

## New Egyptian Venture Firm to Seed Tech Cos. in Middle East

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In another sign technology entrepreneurship is beginning to take root in the Middle East, new venture capital firm Sawari Ventures has launched its first fund and seeded two companies.

The Cairo-based firm has invested undisclosed amounts in Egyptian start-ups Vimov LLC, which makes the popular mobile application WeatherHD, and Alzward Mobile LLC, the mobile platform company that's behind portal [me3almobile.com](http://me3almobile.com).

"Right now we're focusing on pure, indigenous companies. We want to grow them here," said Hany Al-Sonbaty, managing partner and co-founder of Sawari Ventures. "There's a new mindset for entrepreneurs. We have the market, we have the zeal, we have the technology."

The bulk of the firm's first fund comes from sponsor Naguib Sawiris, executive chairman of Orascom Telecom. Sawari is also backed by Al-Sonbaty, who founded Egyptian portal Masrawy.com, and by co-founder Ahmed El Alfi, who is the firm's chairman.

Al-Sonbaty said he expects to finish fund-raising and hit the \$100 million target for Sawari Ventures I by March or April this year. The goal is investing in Middle East and North Africa tech companies at whatever level they need, be it \$250,000 or \$3 million.

Sawari's debut is part of a larger regional movement supported on multiple fronts to develop a tech hub in the Middle East.

In June, the U.S. State Department announced a Global Entrepreneurship Program, which would start with a focus on "Muslim-majority countries" before expanding around the world. The program launched in Egypt and is supported by TechWadi - a Silicon Valley-based organization that connects Arabs working in the tech economy.

In November, Jordan hosted the Middle East's first ever start-up workshop. Dubbed Yalla, which means "hurry up" or "let's go" in Arabic, the competition attracted more than 150 entrepreneurs for an intense 54-hour competition.

Then there's the money. Sparked by Yahoo's 2009 acquisition of Arabic portal Maktoob Inc. for a reported \$85 million, Jordan's King Abdullah II bin al-Hussein launched The Oasis 500. The fund is designed to seed 500 tech companies with capital and mentoring during the next five years. The Oasis 500 has \$6 million on hand so far and aims to ultimately raise \$35 million.

Beirut-based Middle East Venture Partners last year closed its first \$10 million venture fund, and venture firms Egypt's Idevelopers and Saudi Arabia's Malaz Group have been operating for nearly a decade.

"To get to this point has been a lot of hard work by a lot of people over the space of 10 years," said Al-Sonbaty. "It's one of those things you can see building momentum and growing. Now we are, for lack of a better word, at a tipping point."

Along with traditional venture investing, Sawari will also sponsor a fast-tracked program for entrepreneurs dubbed Flat6.

Described as a hybrid of the tech incubator Y Combinator and the TV show "Survivor," Flat6 is a partnership between the American University in Cairo and Sawari Ventures. Students will be invited to participate in the competition, receiving cash to execute their idea along with mentoring from lawyers, marketing specialists, angel investors and other entrepreneurs. The initial focus will be social media.

"Maybe it's 90 days, maybe it's 120 days, but after that you show us what you've got. The cream will rise to the top and the other guys...they will at least have had a shot. They can always join again," said Al-Sonbaty.

Along with looking for strong returns from portfolio companies, Al-Sonbaty is looking to give something back to the region: confidence.

He said: "The biggest misconception is that we cannot innovate or develop something of global significance from here. We obviously have our challenges, but there are areas where we can innovate."