



EGYPT TOMORROW ECONOMIC FORUM  
Video Interviews

THE CORONA ECONOMY: CRISIS & OPPORTUNITIES

**EPISODE ONE: THE TECH SECTOR LEADING**

**Interview with Hany Soliman, ETEF member**

*Interview conducted by Randa ElZoghbi, CIPE Egypt Program Director,  
on March 25, 2020*

**CIPE:** *Hany, I am pleased to meet you online, that's our first virtual video conferencing*

**Hany:** It seems to be a good system; I hope we will continue doing it after the Corona Crisis. I think tele-networking and online communication will become a trend, to make communication more accessible for everyone.

**CIPE:** *I find it more productive. We are in different time zones; you are six hours ahead. Telework gives us room to reflect and do more strategic thinking without being distracted with the daily operational functions.*

**Hany:** It has helped us achieve milestones in decreasing the time to market.... the communication increases. Working from home might be convenient and flexible for a lot of people, but it comes with a lot of responsibilities...it creates a burden to make sure that the work is implemented efficiently and there are not any kind of problems that obstruct fulfilling your mission and achieving your goals. For example, our company is in its nascent phase with a small number of employees. Before the crisis, when we used to go into the office, every employee worked on specific tasks, and we met once or twice a week to update each other on what been happening. Now, working from home, there are two advantages: first, we look each other; second, everyone makes sure work is going smoothly and in the right direction. We do catch-up calls—it is not for a specific agenda—it is just chatting with each other...Everyone shares how his day went and how the tasks are moving forward because the team builds on each other's' progress.

*Link to Arabic Video: <https://www.facebook.com/CIPEArabia/videos/531586227496456/>*

**CIPE:** *I can't see you, Hany, as the traditional businessman, you are a distinguished figure in Egypt. Hany has 17 years of experience; he comes from the banking sector before his current Fintech business. He was lucky to work for the Commercial International Bank (CIB), one of the very few banks taking early progressive steps in digitization in Egypt, run by a leadership with a future vision and exposed to global trends. At an early stage, in 2016, Hany was the head of the CIB Innovation and Entrepreneurship Lab and started a department for financial inclusion.*

**Hany:** This was in an early stage, but recently the Central Bank sent a memo to all banks to establish departments for financial inclusion to strategize for achieving financial inclusion in Egypt.

**CIPE:** *It is worth noting here that Hesham Ezz El Arab, CIB Chairman, and Chairman of the Federation of Egyptian Banks, was involved in CIPE's initiative on transformation towards a cashless economy in Egypt, in partnership with the Federation of Egyptian Banks. This was early in 2014. Since then, the government has issued the new law for electronic payments in 2019 and the society is more aware of the importance of the cashless economy*

**Hany:** We have the infrastructure that can help us survive in the time of Corona without being confused and frustrated. We have the infrastructure to take off and move on. I must recognize the important role of the Central Bank of Egypt. Recently, CBE issued procedures, decrees, regulations, and guidelines that will support and help the transition towards a cashless economy, not only in achieving financial inclusion but also in decreasing the risk of transmitting Corona virus through cash transactions... All these transactions transmit the disease but the Central Bank decision was geared towards a -180degree-shift to cashless transactions. And it facilitates conducting all bank transactions online.

**CIPE:** *The current government responded to the current crisis quickly and in a transparent manner as well. All the decisions made these days will not only help Egyptians through the crisis, but will also create a new culture and business traditions. I guess the world post-Corona will never be the same as pre-Corona.*

**Hany:** What you just said was mentioned in an article I was reading, saying we are not going back to the normal. Most people want and wish to go back to their normal life. I am not saying this in a negative way. "We are not going back to normal" means that we discovered new channels and tools in executing work and managing our communication and service delivery...and in banking transactions, the change will become the normal and we will apply the new habits after we pass this crisis. People will get used to it. By the way, we have been talking about financial inclusion, for example, for around 10 years—maybe more, and that Egypt wants to switch to a cashless economy. Many countries have achieved financial inclusion as a result of a crisis and not by a government or banking sector decisions. Financial inclusion in countries happened because of a catastrophe that occurred, and these countries had to rely on different paths to achieve financial inclusion and to resume service delivery through technology that can reach everyone in the country. I wouldn't say that not going back to normal is a negative thing, on the contrary, it is very positive.

**CIPE:** *I see it as very positive as well. Hany, you are currently managing PayTabs Egypt.*

**Hany:** Yes, I am the general manager of PayTabs Egypt, a Fintech company. It has been operating for 6 years now, started in the Gulf market, then the European market and Far East. It is one of the enablers to achieve financial inclusion with a focus on the lower segments of the economy, i.e. SMEs. That was one of the reasons it entered the Egyptian market and will soon enter North Africa.

**CIPE:** *Can you tell me how Fintech companies can help during and post the Corona crisis?*

**Hany:** Let's take this a step back and talk about the tech companies in general. Startups which depend on technology are offering services that are now the pillars for the continuity of services in all sectors, whether daily needs like food and beverages, all the way up to education, which is one of the very important sectors that uses technology. People now depends on technology to keep their kids' education going.

**CIPE:** *E-education is also a field where Egypt has a decent level of preparedness. With last years' program by the Minister of Education, they must be happy they started before the crisis.*

**Hany:** Definitely, all the investments in the infrastructure for e-learning and e-education are paying off in this crisis. It doesn't stop there, even the post-graduate studies and employee training depends on these tools. The tech industry took the lead in this. Now back to the Fintech, its role today is moving from a tool to complement the banks' services to expand and efficiently reach out to their clients without having to add huge investments, to a tool of cost optimization in crisis management. For example, CBE has urged the banks recently to find ways to attract their clients to start using portfolio features and cards (such as Meeza and other prepaid cards). At the same time, asking the banks that can identify the clients in a digital way to start organizing this. All these ideas usually come from Fintech and Regtech companies. The CBE was already working on this point when it started its sandbox, like to electronically identify clients. Most of the merchants that were operating in cash now need the Fintech services to shift to electronic payments. The number of people turning to digital transactions is now three times the number it was prior to the Corona Crisis.

**CIPE:** *Is the infrastructure ready to enable smooth operations for such services or does it still need work? Is the human element ready, especially for SMEs?*

**Hany:** Let's start with the human element; some are ready while others aren't. However, those who are not ready will learn, so they can maintain an income. This is not rhetoric or theories; I witnessed this myself when we interviewed people who have shared-economy apps, like people who joined Uber, although some of them can't even read or write. They were able to learn using the tool as long as they need the income. They have the will. As for the infrastructure, I won't talk about Egypt. All over

the world, no one expected that suddenly everyone would be online to meet, using cloud servers, all at the same time. We are testing, we are now in what is called stress testing. I am certain that as we are speaking, there are development plans for this infrastructure because it is not about a stress for a week or two, we are talking about a six-month period of time, if not more, and the shift that will take place to working and communicating online. If the infrastructure is not going to improve, things might collapse.

**CIPE:** *The good thing is Egypt already started working on the IT infrastructure in -2005 2006, so it is not starting from scratch like other countries. It is a progress rather than a creation phase. Let's go now to the CBE initiative, the EGP 100 billion to support businesses and the economy. Do we know about its allocation—how the money will be spent, what sector, its disbursement phases, and the time span?*

**Hany:** It will certainly go in phases and to many sectors. I believe the allocation of the EGP 100 billion will be according to the priorities and needs, mainly industries and agro-industries. This was the case with the previous initiatives to support SMEs; the first fund went to the small businesses, which was at a low interest rate of %5, then came the renewable energy, and so on. It was allocated to support Egypt's economic strategy of substituting imports, increasing productivity, and supporting small businesses. I believe the allocation of the current fund will follow a similar scenario. I believe the health sector will come at the top of the list of sectors, to improve its capacity to deal with the current situation and improve it for future needs.

**CIPE:** *Hany, you speak from a business and market perspective with hands-on experience and away from the academic theories. How do you see the role of federations, business associations, and chambers, being representatives of the private sector, advising the government on how to distribute the allocated fund? Do you think those organizations have a role and the capacity to play it at this critical time?*

**Hany:** Usually, in normal situations, the federations and business organizations are the ones who initiate and approach the government with recommendations on what needs to be done; hence, the government sets its policies and regulations considering these recommendations to improve the business environment. What happened lately, during the current crisis, was the other way around. The government was way faster than the business community in issuing a positive number of initiatives and set of rules to overcome the situation. The business community's role now is to set a plan to assure that these benefits and facilitations reach its constituencies in each business sector. I would assume that the federations and chambers are now working on supporting the negatively impacted business sectors to utilize the initiatives presented by the government so that businesses keep running, maintain employees and avoid downsizing or laying off workers. For example, one of the highly impacted fields of business is the tourism sector, which is almost closed nowadays—globally closed in these difficult times. The government initiative to support the tourism sector is providing access to finance to enable this sector to improve its infrastructure such as hotels and so forth, during the crisis, so as to be well prepared after the crisis is over.

Meanwhile, it will be able to cover its overheads and commitments. The government initiative is good and the role of the business organizations' leaders is to consider those initiatives while developing their business agendas and policy priorities.

**CIPE:** *You are engaged in business groups and several initiatives with a constituency from the Fintech industry and startups, which are not part of any existing federations and associations. Those groups can still be considered a collective voice for business. Did these groups develop any action plans to address the current crisis and identify the opportunities ahead?*

**Hany:** Yes, and recently in these groups, we switched to virtual meetings. We meet every other day to attend virtual accelerated programs to assist startups during this critical time. In my business "PayTabs", we are different than others in the same sector, as we basically depend on collaborations and partnerships more than being a payment facilitator, which allows us to widen the services we provide. Currently, during the current situation, we are focusing more on finding startups who are providing solutions and services that are needed during the crisis. For example, we have partners who work on KYCs [know your customer], others on e-invoicing. Also, we have partners who work as payment gateways via SMS. Thus, we are now working on increasing the strategic alliances that better serve the market in this and similar critical times. Moreover, I'm happy to report that youth startups have created an application that digitizes the criminal record clearance without the need to physically show up to the Civil Affairs Bureau; they can take fingerprints online. This proves that innovation is at its best during crisis. Also, I am sure that even after the crisis is over, all these facilities will continue functioning.

**CIPE:** *One last thing, give me one recommendation of what CIPE can do to assist in supporting private sector engagement, the SME environment, and the national economy to overcome this crisis and move towards the sustainable development goals?*

**Hany:** I see the greatest competency of CIPE as having the capacity to bring great minds together to strategize and network. Continue doing so. By bringing great minds together, experts and innovators, market players from different sizes and sectors, will come up with solutions, recommendations, and suggestions of added value at this critical time. The discussion panels that CIPE used to hold on the ground can be shifted to virtual forums.

**CIPE:** *Great, we will do, that's exactly what we plan to do. Thank you, Hany, for your valuable insights and optimism.*



**Hany Soliman** is an active member of CIPE Egypt Tomorrow Economic Forum. Hany is equipped with 17 years of diversified experience in business development and strategic management serving SMEs and entrepreneurs in several countries and across different sectors; Banking, document management, telecom and more recently, fintech. He used to head the Commercial International Bank's Innovation & Digital Strategic Alliance department where he was responsible for building the digital business value proposition and articulating the strategy to serve the unbanked segment through mobile products and payment solutions to achieve financial inclusion. He also worked to support startups and the entrepreneurship ecosystem to complement the Innovation department's business proposition. This led to CIB being positioned as the FinTech hub in the Egyptian market.

Earlier Hany led the Business Banking Development for CIB, serving and supporting SMEs starting by setting a differentiated business model and introducing different financial and non-financial solutions to the SME market with a focus on positioning Business Banking as one of the best SME service providers.

Throughout his career, Hany has participated in many strategic initiatives and programs as an advisor and mentor to SMEs and entrepreneurs on how to benefit from banking services and have access to finance at different stages of their lifecycle along with angel investment activities that got him deeply engaged with several startups in the market.

His knowledge is backed by an ICFA from the Chartered Institution for Securities and Investment in London and an MBA from Phoenix University.

In his current role, Hany leads -MENA's award winning fintech solution provider-PayTabs, Egyptian operations.

When not at work or reading, Hany spends time with family and is father to a -3year-old. His typical hobbies include diving, with a +600 logged dives, hiking and safaris. Keeping up with the need for speed in today's fast paced world, Hany was also one of the ten founders of a Motorcycle Club in Cairo called El-Rakeeba.