The Egyptian Startup Ecosystem Report

2021

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CONTENTS

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The IT Industry Development Agency (ITIDA) is the executive arm of the Egyptian Ministry of Communication & Information Technology, established in 2004 to spearhead the development of Egypt's IT industry to increase its global competitiveness and make it a key contributor to the country's economic growth.

www.itida.gov.eg

Global Ventures is a UAE-based venture capital firm, investing in founders and ideas scaling across emerging markets. The company backs global-minded founders that are leading growth-stage companies and using technology to transform emerging markets.

www.global.vc

AUC Venture Lab (V-Lab) is Egypt's first university-based startup accelerator and a leading accelerator in the Middle East and Africa. Founded in 2013, it supports innovation-driven and passionate entrepreneurs looking to build Egypt's next generation of tech unicorns through a sector-agnostic accelerator and a fintech accelerator.

https://business.aucegypt.edu/centers/vlab

A venture firm focused on fintech for inclusion in emerging markets.

www.quona.com

FOREWORD

We are thrilled to see that the first country-focused report produced by Disrupt Africa is about Egypt, with the support of ourselves at the Information Technology Industry Development Agency (ITIDA). The Egyptian Startup Ecosystem Report 2021 contains data and insights that we hope you find valuable when it comes to launching, supporting, or investing in a tech business in Egypt.

The government of Egypt has been giving unprecedented support to further boost the country's startup ecosystem, help its youth kickstart their technology and innovation-driven entrepreneurship, and accelerate their growth. As such, the number of startups in Egypt has grown fast, while we are seeing significant and increased attention from both regional and international VCs, global accelerators, as well as tech incubators.

This speedy development has seen Egypt establish itself as one of the foremost startup ecosystems on the continent of Africa and even further, both in terms of levels of startup activity and inward investment. This report shines a light on the sector at this crucial juncture.

The report provides a detailed overview of the Egyptian startup ecosystem and its development over the last 5-10 years, including analysis as to what areas startups are active in, and a detailed look at funding, and mergers and acquisitions trends. It also details the range of startup support services available to Egyptian entrepreneurs, including hubs, incubators, accelerators, and initiatives - government, corporate, and university alike.

It tells the story of a country humming with entrepreneurial activity across a multitude of verticals, and an ecosystem that has established itself as front and centre in the minds of investors, both at home and abroad. Egypt has arrived as a tech powerhouse. This publication provides an excellent introduction to its ecosystem, and details its success stories.

Just as importantly, it also looks to build links between Egyptian entrepreneurs and the rest of Africa. While traditionally Egyptian startups have looked north or east when it comes to geographic expansion, gradually they are starting to look south as well; to opportunities in Sub-Saharan Africa. More and more Egyptian companies are expanding into African markets; in this report we hear some of their stories, and discuss best practices for building bridges between these ecosystems.

We hope you find the publication helpful. Thank you Disrupt Africa for shining a light on Egypt's budding startup ecosystem, and we hope to welcome you to Cairo, a tech capital for Africa, very soon!

Amr Mahfouz

Chief Executive Officer, ITIDA
Assistant Minister for Growth and Development, MCIT

INTRODUCTION

To our friends across Africa's tech startup and investment ecosystem:

The Disrupt Africa team is delighted to present to you our 15th research publication, and it is a very special one indeed. For the first time, our research department has released a geographically-focused report, with Egypt the subject.

It is only relatively recently that Egypt has emerged as a tech powerhouse for Africa, but emerge it has. From relatively low levels of activity, and even smaller levels of investment, as recently as 2015, the country now rivals - and even surpasses - more established startup ecosystems such as South Africa, Nigeria and Kenya for levels of entrepreneurial innovation and investment. And with one "unicorn" in the shape of Fawry, soon to be two once Swvl lists publicly, Egypt is building up an impressive track record in the tech startup space.

The Egyptian Startup Ecosystem Report 2021 report tells that story, tracking the growth of Egypt's tech startup ecosystem since 2015. We meet the startups, learn about their founders, find out what verticals they are active in, where they were incubated or accelerated, and who funded them. And we dig deeper into the broader ecosystem, taking a look at funding sources, hubs, incubators and accelerators, and detailing what support is available to startups from government, corporates and universities.

In the interest of building bridges between Egypt and the wider continent, moreover, we have also included a section on Egyptian startups expanding their businesses into Sub-Saharan Africa. This relatively new development, whereby Egyptian startups scale to African markets in addition to, or rather than, Middle Eastern ones, is encouraging, and we look at best practices and explore the pull factors for the startups taking these steps.

As with all of our recent reports, we have open-sourced the report and the accompanying list of Egyptian tech ventures. Making the publication free to all, from the smallest startup to the biggest multinational, is a great source of pride for us at Disrupt Africa, as we aim to democratise access to data so that the people that could arguably benefit from it most - startup founders - are able to do so.

We could not do this without the support of our partners, however, and we had some key supporters to ensure this publication can be read and utilised by as many people as possible. The IT Industry Development Agency (ITIDA), the executive arm of the Egyptian Ministry of Communication & Information Technology, was a key early partner and source of information. Global Ventures, a UAE-based venture capital firm, has also lent vital support.

We would also like to thank AUC Venture Lab, Egypt's first university-based startup accelerator, and fintech-focused venture firm Quona Capital for partnering with us.

We very much hope you find the information contained here valuable. As with all of Disrupt Africa's industry reports, we greatly value your feedback as we strive to ensure our publications offer as much value as possible to your business and the development of the African tech ecosystem. Please let us know what more we can do.

Thanks for reading,

Gabriella Mulligan   **Tom Jackson**

Co-founders of Disrupt Africa

METHODOLOGY

The Egyptian Startup Ecosystem Report 2021 is primarily based on data extracted from a list of 562 Egyptian tech startups collated by the Disrupt Africa team. This list was built over a number of years from Disrupt Africa's own reporting on the African tech space, as well as additional research and information provided by third parties.

A note on the definition of a startup. In deciding what "startups" to include and exclude from this study, Disrupt Africa has followed its usual editorial process, working on a case-by-case basis to decide whether a company qualifies as a startup. The definition of startup is more subjective than objective in any region; especially so in Africa where the scene is so nascent and there are no established qualifications in terms of revenues and employee numbers.

Startups are young businesses where success is not guaranteed, where people choosing to work for the company are forgoing stability in exchange for innovation and the promise of tremendous growth. This ability to grow is key, what differentiates startups from small businesses is the potential - and desire - to scale regardless of geography.

More specifically, the majority of companies featured in this report are still in the process of scaling up, their potential profitability is still growing - regardless of whether profitability has to date been achieved -, and they may still seek external funding. Companies that are a spin-off or built by a corporate or other large entity are not included.

The definition of "Egyptian startup" is also subjective. In the clearest scenario, an Egyptian startup would be headquartered in Egypt, founded by an Egyptian, and have Egypt as its primary market. This, however, is not always the case. Some Egypt-based, Egypt-focused startups are founded by non-Egyptians. Many Egypt-focused, Egyptian-founded startups are, for regulatory and financial reasons, headquartered elsewhere. Some Egyptian-founded, Egypt-based startups target customers elsewhere in the world.

Once again, Disrupt Africa tackles this issue on a case-by-case basis, and we may not always get it right in everybody's eyes. While many startups included in this report fit the criteria clearly, some do not, and in those cases we have applied thinking around the economic impact of a company - and where that impact is most felt - to decide whether or not that company should be included.

We do not claim to have identified every single Egyptian tech startup in existence in 2021 - there will be some that have slipped through the net. The data contained in this report is, nonetheless, what we believe to be the most comprehensive information available currently on startup activity in the Egyptian tech space.

Launch dates of startups, gender of founders, number of employees and whether or not that business has taken part in an accelerator programme have been ascertained via our own research and surveys of the companies in question.

Data on funding and acquisition comes from our separate annual report on funding for African tech startups, The African Tech Startups Funding Report, with some extra data added by third parties. Only equity and debt funding rounds are included, not grants.

A complete record of funding rounds is kept over the year, as they were disclosed publicly or confidentially to the Disrupt Africa team. Using that initial dataset as a base, we then poll hundreds of startups, investors, hubs and other ecosystem players to identify rounds that we may have missed, or to clarify the amount raised where this was not initially disclosed.

Where amounts were publicly disclosed, or startups have informed us they can be disclosed, they are declared. Where the figure was given in confidence, the number has been included in the aggregate total but not identified in the report.

Where we were unable to definitively ascertain the amount raised by a particular company, we have estimated the lowest possible figure based on the details we have managed to obtain. For example, if a startup indicated their funding was a "seven-figure dollar amount", we have estimated that figure as US$1,000,000. We have in general not included funding rounds below US$50,000 in value, or rounds referred to as "Friends and Family" investments.

In a few cases, we have used a combination of the investment parameters of the funder in question, previous rounds raised by the startup, and the size of rounds raised by similar companies in similar sectors, to come up with a minimum possible figure.

We again do not claim to have identified every funding round going to an Egyptian tech startup since 2015, as there will be some that took place quietly. As such, the overall total funding raised is likely to be higher than our totals; especially given our very conservative estimates of undisclosed rounds.

This report seeks to ascertain a minimum figure for funding for Egyptian tech startups between January 2015 and September 2021 as we continue to track the growth of the ecosystem.

OVERVIEW

OVERVIEW

Egypt has
562
active tech
startups
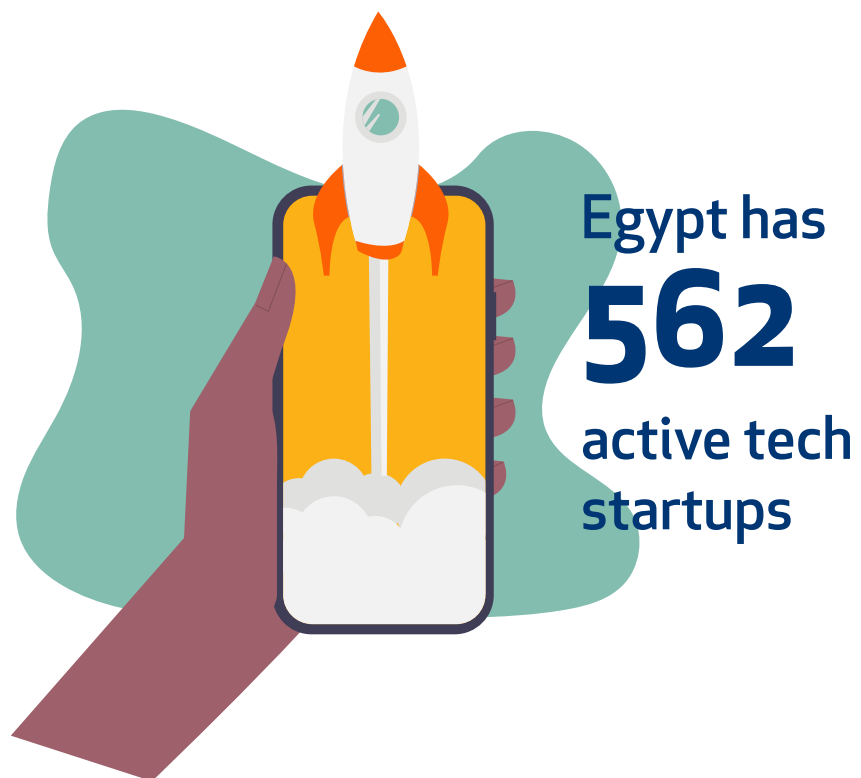
With at least 562 tech startups in operation across the country as of September 2021, Egypt has the fourth largest startup ecosystem on the continent by number of companies, behind only South Africa, Nigeria and Kenya. Egypt accounts for 19.8 per cent of the active tech startups across Africa.

OVERVIEW

93.6%

of Egypt's tech startups are from Cairo

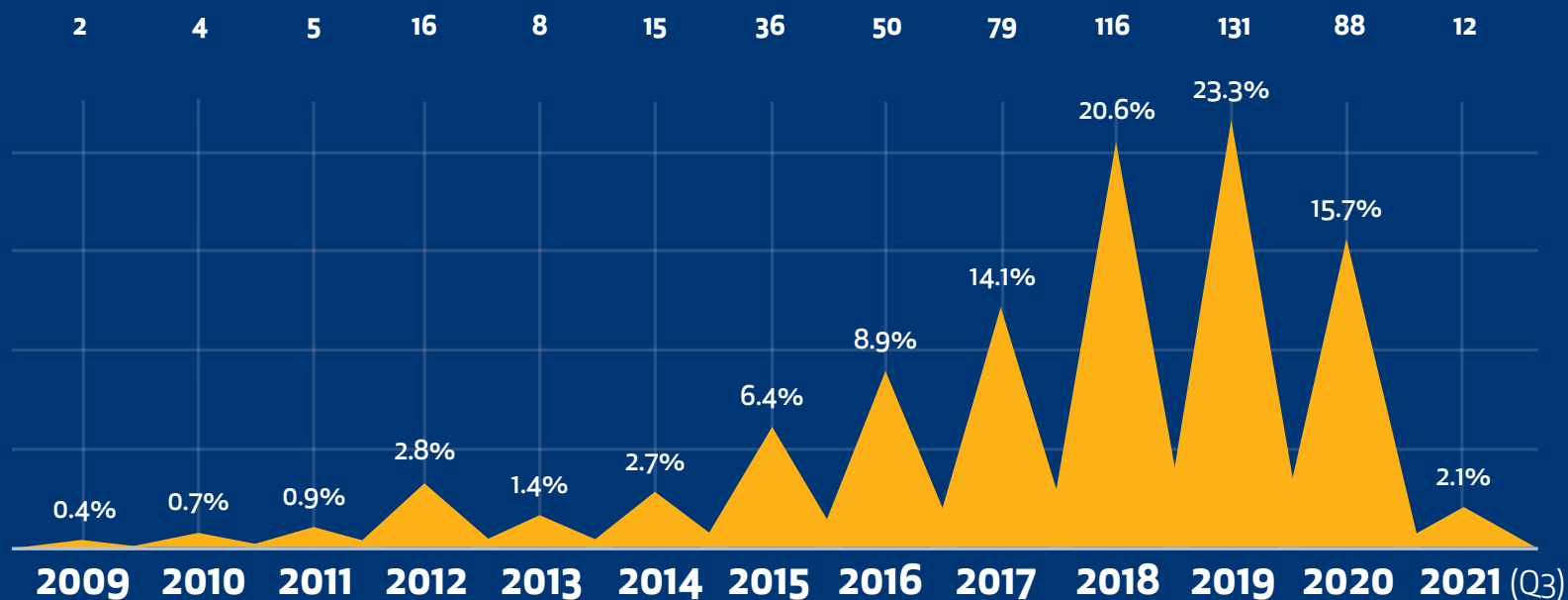Cairo, as the country's capital and commercial centre, is unsurprisingly the hub of startup activity, with 93.6 per cent of Egypt's startups headquartered in the city or the Greater Cairo metropolis. Elsewhere, 3.6 per cent of the startups tracked for this report are based in Alexandria, while Disrupt Africa has also identified companies in Assiut, Qena, Mansoura, Minya, Hurghada, Fayoum, Obour, Ismailia, Damietta and Tanta.

OVERVIEW

Egypt's tech startup ecosystem is well established, with activity going back to before the revolution, but it only really began to truly grow in around 2015. Its peak period for startup launches was in 2018 and 2019, with this being the same time that the country gatecrashed what was known as the "big three" of South Africa, Nigeria and Kenya in terms of investment. Activity slowed somewhat in 2020 due to the impact of COVID-19, as it did elsewhere, and most startups founded in 2021 will only really come to light in the next 12 months or so.

Launch dates of Egyptian tech startups by year

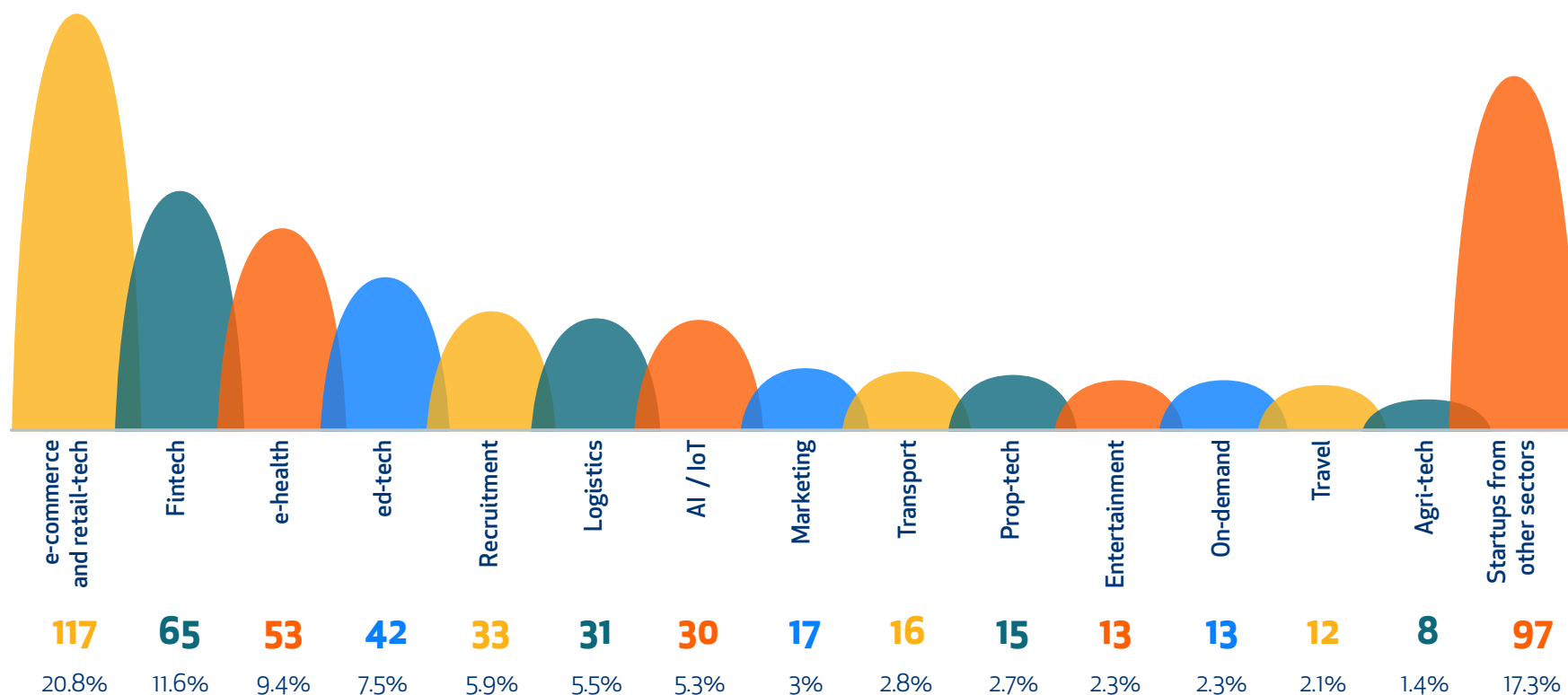| 2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021 (Q3)
2	4	5	16	8	15	36	50	79	116	131	88	12
0.4%	0.7%	0.9%	2.8%	1.4%	2.7%	6.4%	8.9%	14.1%	20.6%	23.3%	15.7%	2.1%

OVERVIEW

E-commerce, clearly, is king in Egypt, the sector where over one-fifth of the country's tech startups are active. Indeed, there are almost twice as many e-commerce and retail-tech startups as there are fintech ones, which came in second. In relegating fintech to a distant second in terms of startup activity, Egypt stands in contrast to its fellow continental startup leaders South Africa, Nigeria and Kenya, where fintech is the most popular sector for entrepreneurial activity. Elsewhere, startups are active across a diverse array of spaces, with e-health, ed-tech, logistics, recruitment and AI/IoT also especially busy sectors.

Egyptian tech startups by sector

| e-commerce and retail-tech	Fintech	e-health	ed-tech	Recruitment	Logistics	AI / IoT	Marketing	Transport	Prop-tech	Entertainment	On-demand	Travel	Agri-tech	Startups from other sectors
117	65	53	42	33	31	30	17	16	15	13	13	12	8	97
20.8%	11.6%	9.4%	7.5%	5.9%	5.5%	5.3%	3%	2.8%	2.7%	2.3%	2.3%	2.1%	1.4%	17.3%

OVERVIEW

Egyptian startups are the most accelerated on the continent, with an impressive 38.6 per cent of them having taken part in some kind of acceleration or incubation programme. This is a remarkable statistic, and one that dwarves any of its regional competitors. The likes of TIEC, Flat6Labs, Athar, the AUC VLab and Falak Startups are responsible for most of these, but Egyptian startups have also taken part in renowned international accelerators such as Y Combinator and 500 Global.

39% of Egyptian startups are "accelerated".
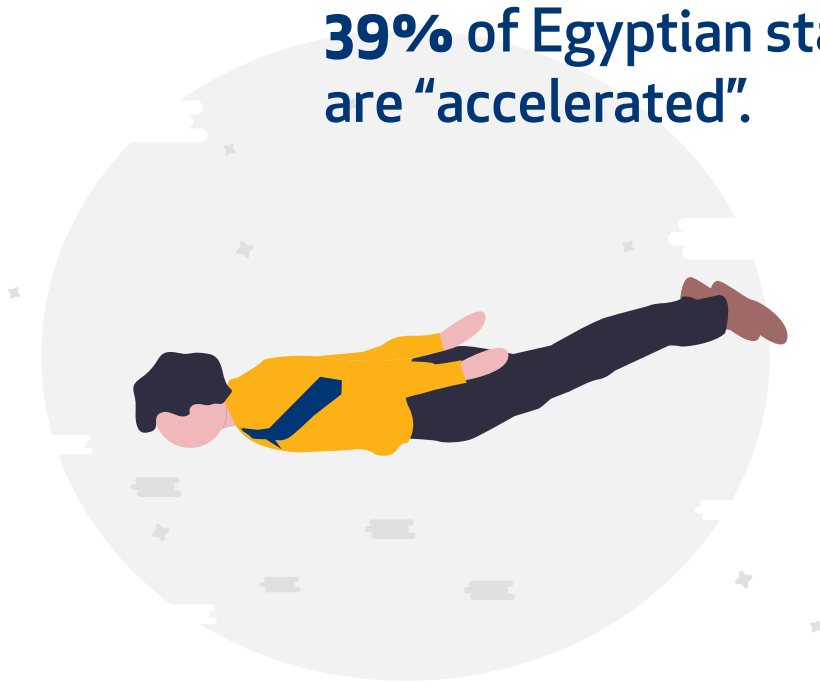
OVERVIEW

Only 70 (12.5 per cent) of Egyptian tech startups are founded or co-founded by a woman, with Egypt lagging behind in this regard compared to other established startup ecosystems across Africa. Focused programmes and initiatives designed to empower and support female entrepreneurs are attempting to redress the balance, key among them Entreprenelle and Heya Raeda.

Diversity? **12.5%** of Egyptian startups have at least one female founder.

OVERVIEW

The Egyptian tech startup ecosystem is a major contributor to employment, with almost 13,000 individuals employed by the 562 startups tracked by this report. The average number of employees per startup is 23. The e-commerce sector is the largest employer within the wider tech ecosystem, with 2,718 jobs accounting for 21 per cent of the total. Fintech (2,037 employees) and ed-tech (1,572 employees) come second and third respectively.

12,913 individuals employed by Egyptian tech startups.

Top 5 Egyptian startup employers

1	swvl	692
2	nagwa	551
3	Vezeeta.com	386
4	KHAZNA	320
5	bosta.	290

👥	🚀	%
0 - 1	63 startups	15.7
2 - 10	165 startups	41.1
11 - 50	133 startups	33.2
51 - 200	27 startups	6.7
201 - 500	11 startups	2.8
501 +	2 startups	0.5

OVERVIEW

At least US$791,072,500 has been raised by at least 318 Egyptian tech startups across 447 individual rounds since January 2015, according to Disrupt Africa's data. Yet these figures do not tell the whole story, with the country's startup ecosystem posting stratospheric rates of growth in that time.

The total number of funded Egyptian tech startups per year increased to 114 in 2020 from just 10 in 2015, growth of over 1,000 per cent. Even stronger growth has taken place in total annual funding secured by those companies. The US$156,248,000 raised in 2020 represents a 1,716 per cent increase on the US$8.6 million banked in 2015.

However, 2021 looks set to shatter all records, with 82 startups having so far secured a staggering US$403,562,000, which already represents a 158 per cent increase on 2020 figures. Only Nigerian startups have secured more investment so far in this bumper year.

Total annual funding per year up **1,700%**

Number of funded Egyptian startups per year up **1,000%**
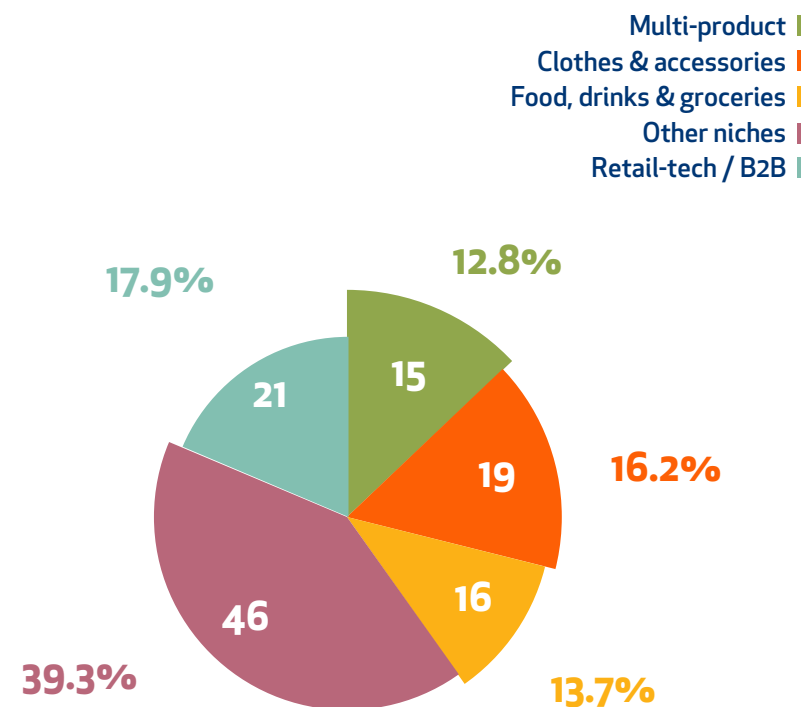
2015 - 2020

2015 - 2020

SECTORS

E-commerce and retail-tech.

With 117 active ventures, the e-commerce and retail-tech sector accounts for 20.8 per cent of Egypt's tech startups. This is not far off twice the amount of companies active in the fintech space, which comes in second. Egypt is unusual from an African perspective in that fintech is not the lead market when it comes to levels of activity.

Of those 117 commerce-focused startups, 15 (12.8%) are Amazon or Jumia-style multi-product e-commerce stores. Nineteen (16.2%) are focused on clothes and accessories, and 16 (13.7%) on food, drinks and groceries. Forty-six (39.3%) operate in assorted other niches.

A quickly developing niche within e-commerce in Egypt, as it is across Africa, is the retail-tech/B2B vertical. When we speak of retail-tech, we mean startups that have built solutions that help existing, physical merchants with aspects of their business such as inventory management, product ordering, loyalty solutions and the like, rather than online storefronts. Twenty-one (17.9%) of the e-commerce ventures here are active in this space.

With 109 (93.2%) of startups in this sector operating in Cairo, e-commerce is broadly in-line with national averages, though a disproportionately large percentage (6%) of such startups are active in Alexandria. Disrupt Africa has also tracked an e-commerce venture in Obour.

Multi-product ■
Clothes & accessories ■
Food, drinks & groceries ■
Other niches ■
Retail-tech / B2B ■

12.8% 15
16.2% 19
13.7% 16
39.3% 46
17.9% 21

SECTORS

The peak years for e-commerce launches were 2018 (21) and 2019 (30), meaning 44 per cent of companies in this space launched across those 24 months alone. Activity is first evident as far back as 2010 but only began taking off to any real - though still small - extent in 2014. E-commerce companies continue to be formed, with 17 - or 14.5 per cent of the overall total - having opened their doors in 2020.

With 12 per cent of startups having at least one female founder or co-founder, e-commerce and retail-tech is almost exactly in line with the national average. Startups in this sector are less accelerated or incubated than Egyptian startups generally. While nationally the figure is 38.6 per cent, in this space just 34 startups - 29.1 per cent - have benefited from acceleration or incubation services.

Within Egypt's tech startup ecosystem, e-commerce is the largest employer. With 2,718 jobs created, startups operating in this vertical account for 21 per cent of employment within the broader startups scene. This is primarily due to the sheer number of e-commerce startups in operation, however, as the average employee count of 23 per startup is in line with the national average. The largest e-commerce employers are MaxAB (320), elmenus (194), ExpandCart (187), Breadfast (176), and Capiter (173).

44% of Egyptian e-commerce ventures launched in **2018** or **2019**
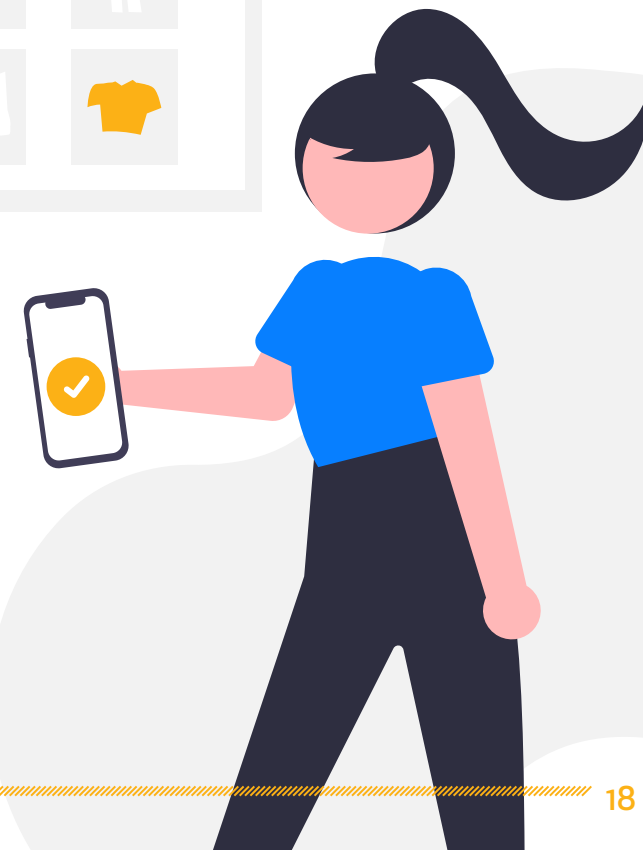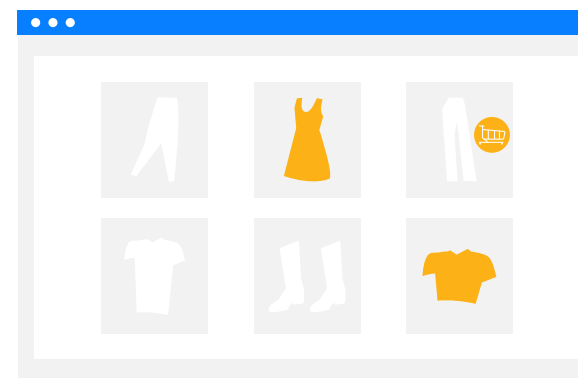
FINTECH

Foreword

With a local population exceeding 100 million and a high mobile penetration rate, Fintech is among the fastest growing and most impactful sectors in Egypt.

Five years ago, when AUC Venture Lab started its Fintech Accelerator, very few people in the country knew what the term "fintech" meant and even fewer people understood the implications that it could have on the economy, on people's lives and on generating wealth and value. In 2021, things are very different.

We are seeing numerous regulatory reforms in banking, payments, consumer lending, micro-finance, digital identity, cloud computing, data privacy and protection, and many other fintech applications. Global players are increasingly targeting fintech opportunities in the Egyptian market. Meanwhile, the profile of Egyptian entrepreneurs is shifting as more and more seasoned professionals are starting to identify friction points in their industries and come up with innovative solutions to transform their spaces. In addition, more use cases are surfacing to expand the impact and empower individuals and businesses financially and technologically. Finally, the scale of growth for startups has increased dramatically as we witnessed the country's first fintech IPO with Fawry and as startups continue to attract increasing investments.

Over the past five years, AUC Venture Lab's Fintech Accelerator powered by the Commercial International Bank and in partnership with the International Finance Corporation and Mastercard has been committed to enabling fintech entrepreneurs and empowering them with the knowledge and networking opportunities they need through this transformational period. To date, we have supported one third of Egypt's fintech startups and we are committed to helping more and more entrepreneurs. We believe in the power of insights and rely on learning from the market to build for the future. We hope that this report offers readers a glimpse of what the fintech startup ecosystem looks like today and its biggest opportunities.

The American University in Cairo
School of Business
AUC Venture Lab

Dr. Ayman Ismail
Abdul Latif Jameel Endowed Chair of Entrepreneurship at the AUC School of Business
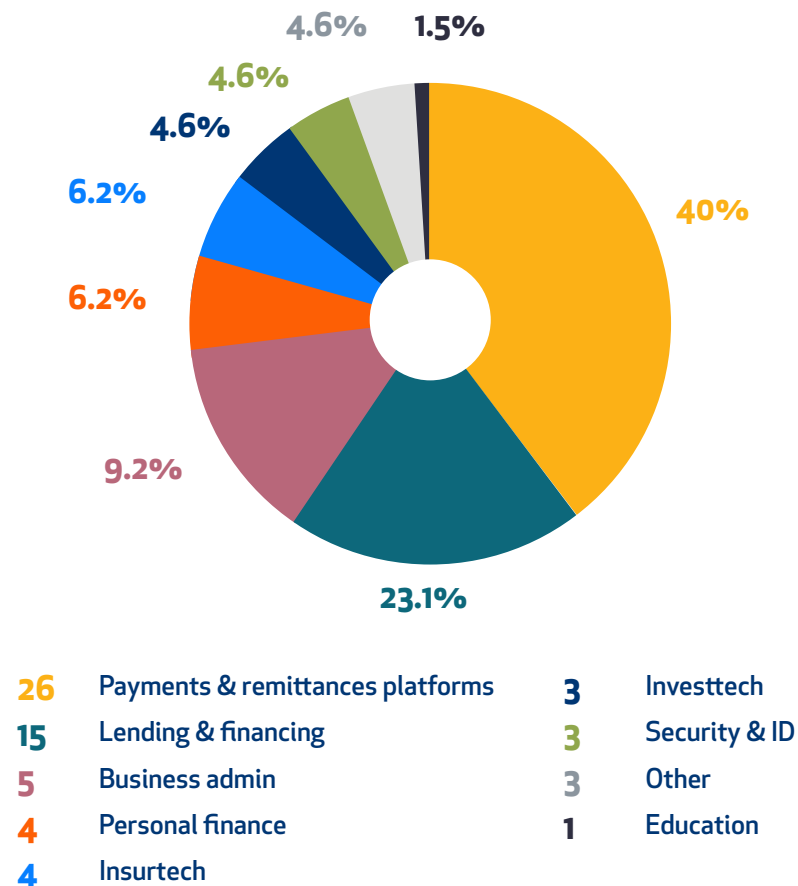AUC Venture Lab Director

SECTORS

Fintech

Behind e-commerce in second place by number of active startups is fintech, which in the majority of African startup ecosystems forms the largest constituency of businesses. This report tracks 65 active fintechs in Egypt, making up 11.6 per cent of the total.

Payments and remittances platforms are the most common within those 65, with 26 ventures making up 40 per cent of Egypt's fintech startups. Fifteen (23.1%) are lending and financing services, and five (9.2%) business admin. Personal finance and insurtech are represented by four each, and investtech and security and ID by three each.

More so than nationally, fintech startups hail from Cairo, with 95.4 per cent of them hailing from the Egyptian capital. Two fintechs are based in Alexandria, while Disrupt Africa also tracked activity in Ismailia.

Fintech startup activity can be traced as far back as 2009, yet no more than one launch per year occurred until 2015, and no more than eight annually until 2018. That year, 13 fintech startups launched in Egypt, ushering in a period of busy activity as another 13 opened their doors in 2019 and a further 14 in 2020.

26	Payments & remittances platforms	3	Investtech
15	Lending & financing	3	Security & ID
5	Business admin	3	Other
4	Personal finance	1	Education
4	Insurtech		

SECTORS

With only six startups - 9.2 per cent of the total - having female founders or co-founders, the Egyptian fintech startup space performs especially poorly when it comes to diversity.

Egyptian fintech startups are extremely popular with accelerators and incubators, and more likely to have received this kind of organised support than startups in any other sector bar transport. Almost half (49.2%) of the country's fintech ventures - 32 in all - have taken part in some kind of acceleration or incubation programme, speaking to the level of confidence ecosystem support players have in the space.

Egypt's 65 fintech startups employ 2,037 people, accounting for 15.8 per cent of startup ecosystem employment in the country. This averages out at 31 per startup, comfortably above the national average. The largest fintech startup employers are Paymob (270), MNT-Halan (246), Masary (227), Bee (134) and Raseedi (129). There are also a number of dedicated fintech accelerators in operation in Egypt, which cannot be said for other sectors.

Almost half (49.2%) of the country's fintech ventures - 32 in all - have taken part in some kind of acceleration or incubation programme
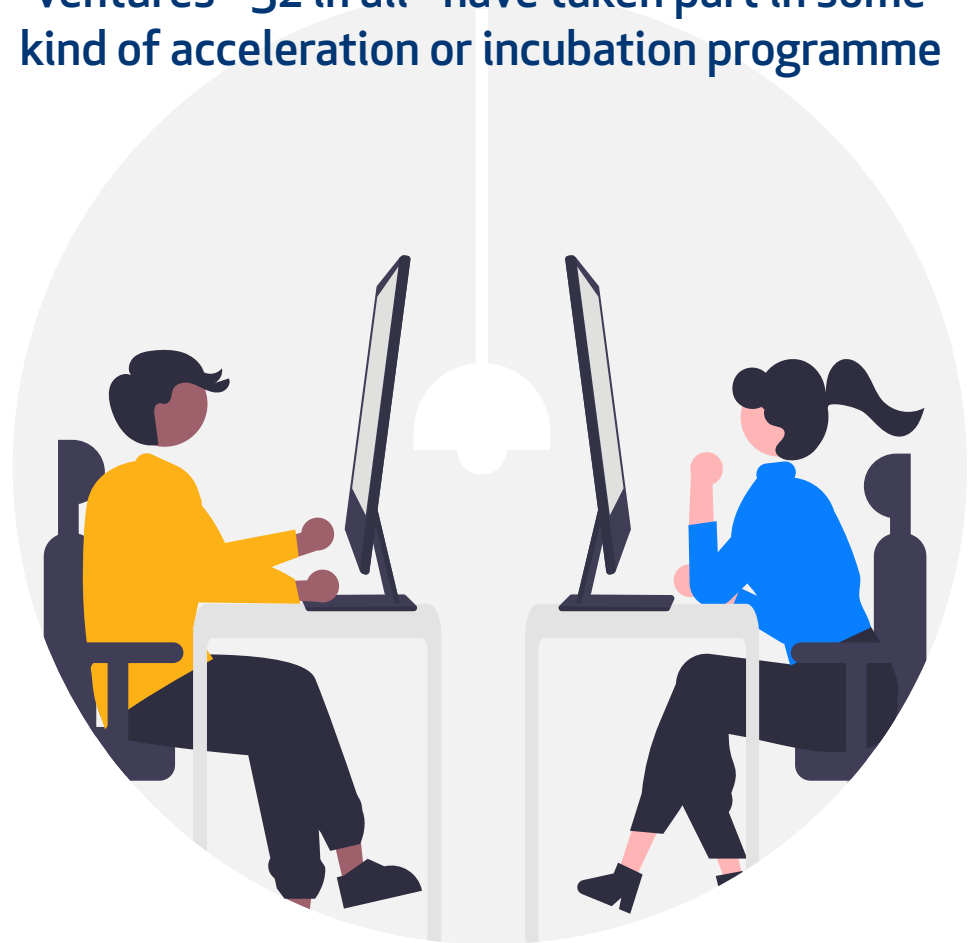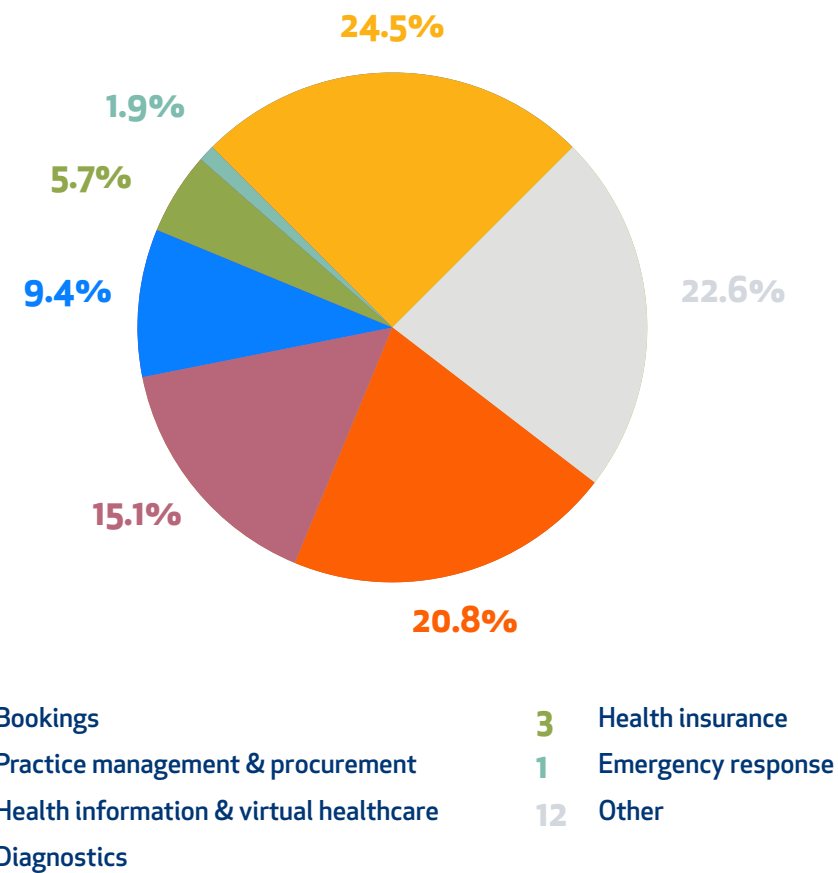
SECTORS

E-health

Third in terms of active startups is e-health, with 53 ventures (9.4 per cent of the total) in operation.

Within those 13 (24.5%) are bookings, 11 (20.8%) practice management and procurement, eight (15.1%) health information and virtual healthcare, five (9.4%) diagnostics, three (5.7%) health insurance, and one (1.9%) emergency response.

All of these e-health startups are from Cairo, bar one hailing from Mansoura. Only six of them were in operation prior to 2017, though activity is tracked as far back as 2010. 2017 was the year e-health activity truly kicked off in Egypt, with eight of these ventures launching. The next year was the peak one, with 19 launches, while a further 14 opened their doors in 2019. Activity tailed off again in 2020, with only five launches tracked.

24.5%
1.9%
5.7%
9.4%
22.6%
15.1%
20.8%

13	Bookings	**3**	Health insurance
11	Practice management & procurement	**1**	Emergency response
8	Health information & virtual healthcare	**12**	Other
5	Diagnostics		

SECTORS

The e-health space underperforms the national average in terms of female representation, with only 9.4 per cent of startups having a female founder or co-founder, but overperforms when it comes to acceleration, with 47.2 per cent of health-tech ventures having taken part in some kind of accelerator or incubator.

E-health startups employ a total of 1,067 people, representing 8.3 per cent of jobs created by Egyptian tech startups. This is an average of 20 people per startup, compared with 23 per startup nationally. Egyptian health-tech's largest employers are Vezeeta (386), Yodawy (85) and Shezlong (62).

Only **9.4** per cent of Egyptian e-health startups have a female founder or co-founder

Vezeeta.com

7keema

Shezlong
You Talk.. We Help

estshara

NAWAH
scientific

ROLOGY

Docspert.com

شفـاء

Yodawy

Bypa-S

SECTORS

Ed-tech

Egypt's fourth most-populated tech sub-sector is ed-tech, with 42 startups making up 7.5 per cent of the overall total. These startups are a mix of online learning platforms and course providers, learning management systems for educational institutions, and value added education-focused solutions.

Startups in the education space are spread more widely across the country than in other sectors, though still clustered in Cairo. While 90.5 per cent of Egypt's ed-tech ventures are based in Egypt's capital, startups are also active in Damietta, Assiut, Minya and Fayoum.

When these startups opened their doors is also a lot more varied than in other sectors, where typically one or two peak years have supplied most activity. Rather, ed-tech startups have been launching since 2011, peaking at seven launches in 2018 and 2019 but also taking in five in 2015, 2016 and 2017. There is no discernible trend here, with activity trundling along at similar levels for a number of years now.

Ed-tech startups are more likely than those in any other sector to have female founders or co-founders, with 19 per cent of them having at least one female in a founding, leadership role, but they are less likely to be accelerated. Still, 30.1 per cent of Egyptian ed-tech ventures have participated in an accelerator or incubation programme.

Startups in this sector are disproportionately large employers. In all, Egypt's 26 ed-tech ventures employ 1,572 people, 12.2 per cent of the overall startup workforce. This is fewer than only the e-commerce and fintech sectors, and represents a per startup average of 37 jobs created. The biggest employers are Nagwa (551, 38% of ed-tech employment), EYouth (213, Almentor (150), and MARJ3 (136).

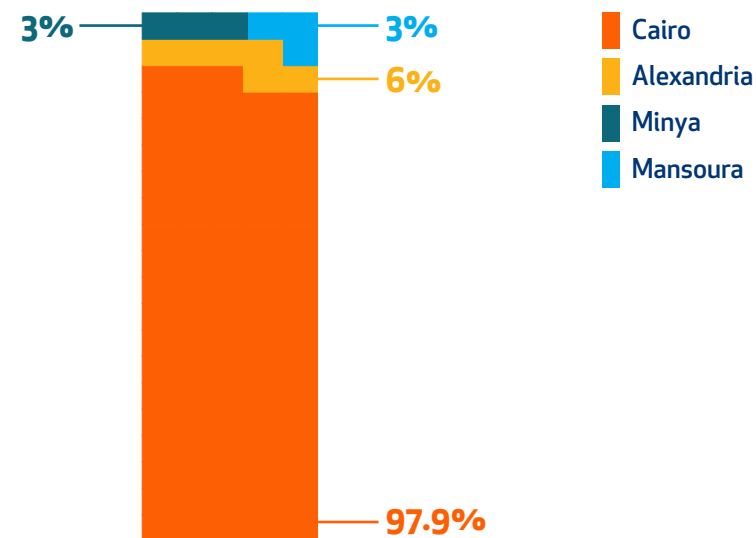**Ed-tech startups employ 1,572 people (12.2% of the startup workforce), average of 37 people per startup.**

Logistics

Egypt is home to 33 logistics startups, representing 5.9 per cent of the total. Inhabiting this sector are various e-courier and city-based delivery services, fulfilment services for e-commerce companies, as well as platforms targeting FMCG manufacturers and importers and exporters.

Logistics startups are relatively distributed across the country compared to other sectors, with only 87.9 per cent of them hailing from Cairo. Alexandria is home to six per cent of them, while activity has also been tracked in Minya and Mansoura. Startups have launched in relatively similar numbers each year since 2015, though 2019 was a standout year with 10 startups founded.

The sector is an especially poor performer when it comes to diversity, with only two startups (6% of the total) having female founders or co-founders. It is, however, above average when it comes to startups accessing support initiatives. Fourteen logistics startups, 42.4 per cent of the total, have undergone some form of acceleration or incubation.

For the number of startups active, logistics is a relatively large job creator, with the 33 businesses tracked here employing 1,045 people. This is 8.1 per cent of tech startup employment in Egypt, and averages out at 32 people per startup - well above the national average. The biggest employers are Bosta (290) and Trella (256).

3% — Minya
3% — Mansoura
6% — Alexandria
97.9% — Cairo

Cairo
Alexandria
Minya
Mansoura

bosta trella. HOVO

سائق! sprint Flextock

SECTORS

Recruitment

With 31 startups - 5.5 per cent of the Egyptian total - recruitment is the sixth most populated sector. The startups operating in this segment are generally operating general jobs boards, hyper-focused vocational search boards, or freelancing marketplaces, helping people find permanent or temporary jobs across a variety of industries.

All bar one of the 31 companies tracked by this report are headquartered in Cairo, with the other in Qena, and as with the ed-tech space, recruitment has been something of a slow burner when it comes to startups opening their doors. Activity is evident from 2012, when three startups launched, onwards, and fluctuated ever since. 2019 (8 launches) and 2017 (6 launches) were the busiest years.

Recruitment performs especially well when it comes to diversity, at least according to their peers in other sectors. Seven (22.6%) of startups in the sector have at least one female founder or co-founder, a percentage that is significantly higher than the national average.

With 45.2 per cent of recruitment startups having taken part in some form of accelerator or incubator, the space also overperforms when it comes to startups receiving growth support.

The 31 recruitment startups identified here employ a total of 712 people, five per cent of the total. The average of 23 per startup is exactly in line with the national one, with the biggest employers being WUZZUF (272), Orcas (171) and Forasna (51).

Seven (22.6%) of startups in the sector have at least one female founder or co-founder, a percentage that is significantly higher than the national average.
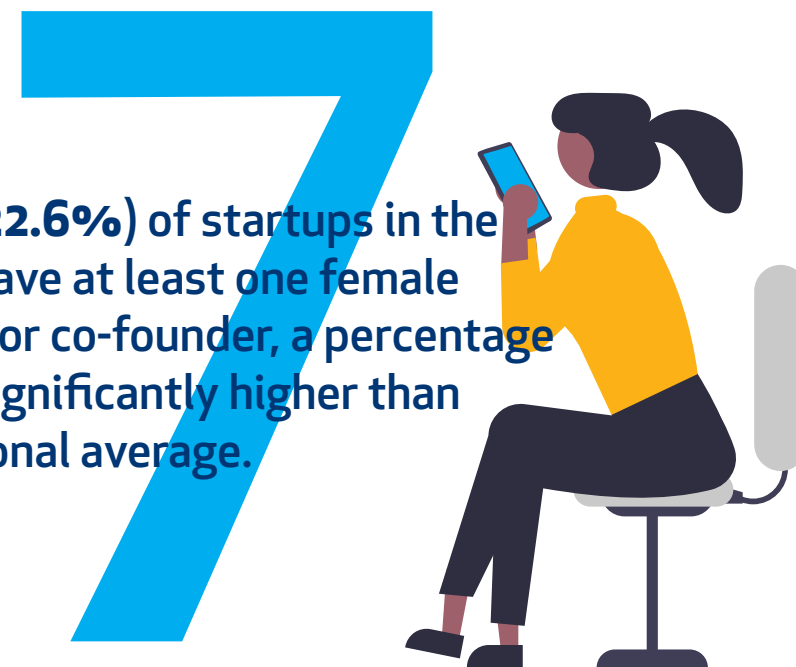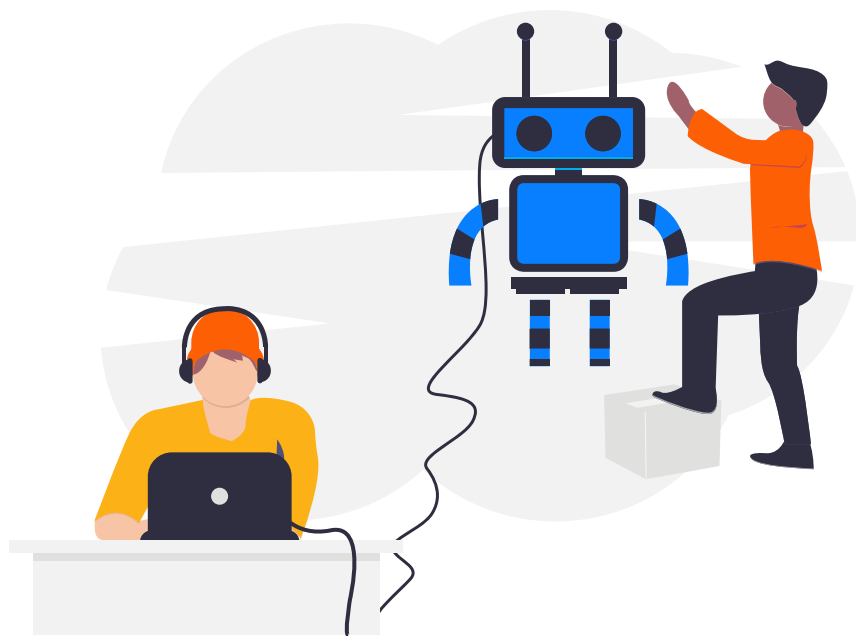
WUZZUF   orcas   Filkhedma   فرصنا.كوم

تاسكتى   cantalop.com

SECTORS

AI / IoT

One of the newest sub-sectors of tech across the continent, the artificial intelligence (AI) and Internet of Things (IoT) industries are alive and well in Egypt too. In all, 30 startups are active across these two segments, making up 5.3 per cent of Egypt's tech startups. Twenty-one (70%) of those are AI platforms, and another nine IoT.

These startups are bot builders, business intelligence and big data solutions, and AI solutions in areas like cybersecurity and queue management. IoT is focused on smart home and connected devices. Twenty-nine of them are based out of Cairo, with one located in Alexandria.

Testament to the nascency of the space is the fact that only two of these businesses launched prior to 2016. Launches across these two categories only really kicked off in 2017, when six businesses were founded, followed by another four in 2018. With nine launches in 2019, the busiest year, and another six in 2020, exactly half of Egyptian AI and IoT startups were launched over the course of those 24 months.

Three of these 30 startups has a female founder or co-founder.

Perhaps unsurprisingly given the focus on automation, AI and IoT startups are quite small employers. The 30 businesses tracked by this report employ just 277 people, 2.1 per cent of startup employment in Egypt. That brings up a per company average of just nine, less than half the national average. The biggest employers are WideBot (57), Synapse Analytics (42) and Elves (38).

30 active AI / IoT startups, making up 5.3% of Egypt's tech startups. 70% are AI platforms.

elves   SYNAPSE ANALYTICS   WideBot وايـد بـوت

botme   GARMENT IO

Marketing

A total of 17 marketing-focused startups account for three per cent of the Egyptian total, with these companies primarily digital advertising solutions and customer engagement tools. All of them are based in Cairo.

Only three of these 17 businesses were in operation before 2018, which was the year in which activity in the space kicked off in earnest. There were five launches that year, six in 2019, and a further three in 2020.

Marketing startups perform in line with Egypt's national average when it comes to diversity, with 11.8 per cent of them having at least one female founder or co-founder, and just less than half of them - eight in all - have been the subject of some kind of acceleration or incubation.

The 17 startups tracked in this sector employ a combined 405 people, 3.1 per cent of the 12,913 people employed across Egypt's tech startup space. This represents an average of 24 per startup. The biggest employers are Dsquares (139) and Koinz (83).

82.4% of marketing startups launched in the period 2018-2020

SECTORS

Transport

Sixteen of Egypt's 562 tech startups, or 2.8 per cent of the total, operate in the transport and mobility space, generally running ride-sharing, taxi-hailing or bus-booking platforms. All bar one of them are Cairo-headquartered, with the other based in Alexandria.

Launches have occurred annually since 2015, but not in any great numbers. The peak year for transport startup formation in Egypt so far was 2017, when three startups were launched.

Only one of the 16 startups listed here has female founders or co-founders, placing the sector at the bottom of the rankings when it comes to diversity. Seven of these startups, 43.8 per cent of the total, have taken part in an accelerator or incubator.

The transport tech sector is an above average employer, with the 16 startups tracked by this report employing a total of 880 people, 6.8 per cent of the total and an average of 55 per venture. That is a higher average than any other sector, but these figures are slanted significantly by the presence of Swvl within this category. The mobility giant employs almost 700 people, and as such accounts for just less than 80 per cent of total jobs created in this space.

16 transport startups employ an average of 55 people each.

SECTORS

Prop-tech

Egypt is home to 15 startups, which make up 2.7 per cent of the country's startups. These ventures are generally property sales or rentals marketplaces, or real estate agent or community management tools. All 15 are Cairo-based.

Prop-tech launches can be traced as far back as 2011, but activity has only taken off in the last couple of years. Sixty per cent of the startups tracked here launched in either 2019 or 2020, with the latter the busiest year on record as five companies opened their doors.

Two of these startups - 13.3 per cent - have female founders among the founding team, and one-third of them have been part of an accelerator or incubator programme.

These 15 prop-tech ventures employ 375 people, 2,9 per cent of the total. This averages out at 25 per startup, just above the national average, with the biggest employers being Aqarmap (203) and Nawy (53).

Two of these startups - 13.3% - have female founders among the founding team, and one-third of them have been part of an accelerator or incubator programme.
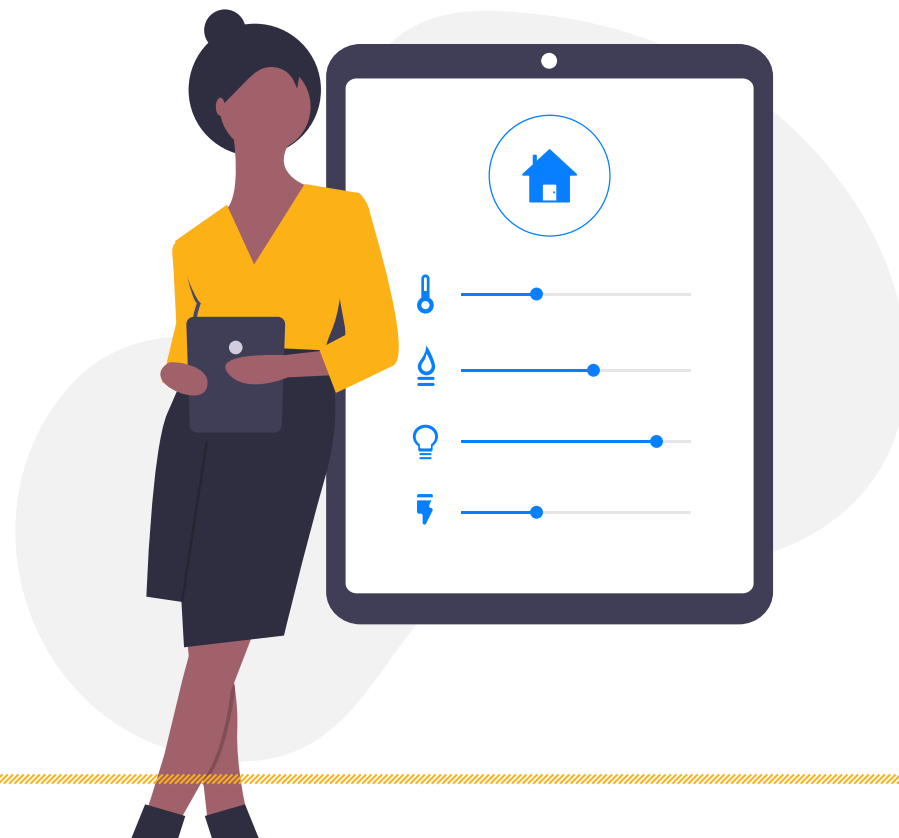
SECTORS

Other

This publication tracks a further 143 startups, employing a further 1,825 people, within the Egyptian tech ecosystem. Thirteen (2.3%) of those are active in entertainment, 13 (2.3%) are on-demand platforms, 12 (2.1%) are agri-tech solutions, and eight (1.54%) are travel-tech startups.

Ninety-seven startups offering a host of other more niche services make up the remaining 17.3 per cent of the Egyptian tech startup scene. This "other" category includes flagship Egyptian ventures such as Instabug and Cequens.

FUNDING

FUNDING

Foreword

Year in and year out, Egypt has been solidifying its position as a distinguished and indisputable player in both Africa and the Middle East, as well as being a notable contender in the international technology playing field. At Global Ventures, we believe that the success factors and driving forces behind the meteoric rise of the Egyptian ecosystem can be measured along both quantitative and qualitative axes.

To start, 2020 witnessed a total of US$156 million invested in Egypt-based startups. Just as the region celebrated Egypt's 2020 funding record, homegrown startups raised a huge US$404 million across 82 deals in the three-quarters of 2021, according to Disrupt Africa. Fundraising in the startup ecosystem has recorded a cumulative annual growth rate of more than 100 per cent. For context, the CAGR for the entirety of the MENA region is 31 per cent.

Behind these numbers are a group of entrepreneurs growing from strength-to-strength, presenting ideas at the forefront of innovation globally, and executing them seamlessly. Local startups are consistently proving themselves as worthy contenders in the fast-moving world of innovation and demonstrating first-hand that some of the most promising investment possibilities of the future will originate from emerging markets. Investors are listening, and Egyptian entrepreneurs are giving them good reason to.

We are witnessing an expanding pool of quality founders who are pitching exceptional ideas, packaged in commercially viable business models and scalable technology. Crucially, these entrepreneurs are exemplifying global standards in corporate governance and championing ethical business practices - paving the way for long-term financial viability and alignment across stakeholder interests. All this is complemented by encouraging macroeconomic indicators, spearheaded by Egypt recording real GDP growth this year and showing promising signs of steady economic recovery.

Today and tomorrow, we are immensely excited about the wealth and breadth of opportunities in Egypt, and the founders making it all happen.

global.ventures

Basil Moftah

General partner, Global Ventures

FUNDING

Since Disrupt Africa started tracking investment data on the African continent, at least 318 Egyptian startups have raised at least US$791,072,500 in total funding, across 447 different rounds. These figures in terms of total investment and number of backed startups are bettered only by Nigeria, Kenya and South Africa on the African continent, and the gap is closing.

US$ 791,072,500

raised by 318 startups
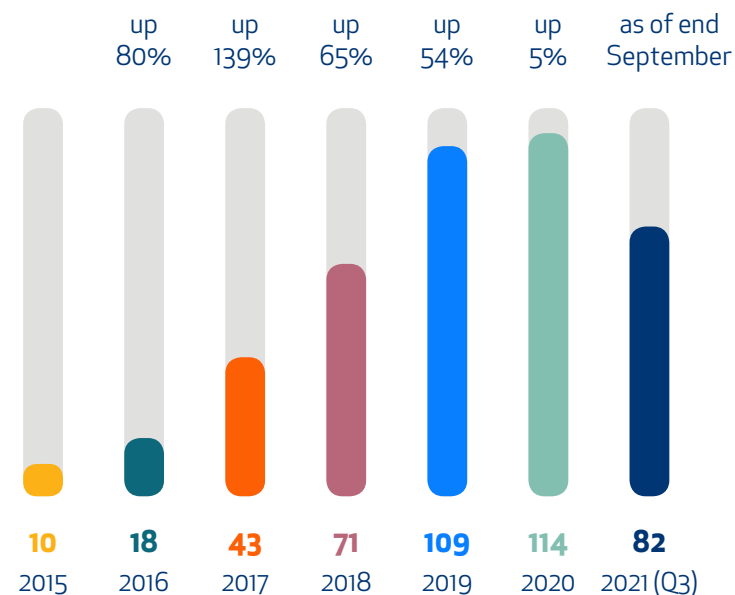across 447 rounds
Jan 2015 - Sept 2021

FUNDING

The number of Egyptian startups securing investment each year has grown and grown, from humble beginnings to the point where it is becoming commonplace for more Egyptian startups to raise funding in any given year than those from any other African country.

From a low base point of 10 funded startups in 2015 and 18 in 2016, investment activity in the Egyptian startup ecosystem took off in 2017, with 139 per cent growth in the number of funded ventures. Strong and steady growth continued until 2019, a year in which more Egypt-based startups were backed than any other, including the traditional "big three" of South Africa, Nigeria and Kenya.

Activity has levelled out since, with only five per cent growth in the number of funded startups in 2020 - though it was a figure beaten only by Nigeria that year. Up until the end of September 2021, 82 Egyptian tech startups have raised funding, meaning the sector is on track for similar numbers for the year to 2019 and 2020.

Check out our VC partner:

Silicon Badia

Number of funded Egyptian ventures by year

	up 80%	up 139%	up 65%	up 54%	up 5%	as of end September
10	**18**	**43**	**71**	**109**	**114**	**82**
2015	2016	2017	2018	2019	2020	2021 (Q3)
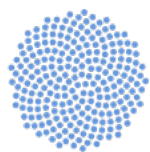
FUNDING

As with the number of funded startups, the total amount of investment flowing into the Egyptian startup ecosystem has increased significantly since 2015, but in this case growth has been sustained and even quickened.
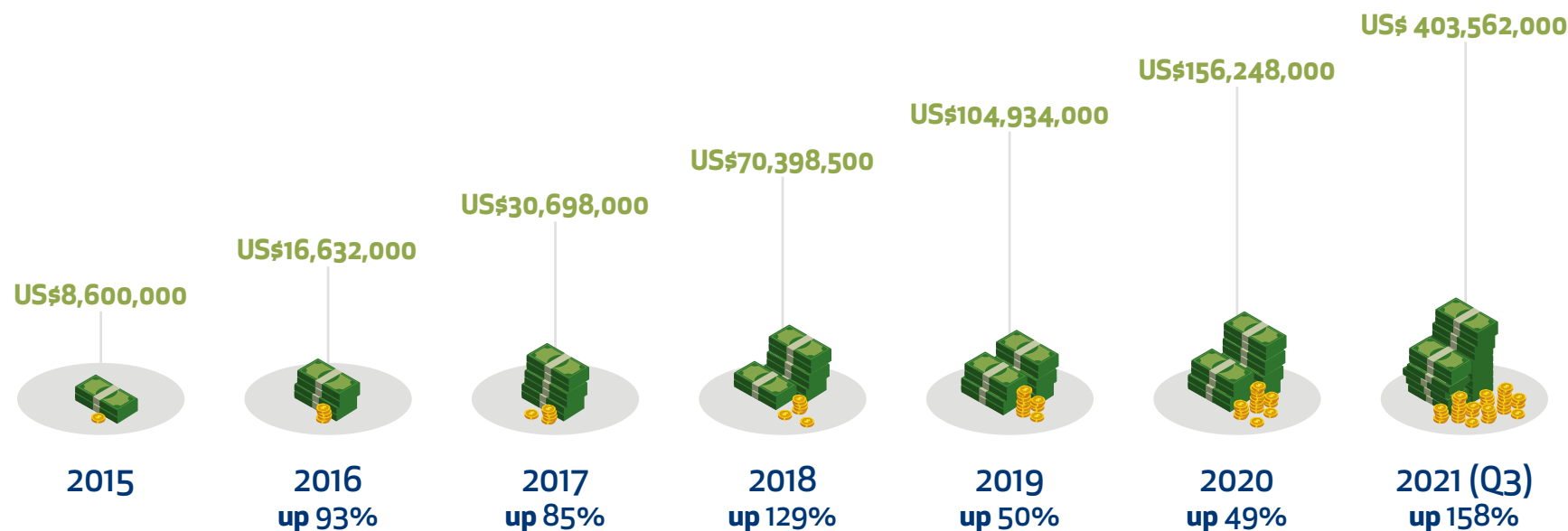
Back in 2015, just US$8.6 million was invested into Egyptian tech startups, but that figure approximately doubled every year until 2018, when total annual funding passed the US$70 million mark. Slower growth followed, yet increases of around 50 per cent still served to establish Egypt as a major player on the African continent from an investment perspective. The US$104,934,000 raised in 2019 was bettered by only Kenya and Nigeria, and the though the US$156,248,000 banked in 2020 saw the country rank fourth, its share of total African startup investment was significantly up.

Egypt has, alongside other African tech startup ecosystems, experienced an extraordinary 2021 so far, with the US$403,562,000 raised by startups from the country as of the end of September already representing a 158 per cent increase on 2020 figures. Only Nigerian startups have secured more investment so far this year.

Total funding raised by Egyptian startups by year

US$8,600,000 — 2015

US$16,632,000 — 2016 — **up** 93%

US$30,698,000 — 2017 — **up** 85%

US$70,398,500 — 2018 — **up** 129%

US$104,934,000 — 2019 — **up** 50%

US$156,248,000 — 2020 — **up** 49%

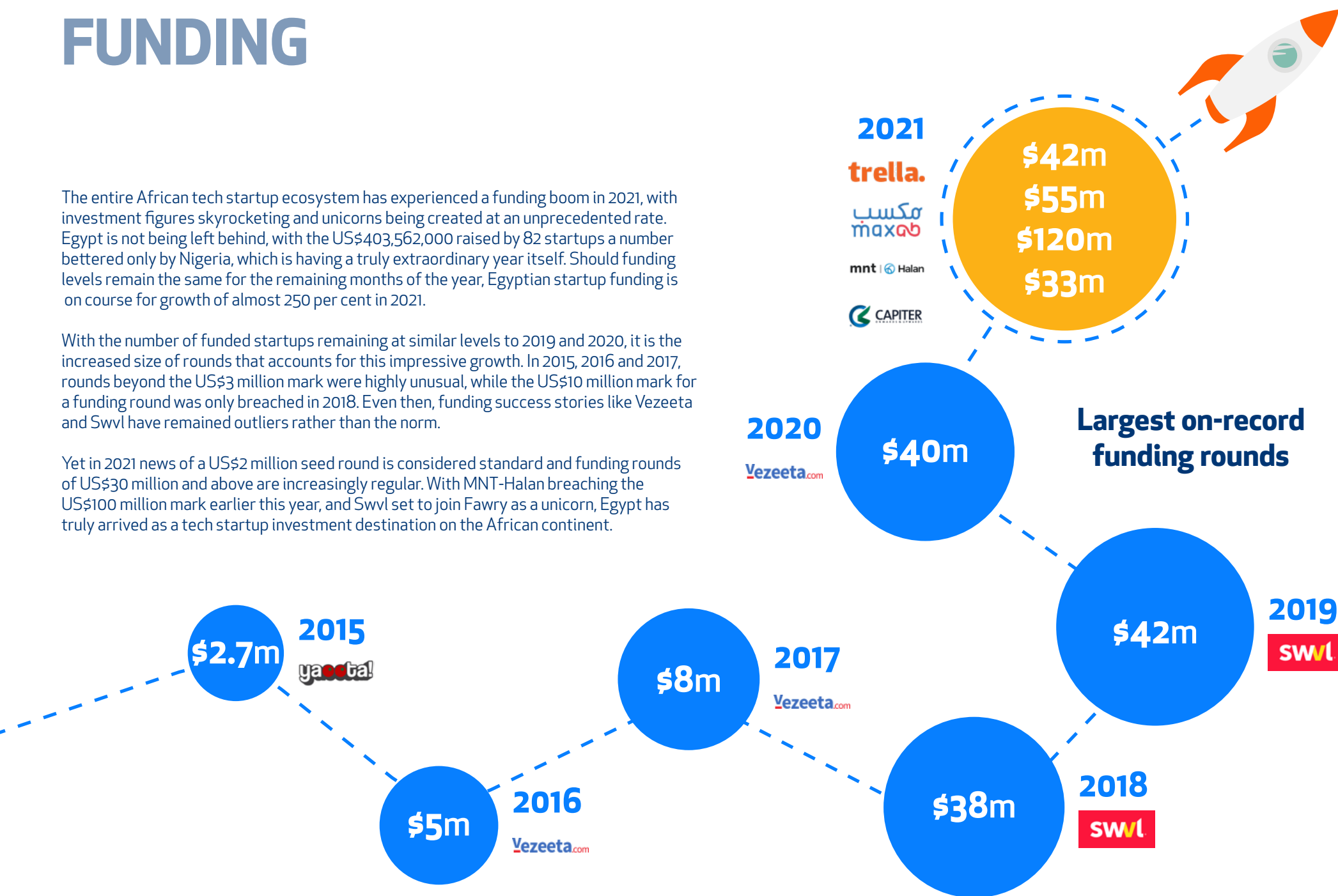US$ 403,562,000 — 2021 (Q3) — **up** 158%

FUNDING

The entire African tech startup ecosystem has experienced a funding boom in 2021, with investment figures skyrocketing and unicorns being created at an unprecedented rate. Egypt is not being left behind, with the US$403,562,000 raised by 82 startups a number bettered only by Nigeria, which is having a truly extraordinary year itself. Should funding levels remain the same for the remaining months of the year, Egyptian startup funding is on course for growth of almost 250 per cent in 2021.

With the number of funded startups remaining at similar levels to 2019 and 2020, it is the increased size of rounds that accounts for this impressive growth. In 2015, 2016 and 2017, rounds beyond the US$3 million mark were highly unusual, while the US$10 million mark for a funding round was only breached in 2018. Even then, funding success stories like Vezeeta and Swvl have remained outliers rather than the norm.

Yet in 2021 news of a US$2 million seed round is considered standard and funding rounds of US$30 million and above are increasingly regular. With MNT-Halan breaching the US$100 million mark earlier this year, and Swvl set to join Fawry as a unicorn, Egypt has truly arrived as a tech startup investment destination on the African continent.

2021
trella.
maxab
mnt | Halan
CAPITER

$42m
$55m
$120m
$33m

Largest on-record funding rounds

2020
Vezeeta.com
$40m

2019
$42m
swvl

2018
$38m
swvl

2017
$8m
Vezeeta.com

2016
$5m
Vezeeta.com

2015
$2.7m
yaoota!

FUNDING

Whilst the early days of tech startup investment in Egypt were dominated by e-commerce, e-health and recruitment, the last few years have seen a diversification in terms of verticals targeted by investors. And after a slow start, fintech has truly exploded.

Back in 2015 and 2016, the few funding rounds that did take place were generally accounted for by e-commerce, e-health and recruitment, but by the time a critical mass of funded startups was reached in 2017 it was possible to deduce some trends. While e-health and e-commerce remain central to Egypt's 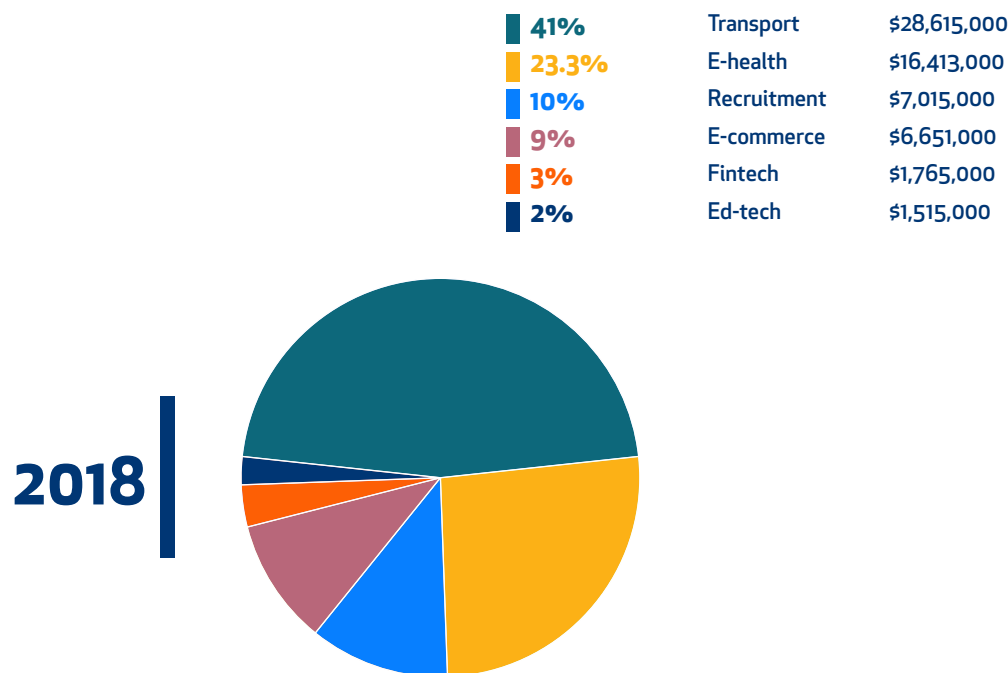startup scene from a funding perspective, more and more relevant verticals have emerged, notably transport and logistics, but also more recently the likes of ed-tech and prop-tech.
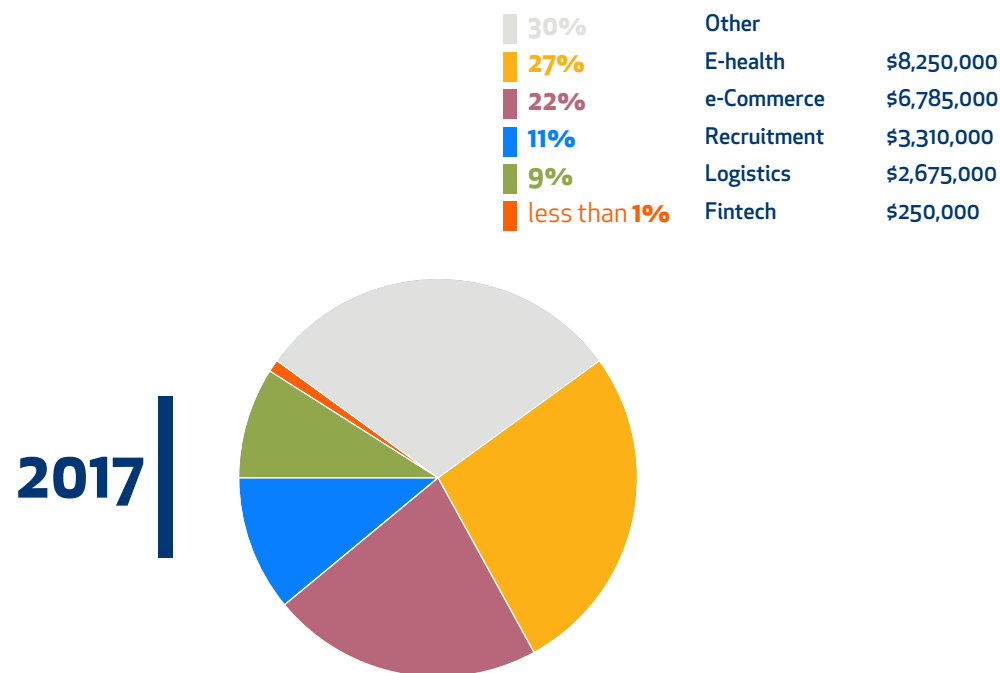
Fintech, a leading sector elsewhere on the African continent, had a slow start in Egypt, with startups securing combined totals of just US$250,000 in 2017, US$1,765,000 in 2018 and US4,470,000 in 2019. The sector's share of total funding nonetheless increased year by year, and in 2020 the US$13,304,000 raised by Egyptian fintechs accounted for almost 10 per cent of the total.

In 2021, fintech funding has taken off. The vertical is responsible for more than one-third of the total raised by Egyptian startups in the first nine months of 2021, and pips e-commerce to top spot. Whatever happens over the course of the rest of the year, 2021 has been a breakout one for the fintech sector in Egypt.

30%	Other	
27%	E-health	$8,250,000
22%	e-Commerce	$6,785,000
11%	Recruitment	$3,310,000
9%	Logistics	$2,675,000
less than 1%	Fintech	$250,000

2017

41%	Transport	$28,615,000
23.3%	E-health	$16,413,000
10%	Recruitment	$7,015,000
9%	E-commerce	$6,651,000
3%	Fintech	$1,765,000
2%	Ed-tech	$1,515,000

2018

FUNDING

2019

%	Category	Amount
41%	Transport	$43,400,000
12%	Marketing	$13,000,000
11%	E-commerce	$11,676,000
7%	Recruitment	$7,612,000
6%	Logistics	$5,864,000
5%	Ed-tech	$5,762,000
4%	Fintech	$4,470,000
2%	E-health	$2,479,000

2020

%	Category	Amount
32%	E-health	$50,281,000
25%	Transport	$39,452,000
16%	E-commerce	$24,931,000
9%	Fintech	$13,304,000
3%	Recruitment	$4,562,000
2%	Logistics	$3,862,000
1%	Ed-Tech	$1,861,000
1%	Marketing	$1,781,000

2021

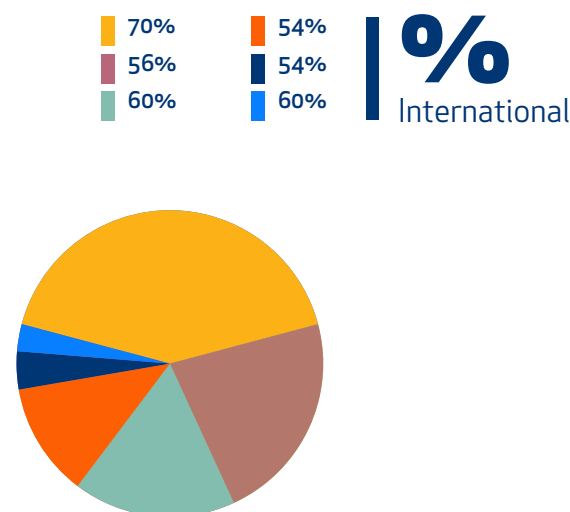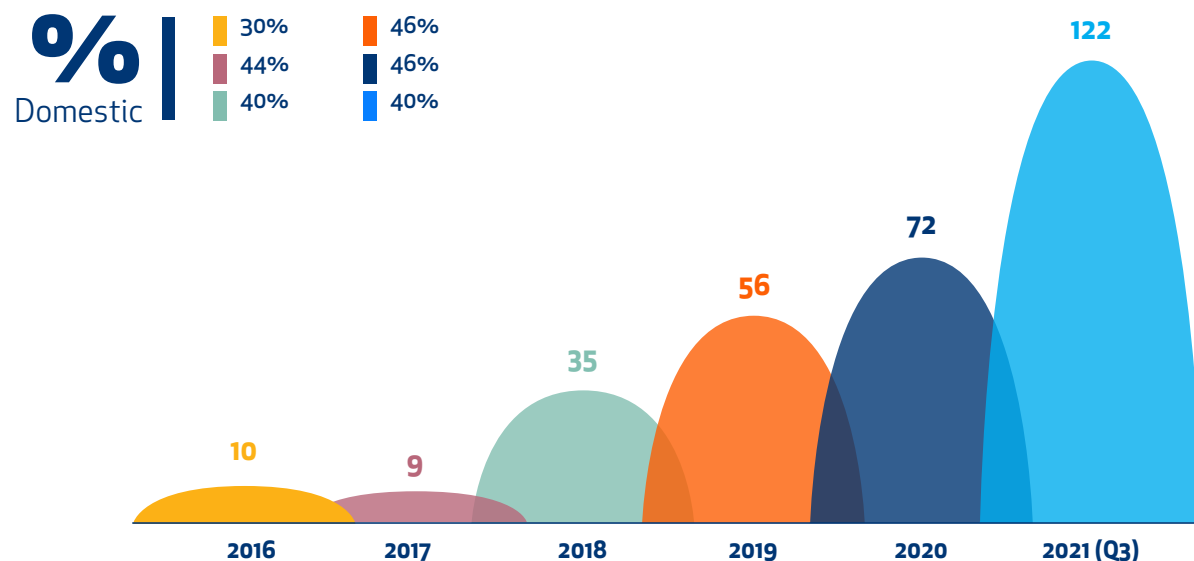| %	Category	Amount
38%	Fintech	$154,375,000
37%	E-commerce	$150,847,000
13%	Logistics	$52,606,000
3%	E-health	$13,912,000
2%	Ed-tech	$8,410,000
1%	Marketing	$4,862,000
1%	Prop-tech	$2,800,000

FUNDING

At least 203 different firms, organisations or individuals have made equity investments in Egyptian tech startups since 2015, and given the plethora of angels and investors remaining unnamed this figure is in reality much higher. Forty of those investors tracked by this report are located within Egypt itself, with others located across the Middle East, the United States (US), Europe, Asia and, increasingly, elsewhere in Africa.

The number of active investors on the continent has increased dramatically over the period mapped out by this report. In 2015, there were just two named investors, a figure that increased to 10 in 2016 but fell back to nine in 2017. Activity leapt in 2018, with 35 named investors, increasing to 56 in 2019 and then 72 in 2020. In 2021, there have been 122 named investors so far.

The majority of investors each year are international, but Egypt has always maintained a strong local VC space, with the percentage of investors that are local hovering around the 40-45 per cent mark since 2017. Of note in 2021, however, is the advent of the African VC investing in Egypt. This is the first year in which Sub-Saharan Africa based or focused funds have started investing in Egypt, with active parties including the likes of LoftyInc, Kepple Africa Ventures, CRE Venture Capital, Ventures Platform, Launch Africa Ventures, and Samurai Incubate Africa.

Testament to Egypt's status as the most accelerated startup ecosystem in Africa, local and international accelerators are among the most active investors in the country since 2015, notably 500 Global, Flat6Labs and Y Combinator. Local VC firms such as Algebra Ventures and Sawari Ventures, and local angel networks (Cairo Angels, Alexandria Angels) also play a key role in funding the ecosystem, as do other regional firms such as Global Ventures, BECO Capital and Silicon Badia.

Total number of investors

% Domestic

- 30%
- 44%
- 40%
- 46%
- 46%
- 40%

% International

- 70%
- 56%
- 60%
- 54%
- 54%
- 60%

2016	2017	2018	2019	2020	2021 (Q3)
10	9	35	56	72	122

FUNDING

Most active investors in Egyptian tech startups by number of investments (2015-2021)

62	FLAT6LABS
43	500 STARTUPS
23	algebraventures
15	THE CAIRO ANGELS
13	Endure
11	Y Combinator
10	sawari ventures / AUC ANGELS
9	BECO CAPITAL / EGYPT VENTURES INVESTING IN YOUTH
7	global.ventures / ALEX ANGELS ALEXANDRIA ANGEL NETWORK / 4DX VENTURES
6	和玉资本 MSA
5	DISRUPTECH / FOUNDATION VENTURES / Silicon Badia / EdVentures

How Capiter brought Quona into the Egyptian Fintech Market

Advanced tech, a growing economy, and smart regulatory developments make Egypt an ideal fit for Quona's MENA expansion.

By Jane Porter

Egypt-based rideshare startup Swvl became another unicorn this thriving ecosystem could claim when it announced plans for its $1.5 billion SPAC merger. So when its co-founder Mahmoud Nouh branched out to start Capiter, it wasn't a reach to expect him to knock it out of the park again. Swvl helped get the momentum going in a country ripe for innovation. "When you have a successful tech company that attracts foreign investors and you spawn off other entrepreneurs, it's like a hummingbird pollinating multiple flowers," says Monica Brand Engel, co-founder and Managing Partner at Quona Capital.

In September, Quona co-led a $33 million Series A investment into Capiter—a B2B marketplace that brings fast-moving consumer goods, wholesalers, and merchants onto one platform—adding Egypt to its existing MENA portfolio. With a population of 110 million, Egypt is on track to become the seventh-largest economy in the world, growing at a 7% annual rate. It's a country poised for tech innovation.

For Quona, the move to begin investing in Egypt comes from a confluence of forces. The second-largest market on the African continent and the largest in MENA, the country's regulators are looking strategically at regulatory models like India's to accelerate the country's digitization. "The central bank of Egypt and the FRA have been incredibly thoughtful in learning from other models, regulators and ecosystems," says Engel. "They've created an enabling environment for fintech that expands access and quality of financial services for the underserved."

Serving an unmet need - After Nouh and his co-founders launched Swvl in 2017, it became apparent to him how dysfunctional the retail financing system was. "There is no one actually serving the businesses," says Nouh. "The big pain SMEs have is how do they get products, and how do they pay for them?"

It's a challenge faced by SMEs in emerging markets across the globe. "The retail industry represents more than 90 percent of the economy in emerging markets," says Nouh. "There are 1.87-million SME merchants in Egypt alone and the market size is $120 billion." Because SMEs are caught in the middle of the supply chain between suppliers and consumers, they are left with little buying power.

His goal with Capiter, which launched in Cairo in July 2020, was to connect suppliers and buyers of consumer packaged goods to streamline the supply chain. On the seller side, Capiter offers reach, automation, and price transparency. Because commodities are cheap and costly to ship, companies usually lose on delivery costs. Capiter uses aggregation to

Left to right: Capiter's Marwan Elshayeb, Co-founder and COO Ahmed Nouh, Co-founder and CEO Mahmoud Nouh, and Hassan El-Tahan
Photo credit: Capiter

save costs. The platform connects sellers with more retailers than they could connect to on their own, increasing purchasing power. For buyers, Capiter offers a one-stop-shop where they can order inventory for delivery and by qualifying for financing, they can choose a BNPL model to pay.

A data-driven approach coupled with a hybrid model - Capiter's focus on logistics, its integration of financial services into an e-commerce model, and its smart use of data set it apart from others in the market. By aggregating and examining various data including SKUs, average revenue, and location, Capiter develops a credit limit score for each merchant that goes up or down based on their platform behavior. Once orders are out for delivery, real-time data lets dispatchers know the size, weight and routing of each order.

Capiter also uses a hybrid operations model—a strategy used by sophisticated e-commerce players like Amazon. "Other incumbents are focused on being capital-light, but if there are breakdowns in delivery or fulfillments, these small mom and pop shops are going to drop the service," says Engel. "What Capiter is doing is very smart."

Capiter buys and delivers 70 percent of its inventory directly from sellers and acts as a marketplace for the remaining 30 percent of inventory, listing sellers' products. This model safeguards the supply chain in the event of disruptions. "We want to scale very fast and it's impossible to scale everything," says Nouh. "Using suppliers as your warehouse ensures a high scalability."

High scalability extends to the Capiter team; it has grown from 100 to more than 1,000 employees across operations, logistics and sales. The company plans to launch in nine more cities across Egypt and will expand to North Africa and the Gulf Cooperation Council countries at the start of next year.
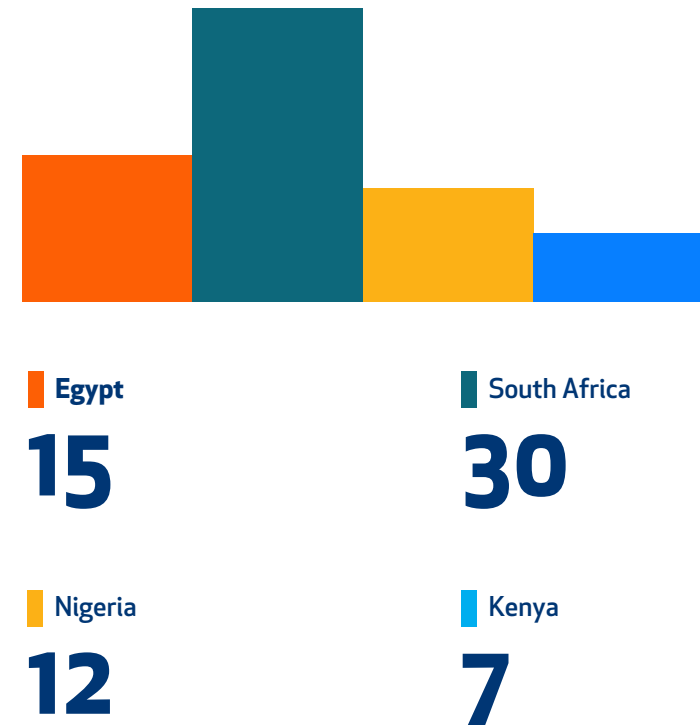
ACQUISITIONS

ACQUISITIONS

When it comes to exits, the Egyptian startup ecosystem has seen only a smattering of activity, largely consistent with a sector that has only emerged in the last decade at most and only really reached critical mass from an investment perspective in 2018.

Since 2016, 15 Egyptian startups have been acquired, a small number compared with developed technology ecosystems internationally but one that compares favourably with other African markets.

In the five and a half years that Disrupt Africa has been tracking acquisitions on the continent, only South Africa has seen more exits. Though the 30 South African tech startups acquired in that period is twice the Egypt figure, Egyptian tech startups have seen more success from an exits perspective than their counterparts in Nigeria (12 acquisitions) and Kenya (seven).

Egypt accounts for 18.75 per cent of the 80 startup acquisitions to have taken place across Africa since 2016, a more than reasonable share for such a young market and one that places it in the vanguard when it comes to M&A activity in the tech space on the continent.

Startup acquisitions by country (Jan 2016 - Sept 2021)

Egypt
15

South Africa
30

Nigeria
12

Kenya
7

ACQUISITIONS

There is no discernible trend as yet when it comes to what sub-sector of technology acquired startups are most likely to belong to. While fintech and logistics have each seen two startup acquisitions in Egypt in the last few years, the rest of the deals reported here have taken place across verticals as disparate as recruitment, e-health, AI, sports, dating, social networking, content, events, cybersecurity, transport and auto-tech.

What kinds of deals were these acquisitions, and who is doing the acquiring? Of the 15 deals included in this report, 10 were what Disrupt Africa would refer to as genuine, bonafide exits for startup founders and their investors, where a successfully scaled startup has been bought out by a larger, corporate entity - either local or international - for a significant cash fee. This is becoming more and more common, with all six of the acquisitions that have taken place over the course of 2020 and 2021 falling into that category.

Four of the deals involved more "startup-on-startup" activity, with slightly larger startups "acquiring" slightly smaller ones in similar spaces in deals that were more tantamount to mergers than acquisitions. The remaining deal saw a startup's shares bought up by an investment firm, hardly qualifying as an acquisition or exit in the way generally sought by tech founders.

Honorary mentions in this category go to fintech company Fawry, which while not "acquired" did IPO in 2019, subsequently going on to become Egypt's first - and to date only - "unicorn" when its valuation passed US$1 billion in 2020. Swvl is well on the way to joining it in that club, with the transport startup planning a listing of its own in the coming months at a pre-money valuation of over US$1 billion. Swvl, MaxAB and Trella also deserve mentioning for being startups that are significant acquirers themselves. Trella acquired competitor Trukto back in 2019, while Swvl (Spain's Shotl) and MaxAB (Morocco's WaystoCap) have both completed international deals this year.

Fintech
Dating Auto tech
Events Logistics
Cybersecurity
Content Recruitment
Social networking
Transport Sports
e-health AI
Cybersecurity
Fintech Content
Logistics Dating
Recruitment

ACQUISITIONS

2016 — viriphi → WUZZUF — Egypt — Acquired by

2017 — DCBEgypt → TPAY MOBILE — Egypt — Acquired by

2018 — TPAY MOBILE / HELIOS Investment Partners — UK; → SAMSUNG — South Korea — Acquired by

2021 — tareeqi / eMushrif — Egypt; eventtus / Bevy — Egypt; FWRUN. / digeipacks — Egypt; sacar / contactcars.com — Egypt — Acquired by

2020 — SECUREMISR / CYSIV — USA; ibnsina pharma — Egypt — Acquired by

2019 — ARQAM / STATSBOMB — UK; Match Group — USA; StarterHub / RISEUP SUMMIT — Egypt; TRUKTO / trella. — Egypt; SUPERMAMA / mawdoo3 — Jordan — Acquired by

STARTUP SUPPORT

STARTUP SUPPORT

Startup ecosystem support

Defining what exactly a "hub" or "co-working" space is can be challenging in an era where Regus-style flexi-offices are available alongside independently-run, tech entrepreneur-focused spaces, and sometimes the line between "hub" and "incubator" can become blurred. All of this leads to challenges both in defining and counting the number of such spaces in Egypt.

In 2019, a GSMA report listed 56 hubs (as opposed to co-working spaces), and placed Cairo among the top three cities by number of hubs across the continent, behind only Lagos and Cape Town. EgyptInnovate, part of an initiative launched in 2018 by the Ministry of Communications and Information Technology, currently lists 138 co-working sites across the country on an interactive map available online, though Startup Genome's GSER report highlighted only 80.

From Disrupt Africa's own research and analysis of others, we conservatively conclude there are approximately 200 hubs and co-working spaces across the country, primarily focused in Cairo, but as with startups themselves also operating in other towns and cities. Key among them are AlMaqarr, Urban Station, iHub, Creativo, Ice Cairo, The District and Rasheed22. In Cairo, many of the hubs are clustered in and around the GrEEK Campus, a technology and innovation park.

200 hubs and co-working spaces

Photo courtesy of The GrEEK Campus

STARTUP SUPPORT

Incubators and accelerators

Egyptian startups are the most accelerated on the continent, with an impressive 38.6 per cent of them having taken part in some kind of acceleration or incubation programme. This is a remarkable statistic, and one that dwarves any of its regional competitors. The likes of the TIEC Incubator, Flat6Labs, Athar, the AUC VLab and Falak Startups are responsible for most of these, but Disrupt Africa counts 37 accelerators or incubators that are currently active or have been active at points over the last six years. Egyptian startups have also taken part in renowned international accelerators such as Y Combinator, 500 Startups, Google for Startups and Facebook Accelerator.

37 active Egypt-based accelerators/incubators 2015-2021

athar

The American University in Cairo
School of Business
AUC Venture Lab

changelabs

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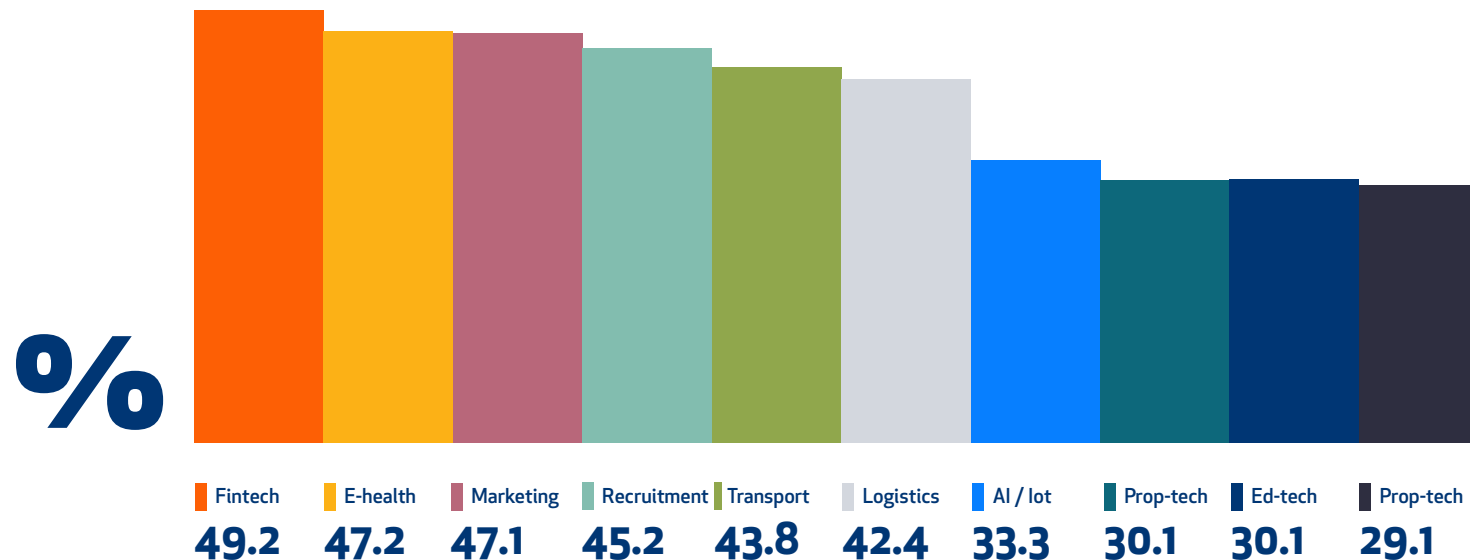
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STARTUP REACTOR

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Photo courtesy of AUC Venture Lab

STARTUP SUPPORT

Egyptian fintech startups are the most popular with accelerators and incubators, with just shy of half the 65 fintech companies tracked by this report having taken part in some kind of programme. E-health ventures are the next most sought after, with 47.2 per cent accelerated or incubated, followed by marketing (47.1%) and recruitment (45.2%).

Just one of the 10 main sectors covered by this publication has an "acceleration" rate below 30 per cent, and interestingly that vertical is Egypt's most populated. Just 29.1 per cent of the country's 117 e-commerce and retail-tech startups have joined such a programme, a figure that suggests a degree of saturation in the space and support actors looking towards less developed sectors to offer assistance and access early-stage investment opportunities.

Accelerated Egyptian tech startups by vertical

%

Fintech	E-health	Marketing	Recruitment	Transport	Logistics	AI / Iot	Prop-tech	Ed-tech	Prop-tech
49.2	47.2	47.1	45.2	43.8	42.4	33.3	30.1	30.1	29.1

STARTUP SUPPORT

Government initiatives

The Egyptian government is one of the more proactive on the continent when it comes to supporting the local ICT industry and its related tech startup ecosystem, and it is easy to see why. The Egyptian ICT sector is very robust, with a growth rate higher than Egypt's overall level of GDP growth, equivalent to 15.2 per cent in fiscal year 2019/2020. Indeed, the sector's contribution to the country's GDP increased to 4.4 per cent in fiscal year 2019/2020, compared to 3.5 per cent in 2018/2019.

Under its ICT 2030 strategy, the Egyptian government is undertaking a series of investments, capacity building and training programmes, digital government services reforms, and infrastructure upgrades, in a bid to further speed this growth and increase the sector's contribution to GDP. The strategy focuses on capacity building, electronics design and manufacturing, and technology parks, and also includes a plan for the digital transformation of core government services.

The Ministry of Communication and Information Technology (MCIT) has an initiative called "Egypt Future Work is Digital" that aims to train 100,000 young Egyptians and develop their ICT skills in areas of high market demand, including web development, data analysis, and digital marketing. Since its launch in 2020, 66,000 people have graduated from the programme.

The ministry in 2020 also launched the "Our Digital Opportunity" initiative to engage with SMEs in the digital transformation process.

The New Administrative Capital (NAC), 30 miles east of central Cairo, is expected to eventually house most central government offices, with a target move-in date of mid-2021. The government is planning for the NAC to be a "Smart City," and is investing heavily in the new city's telecommunications and ICT infrastructure. The first phase of "Knowledge City," which will be located inside the NAC, is completed. It will include applied research centers for technology to facilitate technical training, software and applications development, and data design. Within the city, they are planning to establish Creative Innovation Hubs that will provide technical assistance to promote innovation and entrepreneurship.

The Ministry is also working on developing six technology innovation hubs in the cities of Minya, Menoufiya, Mansoura, Sohag, Qena and Aswan under the name Creativa. These hubs are aimed at supporting entrepreneurship and innovation and will consist of hardware design labs, startup incubators and training institutions and integrated systems for AI training, data science, and cybersecurity.

Within the New Administrative Capital, there is The Knowledge City, which is owned and administered by the Ministry of Communications and Information Technology and includes an Applied Innovation Centre that seeks to forge partnerships with research institutions and companies around the world to develop solutions tackling various sectoral challenges such as agriculture, health, and urban planning, using emerging technologies.

In addition, there is a technology innovation centre - "Creativa" - to support rising entrepreneurs and startups as well as provide technical and freelancing training to graduates. The Knowledge City also encompasses The Centre for Assistive Technologies, which aims to support applied research and development as well as provide capacity building programmes targeting people with disabilities.
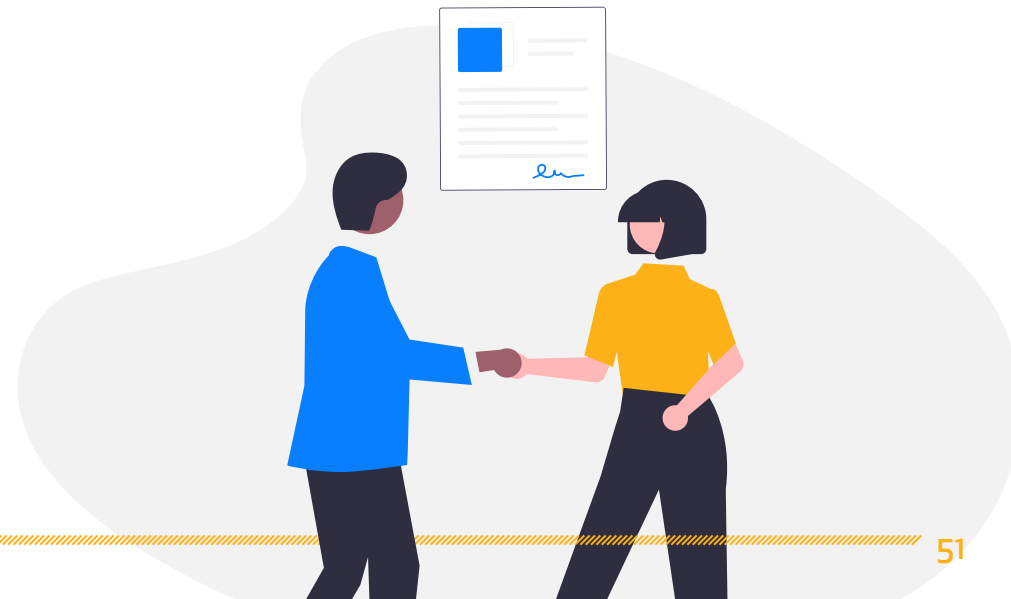
STARTUP SUPPORT

**Among the more startup-focused government initiatives recently are the following:**

- A new law for development of SMEs and entrepreneurship: Law no.152 of 2020 aims to support projects and enterprises that have been operating for less than seven years by providing tax, customs, and non-tax incentives. In addition, the law provides monetary incentives for corporations, investment funds, incubators, accelerators and all entities supporting startups and SMEs.

- Intellectual property rights protection guide for startups: recognising the role of protecting IP rights, ITIDA's IPR Office released a comprehensive guide for Egyptian startups and entrepreneurs that tackles and addresses key issues in this area.

- Central Bank's EGP1 billion (US$64 million) fintech fund: The Central Bank of Egypt (CBE) allocated EGP1 billion (US$64 million) for the Fintech Innovation Fund, an investment vehicle supporting innovative fintechs and fintech-enablers with the objective of transforming Egypt into a regional hub for the industry.

- National strategy to attract VC financing: ITIDA has collaborated with an international consulting firm to design a five-year strategy to attract US$1.5 billion of VC investments in Egyptian tech startups. The strategy focuses on four main pillars: improving the enabling environment, bolstering access to finance, increasing access to markets and enhancing access to talents.

- Launch of Creativa Innovation Hubs across Egypt: The Ministry of CIT established Creativa Innovation Hubs in collaboration with public universities, which sees hubs reside within universities to support students as well as startups to meet-up, innovate, access resources, and develop digital transformation solutions.

- Launch of The Applied Innovation Centre: The Ministry of CIT established the Applied Innovation Center to promote the use of emerging technologies in addressing and solving national challenges. The aim is to develop human capital and create an environment for innovative startups to grow and accelerate the creation of domestic high-tech enterprises.

- The African App Launchpad Cup: Launched by the Egyptian President, the African App Launchpad (AAL) is an Africa-wide platform to build the capacity of 100,000 youths in Egypt and Africa, and foster the establishment of 100 startups in application and game development.

- ITIDA and AUC Venture Lab Startup Launchpad: ITIDA and the AUC Venture Lab joined forces on Startup Launchpad, an eight-week immersive scholarship and capacity-building programme that empowers technology entrepreneurs as they launch their startups. The programme helps participants validate their innovative solutions, identify market gaps and overcome the most commonly-faced challenges.

STARTUP SUPPORT

Corporate initiatives

Compared to the likes of South Africa, Nigeria and Kenya, Egypt is still relatively light when it comes to corporate-run initiatives in the startup space, but activity is picking up. Key initiatives over the last few years include, but are by no means limited to:

- In 2017, the Nahdet Misr Publishing House launched its venture arm, EdVentures, which specialises in education and provides financial and technical support to startups. EdVentures has been active since, investing in the likes of iSchool, Akhdar, Career 180 and COLNN.

- In 2018, Egypt's EGBank partnered investment network Cairo Angels to launch MINT Incubator, an intensive three-month programme designed to accelerate the growth of product-ready startups who want to take their business to the next level. The programmes is still going strong several cohorts later.

- In July 2021, Raya Customer Experience (RCX), a subsidiary of investment firm Raya Holding, launched its corporate accelerator programme in Cairo, which aims to invest in and work with early-stage startups that offer tech-enabled solutions to address challenges facing the customer care field across all sectors. The Raya FutureTECHm programme, which will run in partnership with venture builder and accelerator Opener, will see 10 startups receive funding of up to EGP1 million (US$64,000) as well as access to mentorship and network connections.

- In August 2021, Arab Bank launched its fintech-focused corporate accelerator programme "AB Accelerator" in Egypt, following its successful rollout in Jordan in 2018. The launch of this programme in Egypt comes as part of the bank's strategic efforts to foster and support innovation in the fintech sector towards offering responsive and agile banking solutions in line with the evolving needs and expectations of clients across different segments.

- Various international corporations have held a variety of hackathons, competitions and initiatives aimed at startups and ICT practitioners, including Ericsson, Microsoft, Vodafone, IBM, Huawei, Dell, Visa and HSBC.
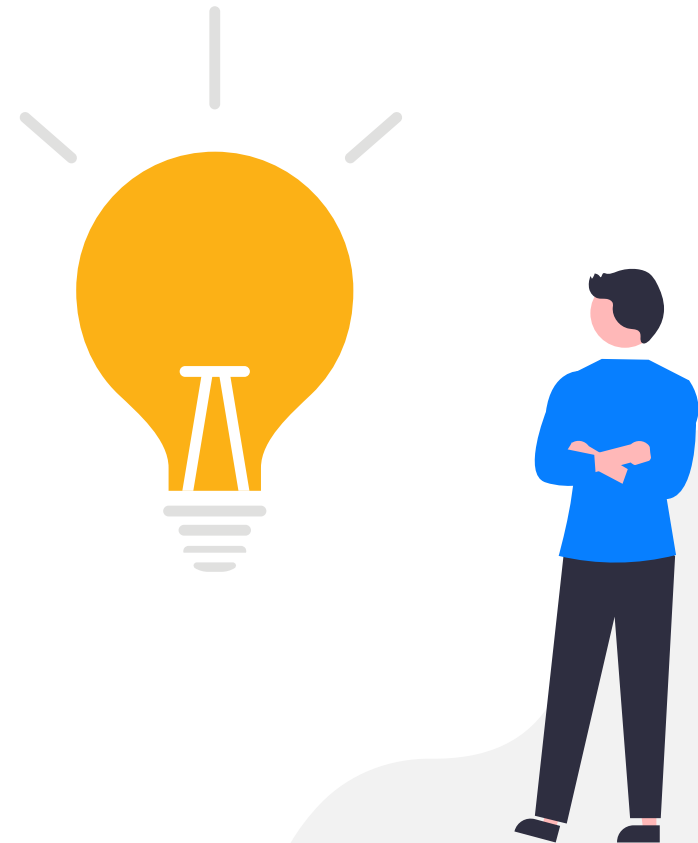
STARTUP SUPPORT

University initiatives

Egypt is at the forefront when it comes to university-led startup support programmes, with a host of initiatives that go beyond simply offering courses on business and entrepreneurship. A number of tertiary institutions have rolled out initiatives that provide early-stage startups with access to training, mentorship, networks and even funding.

- Leading the way is the American University in Cairo, which founded the AUC Venture Lab (V-Lab) in 2013. Egypt's first university-based startup accelerator, V-Lab supports founders looking to build Egypt's next generation of tech unicorns through a sector-agnostic accelerator, a fintech accelerator and other programmes that help entrepreneurs from the conceptualisation stage through the growth of their startups completely equity-free. Hundreds of startups have received its support so far, with its portfolio of graduates including Swvl, CreditFins, Bosta, ElGameya and Rology. In addition, in 2018 the V-Lab launched AUC Angels, Africa's first university-based angel investment network with a mission to create an angel investor community at AUC to invest in innovative Egyptian startups.

- At Cairo University, the FEPS Business Incubator has an array of programmes and services designed to boost early-stage founders with training based on its scientific methodology. An awareness programme seeks to get people interested in entrepreneurship, while its twice-annual 16-week incubation programme connects selected startups with coaching, mentoring and some seed funding. It also provides a business clinic for more established startups. So far almost 50 startups have been incubated by FEPS.

- Nile University launched its NilePreneurs initiative in 2019, and has already expanded to four other universities and supported hundreds of startups. The programme has many pillars, including advisory support services through its BDS Hubs; educational service NP Learn; mentoring service NP Innovate; and incubation platform NP Incubate.

- In July, Universities of Canada in Egypt (UofCanada) and Ryerson University's the DMZ launched a new incubator programme aimed at supporting scalable Cairo-based startups. The DMZ Cairo sector-agnostic incubator will assist high-potential tech startups with fully-furnished workspaces, one-on-one guidance from dedicated programme leads and mentors, peer-to-peer sessions, expert-led workshops and access to networking opportunities.

- Outside of Cairo, Assiut University launched its Hemma Incubator in 2014, with initial backing from the European Union's Research, Development and Innovation (RDI) initiative, to support startups in the health, food, water and manufacturing sectors. The Heliopolis University for Sustainable Development runs an incubator based around agriculture and food production, and Al Azhar University's incubation programme focuses on water, agricultural waste management and renewable energy. Alexandria University, meanwhile, has launched an AI-focused incubator.

Photo courtesy of AUC Venture Lab

BUILDING BRIDGES

BUILDING BRIDGES

Building bridges - Egyptian tech startups and the wider African ecosystem

Historically, the obvious destinations for Egyptian businesses, tech and non-tech, when it comes to international expansion have been the Gulf Cooperation Council (GCC) countries of Bahrain, Kuwait, Oman, Qatar, Saudi Arabia, and the United Arab Emirates - the latter two especially.

There are many obvious reasons, including language, culture, regulatory similarities, and simple proximity, and these markets will always remain attractive to ambitious, growing businesses, especially as a significant amount of capital inflow into Egypt comes from them.

Yet times are changing to some extent, especially in the tech ecosystem, as Egyptian founders identify and take advantage of opportunities in other African countries, including those south of the Sahara.

Vezeeta and Swvl are the key examples here, while other well-funded businesses like Trella are in the process of expanding. Even more interestingly, however, we are seeing much earlier-stage and less-funded businesses focusing on expanding into African markets as soon as possible.

This section talks to key figures within these businesses about what opportunities they are spotting in the wider Africa region, the challenges they face in growing their businesses there, and best practices for African growth.

Johannesburg, South Africa

Nairobi, Kenya

Lagos, Nigeria

BUILDING BRIDGES

What does it do?

Swvl offers a reliable, safe and affordable mass transit experience by operating an asset-light demand-responsive high-capacity vehicles marketplace. It operates across B2C, B2B, and B2G for public transit agencies.

What has it achieved?

To date more than 53 million bookings across more than 17,000 vehicles with 430 per cent CAGR over the last four years. It is market leader in all the cities where it operates B2C and B2B. One of the best-funded Egyptian tech startups and set to become the country's second "unicorn" when it lists publicly.

What Sub-Saharan African markets is it active in?

Kenya, where it launched in 2019. Swvl has operations in 37 cities across 16 countries globally.

Youssef Salem, Swvl's chief financial officer

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Youssef Salem, Swvl's chief financial officer

Please explain why you decided to target Sub-Saharan African markets? What was the pull factor?

Primarily the large addressable market and strong product market fit, as a large base of the population seeks reliable, safe and affordable mass transit solutions.

What differences are there operating in SSA as opposed to Egypt or Middle Eastern/GCC markets? Are there challenges you face as an Egyptian company in doing so?

Each country, whether in Sub-Saharan Africa or elsewhere, has its own dynamics and intricacies, and a big part of the Swvl success story has been the strong localisation. In Kenya, we made sure we localised everything, including team, brand, marketing approach, and payment channels.

Are there challenges you face as an Egyptian company in doing so?

No, Sub-Saharan African countries are very open for foreign players, especially from other African countries like Egypt.

How welcoming have these markets been from ecosystem / customer / government / regulator perspectives?

Very welcoming. Governments and regulators realise that Swvl is complementary to the public transit system, and helps reduce the burden on it. Customers love being able to have a quality, safe and reliable ride at up to 80 per cent cheaper than private transportation.

What best practices can you recommend for launching / operating in SSA markets? What are your learnings?

Strong localisation and engagement with local stakeholders to understand the dynamics and intricacies, and tailor the product and operations for these elements.

Are there things you would go back and change?

No, we have been very fortunate with our journey so far and the incredible support we received from all stakeholders.

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Vezeeta.com

What does it do?

Vezeeta offers a seamless digital platform to help patients search, choose, and book their healthcare providers based on real patient reviews and ratings, live doctors' scheduling, location, fees, health insurance providers, from a network of over 35,000 top-rated doctors across 43 medical specialties.

What has it achieved?

Served 10 million patients to date; 450,000 monthly transactions; over two million active patients served annually; footprint across 78 cities in six countries across MEA.

What Sub-Saharan African markets is it active in?

Vezeeta launched its booking product in Kenyan and Nigerian markets in July 2020, and has so far had nearly 30,000 patients find and book in-clinic and virtual doctors' appointments.

Nana Frimpong, Vezeeta VP of Africa

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Nana Frimpong, Vezeeta VP of Africa

Please explain why you decided to target Sub-Saharan African markets? What was the pull factor?

Vezeeta expanded to SSA because we recognised an urgent need for access to affordable and quality healthcare within key markets. In Nigeria for instance, over 90 per cent of the population remains uninsured and is forced to bear the high out-of-pocket costs of healthcare that start from US$75 per person, while 83 million Nigerians who live below the poverty line earn an income of less than US$1 a day.

The high costs paired with a dire scarcity of licensed doctors adds to the challenge of easy access to healthcare, with less than 4 doctors available to 10,000 habitants. The patients remain vulnerable with the lack of choice or knowledge in healthcare, and this divide is further depended in rural areas where 82 per cent of the population is excluded from healthcare services due to insufficient numbers of health workers.

We recognised Vezeeta's role in addressing these challenges. Patients can access quality healthcare using their smartphone by booking instantaneous doctors' appointments in-clinic or virtually, and avail data on healthcare facilities and providers through authentic ratings and reviews of patients. Vezeeta's telehealth solution helps bridge the gap in healthcare caused by low physician density, as patients can connect with doctors locally, nationally or internationally via audio or video calls from the comfort of their homes.

What differences are there operating in SSA as opposed to Egypt or Middle Eastern/GCC markets? Are there challenges you face as an Egyptian company in doing so?

Sub-Saharan Africa is distinctly disadvantaged in healthcare access and quality in comparison to most Middle Eastern and GCC countries. SSA is home to 11 per cent of the world's population, yet bears over 24 per cent of the global disease burden, with only three per cent of the global health workforce, and spends less than one per cent of the world's financial resources on health.

The patients in SSA are more vulnerable to chronic, non-communicable diseases since the region faces lower access to vaccines, slower vaccine rollout, and high cost of vaccinations in comparison to the GCC which makes the patients more vulnerable to healthcare challenges.

For instance, by April 2021, only 0.5 per cent of all administered COVID-19 doses globally were in sub-Saharan African countries while GCC markets witnessed 50 per cent vaccination rates in the same period.

There are also differences in the dynamics around healthcare infrastructure in the Middle East/GCC and Egypt in comparison to SSA. For example, there are 0.15 doctors per 1,000 patients in Kenya and 0.38 in Nigeria, whereas Saudi Arabia boasts over 2.6 doctors per 1,000. This supply shortage means that healthcare tends to be more expensive and fragmented in SSA countries where we have a footprint, than in MENA or the GCC.

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How welcoming have these markets been from ecosystem / customer / government / regulator perspectives?

Our experience starting operations in these markets has been smooth. We've been well received across all segments in each country that we operate in, since local governments have now eased regulations to enable successful implementation and use of digital health solutions.

What best practices can you recommend for launching / operating in SSA markets? What are your learnings?

The key best practice is to understand and create strategies for digital health solutions that are anchored in local context and driven by local healthcare needs.

For example, our entry into Kenya and Nigeria in July 2020 opened our eyes to their need for better healthcare accessibility in the markets. To enable this, we launched our 'Global Telehealth' solution, that connected every smartphone user in Kenya and Nigeria to top rated doctors from around the world, leapfrogging the physician scarcity issues.

Our greatest learning in the new market has been to continue pushing the boundaries and keep our offerings fresh and relevant to our target segment population since African countries have vibrant technology ecosystems with keen opportunities and hefty competition.

Are there things you would go back and change?

Not at all.

The early days of our African expansion were tough, since the COVID-19 pandemic had hit the world hard and like everyone, we worked within severe constraints across all aspects of our business, while still finding safe ways for patients to access healthcare, either via Telehealth or carefully staggered appointments at the clinic. We navigated these challenges well and are focused on how we can use our technology and experience to support providers and patients in this ever-evolving context with the pandemic.

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trella.

What does it do?

Trella is a B2B logistics technology platform that connects shippers to carriers in the widely fragmented road freight industry. The startup aims to create transparency, efficiency and reliability, and empower carriers to find regular work with a multitude of shippers. By doing so, it eliminates excessive middle-man margins, and maximise utilisation of carrier trucks, while allowing shippers to book affordable loads, minimise matching time, and have greater visibility on their shipments.

What has it achieved?

Raised US$42 million in debt and equity funding to help scale and become the largest digital trucking marketplace in the Middle East, North Africa and Pakistan region. Trella launched its operations in the Saudi Arabian and Pakistani markets in 2020, and is looking for further geographical expansions in 2021 and 2022.

What Sub-Saharan African markets is it active in?

At least some of that expansion will be in Sub-Saharan Africa, with Trella already having an office in one - albeit unnamed - African country for planning and people functions. Full launches are afoot, however.

Hatem Sabry, Trella's CFO

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Hatem Sabry, Trella's CFO, who covered Sub-Saharan African markets for five years while at Deutsche Bank prior to joining the startup.

Please explain why you decided to target Sub-Saharan African markets? What was the pull factor?

Trella's tech solutions would bridge a significant gap in the trucking and logistics space in Sub-Saharan Africa markets. These are markets that are very fragmented, inefficient, and offer significant scale. Trella has the capability to disrupt the entire space there, especially given the traditional nature of the trucking industry which is ripe for disruption.

What differences are there operating in SSA as opposed to Egypt or Middle Eastern/GCC markets? Are there challenges you face as an Egyptian company in doing so?

Primarily the major differences are in the supply/demand dynamics, which affect the product offering or value proposition in the market. The maturity or lifecycle of the market, and country in general with regards to digitalisation, streamlined processes and bureaucracy also dictates the operational requirements/ expenditure in the country. As an African country, we actually see a lot of similarities between Egypt and SSA, when it comes to infrastructure challenges, high population densities, and higher red-tape in the governmental/administrative procedures. Other Middle Eastern/GCC markets are a bit more organised and the infrastructure is more adaptable to technology. This makes operating slightly easier, however Egypt and SSA offer significantly bigger scale.

How welcoming have these markets been from ecosystem / customer / government / regulator perspectives?

Trella notes differences across three key areas of technology maturity, supply dynamics and finally regulation and infrastructure, all of which are inextricably linked.

1. Technology: In emerging markets we've seen some resistance from our supply base when it comes to using our application. This is due to a multitude of reasons, but education and familiarity with technology seem to be key drivers, for instance many drivers can't read and write making onboarding far more challenging. As a result, the low level of education doesn't give drivers the tools to acknowledge the importance and power of the application operationally. This poses an opportunity when compared to developed markets, but ultimately means trying to eliminate manual communication between our team and carriers to achieve scalability is hard. Moreover the lower social class is usually the hardest to try to convince them to change the system that they have been working with over the last decades, as a result we have been coming up with creative solutions trying to leverage our product and demand to get the supply base on our systems.

2. Supply Fragmentation: the level of fragmentation can be seen to be correlated with the level of "development" of specific markets. This hypothesis is validated by our understanding of Saudi, Pakistan and Egypt, where fragmentation is higher in Egypt and Pakistan compared to the more developed emerging economy of Saudi Arabia. Understanding the level to which the supply base is segregated in emerging markets is very important as our supply strategy shifts based on these different dynamics. As an example, particularly in markets with high fragmentation there are many Independent

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Operators (IOs) that move together under one leader, thus we started addressing that leader, the "IO Champion" as a fleet partner, giving them access to allocate drivers and be responsible for them in communication with Trella. This has greatly reduced our onboarding effort, improved collection of PODs, and supports easier distribution of payments.

3. Regulation and infrastructure: The infrastructure and regulations of emerging markets, when compared to developed markets are unorganised, bureaucratic and inefficient. For instance Egyptian payment systems for carriers are complex and confusing, carriers pass by a checkpoint to weigh and assess the weight and commodity of cargo carried, and are then charged accordingly. However as there is no clear rubric or process the same cargo and weight can be charged different amounts from two different officers. Trying to incorporate such differences in one's application is extremely challenging, thus on the path towards standardisation, we need to also accommodate for the reality on the ground to have any kind of success.

In Saudi Arabia, the market doesn't have many local drivers, the vast majority of heavy duty truckers are immigrants. There is a 'Kafala' system where foreigners are registered under a local so that he can be accountable for employees under his 'Kafala'. This creates complications for our model when it comes to payments and collecting documents from them as the 'Kafeel' usually takes a cut of the drivers revenue, so drivers are always trying to work around the system to either hide their revenue or deflate it, which consequently hinders our processes and makes it difficult to find a unified process for different categories of our supply base.

In Egypt and Saudi we built features on our product to accommodate the different dynamics of payments for carriers. We have fields for all specific extra charges and force carriers to upload supporting documents to verify such costs. Futuristically we are also working on having a software that analyses the information on these documents and verifies against the information input by the carrier so that we automate and eliminate any manual interactions.

What best practices can you recommend for launching / operating in SSA markets? What are your learnings?

We are currently not operating in SSA yet, but have hired several top-talented colleagues from SSA in various functions across Trella. This has been incredibly useful to better understand the markets until we launch.

General best practices for launching markets is leveraging launch teams, with a mix of execution and strategy, proven go-to-market strategies, refined launch playbook and strong stakeholder management across central functions.

Are there things you would go back and change?

Of course. For instance when launching in KSA, we realised that our decision to launch ports made sense from a business perspective, but wasn't as aligned to our product trajectory as we had hoped and in doing so added to additional "product debt" as we call it. We are continuously iterating and learning as we grow, and would never want to stop that.

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talents arena

What does it do?

Sub-Saharan African markets will be the top emerging markets in the next 10 years. Talents Arena is a technical hiring platform that connects top tech talent in Africa and the Middle East with hiring companies from all over the world. It haas been serving the market for the past two years.

What has it achieved?

The startup has 35,000 techies in its network and more than 500 subscribed companies. It has also run three editions of JobStack, the biggest virtual tech event in the region, attended by more than 10,000 techies to share knowledge and access job opportunities.

What Sub-Saharan African markets is it active in?

Talents Arena's client base is currently expanding in various countries in Africa, including Kenya, South Africa, Nigeria, Rwanda and Namibia, as well as in the Gulf region, Europe and the United States.

Aya Raafat Elgebeely, founder and CEO

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Aya Raafat Elgebeely, founder and CEO

Please explain why you decided to target Sub-Saharan African markets? What was the pull factor?

Sub-Saharan African markets will be the top emerging markets in the next 10 years. There is huge untapped talent, and needs and problems to solve. With the current focus of investors globally to invest in this region, we keep our eyes fixed on it as well. These markets are growing aggressively and they are all competing over tech talents. Given all the funds raised in different sectors for tech-enabled startups, the demand for tech talent is unprecedented.

What differences are there operating in SSA as opposed to Egypt or Middle Eastern/GCC markets? Are there challenges you face as an Egyptian company in doing so?

Operating in Sub-Saharan Africa requires good knowledge about the culture, educational systems, business operations, economical variations and governmental regulations in each country. In my opinion, one of the biggest challenges is the language barrier. However, we are working relentlessly in launching our platforms and virtual community in French, Spanish and maybe Swahili.

How welcoming have these markets been from ecosystem / customer / government / regulator perspectives?

We are still exploring it, so it is too early to judge. But so far, it is welcoming, and there is huge eagerness for growth and exquisite motivations for partnerships so far.

What best practices can you recommend for launching / operating in SSA markets? What are your learnings?

I believe one should go and see for himself or herself. People launching business in Sub-Saharan Africa should seek understanding before rushing to conclusions about the market needs. Let it guide you to the real issues and needs, rather than copying and pasting models from Europe, Asia or anywhere else that do not necessarily suit this new market.

Are there things you would go back and change?

I would spend more time in these countries, building stronger relationships, partners and networks. But it is never too late.

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