

Jewel of the Nile

ONCE LARGELY DEFINED by pyramids and petroleum, Egypt is widening its economic scope and quietly emerging as a new project player to watch in the Middle East.

Even as the world economy stumbled, Egypt pulled in \$8.1 billion in direct foreign investment over the 2008 to 2009 fiscal year and posted a modest 4.7 percent bump in GDP growth last year. Those numbers could get even better, with an array of projects spanning the IT, tourism, construction and government sectors all poised to take off over the next decade.

In many regions, the surge is already evident, says Rania Al-Maghraby, PMP, an independent project manager based in 6th October City, Egypt.

“We can be optimistic regarding the climate of the project management profession in Egypt,” she says. “It’s expected that more demand will generate more opportunities in the future.”

This is not to say there aren’t challenges. Unemployment is high at 9.7 percent, and the massive economic growth has not reached large parts of the population. And as with many emerging markets, project management maturity lags in Egypt.

To keep the economy moving in the right direction, the government implemented a \$2.7 billion stimulus package heavily tilted toward infrastructure

projects in 2009, and is considering up to \$3.3 billion in additional spending this year to mitigate any slowdown.

HIGHLY CONNECTED

One area where Egypt’s government clearly sees potential is in the country’s nascent IT industry—and it’s investing accordingly.

Since forming in 1999, Egypt’s Ministry of Communications and Information Technology has poured more than \$6 billion into IT infrastructure and mainstreaming technology projects. One of the latest efforts is the Maadi Technology Village. Located just outside of Cairo’s city center, the development of about 40 fiber optically connected buildings is expected to be complete in 2012.

That kind of government support, coupled with solid telecom infrastructure, means opportunities for IT project managers in Egypt, says Khaled Yousry, PMP, Europe, Middle East and Africa operations director for Cegedim, a pharmaceutical IT company based in Cairo.

Last year, Egypt made its debut on consulting giant A.T. Kearney’s list of top IT outsourcing markets, and Mr. Yousry predicts the cities of Cairo and Alexandria will be software development project hotspots in the coming years.

“There is a demand from the region to reduce costs, outsource, restructure and focus on core business,” he says. “Egypt has proven over the past few years it can deliver quality work, and the labor cost is still relatively low compared to the Western Hemisphere.”

With a population 79 million strong, the North African powerhouse is positioning itself as the region’s go-to technology resource.

“Because Egypt is the biggest nation in the Middle East in terms of population, it also has the largest number of qualified IT professionals who speak native Arabic and good English,” Mr. Yousry says. “Most Middle Eastern nations utilize Egyptian project management skills, either for onsite projects or for outsourced remote ones.”

Grand Egyptian Museum



RENDERING COURTESY OF HENEGHAN PENG ARCHITECTS

RIGHT THERE, NEXT TO THE PYRAMIDS

Along with the surge in IT, Egypt's construction sector has grown 3.9 percent since 2005, says Bassam Samman, PMP, CEO and founder of Collaboration, Management & Control Solutions, a project management consulting firm in Cairo. The industry is expected to hit \$7.34 billion by 2015, he says.

As with IT, the Egyptian government is pumping money into many of the projects, especially in the promising tourism sector. The Egyptian General Co. for Tourism and Hotels, for example, has established an aggressive plan to help renovate and upgrade the country's historic hotels, including the Mena House Oberoi in Cairo and Sofitel Cataract in Aswan.

One of the biggest and highest-profile construction projects is the Grand Egyptian Museum. In the works since 2002, the \$550 million project took a big step forward when the Egyptian Ministry of Culture issued a tendered project management contract to a joint venture between Hill International and EHAF Consulting Engineers.

"With the selection of a project manager, we have achieved yet another milestone in the development of the Grand Egyptian Museum," said Farouk Hosny, Egypt's Minister of Culture.

To be located adjacent to the Pyramids of Giza, the 500-hectare (1,235.5-acre) museum will be partially buried in the sand, requiring construction of one of the largest retaining walls of all time. "This is an iconic, once-in-a-lifetime project," said Raouf S. Ghali, president of Hill's project management group.

Despite some of the challenges that come with working in the country's remote areas, the construction sector is poised to heat up as other Middle East resort markets cool, says Ahmed M. Osman, PMP, vice president and area manager at project and construction management firm Projacs International, Cairo, which is handling several hotel construction projects in Cairo as well as Aswan resort renovations.

Although opportunities have always existed, project managers have often preferred to work in nearby locales such as the United Arab Emirates or Qatar, which offered more lucrative salaries, he adds.

"However, the last couple of years have seen a correction in the salary scale of project managers in Egypt," Mr. Osman says. And as the financial crisis

takes its toll on some of those once-white-hot markets, Egypt may make even more headway.

ROOM FOR IMPROVEMENT

With all the action, Mr. Samman says Egypt needs to become better at project management.

Organizations must develop and document their project management procedures and then require that they be followed by project team members.

Mr. Samman also would like to see organizations mandate certifications such as the Project Management Professional (PMP)[®] credential to ensure team members are familiar with the requirements for successfully managing a project.

Ms. Al-Maghraby points to the reluctance she encountered establishing a project management office. "We really struggled to let the staff cope with the new mindset, methodology and tools of project management practices," she says.

Project managers who can make their case, though, should find a willing audience. "Once the value of such adoption is realized, people are usually well-prepared to apply and practice it," Ms. Al-Maghraby says.

And given the number of high-profile projects on the country's radar, Egypt looks like it will get plenty of practice.

"Despite the fact that Egypt has a high number of PMP[®] credential holders, there is still room for improvement," says Mr. Osman.

"The culture—especially older generations—always boasts that we built the pyramids without project managers. But my simple answer is, maybe if we were around, we would have built them in less time, for a lower cost and would have documented the secrets of how they were built." —*Jenn Danko*

\$2.7
billion

The amount of stimulus funds issued by the Egyptian government in 2009

13 million

The number of Internet users in Egypt—the largest online population in Africa

6th

Egypt's place in management consultancy A.T. Kearney's ranking of the top IT outsourcing markets—the first time the country has made the list