



# Challenges and Opportunities for E-commerce Adoption by SMEs in Egypt: A Policy Analysis

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## Abstract

Egypt's SME sector faces significant challenges in adopting e-commerce platforms to enhance their market reach and operational efficiency. The study employs a mixed-method approach, including qualitative interviews with SME owners and quantitative surveys of e-commerce platforms usage among Egyptian businesses. SMEs face substantial challenges such as low digital literacy levels (75%) and high transaction fees (averaging \$2 per order), which hinder their adoption of e-commerce solutions. However, there is a growing interest in online sales (60%), driven by the perceived benefits in cost savings and market expansion. Despite these challenges, Egypt's SME sector shows significant potential for growth through targeted policy interventions aimed at reducing transaction costs and enhancing digital literacy training. Policymakers should prioritise initiatives to reduce e-commerce transaction fees and provide free online training programmes to improve the digital capabilities of Egyptian SMEs.

**Keywords:** *Geographic, Africa, SMEs, E-commerce, MarketAccess, DigitalInclusion, BusinessModels*

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