

Competitiveness Compass



Mr. Seif Allah Fahmy has a business background. He is the chairman and CEO of Almona, a marketing consultancy, Automationology for building and process solutions, and Wireless Dynamics for barcode and RFID. He is a founding member of Egypt's International Economic Forum, and the Chairman of the US Strategy Group. He is also the chairman of the Young Presidents Organization (YPO) Middle East and North Africa region. He is a founding member, former treasurer, and currently the Chairman of the Egyptian National Competitiveness Council (ENCC).

1. Tell me how you first came in contact with the ENCC?

I attended a conference to Davos nine years ago, and heard there about the Global Competitiveness Report. I was stunned at Egypt's low ranking, and realized that investors are working through this report to make investment decisions. Once I came back to Egypt, I shared it with a group of Egyptian investors and we decided to form a council on competitiveness in Egypt.

2. How do you spend a regular day?

I am an early riser. I jog and do yoga early in the morning. And at the end of the day, I make sure that everyone at the office leaves at 5 pm, unless there is something critical. In the afternoons I do my work at the ENCC and do some social work. I have other hobbies like painting, playing golf, and scuba diving. Weekends are sacred, for family and friends.

3. How does the new chairman of Egypt's Competitiveness Council see the Council's role in benefiting Egypt?

I am continuing the vision that started ENCC. It is a non political and non-governmental organization. Therefore, it can serve as a beacon that we want Egypt's youth to use. Development discussions should not be started with phrases like "I think" and "I believe". Arguments rather should be supported with concrete data. Now is the time for us to base our initiatives on facts, and ENCC will provide Egyptians with data on all aspects related to competitiveness so we can move ahead as a society. ENCC can identify areas where Egypt can compete and succeed.

4. Many hope that Egypt will be moving for the better after the revolution, in which direction do you think Egypt can improve first?

Egypt should first concentrate on tourism and agriculture. They are under-served sectors that have tremendous potential. Egypt's tourism, for example, is affected by five ministries other than

the Ministry of Tourism. Think of the first things that a tourist encounters when visiting Egypt, like immigration officers who are not trained on customer service, and Cairo traffic. Supplying utilities to touristic areas also takes a very long time in Egypt. As for agriculture, Egypt is capable of feeding the whole of Europe, if its agriculture is well developed. I also hope to see a real rule of law, a judiciary that addresses day-to-day concerns and a body that implements its decisions.

5. ENCC will be soon launching the National Competitiveness Strategy for 2011, what are the main components of this strategy, and why are they a priority?

The Strategy is built on pillars of innovation, human resources, and green transformation. These pillars, common in other national strategies, will help Egypt be competitive over the next twenty years. Thanks to USAID, which has enabled us to secure the best international resources, coupled with local resources we've come up with a well thought and effective strategy. These pillars are a priority because this is the direction the world is going, if you want to compete internationally. For example, Europe is transforming towards greener regulations that are even discouraging its citizens against visiting hotels that are not built or operated according to environmental standards (e.g. recycling water and conserving energy). This would affect our tourism sector, and if we do not keep up we'll be left out. The same applies to agricultural products of course. We would like to share this

strategy with everyone in Egypt, and we plan to share it with the Prime Minister.

6. The last competitiveness report focused on the timely issues of fiscal policy, green transformation, and energy sector. Do you think more of competitiveness reports as policy advocacy tools or means to shed light on timely policy approaches?

In the past we have largely been an advocacy organization; we have to be now a hands-on organization. Our stakeholders are the community at large, and everything that we do has to have a take home value. To move forward, Egypt needs a vision, and ENCC can help shape that vision with empirical data that substantiate various proposals. ENCC can show, for example, why and where Egypt is performing poorly in education, which will help us make the right decisions going forward. This assistance can apply to all measurable sectors.

7. What will the next competitiveness report focus on?

The National Competitiveness Strategy and Egypt's macro-economic situation.

8. You have a logistics industry background, how do you see Egypt's potential in this field?

Very important and promising. Egypt can serve as a huge hub for logistics for the world. One of our proposed National Competitiveness Strategy ideas is a national project for the Suez Canal and surrounding areas on both banks of the

Canal. This area is one of Egypt's most under-utilized resources. Presently it is only a pathway for ships to come and go. It can instead be a huge logistic service area for Egypt, and the Suez Economic Corridor can be as beneficial for Egypt as the Aswan Dam.

9. ENCC is moving towards being more financially sustainable, how will it achieve that?

We have been receiving grants from USAID that have been very valuable to us, and we are really thankful to USAID for believing in our message. ENCC board is also contributing with a lot of time which means money, and will adopt a decision that will match USAID funds with funding raised from the market. In order for ENCC to do that, it has to provide a product. We are working very hard to provide take home value to get sponsorships from the local market.

10. USAID has recently launched Egypt's Competitiveness Program (ECP). What are the main sectors that you think ECP can work with ENCC on?

One of the projects that we adopted at ENCC and we want to implement with ECP help is the Governorate Competitiveness Index, which would help create healthy competition among Egypt's regions. It will measure what sectors each governorate is performing well on, create performance scales, and rank governorates. This way the government should be able to reward the highest performing governorates with more financing. There are countries that implemented similar indexes like Cambodia, Bangladesh, Vietnam, and

Indonesia. We want to learn from them. ECP can also help on preparing studies for the Suez Canal project, because a national project like this one needs to go through a very rigorous feasibility study.

11. What do you think are the challenges that Egypt will face in the short-run until it is firmly on the path to sustainable development?

The biggest challenge is getting the economy back on track. First it needs to create a vision, and according to this vision it should attract foreign as well as domestic investment.

12. What do Egypt's entrepreneurs need, what's your advice for them?

Entrepreneurship is vital for Egypt, and ENCC would like to play a very distinct role on this regard. There are very gifted potential entrepreneurs in Egypt that just need to be discovered. We need to create the environment for them to thrive. I say to young entrepreneurs that entrepreneurship is like a dive into ice cold water that takes time to get used to. If it doesn't work you take another dive. There is a book called "Outliers" by Malcolm Gladwell that describes why Chinese are hardworking and patient. Growing and maintaining rice takes 360 days a year of careful seed selection, daily tending, and weather prediction to apply the right amount of water. These hardworking and patient genes exist in Egyptians. We built the Pyramids!

13. What is your long term vision for Egypt?

Egyptians like to enjoy life. I want to see Egyptian enjoying life again. We had a huge middle class that I'd love to see grow and prosper again and serve as the economic base for modern Egypt. In the old days, "Abdo Afandy", the middle class clerk, was respected by everyone in the neighborhood. We need to regain that!