

## Views On News

## Date: 17 November 2021 Issue: 654 Source: youm7.com

## Ministry of Industry and Trade: Discontinuing the Import of Basic Tuk-Tuk Components





In an exclusive statement to Youm7, the Minister of Industry and Trade, Nevin Jameh, announced that a decision was made to halt importing components of the three-wheeled vehicles known as "tuk-tuks", which include the base, chassis and engine.

Link to the News Story

## Our Views

The tuk-tuk is a key means of transportation that citizens rely on in rural areas, and notably the narrow streets of low-income neighbourhoods. According to some estimates, the number of tuk-tuks in Egypt is about 3 million. Egypt is among many countries that use the tuk-tuk as a means of transportation; chiefly India.

This decision is not the first with regard to tuk-tuks in Egypt, as the Government has resorted since 2008 to a number of attempts to regulate tuk-tuks, including imposing fines on unlicensed vehicles, the issuance of Law No. 121 of 2008 regarding legalizing tuk-tuks, Ministerial Resolution No. 105 of 2014 to stop the import of three-wheeled cars for a year and their components for a period of three months, and Ministerial Resolution 417 of 2014 to stop the import of three-wheeled tuktuks, motorcycles and their chassis.

Despite this latest decision aimed at providing safe transportation for citizens by replacing the tuk-tuk with the minivan, any decision in this regard must take into account its repercussions on the entire system related to tuk-tuks, from feeding industries, spare parts dealers, drivers, and citizens; which raises a number of questions:

- How will the existing and licensed tuk-tuks be dealt with?
- How current tuk-tuk drivers who do not have the ability to replace the tuk-tuk with the minivan will be dealt with, and what impact will this have on already high unemployment rates?
- Do feeding industries of the tuk-tuk have the ability to change their production lines?

- Is there a plan to compensate spare parts dealers for the losses they will incur?
- Is the production capacity of the factories that produce minivans sufficient for the complete replacement of tuktuks?
- How suitable is the minivan to be used in interior and rural areas?
- Is there an additional cost that the citizen will bear when using the minivan (the price of a minivan ticket versus that of the tuk-tuk)?

Finally, in light of the many potential effects of the decision to stop importing tuk-tuk components and replacing the tut-tuk with the minivan, the question becomes: Is this decision the best alternative to addressing the problems associated with tuktuks? or would a better approach be to look into the reasons behind the ineffective implementation of previous decisions related to tuk-tuks, which aimed to legalize this means of transportation and address its problems?



This report was prepared for distribution to members of the Egyptian Center for Economic Studies only and may not be published or distributed without the written consent of ECES management. The data, analyses or information contained in this report do not constitute any form of recommendation or assurance of the commercial feasibility of the activity subject of the report or its ability to achieve certain results.

The data and investment analyses contained in this report were prepared based on the viewpoint of ECES, and rely on information and data obtained from sources we believe in their validity and integrity. We believe the information and conclusions contained in this report are correct and fair at the time of their preparation, and should not be considered as a basis for taking any investment decision. ECES is not responsible for any legal or investment consequences as a result of using the information contained in this report. Any errors that may have occurred at the time of preparing these data are accidental and unintentional

Egyptian Center for Economic Studies (ECES) All rights reserved