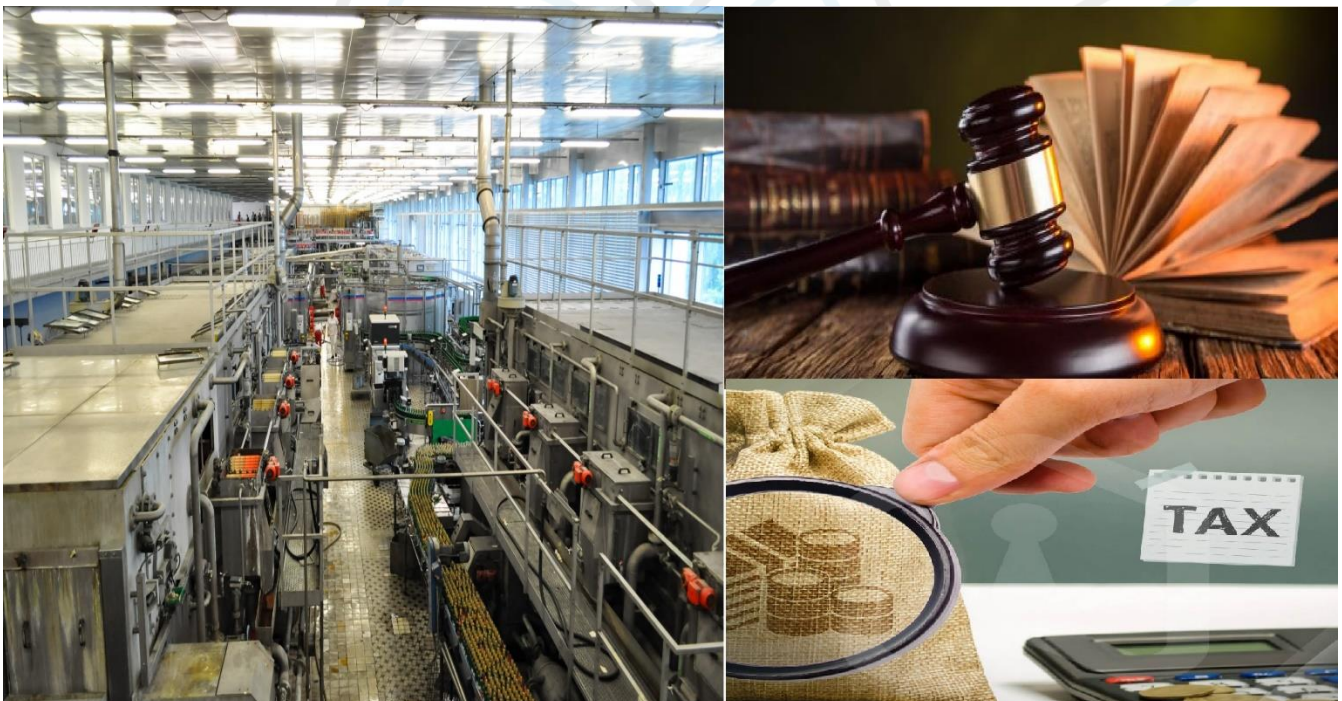




Date: 8 June 2022 Issue: 680 Source: AlMal News (5 June 2022)

Minister of Trade and Industry: Law Granting Incentives and Tax Breaks to Certain Industries Presently being Drafted



Nevine Gamea , Minister of Trade and Industry, announced that a draft law is currently being formulated to provide incentives and benefits to certain industries, including providing tax exemptions, with a view to supporting these industries and helping them grow and increase their productivity and hence their ability to export.

[Link to the News Story](#)

Our Views

The news story refers to a new draft law to grant incentives and tax breaks to certain industries. While manufacturing industries are in a dire need of support, many questions arise from this announcement:

- Do we need a new law to provide incentives? Is it not possible to achieve the same goals with decrees?
- Have we considered existing laws and the possibility of providing incentives through them instead of preparing a new draft law?
- To what extent is the direction of providing incentives consistent with the industrial development strategy and the overall development strategy?
- Who will decide which industries are to benefit from such incentives and tax breaks? What are the selection criteria? On what studies would these choices be based?
- On what basis will tax exemptions be granted to certain industries and not others?
- Was a cost-benefit analysis conducted of the draft law to measure its advantages and disadvantages, and to identify who are the winners and losers? How does this affect the economy as a whole?
- There are many other questions that also need an answer.
- Finally, wouldn't it be more appropriate for the Ministry of Trade and Industry to focus on solving the industry's problems, including those related to import and export, the factories that close their doors daily due to the decision of the Central Bank, the suffering of many factories from the real estate tax, and overlapping roles of the various

government agencies? We need solutions for insolvent factories. The Ministry should see on the ground what is happening in the Industrial Development Authority and the Urban Development Authority, the Civil Defense Authority, etc.

- Solving existing problems is what is needed, not issuing new laws.

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