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President El-Sisi excludes production requirements, raw materials from recently-adopted import measures



President Abdel Fattah El-Sisi met with the Ministerial Economic Group to follow up on procedures for dealing with the effects of the global economic crisis. Ambassador Bassam Radi, official spokesman for the Presidency, stated that the President issued a directive to exclude production requirements and raw materials from the procedures that were recently applied to the import process, returning to the old system of collection documents. [Link to the News Story](#)

Our Views

- We thank the President for his direct intervention to rebuild confidence in the Egyptian economy and stop the paralysis in trade, production, and export caused by the erroneous decision of the Central Bank to change the payment system, which resulted in huge problems mentioned in previous issues of «Views on News».
- We hope this will be the beginning of a breakthrough, and a correct vision to focus on real economy and economic performance on the ground in terms of production, export and employment; not just a narrow view that focuses on foreign exchange, attracting hot money, and achieving a primary surplus.
- Hopefully the decision will be implemented properly and quickly without administrative complications, in the spirit of saving the economic system at a critical stage, and restoring confidence at home and abroad in the Egyptian economy.
- We also hope that the decision will also extend to intermediate goods and spare parts, or alternatively the definition of production requirements may be extended to include them, especially that spare parts is an area of a large number of small activities and are responsible for significant employment for low-income people.

- Monitoring the impact on economic performance is certainly important and is a necessary measure to complement this decision. We hope that clear and objective criteria will be set to evaluate performance, follow up on production and employment, and build trade and export on accurate information that is collected periodically and with transparency from a neutral party, such as the Central Agency for Public Mobilization and Statistics (CAPMAS). Among those responsible for evaluation should be representatives of bodies affected by the decision, including manufacturers and traders in various fields, not just the relevant ministries.
- We understood from the decision that the evaluation will not be three months from the date of its issuance, but rather three months from the beginning of the Central Bank's intervention in the import system last March. This is important because the situation is critical, and any further delay cannot be tolerated. The principle is permissibility, not prohibition, and healthy intervention should be through market-oriented policies rather than through forced administrative intervention in business dealings between business owners locally and abroad, which was the case of the Central Bank's measures.
- Last but not least, we hope that the decision will be the beginning of a comprehensive reform of the economic system, including institutional, administrative and structural reforms. Without these reforms, Egypt will not be able to exit from the vicious circle of debt, weak investment and poverty,

and move towards economic development. Such objective will not be achieved without the proper management of economic resources, proper prioritization, and focus on the real economy.

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