

Egypt touts itself as next offshore outsourcing hot-spot
Ancient land of the Pharaohs looks towards a high-tech future...

By Andy McCue

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Egypt is making a pitch to be the next offshore outsourcing hot-spot, claiming that its foreign language skills and low labour costs put the country in a strong position to compete with India and eastern Europe.

AT Kearney recently ranked Egypt number 12 in a list of top offshore outsourcing destinations and while the country's share of the offshore call-centre market is still very small, analyst Datamonitor predicts it will grow by 52 per cent over the next 12 months.

Egypt's leading call centre company Xceed has a 1,200 seat operation at a new government-subsidised high-tech Smart Village just outside Cairo where salaries for staff working on offshore accounts range from around £200 to £250 per month.

The company, whose customers include General Motors, Microsoft and Oracle, also has no problem picking the best candidates - with 18,000 applications received for each position.

Adel Danish, chairman and CEO of Xceed, speaking to silicon.com at the company's Egypt headquarters this week said the country is ideally situated to be a near-shore outsourcing destination for European companies.

He said: "Egypt can be for Europe what India is to the US."

Hassan El Shawarby, sales manager at rival Egyptian call centre company Raya, said: "We will be cheaper [than India] by 20 to 30 per cent on the high quality call-centre services."

But with a graduate output of just 250,000 per year the country acknowledges that building up its internal IT and call centre skills will be vital if Egypt is to achieve the kind of scale that will allow it to compete with the likes of India and eastern European destinations, such as the Czech Republic and Hungary.

Mohammed Omran, CEO of the **newly created Egyptian government-funded Information Technology Industry Development Agency (Itida)**, said: "One of the key challenges is for Egypt to develop our own expertise in order to be able to compete with the world's outsourcing companies... and compete against India, Ireland and eastern Europe."

Egypt's offshore call-centre industry is far more advanced than the still immature and extremely small offshore IT industry but Itida is paying for 85 per cent of the

cost for Egypt's high-tech companies to gain the CMM software development quality accreditations that India has set the benchmark for.

Omran said: "We are trying to imitate what the Indians have done."

Egypt itself faces competition from other African countries including Morocco and South Africa, which dominate, and up-and-coming destinations such as Kenya and Sengal which are all battling for a piece of the lucrative offshore outsourcing market.