IDEA GROUP PUBLISHING
701 E. Chocolate Avenue, Suite 200, Hershey PA 17033-1240, USA
Tel: 717/533-8845; Fax 717/533-8661; URL-http://www.idea-group.com
ITB8562

Chapter 10

# Electronic Commerce in Egypt

Sherif Kamel
American University in Cairo



## Abstract

The information and communication technologies have had remarkable impacts worldwide on the emergence of a number of trends and applications affecting business, the industry and the economy. One of the vastly growing waves in today's changing environment is electronic commerce. It is directly affecting the way people communicate, interact and do business. Electronic commerce currently represents 2% of the global business transactions but promises to dominate the business environment in the 21st century. The successful presence of electronic commerce through the Internet has helped create low cost and more efficient channels for product and service sales through a more dynamic and interactive venue of opportunities where the world becomes the market place.

This chapter reflects on the ways business will be developed and formulated in the 21st century. As the world is converging into a global village where supply and demand interacts across nations and continents, electronic commerce represents an opportunity for many countries around the world. Egypt, one of the rapidly growing economies among the developing world has thoroughly invested in transforming its society to deal with the information-based global market economy of the coming century. Respectively, one of the associated technologies in business development and trading has been electronic commerce. With the introduction of the Internet since 1993 in Egypt, today there are around 250,000 Internet subscribers served by 50 Internet service providers and representing the starting point for a potential

This chapter appears in the book, *Managing Web-Enabled Technologies in Organizations: A Global Perspective* edited by Mehdi Khosrowpour. 

electronic commerce community.

As the Internet grows in magnitude and capacity, electronic commerce will flourish and will have direct implications on the socioeconomic and business development process in Egypt. This chapter demonstrates Egypt's vision with regard to electronic commerce and its possible utilization in its developmental and planning processes. Moreover, the chapter will demonstrate the roles of the government, the public and the private sector facing the challenges and opportunities enabled by electronic commerce, and how Egypt places the new enabled information and communication technologies as tools that can help in the nation's development process.



## Introduction

Information and communication technology, information highways, and globalization are some of the driving forces of change in today's market place (Kamel 1995). The Internet promises to improve people's daily lives in the way they work, study, and are entertained with diverse implications affecting many aspects and sectors of life. The economy, the industry and the business society are among the beneficiaries. The growth of the Internet, the numbers of users and the applications introduced have been remarkable over the last decade. Projections show that the growth rate will continue to rise in the years to come, as the world becomes more aware of the opportunities enabled by the Internet as vital source of information and knowledge at the individual and organizational levels (Kamel 1997).



This chapter provides an overview of one of the rising stars and applications of the Internet: "electronic commerce" that is perceived to become the way to do business in the 21st century. Thus, firms worldwide are starting to invest in cyberspace as their gateway to the business world in the next millennium whereas those who stick to the traditional ways will lag behind and lose out with regard to business opportunities for development, expansion and growth. The chapter demonstrates the concept of electronic commerce globally and proposes ideas and suggestions for a developing country such as Egypt that has chosen to leap frog by investing in information and communication technologies to keep pace with the developments taking place worldwide. The trade-off has been vital and the factors involved have economical and social implications. The first option was to develop the country horizontally in traditional sectors, however, risking lagging behind further in technology and innovation. The second option was to push the high-tech industry and develop the country vertically through heavy investment in sectors such as high-tech, communications and information technology with ultimate implications and benefits on all other sectors (GOE Report 1997).