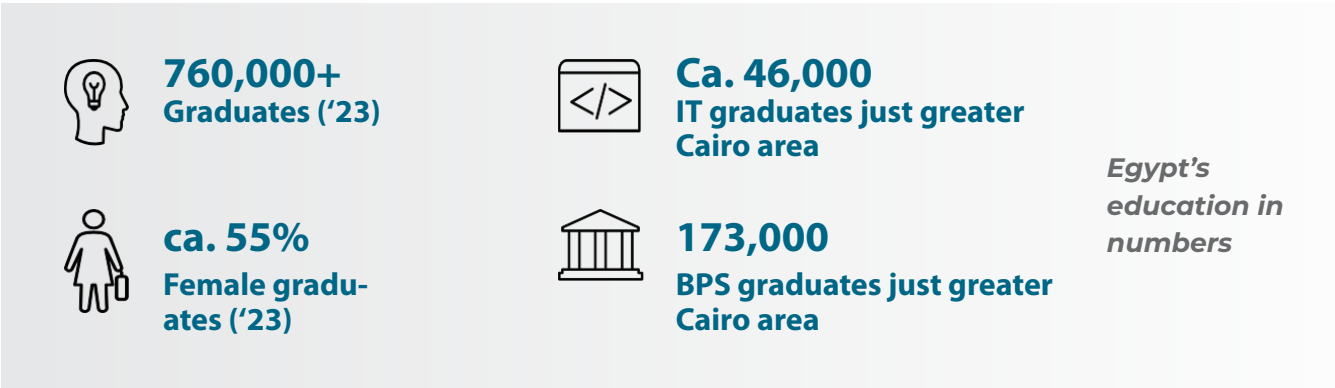
10 - 15 k each in cloud, analytics, AI/ML, and cybersecurity, strengthening the future labor market. Cairo leads the talent pool, with key universities; Alexandria and Mansoura also contribute significantly.

Global Comparison

Greater Cairo leads in BPS graduate supply with 173,000 - 175,000 annually, while Bangalore and Metro Manila dominate ITS and ER&D graduate pools, reflecting functional specialization differences (Everest Group Report, 2024).

The talent pool in these cities is further strengthened by nearby regions, expanding availability by 1.2× - 1.8×, especially valuable for flexible, remote work models.

Warsaw and Cape Town have smaller talent pools across functions, but companies report minimal challenges in scaling operations or maintaining





Picture: Cairo streets,
by AXP Photography on
Unsplash

workforce stability in these competitive locations.

Other global hubs include India's Indian Institute of Science, Indian Institute of Management Bangalore, IIT Bangalore, and PES University; Metro Manila's University of the Philippines, De La Salle University, and Ateneo de Manila University; Warsaw's University of Warsaw, Warsaw University of Technology; and Cape Town's University of Cape Town and University of the Western Cape.

Compensation

Greater Cairo offers 8,000–10,000 USD annual compensation per FTE, far below Romania's 30,000–32,000 USD, providing 55–70% cost savings over some European peers and 20 -

40% over mature Asian hubs, making Egypt highly competitive for IT services delivery.

In Business Process Services jobs Greater Cairo offers '5,000 - 7,000 USD annual compensation per FTE, which is noticeably below Romania's 10,000 - 26,000 USD, delivering significant cost savings versus European peers and 10–35% savings over mature Asian hubs like India and the Philippines.

Government Initiatives and Support for ICT services

The Egyptian government has played a catalytic role in supporting the ICT sector through a mix of financial and non-financial incentives. Flagship initiatives such as the Digital Egypt Generations program and the Digital Egypt Builders program aim to expand the country's digital talent pipeline.

The government also provides corporate tax reductions, grants, and R&D incentives, particularly in special economic zones. Tech parks such as Smart Village offer additional support through subsidized rents and advanced digital infrastructure, making

it easier for companies to establish and scale operations.

Egypt has simplified business registration and established one-stop shops to make it easier for entrepreneurs to access permits, licenses, and essential services. These reforms have reduced bureaucratic hurdles and encouraged local and foreign investment, creating a more efficient and attractive business environment across key sectors.

To strengthen its workforce, Egypt has launched major training initiatives like "Mehany 2030," "Digital Egypt Generations," and "Our Future is Digital," helping students and young professionals acquire industry-relevant skills. Additionally, free trade agreements with over 70 countries improve market access and provide businesses with reduced tariffs and trade barriers.

Egypt actively supports innovation through government-backed technology incubators, accelerators, and co-working spaces, fostering a vibrant startup ecosystem. The country has also enhanced its intellectual property (IP) protections, aligning with international standards like the Paris Convention, Berne Convention, and TRIPS, thereby incentivizing innovation and safeguarding inventors' and businesses' rights.

Egypt's innovation ecosystem blends government and global efforts, offering entrepreneurial programs in schools, universities, and media, with over 60,000 SMEs benefiting from Central Bank lending. Microfinance expansion and private universities introducing entrepreneurship education further strengthen workforce and enterprise readiness.

Incubators like Flat6Labs, AUC Venture Lab, and TIEC drive sectoral innovation, while global partners such as the European Bank and World Bank back MSMEs with funding and job creation programs. The U.S. government's Ripple program supports entrepreneurship centers across ten universities,

Summary of Key Government Incentives Supporting Egypt's ICT Sector

- 35–55% corporate tax reduction for qualified foreign investment projects.
- 70+ countries covered under Egypt's free trade agreements.
- 100% foreign ownership permitted across sectors.
- GDPR-aligned data protection laws strengthen investor confidence.
- Up to 50% subsidy for design offices, manufacturing in tech parks.

deepening Egypt's innovation and startup culture nationwide.

The Information Technology Industry Development Agency (ITIDA) has been pivotal in aligning Egypt's skills ecosystem with market needs, enhancing export capabilities, and facilitating market entry for foreign investors.

Looking forward, Egypt is well-positioned to move up the value chain, from voice-based services to high-value knowledge work, including AI development, cloud services, and digital transformation consulting.

Financial Attractiveness and Cost Competitiveness

Egypt offers significant cost savings compared to European markets, with overall savings of up to 75–80% relative to hubs like Warsaw or Lisbon.

While wage inflation has emerged as a challenge, it has been offset by currency depreciation since 2022, ensuring Egypt retains its cost competitiveness.

Salaries for IT roles remain highly competitive, ranging from \$400–700 at the entry and mid-level, and \$1,200–1,500 at senior levels.

For BPS jobs, monthly salaries typically range from \$300–500, providing a compelling cost-quality balance for investors.



Picture: View on Cairo, Photo by Ali Othman on Unsplash

Global business service centers in Egypt (selection)



Global services providers in Egypt (selection)



Egypt's IT services export is a key foreign exchange earner, with North America, the UK, Europe, and the Gulf as primary markets. The cost arbitrage, time zone overlap, and multilingual talent make it a favored nearshoring destination. As of 2024, ICT services exports were valued at \$4.9 billion, marking Egypt one of the top three African exporters (Oxford Business Group).

Impact Sourcing and ESG Goals

Egypt's global services sector has embraced impact sourcing, creating employment opportunities for underrepresented groups such as women,

youth, and residents of rural areas. This socially inclusive approach aligns closely with Egypt's ESG priorities, which include advancing gender equity, promoting regional economic development, and driving environmental sustainability.

Several companies have partnered with local NGOs and government programs to provide specialized training and employment pathways for marginalized communities, demonstrating a commitment to both business success and social impact. □



About the author: Stephan Fricke is CEO of the independent Deutscher Outsourcing Verband (German Outsourcing Association) and Managing Director of the European

market analytics and consulting firm ICT MARKETS. In these functions, he works with leading organisations from buyer, service provider, and consulting side as well as with industry associations and government organisations, focussing on improving market conditions for IT, BPO and GBS services in Germany, Europe and in emerging economies.

He is advising companies on international sourcing, their strategies and on activities on the German and European markets. He has also been working with public economic support organisations on development and growth of ICT and GBS sectors in more than 20 countries. You can connect with Stephan via LinkedIn.com.

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