

## Egypt's Software Piracy Drop and Legal Reforms Boost Foreign Investment

New rigorous measures and effective legislative reforms help attract more investment in the country's vibrant IT sector

**Egypt, Cairo– September 20, 2018:** Egypt has seen a two percent drop in its software piracy rate to reach (59%), the U.S.-based Business Software Alliance said in its recent study, released last June.

The study revealed that Egypt has managed to decrease the commercial value of the unlicensed software, which declined significantly from \$157m in 2015 to \$64m in 2017. The survey quantified the volume and value of unlicensed software installed on PCs across more than 110 national and regional economies in addition to surveying more than 22,500 consumers and employees in 32 countries who use PCs at home or at work.

Globally, Egypt now has lower piracy rates than some of other global outsourcing contenders including Morocco (64%), the Philippines (64 %), Vietnam (74 %), and Sri Lanka (77 %). This is the second consecutive year that Egypt's piracy rates have fallen.

Last July, the Egyptian parliament; backed by two thirds of parliament's 596 members, passed the cyber-crime law that helps in mitigating the cyber threats and establishes rules and measures to be followed by the local ISPs.

The law, which legalizes the digital evidence for the first time in the Egyptian jurisprudence, aims also at stamping out any information inciting violence or hatred, addressing various other types of computer crimes including hacking, fraud, or any attack on private and public information systems and networks.

"Over the past several years, the government has taken tough measures to crack down on the illegal use of software," said Dr. Mohamed Hegazy, Egypt's IPR office manager, commenting on the BSA study's findings.

"We have managed to create a conducive business environment through modernizing the legal framework and law enforcement, combating piracy, and protecting intellectual property rights.", He added.

Egypt's Ministry of Communications and Information Technology announced the Cabinet's approval on the data protection and privacy draft law that, as reported, embraces the new EU's General Data Protection Regulation (GDPR).

"We are working on a comprehensive strategy for increasing the attractiveness of Egypt to international investors building on our momentum and the ICT sector's growth which we believe will remain robust," said Maha Rasha, Acting CEO of Egypt's IT Industry Development Agency.

"The country has the right mix of capabilities that qualifies it to be an ideal hub for global operations and business innovation which is thriving and booming like never before."

"The new legal reforms add an edge to this mix and generates new wave for foreign investments into the sector." she added.

The recent reforms will boost Egypt's appeal to global firms and international data centers besides helping it achieve both economic and cybersecurity gains.

Egypt has demonstrated increased efforts in developing its telecom infrastructure, building tech parks bundled with attractive investment schemes and incentives, nurturing its talent pool through multiple digital training initiatives on advanced technologies such as data science and analysis, IoT, AI, cybersecurity.

Valued at nearly EGP 59 billion (USD 3.26 billion) in 2017, the Egyptian IT and IT-enabled services (ITeS) export industry is spurred by the expansions and increased presence made by the existing multinational companies and the new IT foreign direct investments to the country. Egypt has already established its reputation as a prime location for tech giants looking to establish their IT/ ITES global delivery and shared services centers.

Many technology leaders and a long list of multinational companies including DELL EMC, Valeo, Microsoft, Convergys, Teleperformance, Sutherland, IBM, Sykes, and Mentor Graphics opted to outsource their IT services and R&D centers to Egypt.

The government has prioritized attracting new IT investment, touting the country's highly competitive cost for multilingual operations, the abundant skilled and tech-savvy workforce, and the positive business environment along with the continuous government support.

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