

The growth of Egyptian e-commerce in 2013



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Responding in part to the online activism surrounding the Egyptian revolution at the beginning of 2012, Egyptians and Egyptian businesses have become increasingly aware of the power of the internet. Egyptians are going online at twice the average rate of other nationalities in the region. They account for almost 20 percent of internet users in Africa, and have twice as many Facebook users as South Africa.

Speaking at a 28 November AmCham breakfast meeting at the Four Seasons Nile Plaza, David Dean – senior partner at Boston Consultancy Group — discussed four trends he anticipates in Egypt's online future:

- A sudden increase in data volume
- New internet users turning to social media as their primary gateway to information
- Mobile broadband as a key driver of internet usage
- Internet users in the developing world doubling in the next four years

E-commerce has followed this rise in internet usage closely and, while the lack of online banking services and credit card users in Egypt does pose a threat to the success of online businesses, success in these industries simply depends on an available, secure payment method. The increase in reliable [business banking services](#) such as those offered by HSBC and many of the large multinational banks investing heavily in the area should clear the way for rapid growth in internet usage and online businesses.

E-commerce should flourish as a result of increasing demand, as consumers become more aware of the Internet and put more faith in online business on the back of increased regulation. Online entrepreneurs are well placed to exploit this growth, given the egalitarian nature of the internet in allowing SMEs and microcompanies to compete with big business.

One startup with a major reliance on online finance services is [Offerna](#), a discount consumer site seeking to emulate the success of services such as Groupon. Smartly targeting the internet-savvy consumers, Offerna tailored their service for high-end, high-spend customers offering their favourite products and services at group-buy prices.

Another is [Shoghlana](#), introducing a novel business model to Egyptian internet users. Describing itself as an “offline and online marketplace,” Shoghlana connects customers lacking the time or skills to get a task done with people offering to complete tasks for money. We’ve seen a similar approach with [Milk, Please!](#) which uses crowdsourcing to find helpers for time-strapped users.

Egyptian growth of e-commerce almost certainly depends on entrepreneurship and innovation among the young online population. In kind, this is dependent on government and infrastructure to provide an environment conducive to growth, as seen with Dubai’s Internet City and Australia’s government-backed incubators. It is vitally important that the support is there for companies at the early stages. In Egypt, initiatives like the Technology, Innovation and Entrepreneurship Center (TIEC) are following that direction and could be instrumental in the development of e-commerce.