

## Press release

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### Cost-competitiveness and Arabic language capabilities encourage UAE companies to outsource to Egypt

New research shows growing interest from the UAE in Egypt as an outsourcing destination

**Dubai, October 13, 2009** — Cost-competitiveness and language capabilities are the main reasons UAE companies would outsource to Egypt according to new research launched by Egypt's Information Technology Industry Development Agency (ITIDA) and YouGov. Over half of respondents (53%), cited the need to control and reduce costs as the main driver, closely followed by availability of Arabic language skills (50%) and close geographical location (26%).

As companies continue to recover from recent economic conditions, 94% of UAE companies consider cost management as an important factor when deciding on an outsourcing destination. Other factors considered important by UAE companies include a highly qualified and skilled talent pool (98%), professionalism of client service teams (97%), and a well-established and reliable infrastructure (94%).

Commenting on the findings, Dr Hazem Abdelazim, CEO, ITIDA, said: "Cost continues to be an important factor when it comes to outsourcing. Companies are continuously looking for destinations that offer cost-competitiveness along with a highly skilled, talented workforce. Based on the perceptions revealed today, it's encouraging to see that companies across the GCC – and in the UAE in particular - are recognizing the value of outsourcing to Egypt and seriously considering it as a future option."

In the GCC, companies see Egypt as being firmly placed on the outsourcing map with almost a third of respondents (17%) stating that their companies are already outsourcing some of their IT and business process services to the country.

The study reveals that whilst long-term favorite India continues to lead the way in the UAE, Egypt is hot on its heels as an outsourcing choice and is firmly ahead of other emerging destinations including Russia (1%), Sri Lanka (1%) and Ukraine (1%).

It also revealed a growing interest in Egypt with over a quarter of UAE respondents saying they would consider outsourcing there in the future.

“With more and more companies appreciating that Egypt provides a highly qualified and multi-lingual skilled labor pool of workers and managers at a competitive cost, the country is establishing itself as a world-class provider of outsourcing. In addition, Egypt also offers excellent unit costs for telecom networks, Internet access and power and office rent,” adds Dr. Hazem Abdelazim.

Egypt also looks set to be a global leader in the future. 44% of UAE respondents listed Egypt as the current leader in the outsourcing industry for UAE-based companies with almost half (48%), citing it as the country that is set to receive most outsourcing from MENA countries in the next five years. Egypt was placed ahead of Russia (20%), Sri Lanka (16%) and Brazil (14%) as a future global outsourcing leader.

The country continues to benefit from the strong support offered by the Egyptian government. This includes helping multi-national IT companies to



establish clustered groupings in its range of new business parks, including Smart Village, a six hundred acre modern business environment on the outskirts of Cairo.

Recent reports published by the World Economic Forum and the World Bank support this view that Egypt is becoming an increasingly competitive and growing economy and a more conducive business environment for local and multinational ICT companies.

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**About ITIDA:**

The Information Technology Industry Development Agency (ITIDA) is a governmental entity affiliated to Egypt's Ministry of Communications and Information Technology. It is responsible for growing and developing Egypt's position as a leading global outsourcing location by attracting foreign direct investment to the industry and maximizing the exports of IT services and applications.

Located in the heart of the modern business environment at Smart Village, the six hundred acre business park on the outskirts of Cairo, ITIDA is a self sustainable entity that drives the IT industry in Egypt and raises awareness among the Egyptian people of the benefits and use of ICT to advance socio-economic welfare of the whole community.

**About YouGov**

YouGov is a full-service market research company, specialising in qualitative research and online polling. YouGov has the region's largest pure research panel of approximately 200,000 members, who respond to surveys. The company has particularly strong analytical skills, with research specialists who have many years regional experience. YouGov acts as a research consultancy for clients on research projects of any size, outsourcing face-to-face and telephone when needed, ensuring the very best service the region can offer. It is part of the YouGov Group, which applies the same online methodology and has proven levels of accuracy.