



Navigating Digital Transformation: Unleashing Egypt's technological potential

In recent years, Egypt has embarked on a journey of digital transformation that has the potential to reshape its economic, social, and cultural landscape. With its rich history and strategic geographical location, the nation is poised to become a digital hub in the Middle East and North Africa (MENA) region. The government is strongly committed to fostering the emergence of a digital economy and accelerating the country's digital transformation.

This can be seen in the goals set under the Information and Communication Technology (ICT) Sustainable Development Strategy 2030.¹ The focus will be on accelerating digital transformation through a multi-ministerial effort, leveraging digital technologies as a major driver of change to improve economic performance, business models, productivity, and overall social well-being. Furthermore, Egypt has risen to rank 56th among 172 countries on the Government Artificial Intelligence (AI) Readiness index², which is a significant indicator of its tech potential and capabilities.

Key drivers and challenges of digital transformation

There are many reasons why digital transformation is being driven effectively in Egypt. At the outset, the nation's tech-savvy youth with a median age of 24, and its growing internet

¹ https://mcit.gov.eg/en/Media_Center/Press_Room/Press_Releases/53006

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user base which recently increased by 1.6% in 2023 (according to [Kepios](#)), are driving digital adoption and progress. Moreover, the country's thriving startup ecosystem, its strategic location and skilled workforce stands to attract multinational corporations, all of whom are investing heavily in digital capabilities.

That the government has made digital transformation a key component of the Egypt's Vision 2030 strategy, will help to deepen the efforts of promoting infrastructure modernization, digital literacy, and innovation.

To this effect, Egypt's banking sector is embracing digital technologies, with an aim to enhance convenience and accessibility for customers through mobile banking apps and online payment platforms. Mashreq Egypt exemplifies this shift, pursuing a digital services strategy aligned with the nation's financial inclusion and aspirations for digital transformation. For instance, using Interactive Voice Response (IVR), the bank provides various self-service channels for customers to activate Credit Card/ Debit Card by generating PINs, pay bills, while also enabling easy money transfer. Through a resilient expansion approach, we aim to provide inclusive financial services to diverse segments of society, aligning with Egypt's overarching plans.

Despite a positive environment fostering digital expansion and transformation, the nation must overcome several challenges. Like most developing nations that have embarked on the path to digitalisation, Egypt also faces issues related to digital divide, cybersecurity, regulatory frameworks, skills gap, financial inclusion, and literacy. Ensuring equitable access to technology and internet connectivity, developing clear regulatory frameworks, protecting customer data, and addressing the unpenetrated population is crucial to ensure that everyone can benefit from digital transformation.

Transformative impact on the banking sector

Digital transformation has enabled the banking sector to enhance convenience through 24/7 access and reshaped services with innovations such as mobile wallets and digital lending. Bringing banking at customers' fingertips, has helped reduce costs. Tech-enabled data-driven insights for banks to be able to offer personalize customer services. Other sectors that are undergoing a revolution due to technological intervention are education, healthcare, agriculture, tourism, among others.

Egypt's digital transformation entails both technological advancement and a significant cultural shift. Close cooperation among the government, private sector, academia, and civil society is necessary to overcome challenges in this journey. To ensure inclusivity, targeted policies, infrastructure investments, and upskilling initiatives must be pursued. While in the banking sector, collaboration among banks, fintech entities, and regulators is key to seamless digital transition, involving robust infrastructure, cybersecurity, and user-friendly interfaces.

Emerging as the 'digital leader' of the region

Even as Egypt's digital transformation journey is steering towards a future of innovation and accessibility, the country needs to focus on investments in strengthening its digital infrastructure. These include sharpening data centres, reliable cloud services, and robust cybersecurity measures. Priority should be given to making reliable and affordable high-speed internet services to both rural and urban areas.

Only when there is equal access among citizens and conducive environment for start-ups and technology companies to thrive, can we boast of a truly digitalised economy. These support the growth of digital services, e-commerce platforms, and technology-based businesses that require a dependable digital ecosystem. By leveraging its historical resilience and innovative spirit, Egypt can chart a course towards becoming a regional beacon of digital excellence. This transformation holds the potential to not only drive economic growth - solidifying Egypt's position as a regional digital leader - but also to enrich the lives of its citizens.