

Telecom Egypt Powering diversification with ICT

“We’ve achieved a lot of success so far,” says Telecom Egypt (TE) CEO and Managing Director Adel Hamed, “But, the road ahead of us is tough.” TE has indeed thrived thanks to a diverse retail and wholesale business portfolio underpinned by strong legacy network infrastructure, strong market conditions, and Egypt’s geographical location as an ideal digital hub for connecting Asia and Africa to Europe.

By Gary Maidment

Nevertheless, digital transformation has changed the telco landscape, requiring incumbents like TE to develop the agility to stay ahead of the disruption curve and OTT competitors. And that begins with strategizing for domestic and international business by knowing your market, understanding future industry trends, and developing the right partnerships to rollout a diverse ICT-driven product and service portfolio.

Taking care of business on the home front

“I keep saying that ICT is like the snowball that keeps rolling, consuming industries,” says Hamed. He cites the evolution of broadcast media into IPTV and fintech’s impact on financial services as two key examples of how ICT is reshaping industry verticals.





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We transfer around 95 percent of the Asian Internet from Egypt to Europe. We aim to become the best digital hub for Africa and Egypt. ”

— Adel Hamed, CEO and Managing Director, Telecom Egypt (TE)

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IPTV

Underpinned by a Huawei platform that was built from scratch, TE's IPTV offering is breaking new ground as part of a bundled package under the WE brand. “Now we're offering fixed voice and data, mobile voice and data, and IPTV as a bundle in our Indigo Plus package,” Hamed explains. “This is Egypt's first integrated package ever.” Underpinned by Huawei's BSS, WE branded products are also encouraging the development of the postpaid market, which in turn reduces the customer churn often seen in prepaid markets.

TE's retail products and branding strategy also respond to the greater economic prosperity and falling unemployment that are helping to fuel a burgeoning demand for data, especially among young people. With a population growth rate of 2 million people per year, each new crop of market entrants presents huge opportunities for new data services.

Fintech

In the financial services field, TE has teamed up with Banque Misr to launch fintech solutions,

including WE Wallet. Supported by high-speed mobile broadband infrastructure, WE Wallet will help expand economic inclusion in a nation where cash is king – only 10 to 15 percent of Egyptians currently have bank accounts.

Increasing access to financial services is vital for socioeconomic development as it accelerates job creation, reduces the vulnerability to financial shocks common to lower income groups, and boosts investment in human capital. As a government-owned enterprise, many of TE's domestic products aren't just good business – they also position ICT as a catalyst for the digital transformation of industry verticals and socioeconomic development.

Education, e-health & e-governance

“We connected 2,500 schools in two months by fiber, in preparation for transforming education,” says Hamed. “Think about the number of schools in Egypt – 27,000. Secondary schools will have a different type of education, like automated exams on tablets. And think about e-health and e-governance.” TE has already completed a government pilot in Port Said, Hamed explains, connecting 700 government buildings, including hospitals and police stations, and facilitating

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173 government services for citizens over TE's network. “And this will be followed by another 27 government nets inside Egypt over 18 months,” he adds.

To support the services that will help realize TE's strategy of becoming an ICT provider, the operator's major fixed network expansion involves deploying FTTH on all greenfield sites, with a million links planned for next year that will cover 15 percent of its subscriber base. In the same timeframe, TE also plans to increase the number of MSAN cabinets from 23,000 to 34,000.

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On the mobile side, 4G is speeding over the horizon. TE has been granted a 4G license, and Hamed notes that TE “will be the only operator in Egypt that will backhaul all sites with fiber.”

Beyond borders

Egypt's favorable location lends itself well to a strong position on the international connectivity

stage. Operating a total of 17 submarine cables, including the recently completed cable running from China and Europe through Cairo via the Red Sea, TE is helping Egypt develop into an international digital corridor connecting Asia and Africa to Europe. “We transfer around 95 percent of the Asian Internet from Egypt to Europe,” says Hamed, helping to realize TE's overarching strategy of “becoming the best digital hub for Africa and Egypt.”

Doing so will involve adding value to data and services, which TE plans to achieve with its nascent international data center business and content partnerships with major players like Microsoft.

With expansive domestic and international strategies and the blend of opportunities and challenges presented by digital transformation, partnerships are a big part of moving forward for TE. Hamed believes that collaboration with Huawei transcends the normal vendor-operator relationship that's based on supply, and is instead built on establishing trust and growing together, “Huawei is different in mindset, in its preparation for the future, not only the near future but also the far future.”

And that future is one best walked together. 