



DATAMONITOR

Egypt as a Contact Center Outsourcing Destination of Choice

**Making the right choice for your customer service
investment**

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Agenda

- **Introduction**
- **Egypt in the spotlight**
- **National market comparison**
- **Why Egypt?**
- **Conclusions**
- **Questions**

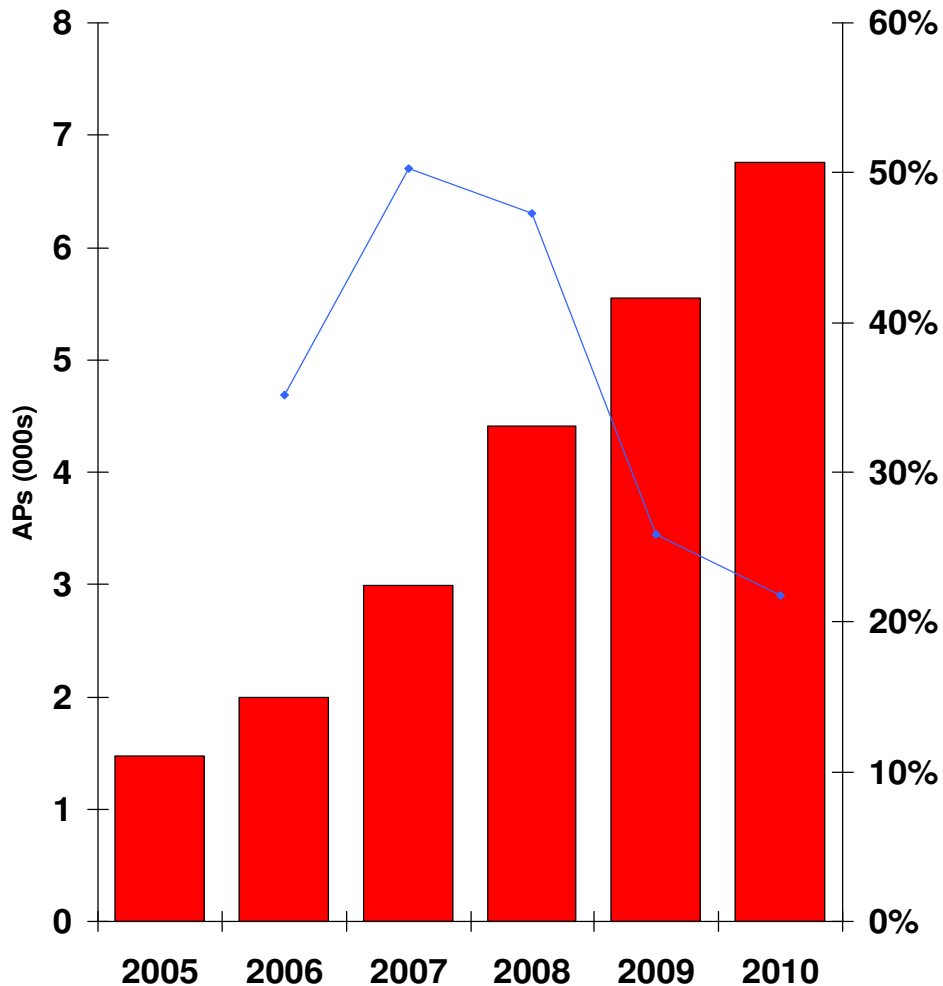
Global trends in Contact Center Outsourcing

- Despite recent negative press companies in the UK continue to outsource contact center services abroad;
- However, traditional contact center outsourcing locations continue to slow in terms of total agent position growth;
- New outsourcing destinations are emerging every year in order to profit from ongoing western investment;
- Cost is no longer the key outsourcing determinant;
- Investors are placing their emphasis on stability, high-quality customer service and commercial sophistication among agents.

Agenda

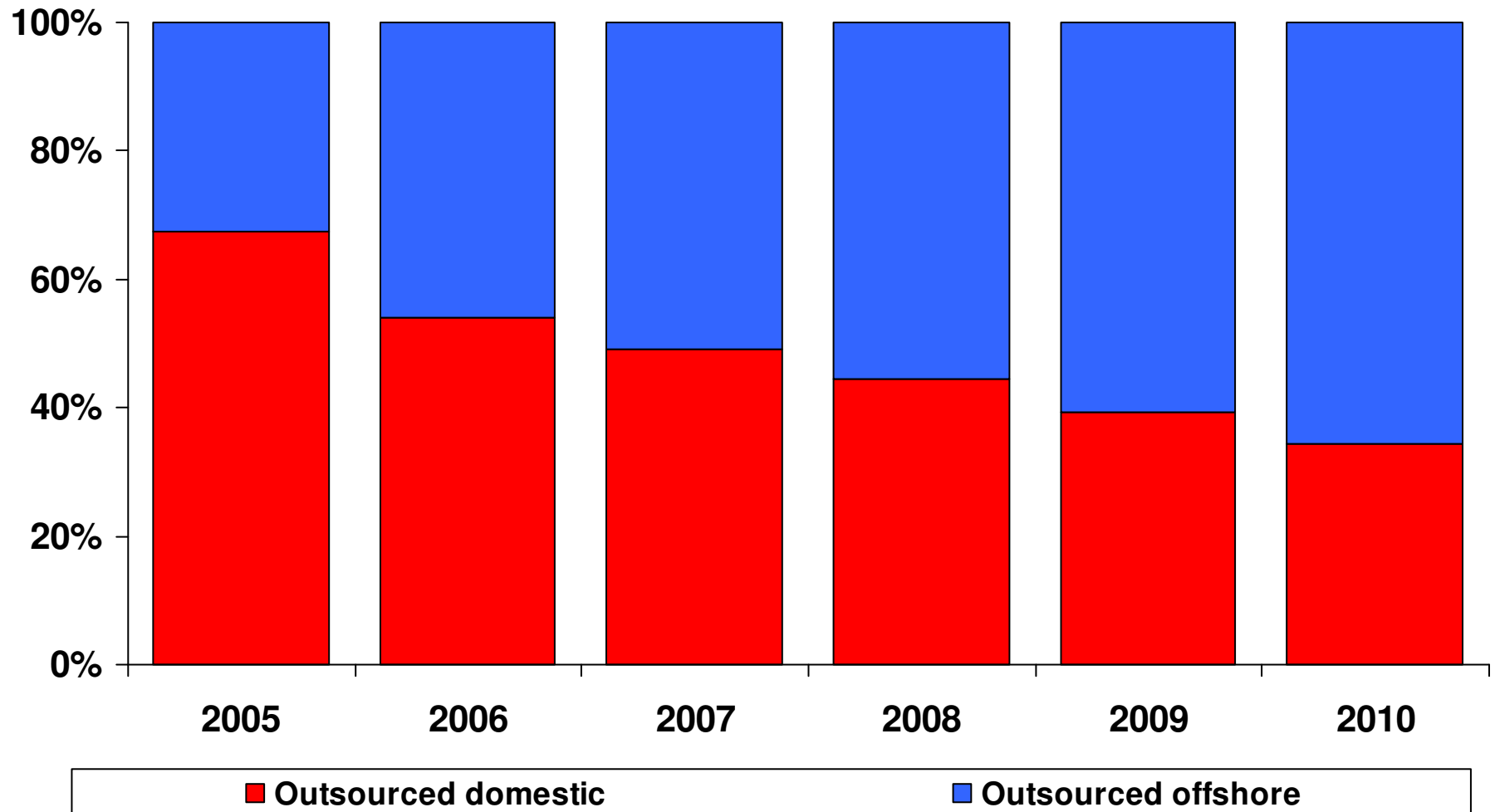
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Egyptian Contact Center Outsourcing: 2005 - 2010

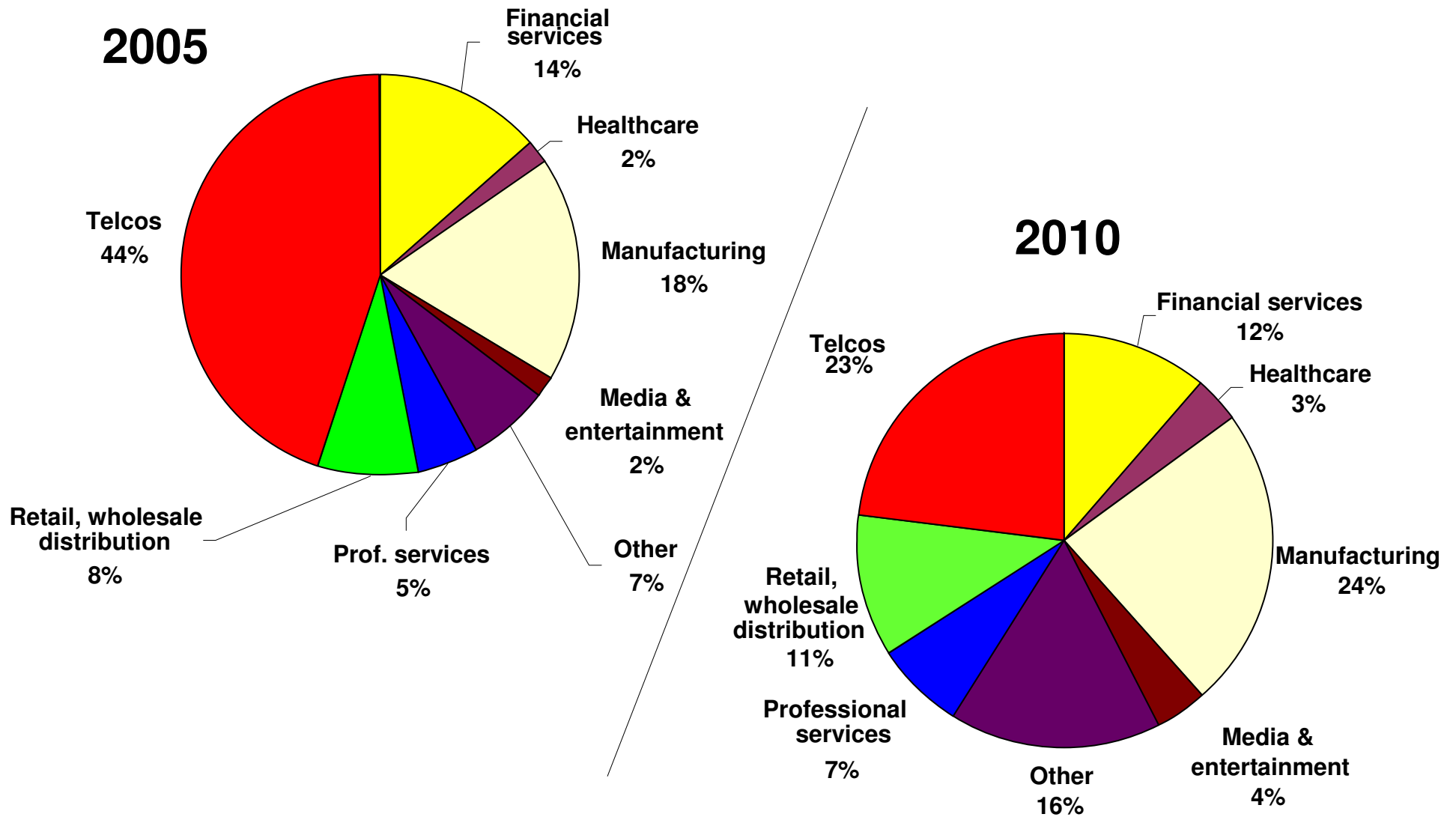


- Egyptian outsourced APs will grow from 1,500 in 2005 to nearly 7,000 by 2010;
- Annual growth will peak at 50% and slow through the period;
- The major markets serviced from Egypt include the UK, USA, France and Arab-speaking countries;
- Egyptian domestic outsourcing will also increase in volume, albeit at a slower pace than offshore outsourcing.

Egyptian Outsourced APs – Offshore versus Domestic



Egyptian Outsourced APs – vertical evolution



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Egypt vs. other UK-focused offshore markets

| | <u>Egypt</u> | <u>India</u> | <u>South Africa</u> | <u>Hungary</u> |
|----------------------|--------------|--------------|---------------------|----------------|
| Stability | ✓ | ✓ | ✓ | ✓ |
| Scalability | ✓ | ✓ | ✓ | ✗ |
| Low overheads | ✓ | ? | ✗ | ✗ |
| Proximity | ✓ | ✗ | ✗ | ✓ |

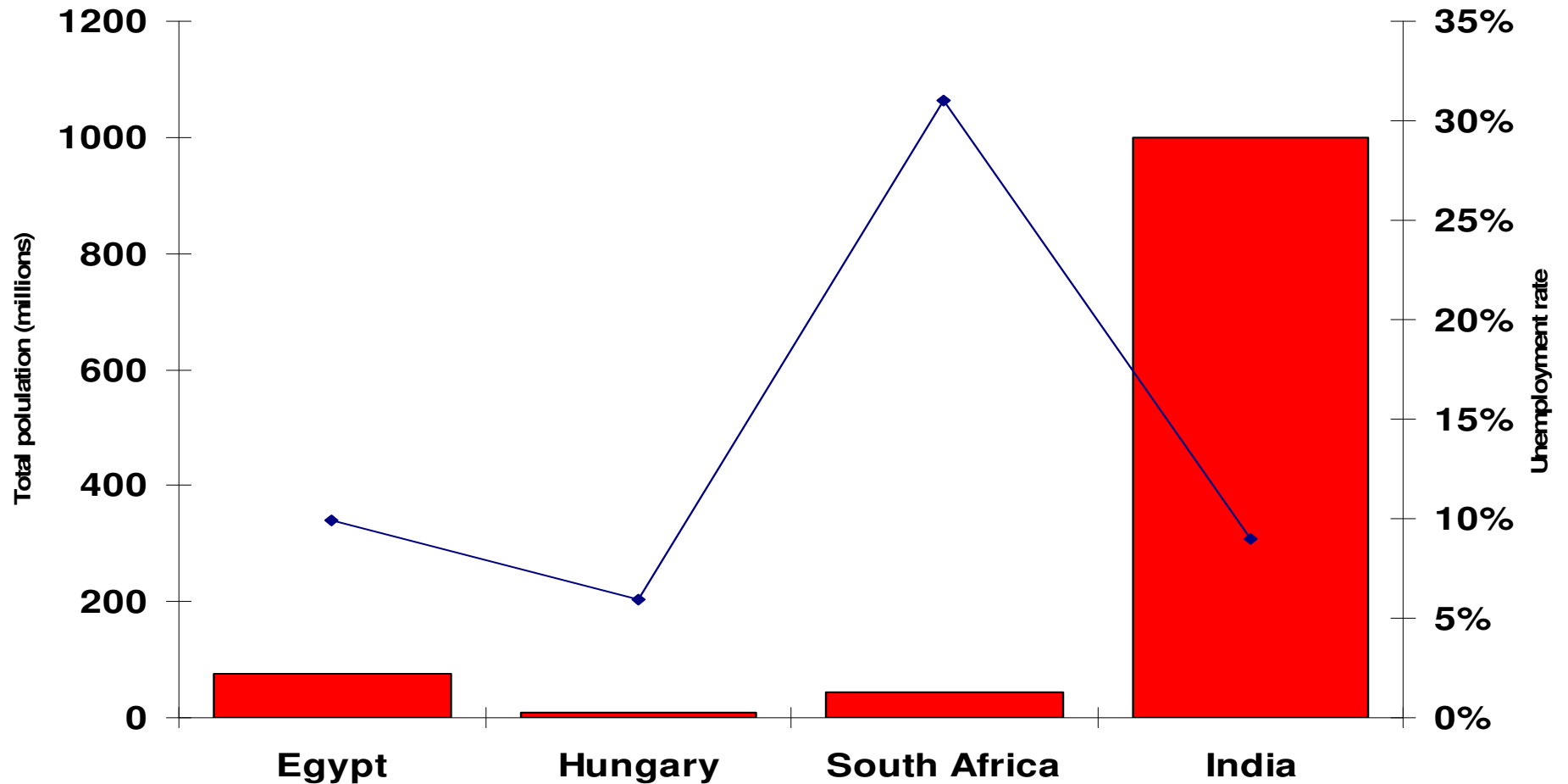
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Why Egypt – Agent Pricing



Why Egypt – Potential Agent Pool



Why Egypt – Language Skills and Education

- **Education**
 - 200,000 graduates annually
 - 80,000 IT and engineering-based
 - Emphasis on western business skills
 - Cultural immersion results in popular culture sophistication
- **Language skills**
 - Most university instruction in one western language
 - English most predominant choice among young people
 - French, Spanish and German also popular
- **Proximity**
 - Egypt 4 hours from London
 - Significantly shorter trip than India (8 – 10 hours) or Malaysia (12 – 14 hours)

Why Egypt – Public Support

- **The Egyptian government has in place numerous incentives to attract contact center business, including:**
 - **Tax holiday from current 40% corporate levy**
 - 5 – 10 years
 - Not location-specific
 - **Established free-trade zones**
 - Tax-free
 - Guaranteed property rights
 - **Training subsidies**
 - Contact center instruction for firms hiring up to 800 employees
 - Undertaken at recognized educational institutes to ensure quality
 - **Ongoing funding**
 - Existing fund of \$68 million (US) to support ongoing training, marketing and technology investment for foreign firms established in Egypt

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Conclusions

- **Contact center offshoring is an ongoing phenomenon, despite the mixed messages we sometime hear**
- **Outsourcing investors are looking for new markets so as to capitalize on high agent quality levels, as well as low overheads**
- **Egypt is an attractive outsourcing location for UK investors due to**
 - Low price per agent
 - Good scalability prospects
 - Excellent English language emphasis
 - Short distance to travel
 - Generous incentives

Questions?

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