Industrial Business Services (IBS)

Context

According to the Industrial Development Strategy (IDS), Egypt is projected to become a leading industrial country in the MENA region in terms of industrial performance, and a main export hub for medium-technology-manufactured products by 2025. The Egyptian economy is suffering from low competitiveness and a trade imbalance, as well as a high unemployment rate. Small and medium enterprises (SMEs) in Egypt are often not ready to respond adequately to fast-changing markets, requiring a high level of product and service quality in compliance with international standards. Most of the industrial sectors suffer from lack of innovation, not only in terms of marketable products and services, but also in their manufacturing processes. Growth and sustainability in national and international markets are inhibited. Providing support to companies to improve their competitiveness by means of a functioning market system for Industrial Business Services (IBS) is crucial for their stability and growth.

Objective

The objective to be achieved by the GIZ programme, in particular the activity field IBS, is: “Growth-oriented SMEs have improved access to employment-oriented Business Development Services (BDS) for innovation.”

Intended results are:

- SMEs use the services of Service Providers (SPs) to enhance and expand their business.
- SPs are more qualified to provide high-quality BDS for industrial SMEs.
- Private and public institutions are facilitating access by industrial SMEs to innovative BDS.
- Comprehensive information on BDS services is available to SMEs.
- SPs are enabled to provide professional, demand-driven BDS improving competitiveness of Egyptian SMEs.

Approach

The activities are implemented in close cooperation with BDS facilitators and SPs. The implementation is done through:

- Optimising the role of the facilitating institutions as facilitators of BDS market development, and as supporters of SPs matching the SMEs’ demand for BDS with the supply by SPs.
- Qualifying SPs for the provision of high-quality BDS that are accessible by SME.
- Providing technological and knowledge transfer, as well as business assistance to build up technical capacities of SPs in 2 to 3 specific value chains.
- Establishing, maintaining and updating a client-oriented, industrial Customer Relationship Management (CRM) System at the facilitating institutions in order to meet private sector requirements.
- Developing a demand-driven service portfolio “WAFFARplus”.

Impact

The expected impact on the individual target groups are:

- For industrial SMEs: by generating more and better employment opportunities along the value chain, the efficiency, competitiveness, growth and local manufacturing share will be improved.
- For FIs: the FIs’ facilitating role will be ameliorated and their capacities to support SPs strengthened.
- For private and public SPs: the SPs’ ability to develop market-driven and innovative service portfolios will be enhanced, while SPs become more responsive to the needs of industrial SMEs.
- For the BDS market: service provision will become more transparent, and high-quality standards of services offered to SMEs will be set up.