ARAB FORUM FOR
DIGITAL ECONOMY

Highlights of Main Countries' Experiences in Building Digital Economies

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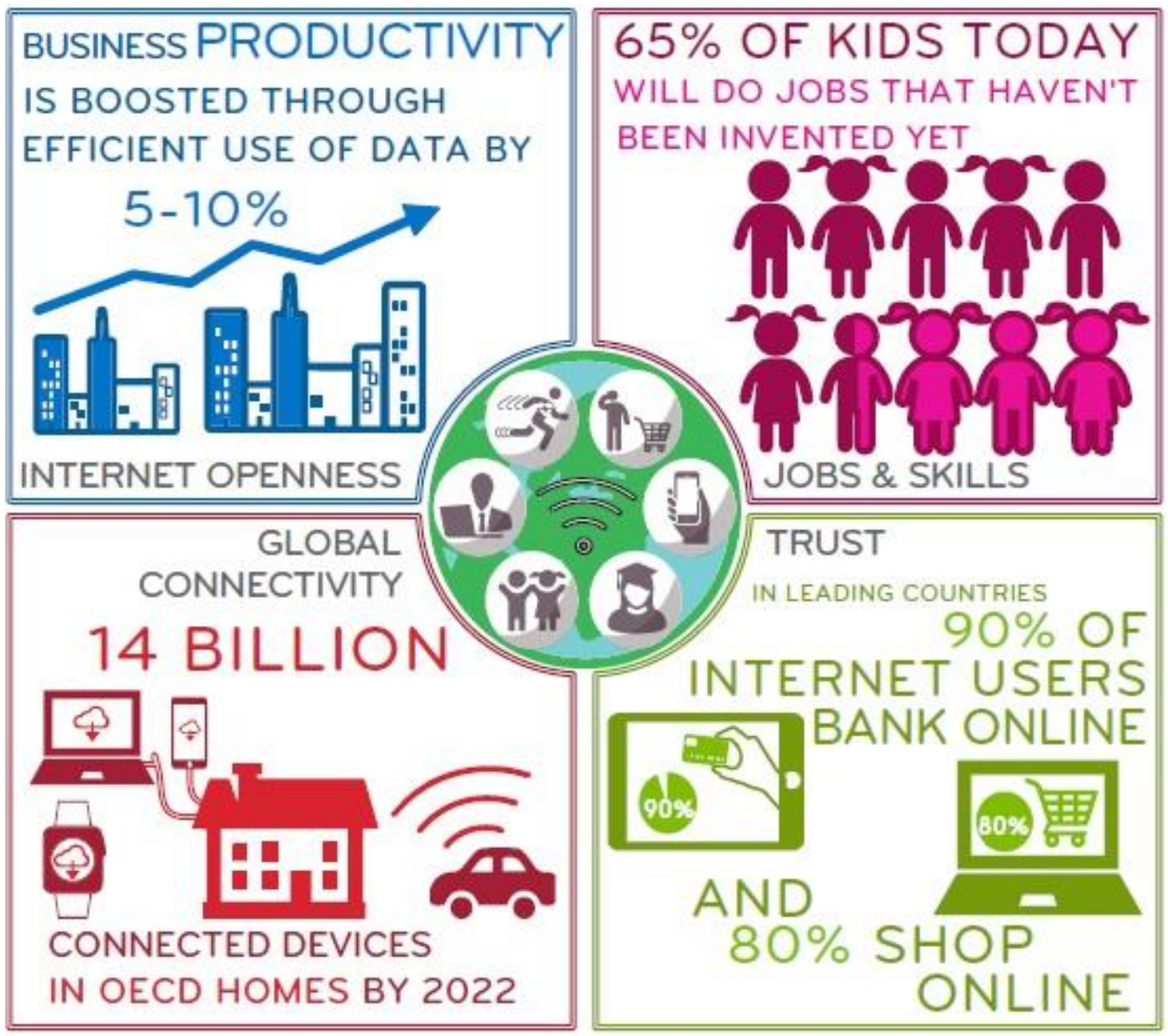
Transformation to a Digital Economy – Country Experience

Society Evolution Toward an Information Society – main assets

Transformation to a Digital Economy – Country Experience

Digital Economy a Changing World - 2022



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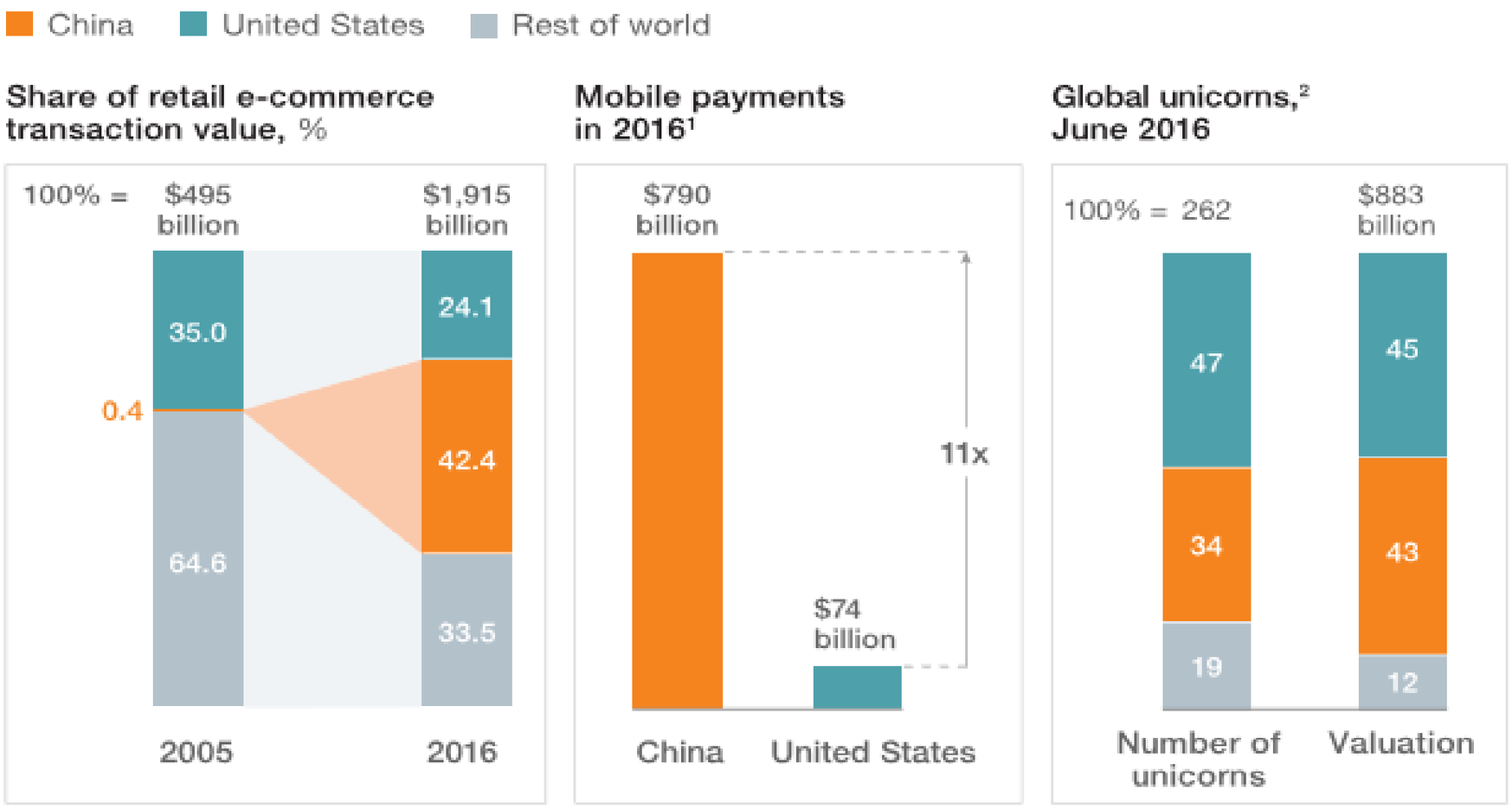
Two Countries Competing for Dominance



[1]Refers to third-party payments conducted through mobile transactions. For China, mobile payments exclude bank or UnionPay credit-card transactions, digital wealth management, and digital finance. For the United States, payments are in-person payments on mobile between buyers and sellers, and remote payments on mobile devices.
[2]Defined as startups valued at $1 billion or above.

Source: Dealogic; eMarketer; iResearch; PitchBook; TechCrunch's CrunchBase Unicorn Leaderboard; McKinsey Global Institute analysis

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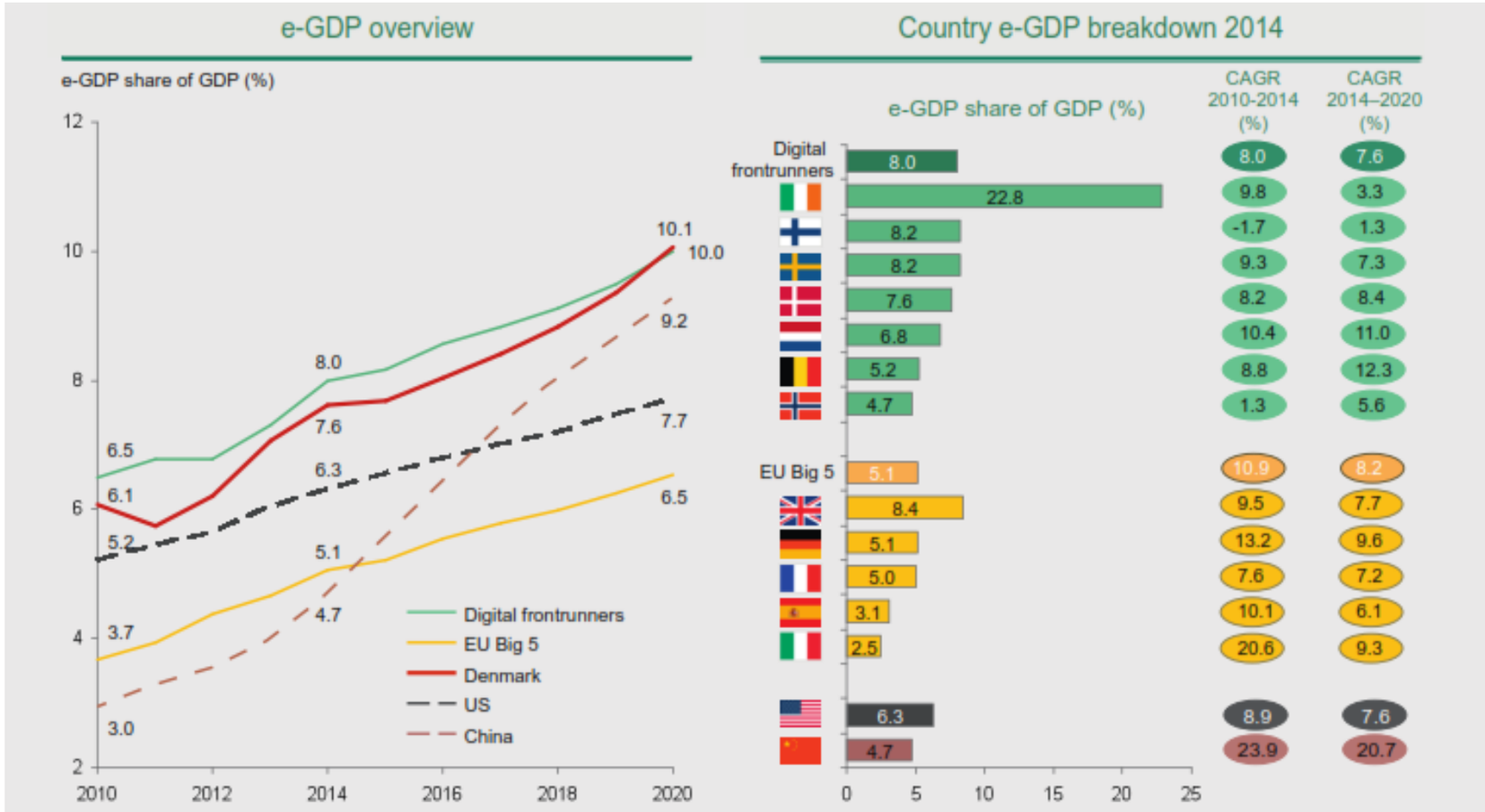
Factors Propelling the Expansion of Digital China

- The bigger, younger China market is enabling rapid commercialization of digital business models on a large scale.
- China's three Internet giants are building a rich digital ecosystem that is now spreading beyond them.
- The government gave digital players space to experiment before enacting official regulation and is now becoming an active supporter.



Note: *Ireland's ICT exports are contributing to the country's high e-GDP share and these exports have been adjusted downward to account for this. Irish ICT services exports have been adjusted downward. In the estimates, average exchange rate for period 2010-2015 has been used to avoid distortions affecting countries to varying degrees. CAGR, i.e. yearly growth figures are based on absolute market size.
Source: BCG Analysis, Gartner, Ovum, EIU, Euromonitor, UN, IDC, WTO

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Mature Economies Focuses on Innovation – United Kingdom

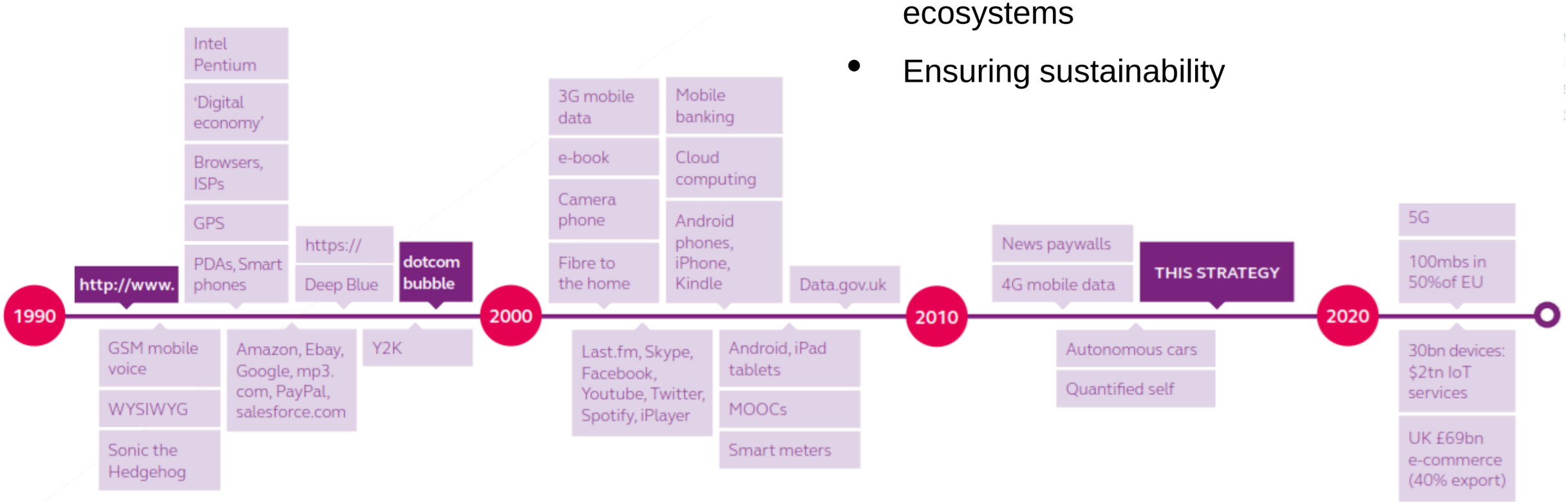
Strategy

"Help UK Businesses to Innovate by Using Digital Technology"

"Innovate UK will work with companies to understand how this technology can help them to innovate to serve current and future customers better, and how they can develop and build their confidence in new digitally-enabled ways of doing business"

Objectives

- Encouraging digital innovators
- Focus on the user
- Equipping the digital innovator
- Growing infrastructure, platforms and ecosystems
- Ensuring sustainability



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UK – Strategy

- Connectivity - building world-class digital infrastructure for the UK
- Skills and inclusion - giving everyone access to the digital skills they need
- The digital sectors - making the UK the best place to start and grow a digital business
- The wider economy - helping every British business become a digital business
- Cyberspace - making the UK the safest place in the world to live and work online
- Digital government - maintaining the UK government as a world leader in serving its citizens online
- The data economy - unlocking the power of data in the UK economy and improving public confidence in its use

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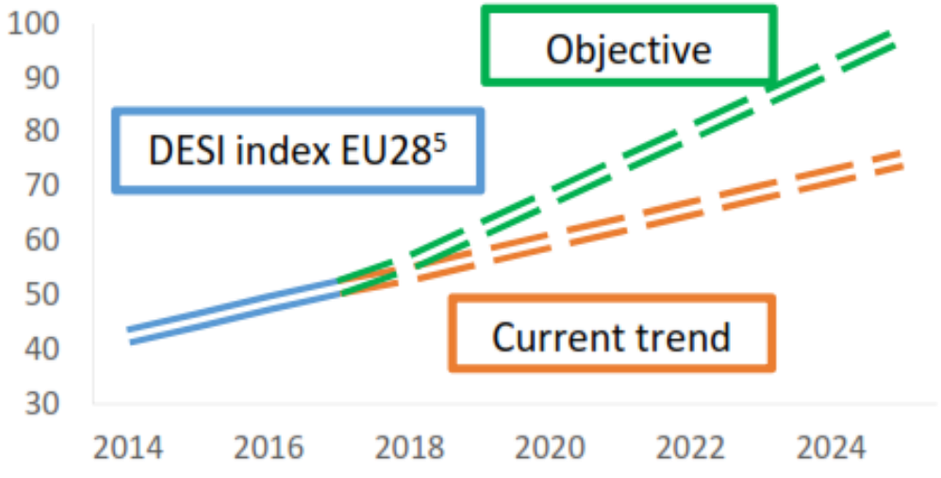
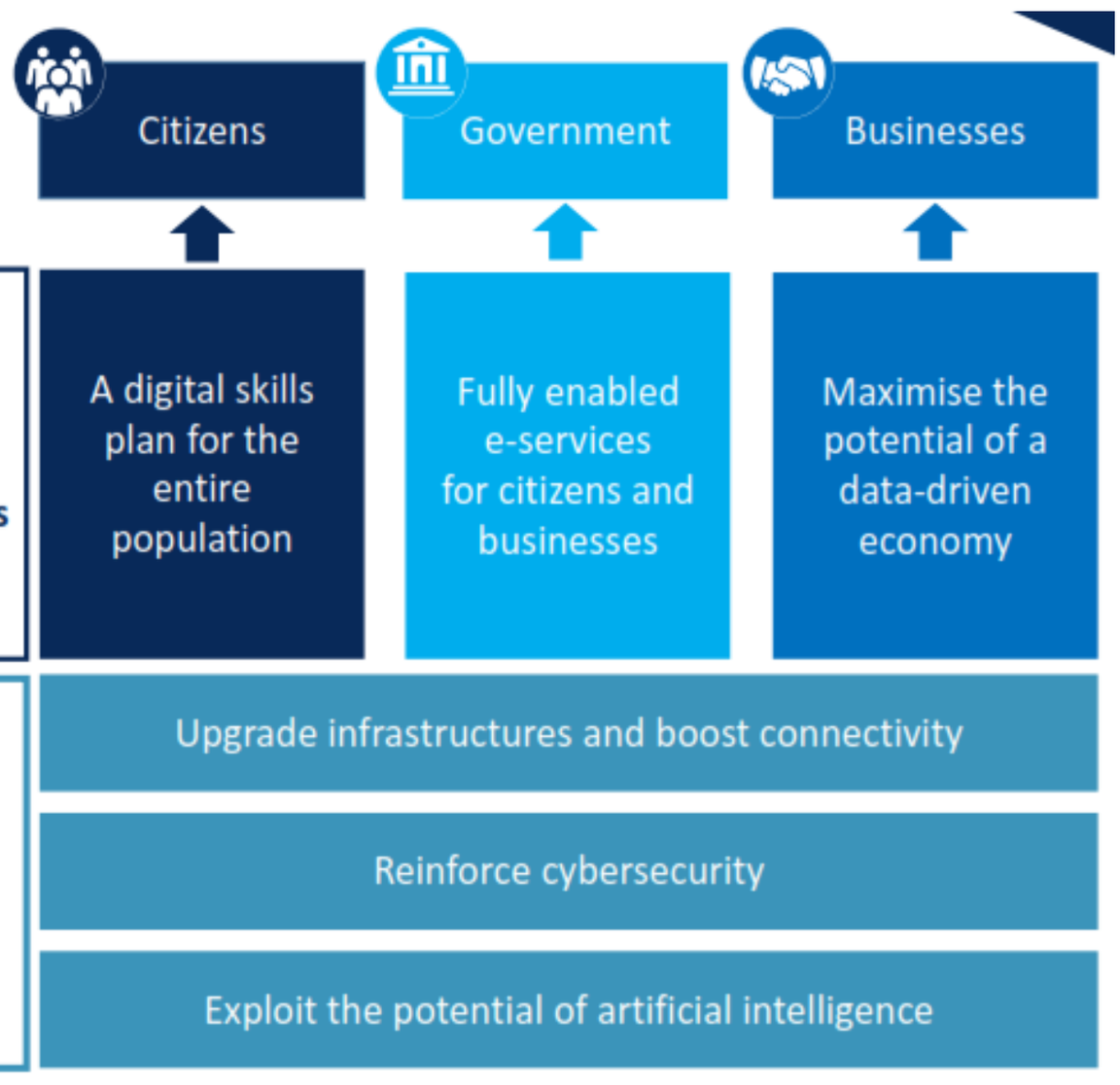
Europe is Building a Harmonized Framework to Capitalize on Digital Opportunities

Digital Single Market (DSM) Initiative

Accelerate to Reach Target in 2025



If it continue at this pace, It would take another 15 years to truly become a Digital Europe



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India is Facing a Huge Challenge in a Unique Way

Vision

- Digital Infrastructure as a Utility to Every Citizen
- Governance and Services on Demand
- Digital Empowerment of Citizens

Nine Pillars of Digital India Project

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Small Countries Offer Examples of Digital Adoption - Estonia

Strategy

"Creating an environment that facilitates the use of ICT and the development of smart solutions in Estonia in general. The ultimate goal is to increase the economic competitiveness, the well-being of people and the efficiency of public administration"

Agenda 2020

- How to best meet the national socio-economic development challenges in Estonia by 2020 by the smart use of ICT.
- Improvement of public governance.
- Next generation broadband network.
- "No legacy principle" will be introduced, i.e. the public sector should not have any important ICT solutions that are older than 13 years.
- Increase public sector's capacity to apply data analytics solutions
- Virtual residence or e-residence will be launched
- Lunching the concept of 'data embassy'
- Global information society think tank will be established in Estonia
- Double the number of people employed in the Estonian ICT sector.

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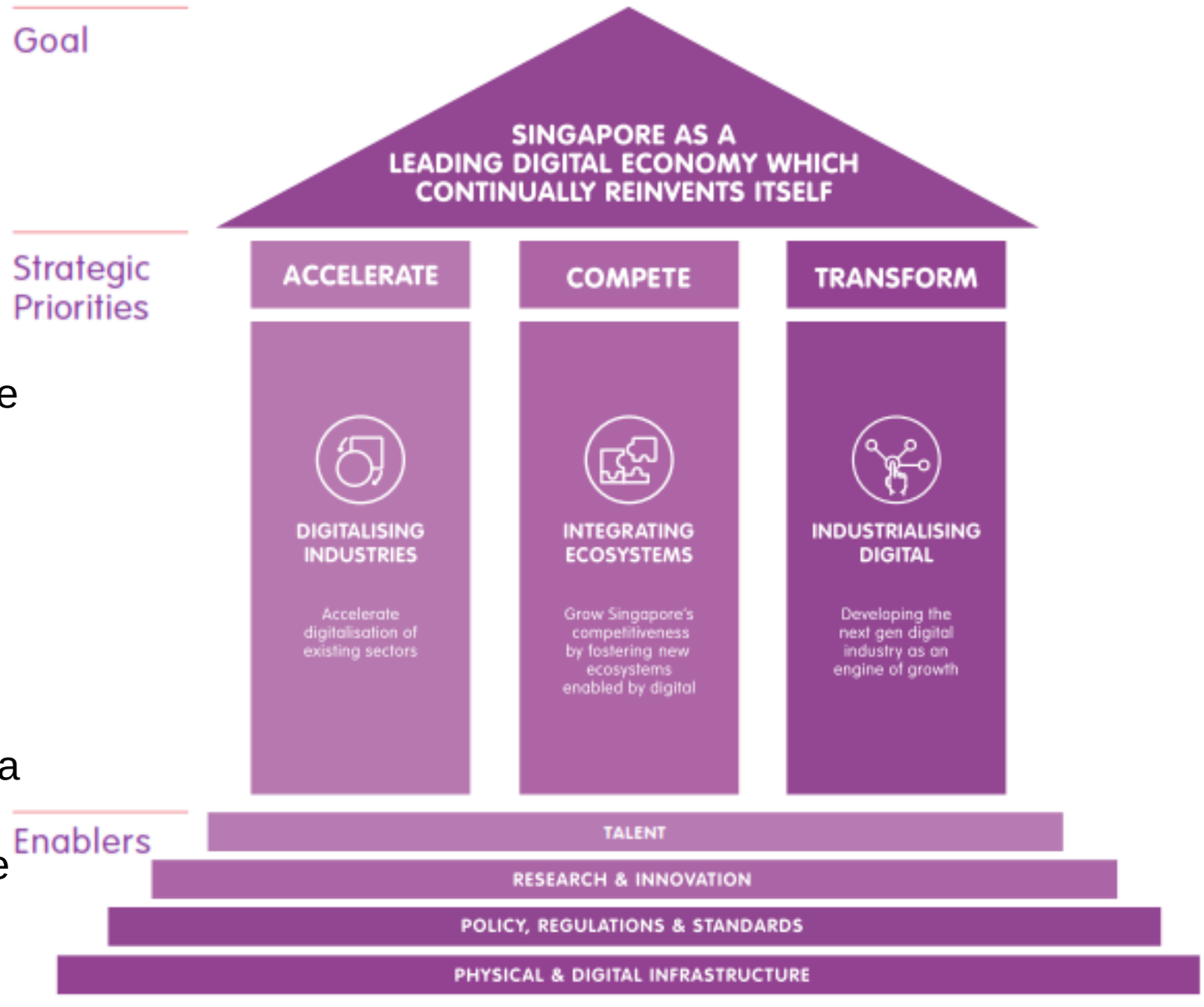
Small Countries Offer Examples of Digital Adoption – Singapore is Unique

- Accelerate: We will accelerate the digitalisation of industries, and support businesses and workers to use technology more intensively in their operations and workplace.
- Compete: Digitalisation is hastening the blurring of sector boundaries. Singapore aims to foster a conducive environment for the growth of such integrated ecosystems and support our businesses to innovate and evolve their business models, and become competitive in the global marketplace.
- Transform: A strong Infocomm Media (ICM) sector that is competitive and dynamic will be crucial for Singapore to realise its digital economy aspiration.



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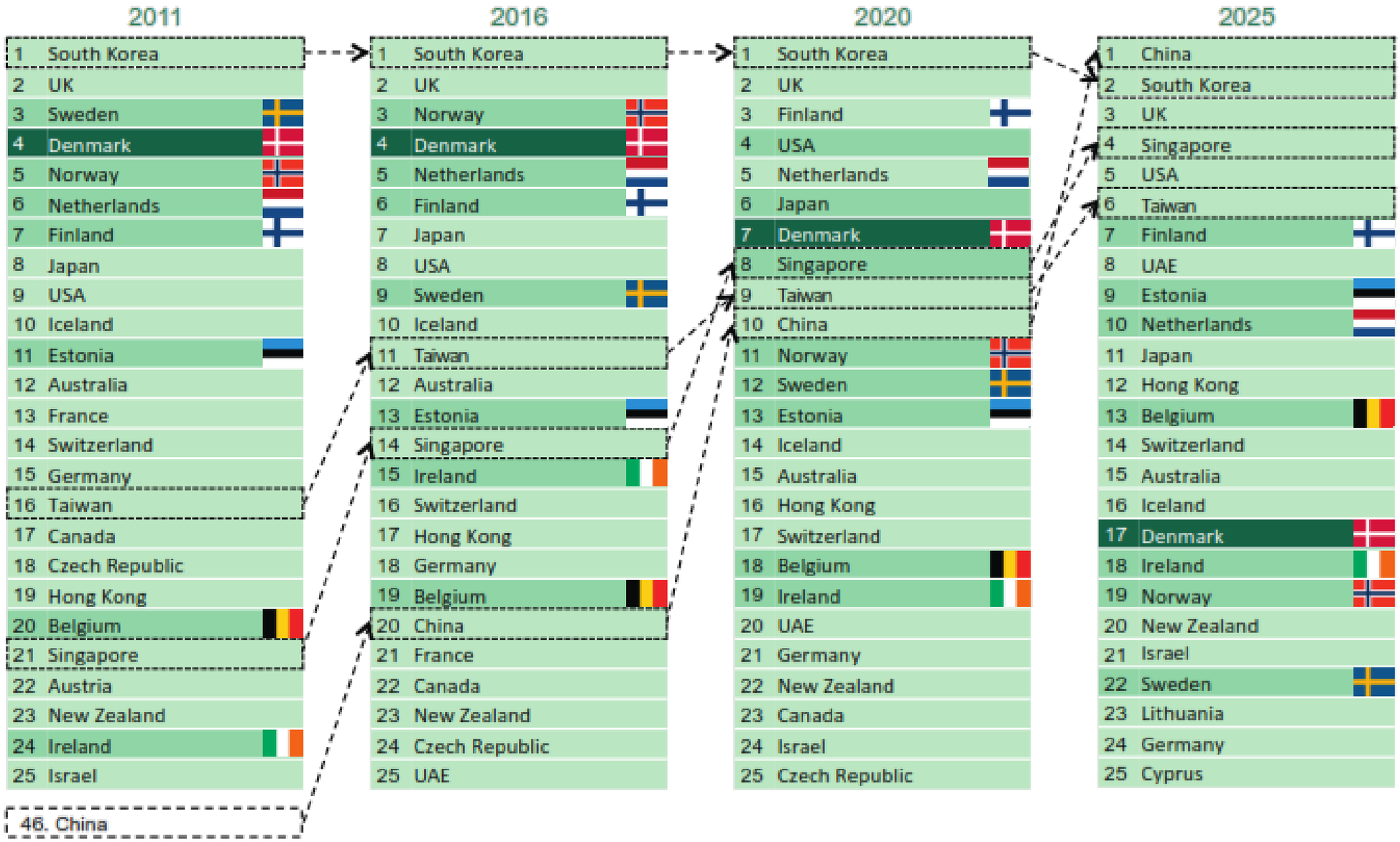
South Korea is Taking the World in Adoption and Production



Note: 2020 and 2025 rankings are based on extrapolating 2011-2016 data. Luxembourg is not included in BCG e-Intensity Index.
Source: BCG analysis, BCG e-intensity index

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Korea has become a well recognized global IT powerhouse and ranked first in the 2010 UN Global E-Government Survey

- The Korean government made an agenda of informatization as one of its key national objectives and thus rebuilt the national informatization promotion system in the 1990s.
- Establishing a mid/long-term framework plan on national informatization which guided each ministry to set up individual plans that resulted in systematic informatization in the government.

Timeline of Informatization Development in Korea (1987~Present)

Stage	Computerization		Establishment and Expansion of Infrastructure		Utilization Expansion and Integration
	1987 ~ 1991	1992 ~ 1994	1995 ~ 2000	2001 ~ 2007	2008 ~ Present
Goal	Construction of basic database		Establishment of infrastructure foundation	Expansion of Internet use	Integration of Information Resources Advanced utilization of knowledge and information
Plan	National Basic Information Systems		Framework Plan for Information Promotion, Cyber Korea 21	e-Korea Vision 2006 u-Korea Master Plan	Framework Plan for National Informatization
e-Government	National Basic Information Systems		Ministerial Informatization	Informatization of Local Governments' Administration 11 e-government Initiatives 31 e-government Roadmap Projects	Utilization of National Knowledge Resources Integration of Nationwide Information Resources
Information Infrastructure			High-speed IT Network		Broadband Convergence Wibro, RFID/USN

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Korea – Key Success Factors

Establishment of informatization as a national agenda and continuous investment

Establishment and management of national system for promoting informatization

- The Information and Communication Promotion Fund was established (1996) to support key informatization projects.

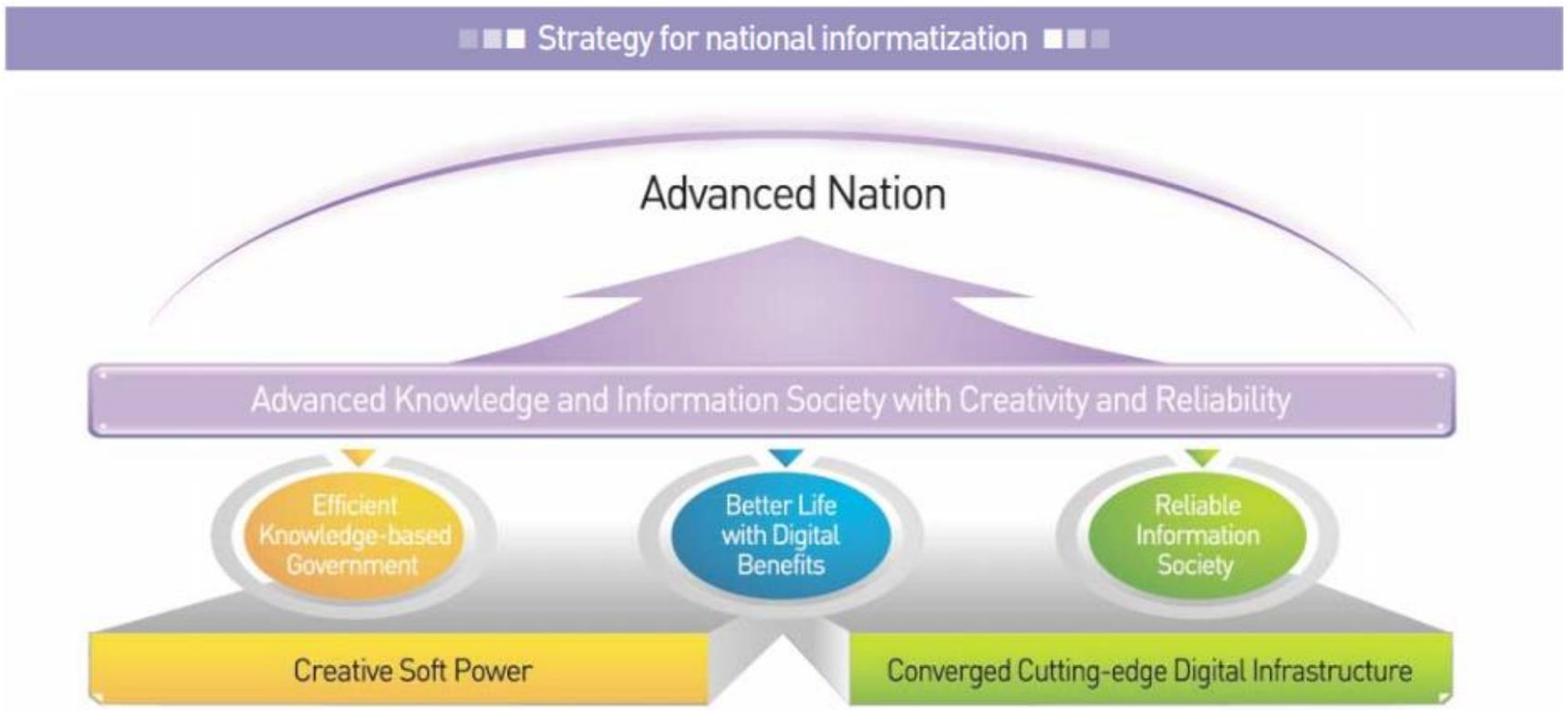
Establishment of informatization governance for mutual benefits and cooperation between the public and private sectors

Striking a digital balance between the central and local governments

Support for sharing and broad adoption of best practices and consultation on digitization

Capacity building for the public in the use of online service and information

- In 2000, “Digital Literacy Plan for 10 million” was set up and pursued to help the public in understanding and using online service and information



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Important Lessons

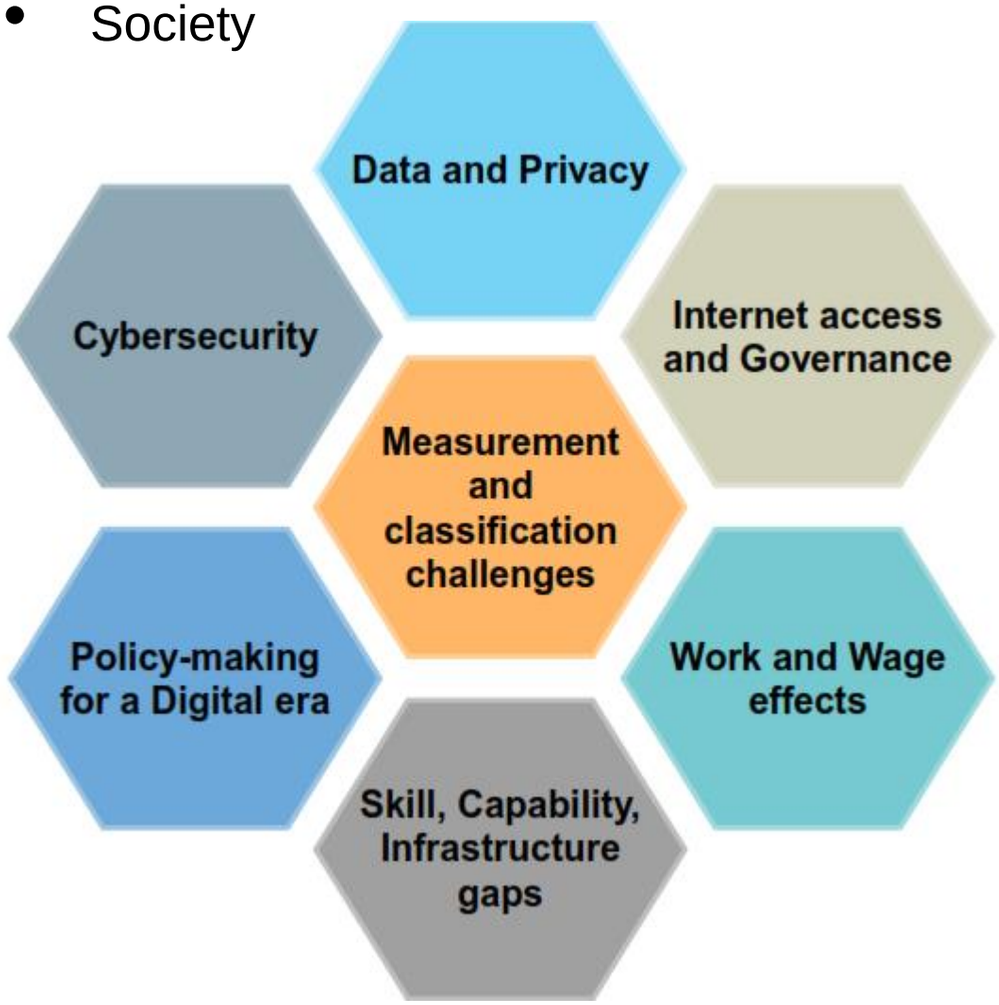
- **Thinking Strategically** about the role your country can play
- **Addressing Policy and Administrative Barriers** that hinder global flows.
- **Addressing Dislocations**

  Even though their net global effect is ultimately positive, global flows can cause job losses and displacement in the short run.
- **Investing in Human Capital**
- **Building the necessary Infrastructure and Closing the Digital Divide**
- **Creating a Strong Business and Institutional Environment**
- **Protecting Data Privacy while Maintaining an Open Internet**.
- **Making Cybersecurity a Top Priority**

Foundation to Get it Right

To fully capture benefits to:

- Economy (growth, productivity, competitiveness)
- Businesses and entrepreneurs
- Individuals (workers, consumers, citizens)
- Society



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Key Aspects which Each Country Need to Embrace to Realize its Digital Potential

- Developing an Active Digital Strategy
- Bridging the Digital Divides
- Providing Digital Infrastructure (Hard and Soft)
- Investing in New Competitive Resources
- Encouraging a Vibrant Technology Sector
- Prioritizing Entrepreneurship and Innovation

“Governments in developing countries are nurturing growth by leveraging state-of-the art technologies as they build out their “hard” infrastructure—from high-speed transport systems to ultra-fast wireless networks. Of course, these nations often still struggle with building the effective “soft” infrastructures seen in the West, such as transparent regulation and accountable public administration. But new digital technologies, especially mobile communications, are helping firms and their customers steer around such bottlenecks. It requires building capacities, soft and hard infrastructure, production platforms, business data infrastructures and repositories, to really embrace the digital transformation. This holistic approach is usually overlooked or not quite well understood by political leaders in such countries, looking for quick win or tangible physical achievements to be touched by their citizens.”

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Implication for Egypt

- Understanding and Analyzing our Position
- Developing an Active Digital Strategy
- Build Plans and Follow on them
- Focus on creating Digital Business not only Digital Government
- Focus on Soft aspects vs Hard aspects
- Enhancing Regulatory Ecosystem
- Bridging the Digital Divides
- Development of Digital Capability & Skill set
- Digital Inclusion vs Financial Inclusion
- ICT as a Tool for Governance
- Capitalizing on the vast Individual ICT Expertise
- Enhance Security and Safety

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Addressed Issues

- Economic Transformation Brought about by Digital Technologies,
- Business Opportunities arising from Digital Transformation
- Opportunities arising from the Digital Transformation of Government.
- Ramifications of this Transformation for Society, and the Future of Work
- Technology Development and the Transfer of Knowhow
- Regulatory and Policy Framework
- Embracing New Digital Life Style, aspects of Culture and Moral Framework
- Developing the Digital Foundation and Infrastructure
- Fostering Digital Innovation and Entrepreneurship
- Nurturing & Building Capacities
- Developing Talent and Individual Transformation
- Governance, incentivisation (motivation)
- Destabilizing affect this transformation can have for our security, privacy
- Aspects of Risk Mitigation
- Impact of Transformation and how to Neutralize Negative Social and Development Effects

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