



BUSINESS PROCESS ANALYSIS OF EXPORTING AND IMPORTING FEW SPECIFIC PRODUCTS

EXPORT OF MARBLE AND GRANITE

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Abstract

Exports play a crucial role in boosting domestic production, foreign currency revenue, employment opportunities, and enhancing the balance of payments. Therefore, exports are a fundamental pillar for advancing the Egyptian economy and positioning it in the right direction. This study aims to comprehensively assess both the formal and informal procedures associated with the export process of a specific set of products. In this analysis, ECES has employed the Business Process Analysis (BPA) Model issued by the UN Centre for Trade Facilitation and Electronic Business (UN/CEFACT). Notably, this marks the first time in Egypt that a globally standardized modeling language has been used, enabling a comparative evaluation of Egypt's export processes on a global scale. Specifically, the study delves into the export process of marble and granite, focusing on products categorized under HS Code 6802. This analysis covers document requirements, the time required to complete various procedures, and the involved entities. To gather these insights, ECES conducted interviews with different stakeholders for each specific product and reviewed pertinent regulations and studies. International experiences were also studied to benchmark Egypt's trade process against global standards and extract valuable lessons for enhancing the Egyptian trade process. The study comprises two main parts. Part I examines the current state of the detailed trade process pertaining to the reviewed products, labeled as the "As Is" situation. Part II presents scenarios for improving this process, the "To Be" scenario, along with recommended corrective actions based on stakeholders' input, international best practices, and ECES' analysis.

ملخص

تلعب الصادرات دورا مهما في زيادة الإنتاج المحلي، وتوفير النقد الأجنبي والتشغيل، وتحسين ميزان المدفوعات، ومن ثم فإن التصدير يشكل أحد أهم الدعائم اللازمة للنهوض بالاقتصاد المصري ووضعه على المسار الصحيح وفي المكانة التي يستحقها. في هذا الإطار، أعد المركز هذه الدراسة بهدف تحليل جميع الإجراءات الرسمية وغير الرسمية المتعلقة بتصدير مجموعة من المنتجات؛ حيث طبق في دراسته للمنظومة الحالية نموذج توثيق الأعمال التجارية (BPA Model) الصادر عن منظمة الأمم المتحدة لتيسير التجارة (UN/CEFACT)، مستخدما، لأول مرة في مصر، لغة نمذجة موحدة عالميا بما يسمح بمقارنة الوضع في مصر مع باقي دول العالم. وتحديدا، تختص هذه الدراسة بتحليل إجراءات تصدير منتجات الرخام والجرانيت بالتركيز على منتجات رمز النظام المنسق HS Code 6802، بما في ذلك المستندات المطلوبة ذات الصلة، والمدة التي تستغرقها الإجراءات (رسميا وفعليا)، والأطراف المعنية؛ حيث يعتمد التحليل على مقابلات مع مختلف أصحاب المصلحة/ الأطراف المعنية بكل منتج، بالإضافة إلى مراجعة اللوائح والدراسات المختلفة ذات الصلة، ودراسة العديد من الخبرات الدولية من أجل مقارنة العمليات والإجراءات التجارية المتبعة في هذه الدول، مع تلك المتبعة في مصر، والاستفادة منها في تحسين الإجراءات ذات الصلة في مصر. وتتكون الدراسة من جزئين رئيسيين؛ حيث يستعرض الجزء الأول الوضع الحالي للإجراءات والعمليات التجارية المتعلقة بالمنتجات محل الدراسة، بينما يطرح الجزء الثاني بعض السيناريوهات المقترحة لتحسين الإجراءات، مع اقتراح حلول لها بناء على آراء الأطراف المعنية، وفي ضوء التجارب الدولية وتحليل الخبراء في المركز.

Export of Marble and Granite (HS Code 6802)

Part I: "As Is" Situation

Introduction

This study focuses on analyzing trade processes of exporting marble and granite from Egypt using Business Process Analysis (BPA) approach. The analysis is divided into two main parts. Part I analyzes the “As Is” situation and consists of five sections: 1) Overall description of the other non-metallic mineral products sector and non-metallic mineral products (n.e.c)¹, including industry structure and current challenges; 2) The narrative for the production and trade processes in monumental or building stone products (marble and granite), HS Code 6802; 3) Identification of the similarities and/or differences between export processes related to HS code 6802 and that of the other HS codes within the monumental or building stone sector; 4) Detailed documentation of export processes associated with the specific product of focus (HS Code 6802); and 5) Time procedure for marble and granite products exports from Egypt. Part II offers proposed scenarios for improving the process (“To Be” Scenario) and includes the methodology of preparing them.

1. Sector Description-Other non-metallic mineral products and non-metallic mineral products n.e.c. subsector

The description starts with a detailed overview of other non-metallic mineral products as a whole and then proceeds with specific information about non-metallic mineral products not classified elsewhere (n.e.c), which includes the marble and granite products.² This description includes the sector’s latest available enterprise and employment distributions all over Egyptian governorates and what they imply, the sector’s trade performance, and major challenges faced, particularly following the COVID-19 pandemic and recent global dynamics.

1A. The latest other non-metallic mineral products’ enterprise and employment distributions all over Egyptian governorates

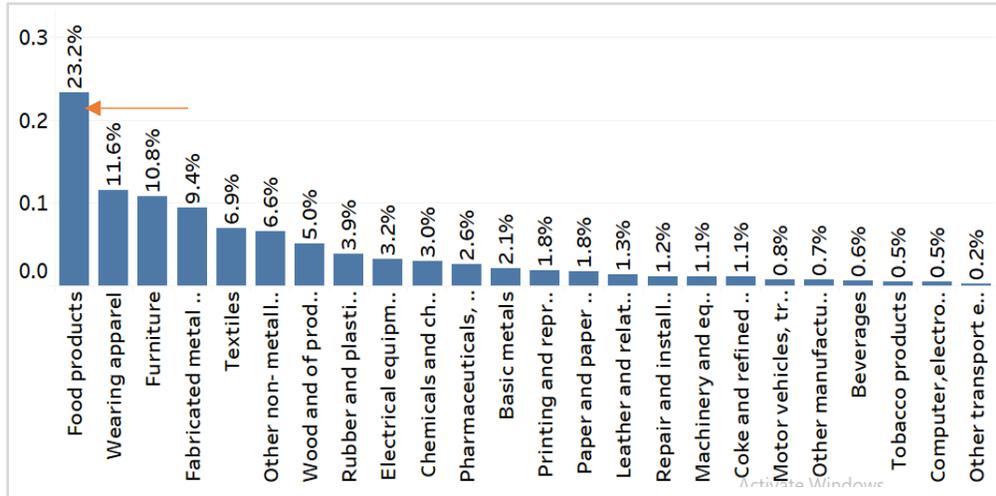
The “other non-metallic mineral products” sector comes as the sixth manufacturing industry in terms of number of workers out of a total of 24 industries in 2019, as shown in figure (1.1). It

For the analysis of the industry structure in terms of number of establishments and share in employment, the data is available using ISIC 4 classification. The marble and granite industry falls under division 239 (other non-metallic mineral products not else classified) of ISIC4 classification. This division includes the manufacture of intermediate and final products from mined or quarried non-metallic minerals including cutting, shaping and finishing of stones

² There is no data available at the 4-digit level, accordingly analysis is done at the 3-digit level.

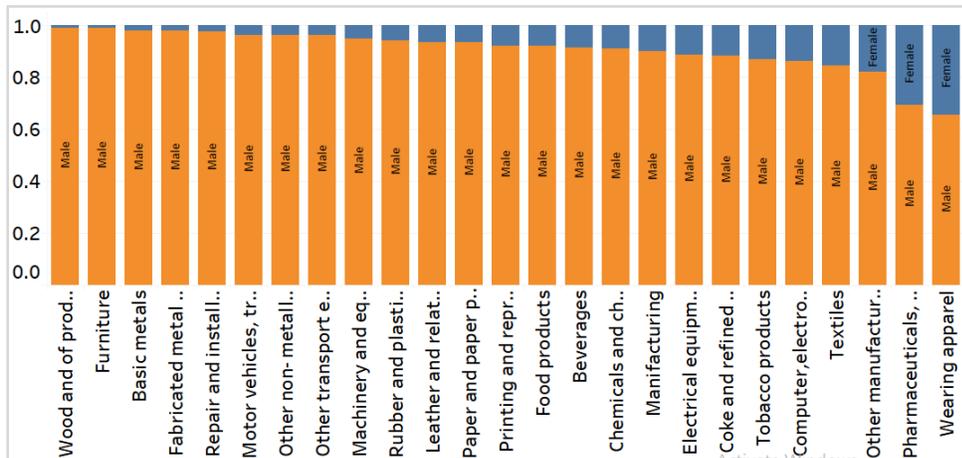
accounts for 6.6 percent of total employment in manufacturing. Males (around 95%) as in all manufacturing industries in Egypt dominate the sector (figure 1.2).

Figure 1.1. Ranking of manufacturing industries by % employment (2019)



Source: ECES’s analysis of CAPMAS’ latest statistics on manufacturing industries (2019)

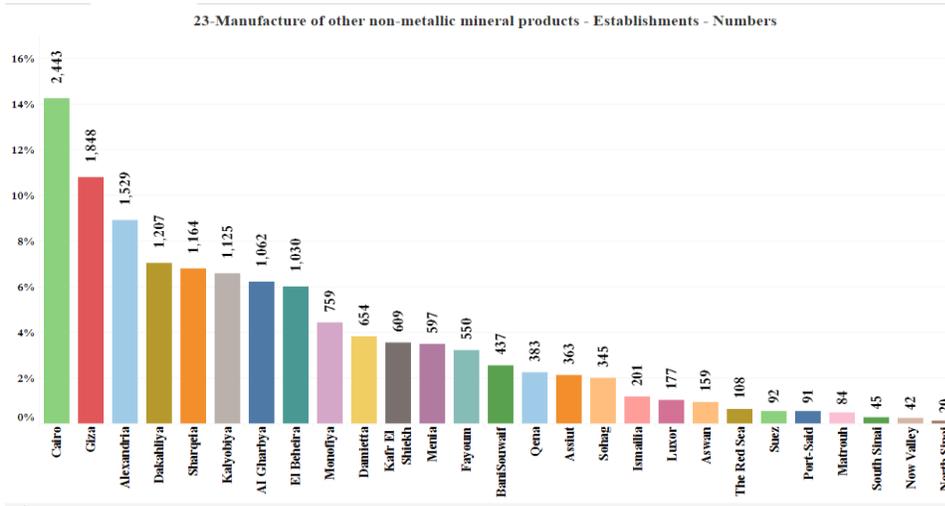
Figure 1.2. Distribution of manufacturing industries employment by gender (females in blue)



Source: ECES’s analysis of CAPMAS’ latest statistics on manufacturing industries (2019).

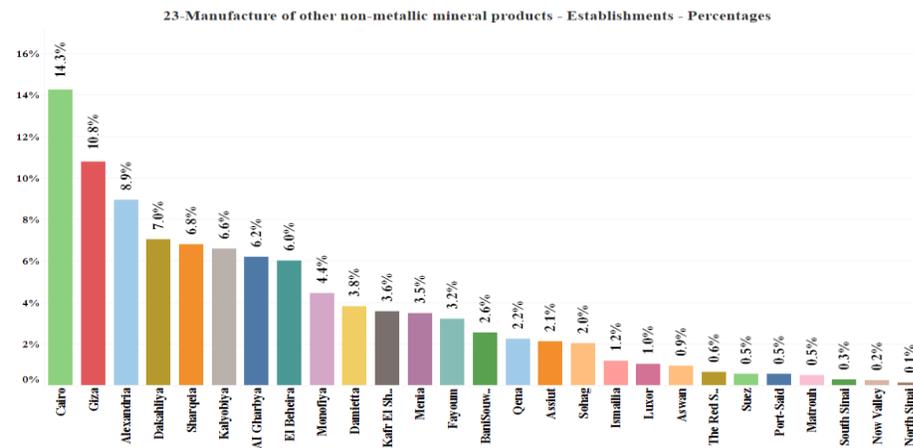
Figures (1.3), (1.4), (1.5), and (1.6) present the distribution of the “other non-metallic mineral products” industries enterprises and employment all over Egyptian governorates, as well as percentage distribution of both variables. The total number of establishments in all 27 governorates is 17,124, with a total employment of 151,450. All figures show that the governorates with the highest numbers of establishments and workers of “other non-metallic mineral products” industries are Cairo and Giza representing 25.1% of total enterprises and 32.6% of total employees.

Figure 1.3. Total number of enterprises in the other non-metallic mineral products industries per governorate



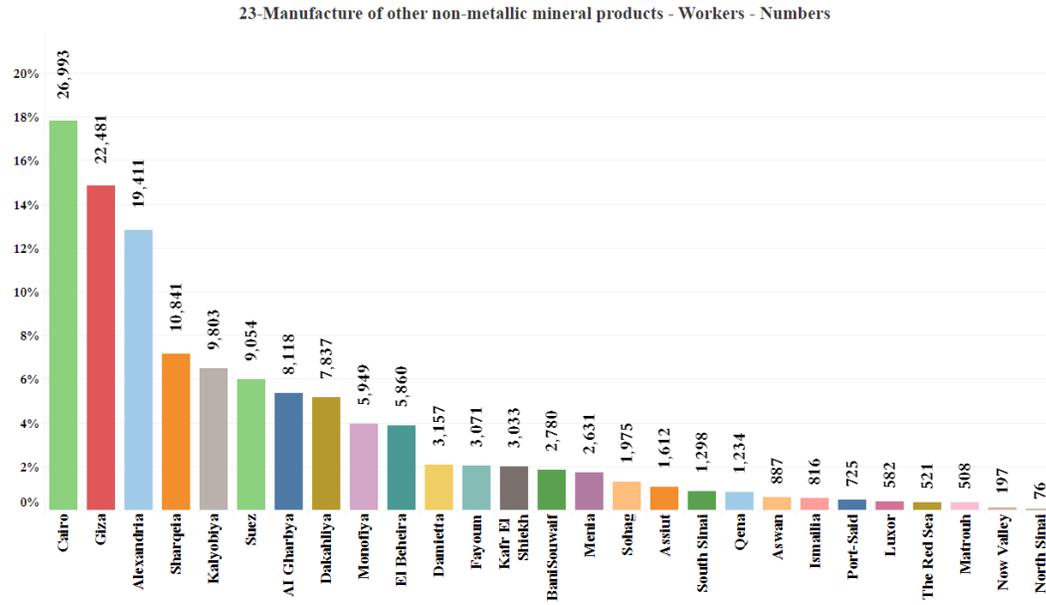
Source: ECES's analysis of CAPMAS' latest statistics on manufacturing industries (2019).

Figure 1.4. Percentage distribution of the other non-metallic mineral products industries enterprises per governorate



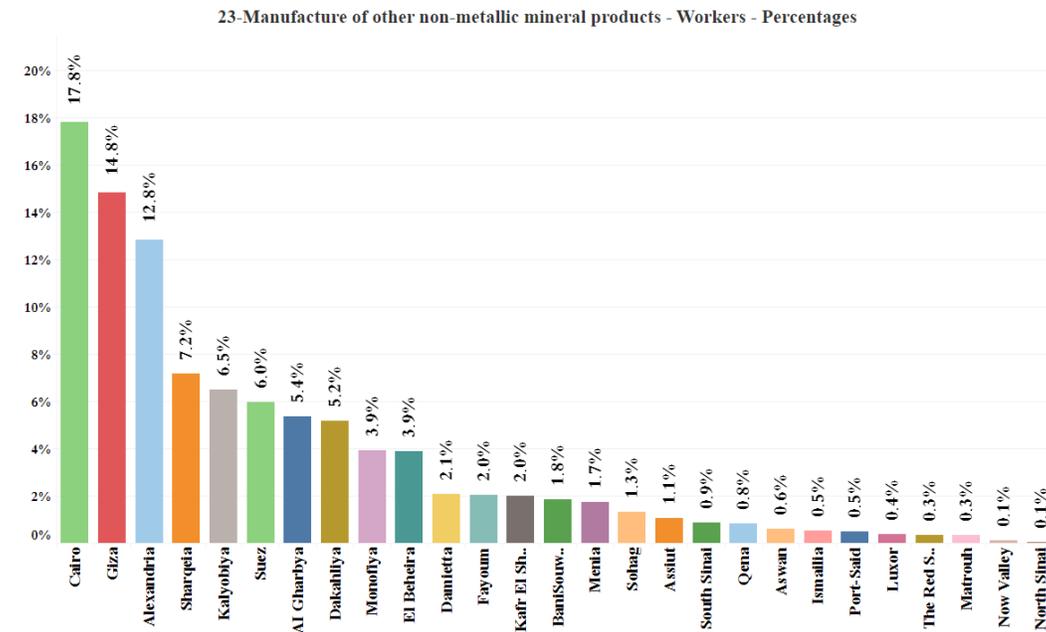
Source: ECES's analysis of CAPMAS' latest statistics on manufacturing industries (2019)

Figure 1.5. Total number of employees in the other non-metallic mineral products industries per governorate



Source: ECES's analysis of CAPMAS' latest statistics on manufacturing industries (2019).

Figure 1.6. Percentage distribution of the other non-metallic mineral products industries employees per governorate



Source: ECES's analysis of CAPMAS' latest statistics on manufacturing industries (2019).

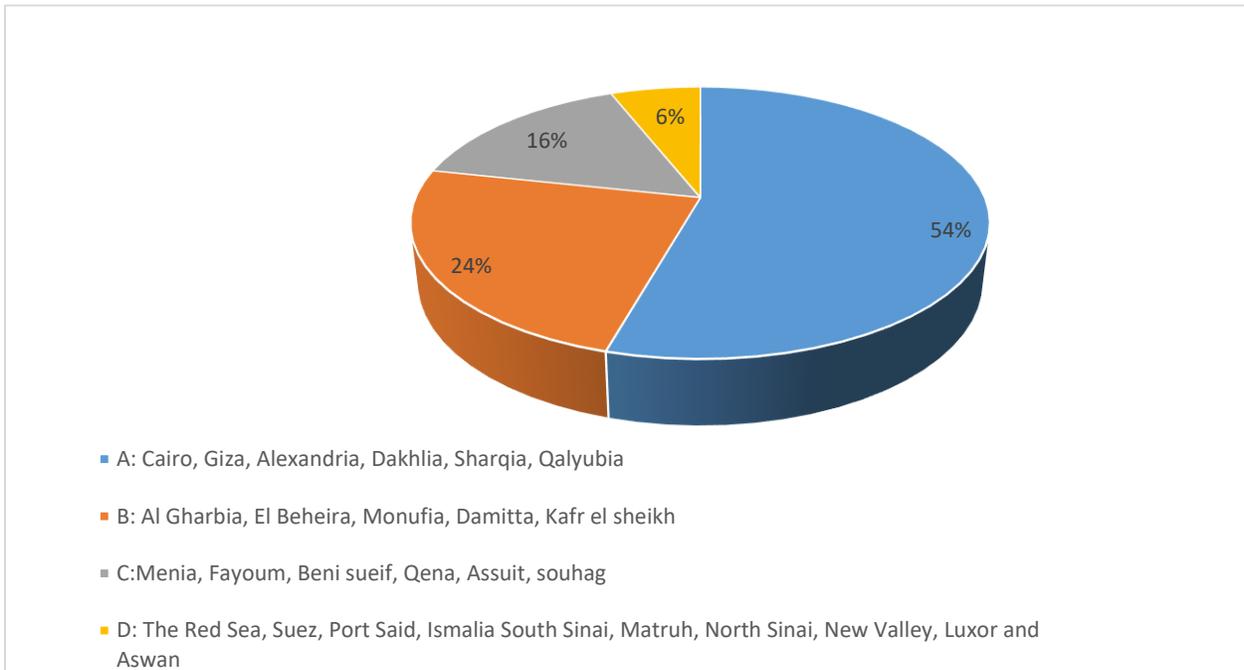
Table (1.1) (and subsequent pie charts) below divides governorates into four groups as per the level of concentration of enterprises and employment. Group A governorates account for 54.4% of total enterprises and 64.3% of total employment. The group consists of Cairo (14%), Giza (11%), Alexandria (8.9%), Dakahlia (7%), Sharqia (6.8%), and Qalyoubia (6.6%). They are all Delta governorates except for Giza, belonging to Upper Egypt. Group B accounts for a lower concentration of other nonmetallic mineral industries enterprises and employment (24%) and 17.2% respectively, and the concentration is still around the Delta region with five governorates. Group C, with an even lower concentration of 16% of total enterprises and 9% of total employment is mostly located around Upper Egypt (Menia (3.5%), Fayoum (3.2%), Beni Sueif (2.6%), Qena (2.2%), Assuit (2.1%) and Souhag (2%). Groups A, B and C combined account for 94% of total enterprises and 90.3% of total employment. Group D accounts for no more than 6% of total enterprises, 10% of total employment. None of Group D governorates have establishments that exceed 1% of total number of establishments. Group D governorates include of all border governorates in addition to the Red Sea, Suez, and Port Said, Ismailia, Luxor, and Aswan.

The limited existence of other nonmetallic mineral industries enterprises in groups (C) and (D) implies that there is room for the development opportunities of other nonmetallic industries in these governorates.

Table 1.1. Distribution of enterprises and employment of other non-metallic mineral products sector per groups of governorates

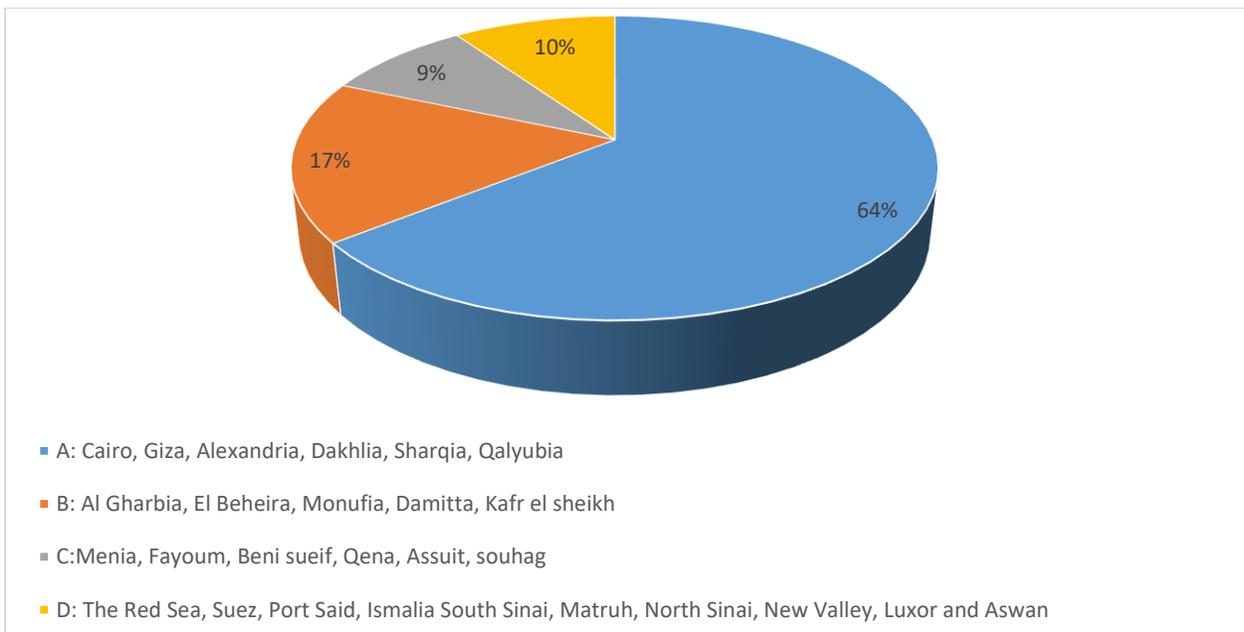
Governorate Groups	Establishment Dispersion	Workers Dispersion
A: Cairo, Giza, Alexandria, Dakahlia, Sharqia, Qalyubia	54.4%	64.3%
B: Al Gharbia, El Beheira, Monufia, Damietta, Kafr el Sheikh	24%	17.2%
C: Menia, Fayoum, Beni Sueif, Qena, Assuit, Souhag	15.6%	8.8%
D: The Red Sea, Suez, Port Said, Ismailia, South Sinai, Matruh, North Sinai, New Valley, Luxor and Aswan	6%	9.7%

Figure 1.7. Total other non-metallic mineral products Industries: Establishments dispersion



Source: ECES's analysis of CAPMAS' latest statistics on manufacturing industries (2019).

Figure 1.8. Other non-metallic mineral products: Workers' dispersion

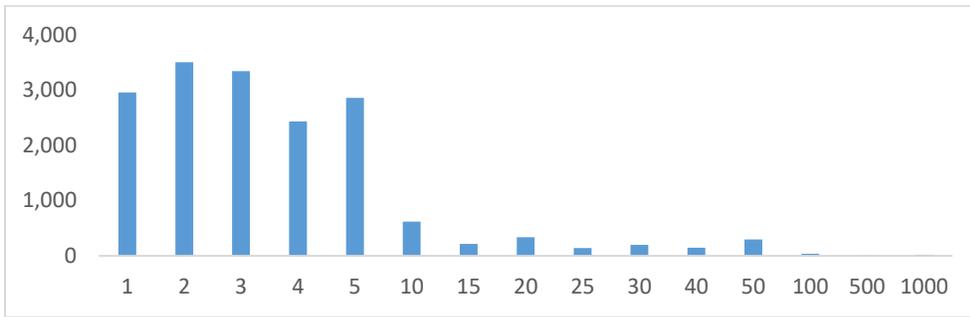


Source: ECES's analysis of CAPMAS' latest statistics on manufacturing industries (2019).

The size structure of enterprises measured by the number of workers

Figure (1.9) presents distribution of sector’s enterprises by size, while Figure (1-10) shows the same distribution in percentage. There is a clear predominance of micro enterprises that constitute 88% percent of total number of enterprises, followed by small enterprises with a share of 10%, while the share of medium enterprises is just 2% and large enterprises are almost non-existent in this sector with a share of (0.1%) of total number of enterprises

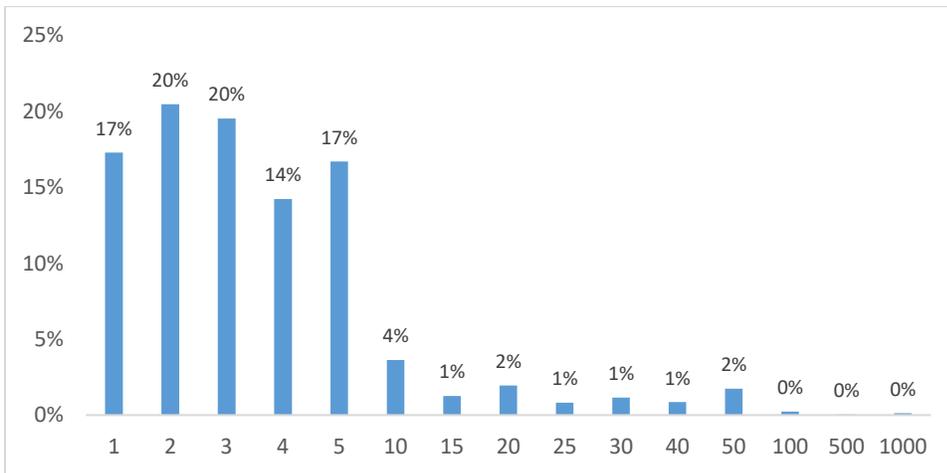
Figure 1.9. Distribution of other non-metallic mineral products sector’s enterprises by size (measured by number of workers)



Source: ECES’s analysis of CAPMAS’ latest statistics on manufacturing industries (2019)

Figure 1.10. Percentage distribution of other non-metallic mineral products sector’s enterprises by size

(measured by number of workers)



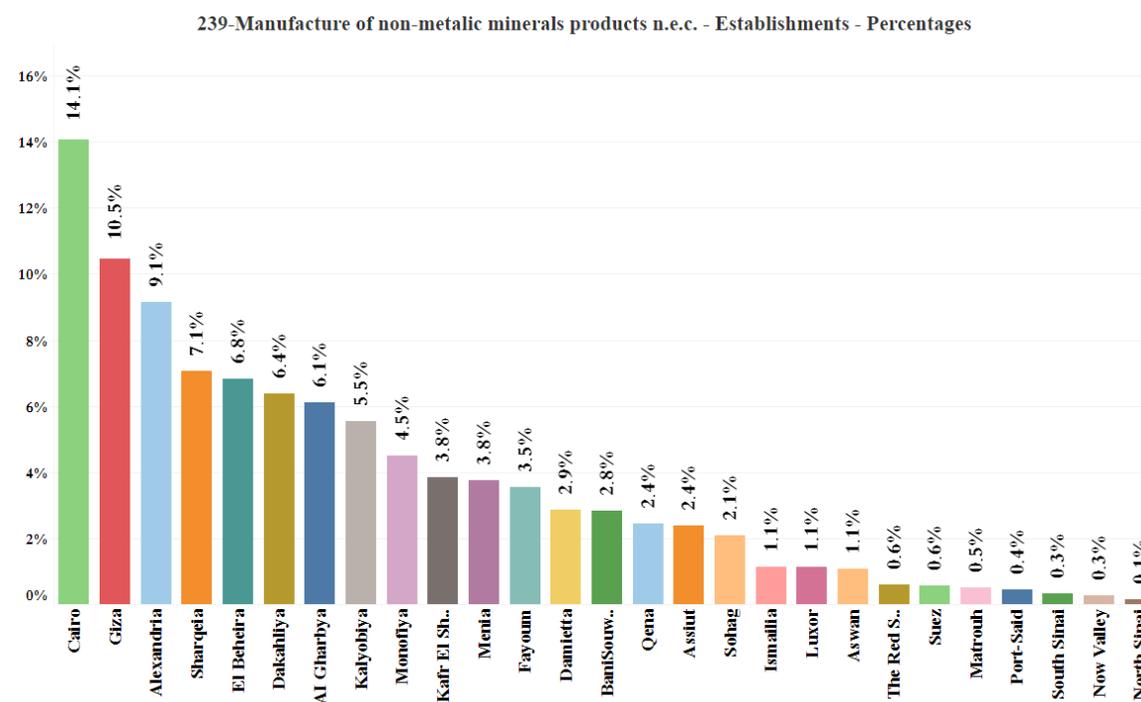
Source: ECES’s analysis of CAPMAS’ latest statistics on manufacturing industries (2019).

1B. The non-metallic minerals products (n.e.c) enterprise and employment distributions all over Egyptian governorates

The non-metallic mineral products (n.e.c) (ISIC239) represents around 79% of total number of enterprises in the other non-metallic mineral products (ISIC 23), and accounts for 87% of total employment. Accordingly, the distribution of enterprises and employment all over Egyptian governorates in the non-metallic mineral products (n.e.c) follows the same pattern shown above for the other non-metallic mineral products.

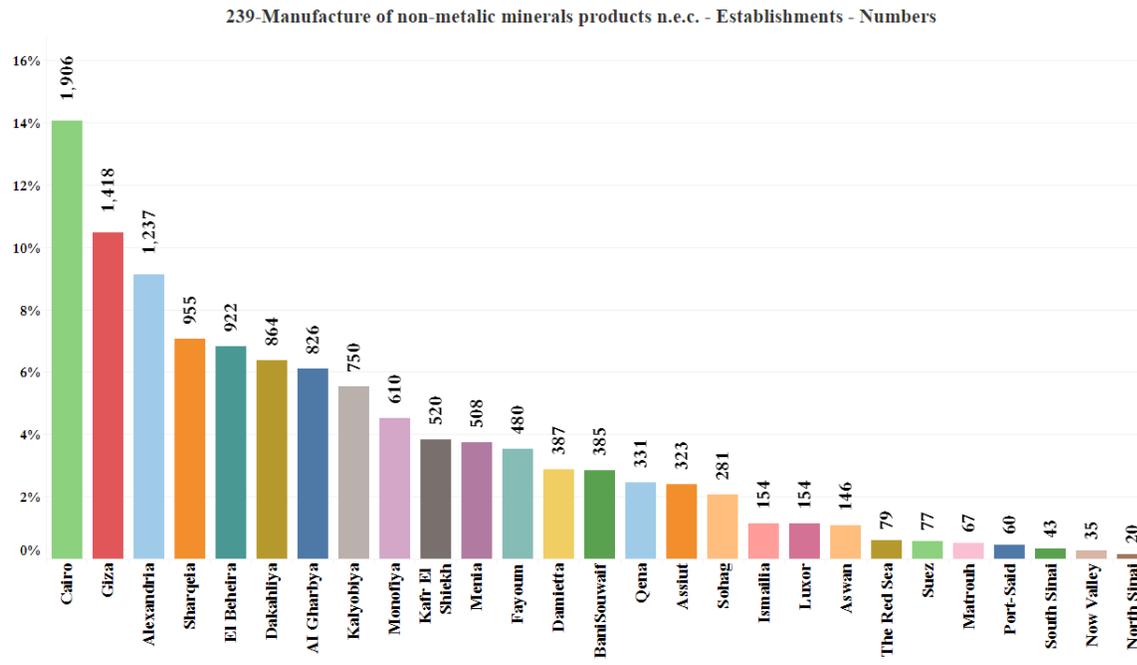
As shown in figures 1.11, 1.12, 1.13, and 1.14, the total number of establishments in all 27 governorates is 13,538, with a total employment of 132,185. Although the non-metallic mineral products (n.e.c) exists in all governorates at one level or another, the majority of the enterprises are in Greater Cairo, Alexandria and the Delta region accounting together for 77% of total enterprises and 81% of total employment.

Figure 1.11. Percentage distribution of non-metallic minerals products (n.e.c) subsector’s enterprises per governorate



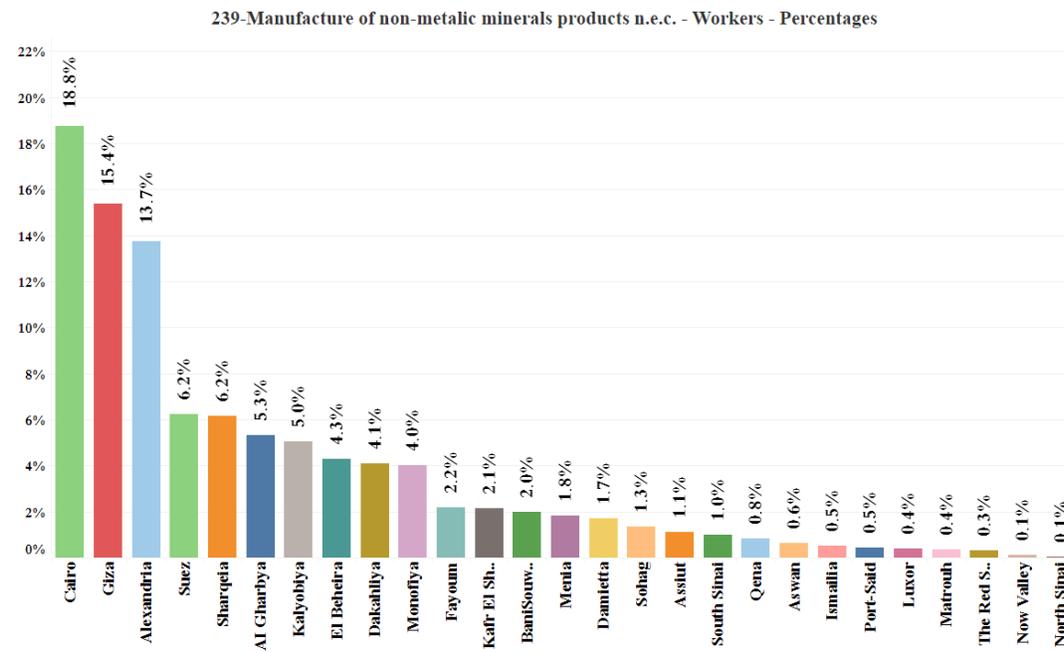
Source: ECES’s analysis of CAPMAS’ latest statistics on manufacturing industries (2019).

Figure 1.12. Total number of non-metallic minerals products (n.e.c) subsector’s enterprises



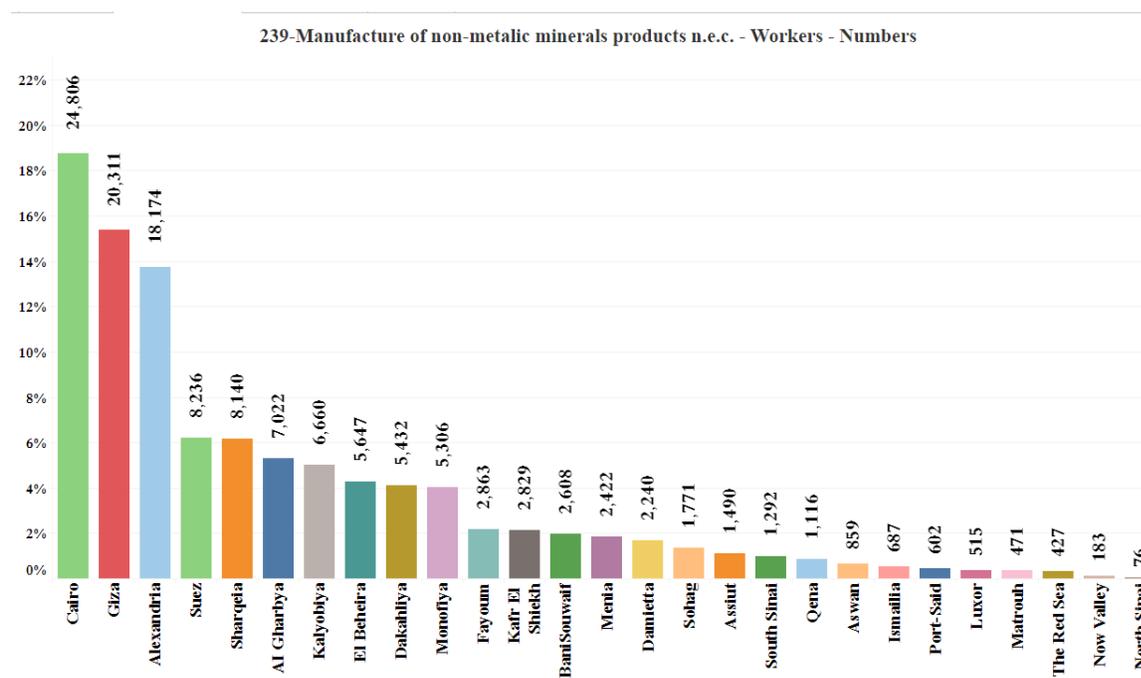
Source: ECES’s analysis of CAPMAS’ latest statistics on manufacturing industries (2019)

Figure 1.13. Percentage distribution of non-metallic minerals products (n.e.c) subsector’s workers per governorate



Source: ECES’s analysis of CAPMAS’ latest statistics on manufacturing industries (2019).

Figure 1.14. Total number of non-metallic minerals products (n.e.c) subsector’s workers per governorate



Source: ECES’s analysis of CAPMAS’ latest statistics on manufacturing industries (2019)

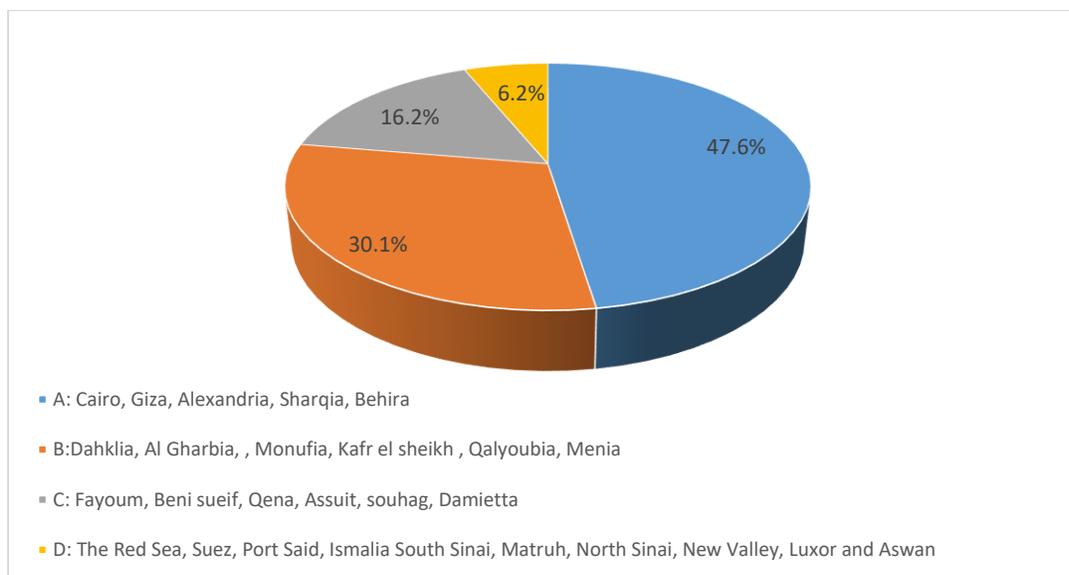
Table 1.2 (and pie charts that follow) confirms the concentration of the sector in terms of employment and establishments. As previously seen in the charts for other non-metallic mineral products, Group A governorates account for 47.6% of total enterprises and 58.3 % of total employment. The group consists of Cairo (14.1%), Giza (10.5%), Alexandria (9.1%), Sharqia (7.1%), and El Beheira (6.8). They are all Delta governorates except for Giza, belonging to Upper Egypt. Group B accounts for lower concentration of other nonmetallic mineral products (n.e.c) enterprises (30.1%) and employment (22.4%), and the concentration is still around the Delta region with the exception of El Menia. Group C, with an even lower concentration of 16.2% of total enterprises and 9.1% of total employment is mostly located around Upper Egypt (Fayoum (3.5%), Damietta (2.9%), Beni Sueif (2.8%), Qena (2.4%), Assiut (2.4%) and Souhag (2.1%)). Groups A, B and C combined account for 93.8% of total enterprises and 89.9% of total employment. Group D accounts for no more than 6.2% of total enterprises, and 10.1% of total employment. None of group D governorates have a number of establishments that exceed 1% of total number of establishments. Group D governorates include all border governorates in addition to the red Sea, Suez, and Port Said, Ismailia, Luxor and Aswan. It should be noted, however, that the Suez have

an exceptionally large share in total employment (6.2%) compared to the rest of the governorates in group D.

Table 1.2. Distribution of enterprises and employment of non- metallic mineral products (n.e.c) sub-sector per groups of governorates

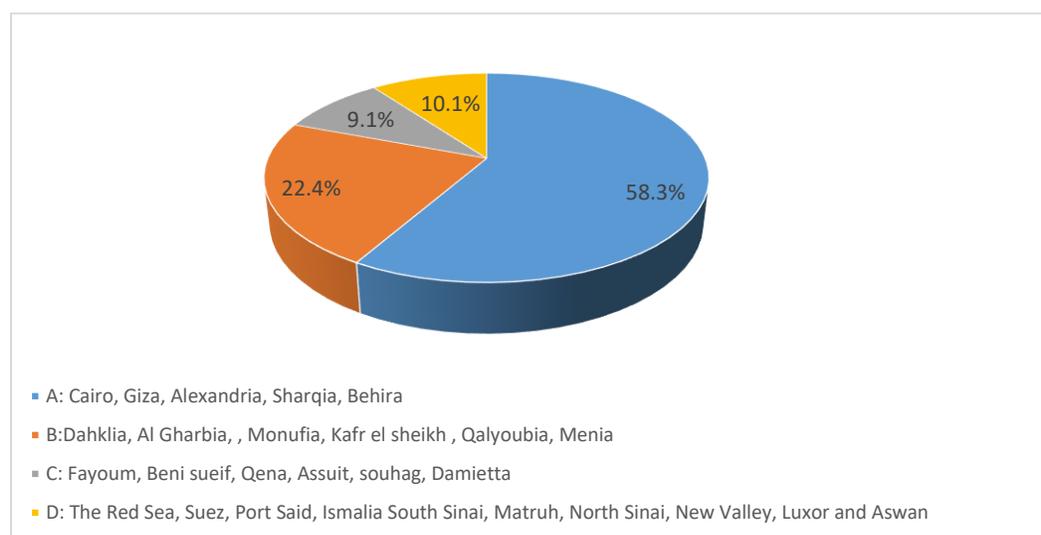
Governorate Groups	Establishment Dispersion	Workers Dispersion
A: Cairo, Giza, Alexandria, Sharqia, El Beheira	47.6%	58.3%
B: Dakahlia, Al Gharbia, , Monufia, Kafr el Sheikh , Qalyubia, Menia	30.1%	22.4%
C: Fayoum, Beni Sueif, Qena, Assiut, Souhag, Damietta	16.2%	9.1%
D: The Red Sea, Suez, Port Said, Ismalia, South Sinai, Matruh, North Sinai, New Valley, Luxor and Aswan	6.2%	10.1%

Figure 1.15. Non-metallic mineral products (n.e.c), Establishments dispersion



Source: ECES's analysis of CAPMAS' latest statistics on manufacturing industries (2019).

Figure 1.16. Non-metallic mineral products (n.e.c): Workers dispersion



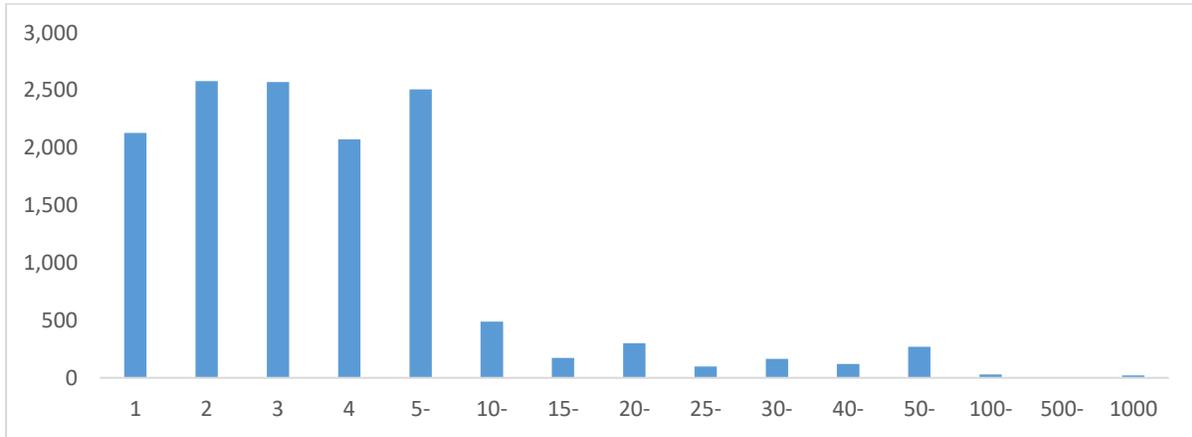
Source: ECES's analysis of CAPMAS' latest statistics on manufacturing industries (2019).

The size structure of enterprises measured by the number of workers³

Figure (1.17) presents the distribution of sector's enterprises by size while figure (1-18) shows the same distribution in percentage. The other non-metallic mineral products (n.e.c) is dominated by the micro and small enterprises constituting together 98% of total number of enterprises, while the share of medium enterprises no more just 2% and the large enterprises is almost non-existent in this subsector with a share of 0.1% of total number of enterprises.

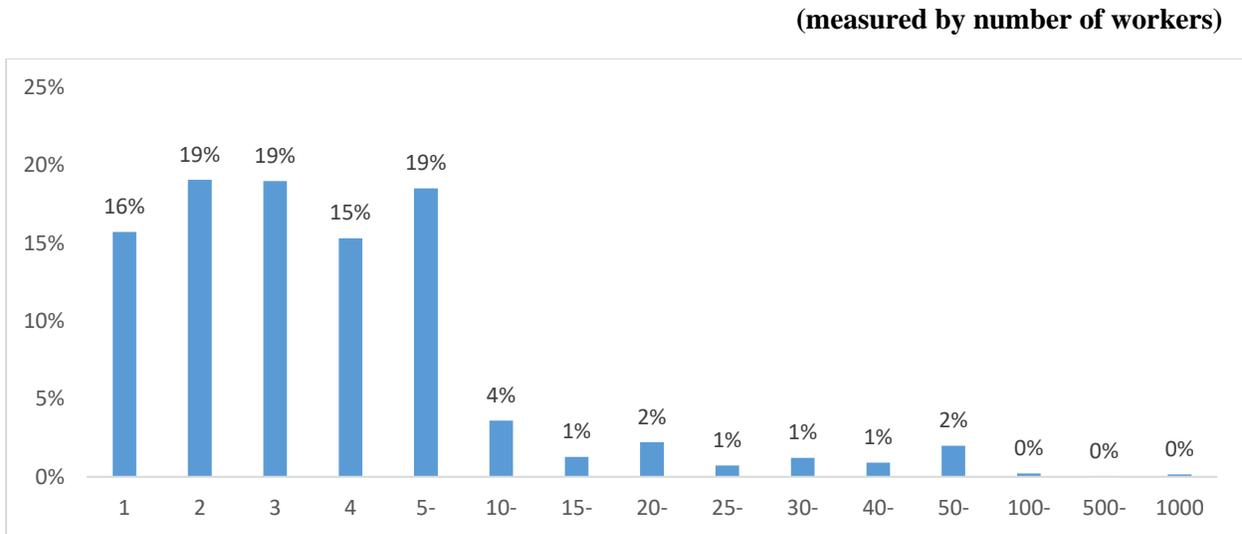
³ In this study, size in terms of the number of workers is categorized as follows: Micro enterprises (1-5 workers), small enterprises (more than 5 and less than 50), medium enterprises (from 50 up to 500), and large enterprises (500 and above).

**Figure 1.17. Distribution of non-metallic mineral products (n.e.c) sub-sector’s enterprises by size
(measured by number of workers)**



Source: ECES’s analysis of CAPMAS’ latest statistics on manufacturing industries (2019).

**Figure 1.18. Percentage distribution of nonmetallic mineral products (i.e.) sub-sector’s enterprises by size
(measured by number of workers)**



Source: ECES’s analysis of CAPMAS’ latest statistics on manufacturing industries (2019).

1C. The trade performance of the Articles of stone, plaster, cement, asbestos, mica or similar materials sector (HS 68) with a focus on monumental or building stone(marble and granite)-HS6802

The value of Egypt's imports of articles of stone, plaster, cement, asbestos, mica or similar materials products (HS68) was \$103.4 million in 2021. The most important countries that Egypt imports from are: India, China, Italy, Turkey, Germany Saudi Arabia, Slovenia, France and Croatia

constituting together around 77% of total Egyptian imports from articles of stone, plaster, cement, asbestos, mica or similar materials products.

Table 1.3. The articles of stone, plaster, cement, asbestos, mica or similar materials sector's trade profile in 2021

Imported value in 2021 (in thousand dollars)	Share in Egypt's total imports in 2021 (%)	Share in Egypt's manufacturing imports in 2021 (%)	Exported value in 2021 (in thousand dollars)	Share in Egypt's total exports in 2021 (%)	Share in Egypt's manufacturing exports in 2021 (%)
103,487	0.14	0.21	320,730	0.8	1.5

Source: Calculated based on trade map data (2021).

As for exports, the value of Egypt's exports of articles of stone, plaster, cement, asbestos, mica or similar materials products was \$320.7 million in 2021, thus Egypt is achieving a positive trade balance in articles of stone, plaster... estimated at \$217.2 million. The most important countries that Egypt exports to are: Libya, Saudi Arabia, Lebanon, Algeria, Korea, China, Morocco, United Kingdom and Turkey constituting together 57.8% of total Egyptian exports from articles of stone plaster, cement, asbestos, mica or similar materials products.

Concerning the specific product of interest in this study HS Code 6802, table 1.4 shows the specific trade performance of all products under HS code 68 category, clearly shows that it accounts for 86% of total exports from the HS code 68 category⁴.

Table 1.4. Trade performance of HS Code 68 in building materials and positioning of HS Code 6802 (2021)

Code	Product label	Imported value in 2021 in Thousand US Dollars	Share % of total product (68) imports	Exported value in 2021 in Thousand US Dollars	Share % of total product (68) exports	Trade balance 2021 in Thousand US Dollars
'6801	Setts, curbstones and flagstones, of natural stone (excluding slate)	1,420	1.37	2,663	0.8	1,243
'6802	Monumental or building stone, natural (excluding slate), worked, and articles; mosaic	35,432	34.2	275,970	86	240,538

⁴ Marble and granite exports in block form are recorded under HS2515 and 2516.

Code	Product label	Imported value in 2021 in Thousand US Dollars	Share % of total product (68) imports	Exported value in 2021 in Thousand US Dollars	Share % of total product (68) exports	Trade balance 2021 in Thousand US Dollars
	cubes etc. of natural stone, incl. slate, whether or not on a backing; artificially colored granules, chippings, powder, of natural stone, incl. slate (excluding setts, curbstones, flagstones; articles of fused basalt and of fired steatite; jewelry, clocks, lamps and parts; buttons, chalks, original sculptures and statuary)					
'6803	Worked slate and articles of slate or of agglomerated slate (excluding slate granules, chippings and powder, mosaic cubes and the like, slate pencils, and ready-to-use slates or boards with writing or drawing surfaces)	310	0.3	0	0	-310
'6804	Millstones, grindstones, grinding wheels and the like, without frameworks, for milling, grinding, pulping, sharpening, polishing, trueing or cutting, hand sharpening or polishing stones, and parts thereof, of natural stone, of agglomerated natural or artificial abrasives, or of ceramics, with or without parts of other materials (excluding perfumed pumice stones and	16,419	15.9	141	0.04	-16,278

Code	Product label	Imported value in 2021 in Thousand US Dollars	Share % of total product (68) imports	Exported value in 2021 in Thousand US Dollars	Share % of total product (68) exports	Trade balance 2021 in Thousand US Dollars
	grinding wheels etc. specifically for dental drill engines)					
'6805	Natural or artificial abrasive powder or grain, on a base of textile material, paper, paperboard or other materials, whether or not cut to shape or sewn or otherwise made up	14,280	13.8	148	0.05	-14,132
'6806	Slag-wool, rock-wool and similar mineral wools; exfoliated vermiculite, expanded clays, foamed slag and similar expanded mineral materials; mixtures and articles of heat-insulating, sound-insulating or sound absorbing mineral materials (excluding articles of light concrete, asbestos, asbestos-cement, cellulose fibre-cement or the like, mixtures and other articles of or based on asbestos, and ceramic products)	6,158	5.6	1,646	0.5	-4,512
'6807	Articles of asphalt or of similar materials, e.g., petroleum bitumen or coal tar pitch	486	0.5	30,861	9.6	30,375
'6808	Panels, boards, tiles, blocks and similar articles of vegetable fibre, of straw or of shavings, chips, particles, sawdust or other waste of wood, agglomerated with cement, plaster or other mineral binders	1,194	1.2	1	0	-1,193

Code	Product label	Imported value in 2021 in Thousand US Dollars	Share % of total product (68) imports	Exported value in 2021 in Thousand US Dollars	Share % of total product (68) exports	Trade balance 2021 in Thousand US Dollars
	(excluding articles of asbestos-cement, cellulose fibre-cement or the like)					
'6809	Articles of plaster or of compositions based on plaster (excluding plaster bandages for straightening fractures, put up for retail sale; plaster splints for the treatment of fractures; lightweight with plaster agglomerated building boards or articles for heat-insulation, sound-insulation or sound absorption; anatomic and other models for demonstration purposes; original sculptures and statuary)	8,427	8.1	8,413	2.6	-14
'6810	Articles of cement, concrete or artificial stone, whether or not reinforced	4,805	4.6	388	0.12	-4,417
'6811	Articles of asbestos-cement, cellulose fibre-cement or the like	1,278	1.2	18	0	-1,260
'6812	Fabricated asbestos fibres; mixtures with a basis of asbestos or with a basis of asbestos and magnesium carbonate; articles of such mixtures or of asbestos, e.g., thread, woven fabric, clothing, headgear, footwear, gaskets, whether or not reinforced (excluding friction material with	1,443	1.4	3	0	-1,440

Code	Product label	Imported value in 2021 in Thousand US Dollars	Share % of total product (68) imports	Exported value in 2021 in Thousand US Dollars	Share % of total product (68) exports	Trade balance 2021 in Thousand US Dollars
	a basis of asbestos, and articles of asbestos-cement)					
'6813	Friction material and articles thereof, e.g., sheets, rolls, strips, segments, discs, washers, pads, not mounted, for brakes, clutches or the like, with a basis of asbestos, other mineral substances or cellulose, whether or not combined with textile or other materials (excluding mounted friction material)	3,849	3.7	20	0	-3,829
'6814	Worked mica and articles of mica, incl. agglomerated or reconstituted mica, whether or not on a support of paper, paperboard or other materials (excluding electrical insulators, insulating fittings, resistors and capacitors, protective goggles of mica and their glasses, and mica in the form of Christmas tree decorations)	1,469	1.4	12	0	-1,457
'6815	Articles of stone or of other mineral substances, incl. carbon fibres, articles of carbon fibres and articles of peat, n.e.s.	6,517	6.3	446	0.14	-6,071
Total HS code 68		103,487		320,730		217,243

Source: Calculated based on trade map data (2021)

1D. Trade Performance of the marble and granite exports during and following COVID-19

The marble and granite sector was amongst the sectors that were negatively affected by the COVID19 crisis. Being a product that is highly related to the construction and interior design, the exports of marble and granite witnessed a drop in its exports by 7% between 2019 and 2020. Looking closely at the quarterly growth rates between 2019 and 2020 as highlighted in table (1.5), we will notice that there was a drop in the marble and granite exports during the 1st and 2nd quarters of 2020 compared to the same periods in 2019. However, the exports of these products began to regain their momentum starting the 3rd quarter.

Table 1.5. Quarterly growth rate of the marble and granite exports in 2020 compared to the same quarter in 2019

1st quarter	2nd quarter	3rd quarter	4th quarter
-31%	-8%	12%	1%

Source: ECES calculations, based on export council's data.

2. The narrative for the production and trade processes of marble and granite (HS Code 6802)

The marble and granite industry is considered one of the oldest industries in the world. These products are highly differentiated, and their prices depend on two factors: the first is the natural characteristics of the product, i.e., their type, quality and color. The second is the technology used in processing, which gives it the required shape, polish, size and thickness.

The marble and granite industry is characterized by being capital-intensive, especially in the first phase of production, cutting blocks into plates which is highly automated. The rest of the production process is either fully automated, semi- automated or could be done manually. The industry is also intensive in its water consumption. The average water consumption for a middle-sized factory is estimated to be around 60m³ per hour of operation.

In Egypt, the marble and granite quarries are abundant in different governorates, producing different types of worldwide known varieties including White Marble, Black Marble, Calcic Stone, Green Serabantin, Green Brishia ferdy, Red Brishia and Alabaster, Gray.

Quarrying marble and granite requires obtaining a license that is renewed annually. For operating a quarry, a rental fee of \$240 thousand per quarry is paid, this in addition to a royalty (Etawa),

which is paid on the amount of the extracted marble estimated at 15.20 EGP/ ton of marble and 34.20/ton of granite. These fees are collected every three months.

Generally speaking, there are three types of factories operating in Egypt.

- 1- Factories that specialize only in cutting the block into plates.
- 2- Factories that cut and polish the plates (already obtained from the first type of factories).
- 3- Factories that perform the entire production process to produce the final product.

Despite being widespread all over the country, the most famous cluster of marble and granite is Shaq El Thobann in Katameya, responsible for almost 90% of the exports from the marble and granite ⁵

As noted above, the majority of marble and granite factories are micro and small enterprises, and as such they suffer from several problems including using primitive technology for production, lack of adequate infrastructure, production inefficiencies, in addition to the lack of skilled labor force.⁶

Currently, all marble and granite producers suffer from delays in the issuance of the license, which might take up to 5 months, this is in addition to the high rental fees for the quarry and the Etawa. Further, the Etawa is calculated on the basis of an estimated amount of (60 Ton/truck) and not the actual weight of the truck and regardless of what is mentioned in the truck license.

Although marble and granite products are subject to many of the horizontal observations such as the rest of the exported products (all listed in Annex A), there are some specific observations related to the production and trade processes of marble and granite products (HS Code 6802) which will be pointed out below

⁵Kandil, Azza & Selim, Tarek. (2011). Characteristics Of The Marble Industry In Egypt: Structure, Conduct, And Performance. *International Business & Economics Research Journal (IBER)*. 5. 10.19030/iber.v5i3.3466.

⁶ Haggag, F. (2012). Economic and financial valuation of the marble industry in Egypt [Master's Thesis, the American University in Cairo]. AUC Knowledge Fountain.

Observation #1

Egypt exports marble and granite in two forms: without any processing (as a block) or finished products (cut with certain thickness and polished upon the client's specifications). There are three main differences with regards to exporting both kinds of products:

1- Exporting blocks is subject to an export duty, except for shipments exported to production projects in Egypt's free zones and within the quantities approved by the General Authority for Investment and Free Zones. According to the latest Ministerial Decree No. (50) of 2022, an export duty is applied on pre-trimmed marble blocks at EGP 400/ton. Other products subject to export duty are talc-crushed at EGP 1,200/ton, powder at EGP 500/ton and less than 50-micron powder at EGP 300/ton; quartz at EGP 150/ton; rough or/and sand at EGP 150/ton.

2- Exporting blocks requires the approval of both the Egyptian Mineral Resource Authority and the Egyptian Company for Mining. Although it is possible to get these approvals for a certain estimated amount, from which each shipment can be deducted, practically the companies get these approvals by shipment since they do not know beforehand the required amounts and the country of importation. Obtaining these approvals is done against a fee that is paid for each institution (EGP 1800 is paid to the Egyptian Mineral Resource Authority for each approval, and 1 \$/Ton and EGP 50 /ton is paid to the Egyptian Company for Mining)

3- Exporting marble and granite as a final product requires obtaining a certificate from the agriculture quarantine. The boxes used for packaging must be fumigated against insects. This fumigation process is done by a private company certified by the Ministry of Agriculture and under the supervision of the agriculture quarantine. After the fumigation a certificate is given to the producer which is valid for 6 months. Obtaining such a certificate is not a prerequisite in case of exporting blocks because such a wooden packaging is not required.

Observation #2

Dealing with the Egyptian Company for Mining is one of biggest impediments for exporting marble and granite. Ever since its establishment in 2020, it played two conflicting roles, being a regulator and at the same an extractor and exporting company.

Being a regulator obligates the exporting companies to reveal information related to their export transactions in order to get their approval for exporting. This means that they are forced to disclose the secrets of their work to their competitor.

Obtaining the permission for exporting from the Egyptian Company for Mining is considered a bottleneck in the exporting process. Since the Egyptian Company for Mining is also responsible for granting and renewing the licenses for operating the quarries as well as collecting the fees related to extraction (per every ton extracted) (Etawa), it refuses to grant the exporter the approval to export in case he is indebted to the company by any amount related to any of the services provided by the company, and this applies to all quarries operated by the exporter whether it is related to the shipment that requires the approval for exporting or not. Thus, to be granted approval for exporting, the exporter has to get a clearance statement from the company's financial department stating that he does not owe any money to the company. Further, the license has to be valid to be able to export. If the license expires at any point during the exporting process, the whole shipment is stopped until the license is renewed.

Observation #3

The inspection of the marble and granite products involves three institutions: The Custom's committee, a committee from GOEIC to determine the type of the product exported, and a representative from Agriculture Quarantine.

Inspections are either done at the factory or at the port. However, the majority of exporters of marble and granite do the customs inspection at the port, due to the high costs involved in doing the customs inspection in house (additional costs for customs inspection at the factory is estimated by EGP 1000 per export certificate, in addition to the fees paid to GOEIC and Agriculture Quarantine). Only large exporters are capable of having the inspection committees at the factory. It should be noted, however, that in the case of doing the inspection at the factory, the custom's committee still has the authority to redo the inspection at the port.

Doing the inspection at the port is a lengthy process and exporters have to wait for their turn in each stage of the inspection.

Observation #4

Although Shaq El Thobban cluster is responsible for almost 90% of the exports from the marble and granite, it does not have a logistics- customs area to facilitates customs inspection at the cluster level.

Observation #5

Lack of awareness from the Customs officials concerning new marble and granite products and finishing trends leads to disputes between the custom's officials and exporters concerning the nature of the product, whether it is a block and thus subject to an export duty or as a final product. Although GOEIC is the mandated authority responsible for determining the nature of the product, the Custom's authority sometimes refuses the opinion of GOEIC. Not only does this subject the exporter to an export duty, but also delays the exporting process because the exporter has to complete his documents by getting the necessary approvals from both the Egyptian Company for Mining and the Egyptian Mineral Resources Authority with all the fees and complications related to obtaining their approval as mentioned in observation #2. Although the Export Development Fund has issued a list of all marble and granite finished products in 2007, this list was used only for one year.

To overcome this, in case of unusual products, exporters ask the Custom's officials, prior to concluding the agreement with the foreign buyer(importer), whether the Customs will record the product as a block or final product.

Observation #6

The temporary admission and drawback systems are not applied in the case of the marble and granite. This deprives the industry from the possibility of importing marble that is not locally available in blocks, and re-exporting it as a finished product of a higher value added.

Observation #7

Exporting for small companies can be done via a trade company, which is responsible for meeting the required technical specification of the clients. However, in a few cases, the trade company does not do the quality checks, which leads to exporting low-quality products jeopardizing the reputation of the Egyptian exports from marble and granite.

Observation #8

Due to the high weight of marble and granite products, the containers used for exporting must meet certain technical specifications. Specifically, marble and granite are exported in a 20-foot container. The availability of such containers depends on the intensity of trade flow between Egypt and rest of the world.

Observation #9

In violation to the Prime Minister decree no 791 of 2018 to extend the operations of the ports 24 hours for all exports and imports without any extra fees, export procedures of marble and granite products have to be done within the ports official working hours (daytime). On one hand, the MTS office is not operational at night, in addition to the unavailability of GOEIC and the Agriculture Quarantine employees after 6 pm. Further, there is discrimination in the fees applied by GOEIC for inspection depending on the time of inspection. A fee of 150 EGP is applied if the inspection is done before 2 pm, and this fee is raised to 300 EGP if the inspection is done between 2pm-6pm.

Not being able to meet the working hours of GOEIC employees is a recurrent problem in the case of marble and granite, due to the large distance between the factories (mostly located in Shak El Thobban) and the exporting ports, in addition to the delays related to waiting at the port gate, and the unavailability of customs officials before 10 am.

Observation #10

Due to the heavy weight of the marble and granite sample, sending samples above 50 Kg cannot be sent via courier companies. Samples in such cases go through the process of exportation with its full details. To avoid this large companies often send the sample as part of the shipment. However, if the samples are below 50 kg, they can be sent via the courier companies, and in this case the exporter gives the courier an invoice stating that the products sent are just samples, yet he has to pay the costs related to the MTS window and any transportation fees till the sample reaches the client.

Observation #11

Since the marble and granite industry is a resource-based industry, it depends primarily on the locally extracted marble and granite. The main imported component in the industry is the machinery and equipment used in quarrying, cutting the blocks into plates and polishing it. The

importation of such machinery faces the same complications related to the ACI system (observation#1 in Annex A).

Observation #12

Considering the differences in the procedures applied in different ports, although observed in all sectors, the implications of picking specific port due to the ease of the procedures applied is very visible in the case of marble, due to its weight and the related transport cost.

Other problems related to the efficiency of ports operations include:

- By law, all exports of marble and granite have to pass by an X- ray, however in some ports (e.g., Alexandria port) the X-ray machines are not working most of the time, causing delay in the exporting process.
- Entry to the port from only one gate (e.g., Alexandria port), causing congestion and delays for several hours.
- Duplication of procedure in the case of El-Shokhna Port. The containers in that port have to be weighed, whether they have been sealed at the factory or not. In all of the other ports, the weighing stage is done only in case the inspection is to be done at the port. If the inspection has been done at the factory and containers have been weighed and sealed, they are not weighed again at the port.

Observation #13

According to article #53 of the executive regulation of the Customs Law No. 207 of 2020, all exports are registered on FOB basis, but in some cases the client requires that the delivery is done door to door. Accordingly, the Egyptian exporter is unable to account for the transportation fees till the door of the foreign buyer (importer) in the invoice, which affects in turn the amounts due to the exporter from the export support program.

3. Similarities and differences between (HS Code 6802) and the rest of (HS Code 68 products).

The rest of the products in HS (68) are subject to the same export and import procedures as in (HS 6802). However, as mentioned in observation #1, marble and granite are either exported as blocks

which is recorded under the HS code (25), or as a final product which is recorded under HS (68), and as noted previously there are differences in the processes of exporting both forms.

Due to the high relevance of exporting blocks, especially given the fact that the Customs Authority in Egypt sometimes decides to record some of the marble and granite products of special finishing characteristics as blocks, we documented below in details the export process related to both the final products and the blocks of marble and granite.

4. Detailed documentation of export processes associated with the specific product of focus (HS Code: 6802, 2515, 2516)

This section includes detailed documentation of the business processes that exporters have to go through in order to export marble and granite products from Egypt, specifically HS Codes 6802,2515,2516. The section starts with a brief overview of the prerequisites that should be fulfilled before exportation.

4A. Pre-requisites for Exporting

- Registration at GOEIC
- Registration at IDA (Industrial License)- The industrial license must include all the products to be exported. The firm cannot export any products that are not included in the industrial license, and to do so, a request to IDA is done to add these new products to the industrial license
- Export Permit for exporting blocks from the Egyptian Mineral Resource Authority and the Egyptian Company for Mining (Observation #1 and #2)
- Registration at Export Development Fund (for imbursement of Export support program payments): The fee for registration varies according to the size of the exports. The documents required for registration include commercial licenses, industrial license, exporters licenses, ISO certificate, in addition to a deceleration from the customs authority with all exports certificate to prove the size of the exports

Generally, fulfilling these pre-requisites is lengthy and complicated, as registration requirements with several organizations are involved without enough coordination among them and hardly any automation of process. For example, the process of registration in the Export Development Fund

may take more than one month, depending on the speed of getting the customs declarations from all Egyptian ports.

Further, there are complications for obtaining the export permission in case of exporting blocks as highlighted in observation #1 and # 2.

Exporters typically take more time and pay way more than what is publicly announced on the internet due to constant unannounced changes in requirements and no possibility of complaints.

4B. Detailed documentation of export processes

Figure 4.1 and table 4.1 present a list of 15 core business processes that are typically carried out when exporting marble and granite products (HS Codes: 6802,2515,2516) from Egypt and a list of 20 stakeholders that an exporter indirectly or directly deals with.

These core business processes are categorized into 3 process areas of the UN/CEFACT International Supply Chain Model:

- **Buy:** the conclusion of trade terms and the establishment of sales contract.
- **Ship:** the arrangement for cargo movement and the completion of necessary actions to meet regulatory requirements of both export and import countries.
- **Pay:** the claim for the payment, the payment for the purchased cargo and the local payment.

In the Egyptian case, “Pay” process area does not only involve the payment for exported shipment, but also involves local payment through the export development fund. Therefore, an additional business process that discusses the settlement with the Export Development Fund will be documented.

It is worthy of note that, in table 4.1, the business processes highlighted in green are significantly different in marble and granite products compared to readymade garments, textile, and tomato products. The rest of the business processes are quite similar across all products.

Figure 4.1. Use case diagram of business processes in marble and granite exportation

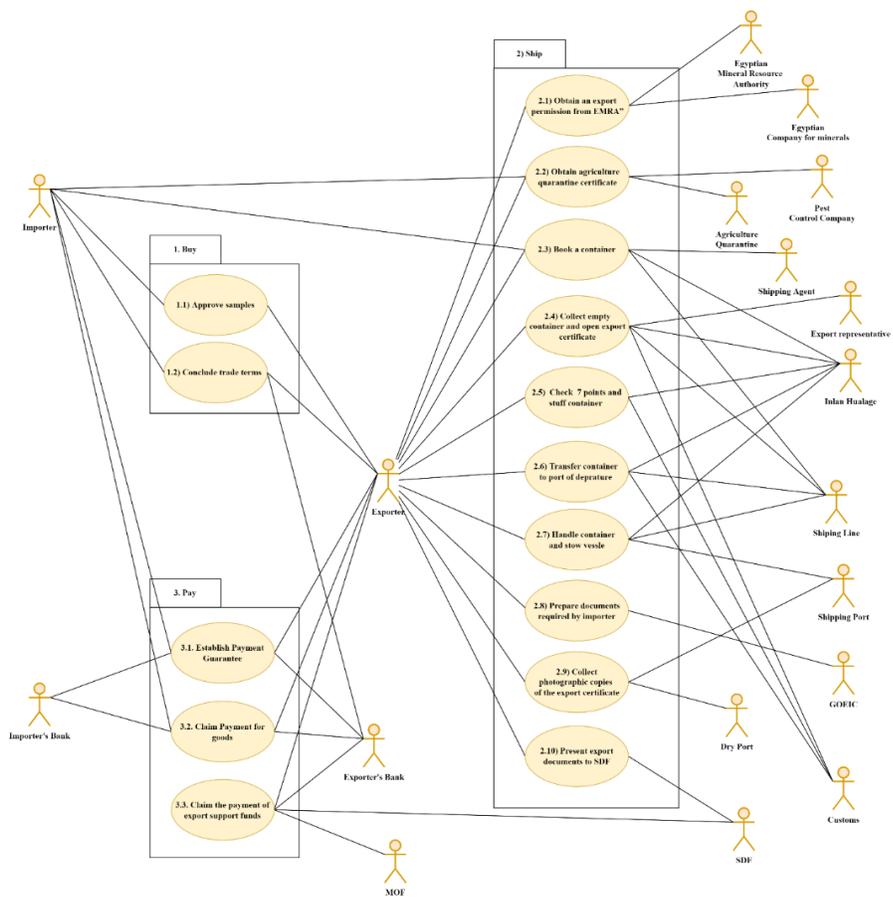


Table 4.1. Core business processes and stakeholders involved in marble and granite exports

Party	Foreign buyer(importer)	GOEIC	Authorized Private Inspector	Inland Haulage	Shipping Line	Shipping Agent	Customs	Exporter Representative	Exporter/ exporting company	Shipping Port	Dry Port	Exporter' s Bank	Foreign buyer(importer)' s Bank	Export Development Fund	Ministry of Finance	Egyptian Mineral Resource Authority	Egyptian Company for Minerals	Pest Control Company	Agriculture Quarantine
	Core Business Process																		
Buy																			
1.1. Approve Samples	X								X										
1.2. Conclude Trade Terms	X								X			X							
Ship																			
2.1. Obtain an export permission from EMRA”									X							X	X		
2.2. Obtain agriculture quarantine certificate									X									X	X
2.3. Book a container	X			X	X				X										
2.4. Obtain export certificate and collect empty container				X	X		X	X	X										
2.5. Check 7 points and stuff container				X			X		X										
2.6. Transfer container to port of departure				X	X		X												
2.7. Handle container and stow vessel				X	X					X									

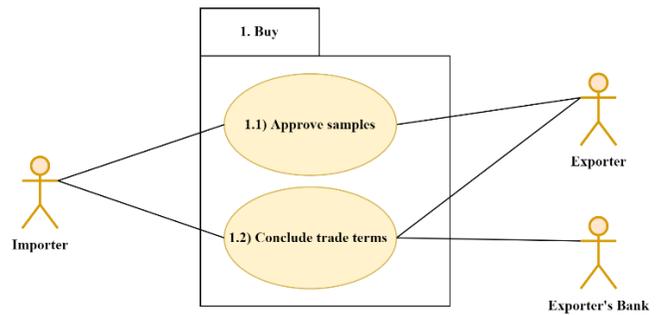
2.8. Prepare documents required by foreign buyer (importer)		X							X									
2.9. Collect photographic copies of the export certificate									X	X	X							
2.10. Present export documents to EDF									X				X					
Pay																		
3.1. Establish payment guarantee	X								X			X	X					
3.2 Claim payment for goods	X					X			X			X	X					
3.3 Claim the payment of export support									X			X		X	X			

Process area 1: Buy

In the context of marble and granite export from Egypt, buy process area consists of 2 core business processes. As shown in figure 4.2, these core business processes deal with both approvals of samples and conclusion of trade terms.

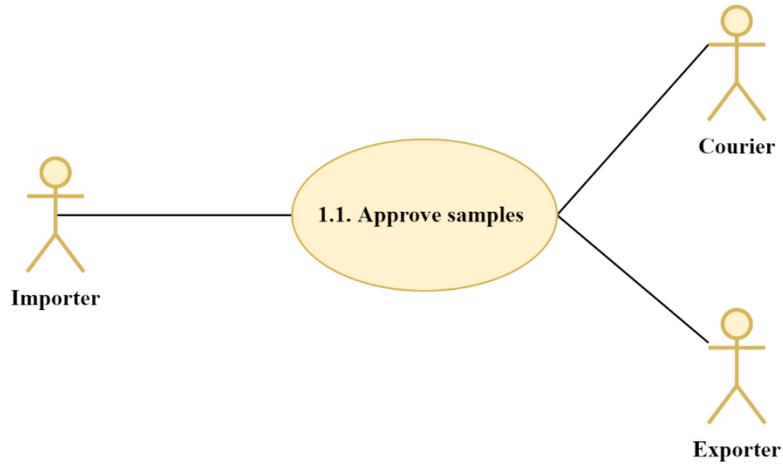
The core processes are almost generalized across the international buying deals. However, the duration of concluding the contract depends on how quickly the sample is approved by the buyer

Figure 4.2. “Buy” use case diagram



Core business process area 1.1: Approve samples

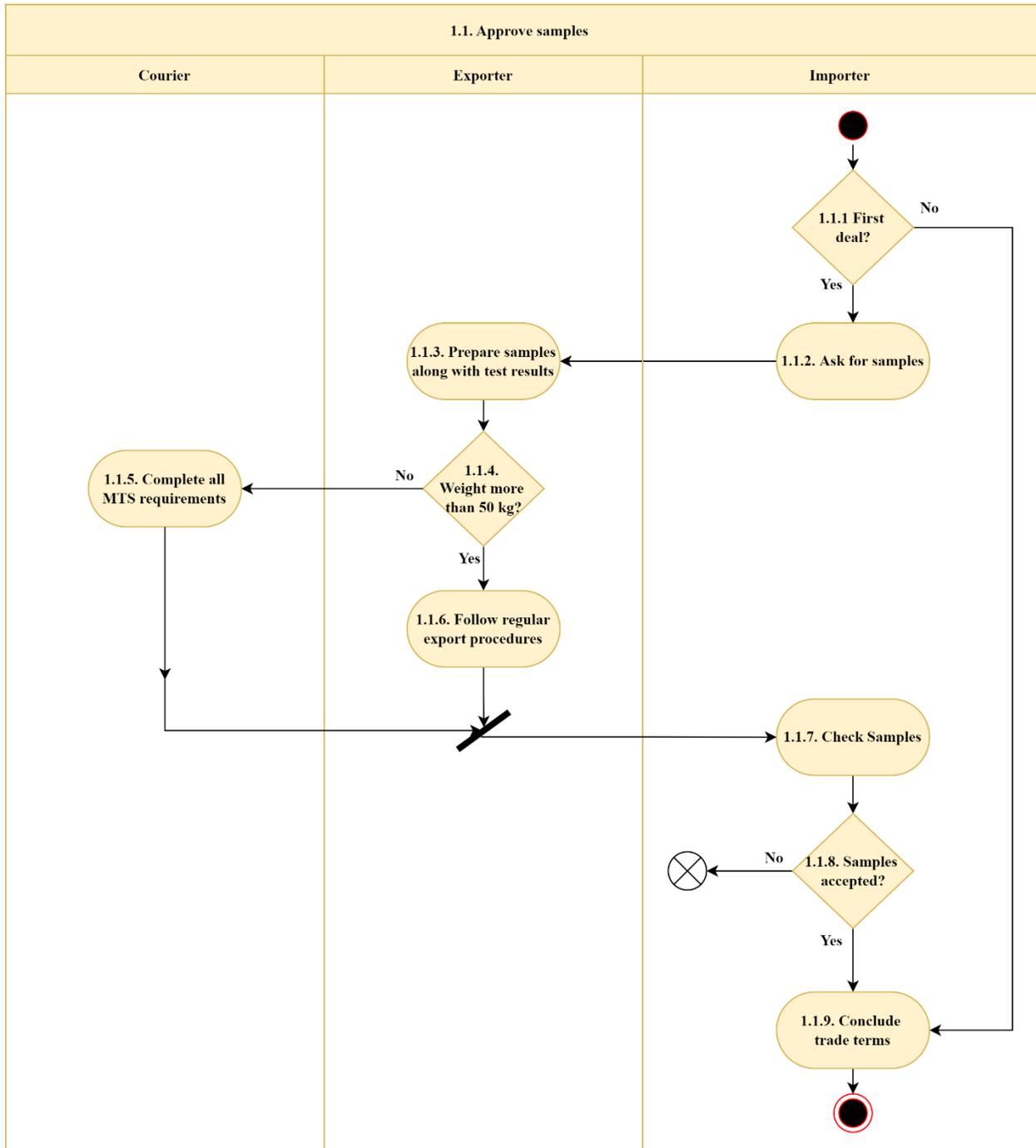
Figure 4.3. “Approve Samples” use case diagram



“Approve Samples” is the first core business process under “Buy” process area. The use case diagram in figure 4.3 suggests that this core business process requires the participation of:

- Foreign buyer(importer)
- Exporter
- Courier company

Figure 4.4. “Approve Samples” activity diagram

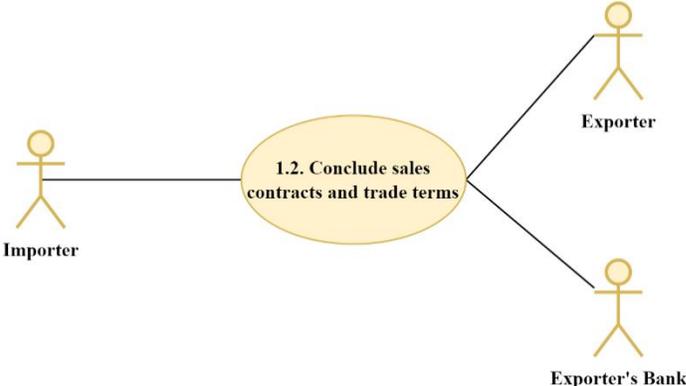


Name of process area	1. Buy
Name of business process	<i>1.1. Approve samples</i>
Related laws, rules, and regulations	-
Process participants	Exporter Foreign buyer(importer) Courier company
Input and criteria to enter/begin the business process	In case of a new client, sometimes the exporter investigates the importing company to make sure it is reliable. This investigation is done via an insurance company and guarantee the payment (like the Export Guarantee Company)
Activities and associated documentary requirements	<p>1.1.1. If it is the first deal between the exporter and the foreign buyer (importer), the foreign buyer asks for a sample to make sure that the exporter is capable of delivering the expected specifications. If it is not the first deal, this step is totally skipped, and they directly negotiate prices and conclude trade terms.</p> <p>1.1.2. The foreign buyer(importer) asks the exporter to manufacture a sample.</p> <ul style="list-style-type: none"> • Usually, the foreign buyer(importer) also asks for a chemical test for each sample. These tests serve as a proof that the sample is suitable for the intended usage. For example, if the product will be used in a swimming pool, the foreign buyer(importer) has to make sure – through chemical tests – that its water absorption does not exceed a certain limit. <p>1.1.3. The exporter manufactures the samples</p> <ul style="list-style-type: none"> • Along with the sample, the exporter also sends the required test result. These tests are always performed by the exporter on a regular basis to be ready when requested by the any client <p>1.1.4. The exporter has to weigh the sample in order to decide how it is going to be sent to the foreign buyer(importer).</p> <p>1.1.5. If the sample is less than 50 kg, the sample is sent via a courier company. In this case the courier has to complete all the procedure required by the MTS window (Observation #10).</p> <p>1.1.6. If the sample is more than 50 kg, the exporter sends it following the regular procedures of any export process (Observation #10).</p> <p>1.1.7. The foreign buyer(importer) receives and checks the sample</p> <p>1.1.8. If the samples are not acceptable, the process is revoked and the foreign buyer(importer) will seek another exporter who can deliver the expected specifications</p>

	1.1.9. If the samples are accepted, he starts negotiating prices and concluding trade terms.
Output criteria to exit the business process	Sample approval
Average time required to complete this business process	3 days

Core business process area 1.2: Conclude sales contract and trade terms

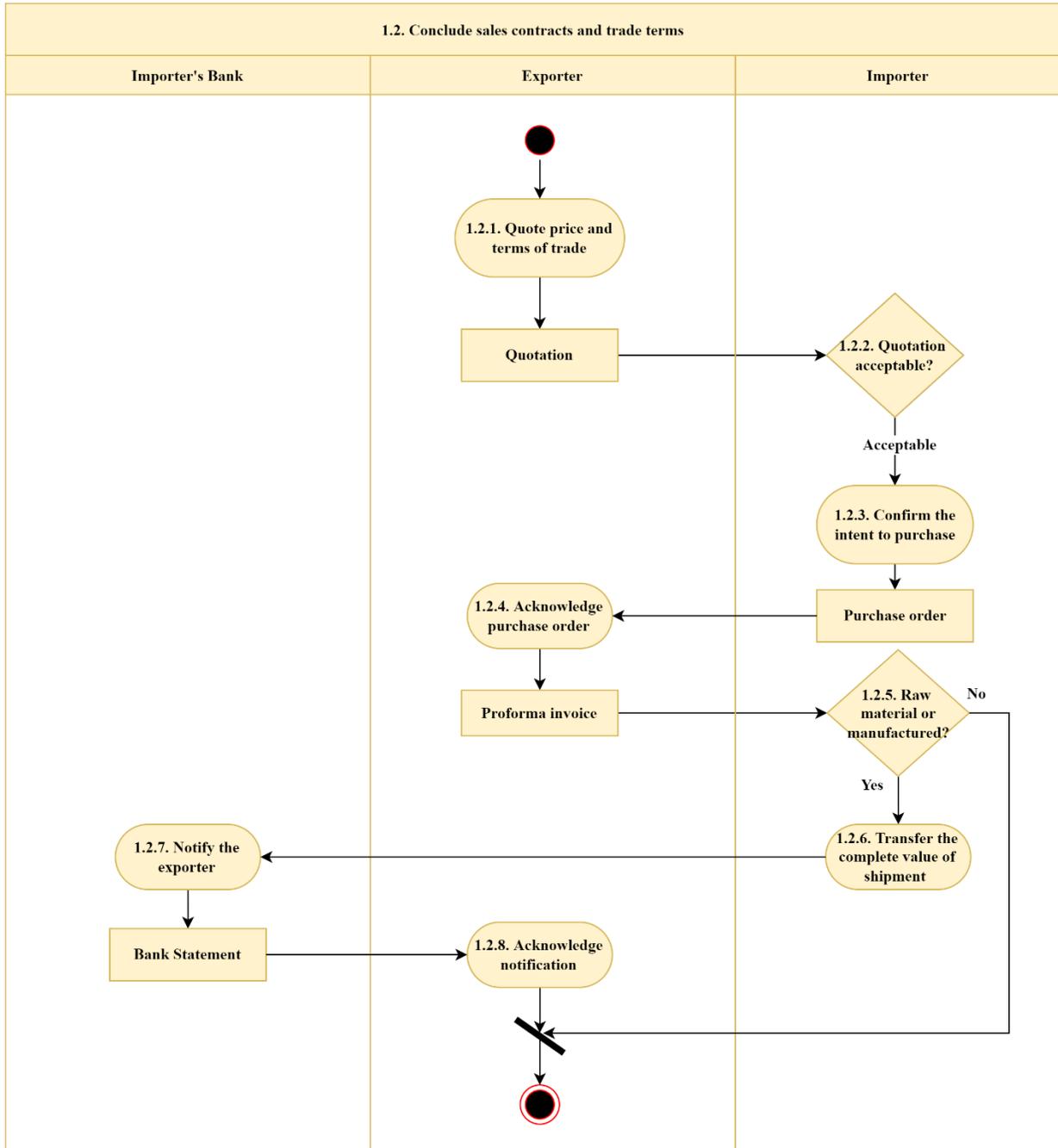
Figure 4.5. “Conclude Sales Contract and Trade Terms” use case diagram



“Conclude sales contract and trade terms” is the second core business process under “Buy” process area. The use case diagram in figure 4.5 suggests that this core business process requires the participation of:

- Foreign buyer(importer)
- Exporter
- Exporter’s Bank

Figure 4.6. “Conclude Sales Contract and Trade Terms” activity diagram

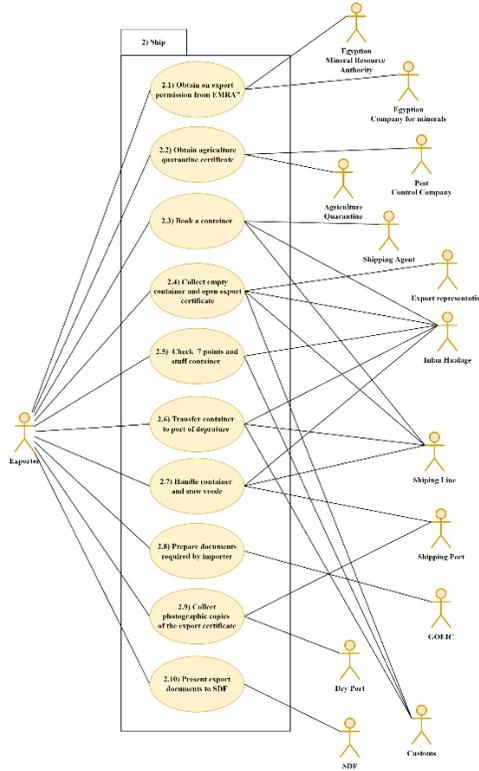


Name of process area	1. Buy
Name of business process	1.2. Conclude sales contract and trade terms
Related laws, rules, and regulations	
Process participants	<ul style="list-style-type: none"> • Exporter • Exporter’s Bank • Foreign buyer(importer)
Input and criteria to enter/begin the business process	Sample approved
Activities and associated documentary requirements	<p>1.2.1. Exporter prepares quotation to inform the foreign buyer(importer) about quoted price and sales terms.</p> <p>1.2.2. Foreign buyer(importer) reviews the quotation and determines if the quoted price and sales terms are acceptable. If they are not acceptable, the foreign buyer(importer) asks the exporter to revise the quoted price and sales terms.</p> <p>1.2.3. If the quoted price and sales terms are acceptable, the foreign buyer(importer) confirms the intent of purchase with a “Purchase Order”.</p> <p>1.2.4. Exporter acknowledges the receipt of Purchase Order and confirms that the “marble and granite products” will be delivered according to established conditions and terms by sending the foreign buyer(importer) a “Proforma Invoice”.</p> <p>1.2.5. If the exported product has some level of manufacturing and is not exported as a raw material, the process stops here and both parties proceed with the next core business process.</p> <p>1.2.6. If the exported product is bulk (raw material with zero added value), the foreign buyer(importer) must pay the full value of the shipment in advance.</p> <p>1.2.7. Exporter’s bank notifies the exporter as soon as a payment is received</p> <p>1.2.8. The exporter acknowledges the notification and receives the settlement document to apply it customs when opening the export certificate.</p>
Output criteria to exit the business process	<p>Proforma invoice/ purchase order between foreign buyer(importer) and exporter that they have concluded trade contract and terms.</p> <p>Based on a Purchase Order, an exporter can prepare goods for export.</p>
Average time required to complete this business process	3 -7 days depending on the bank the exporter is dealing with

Process area 2: Ship

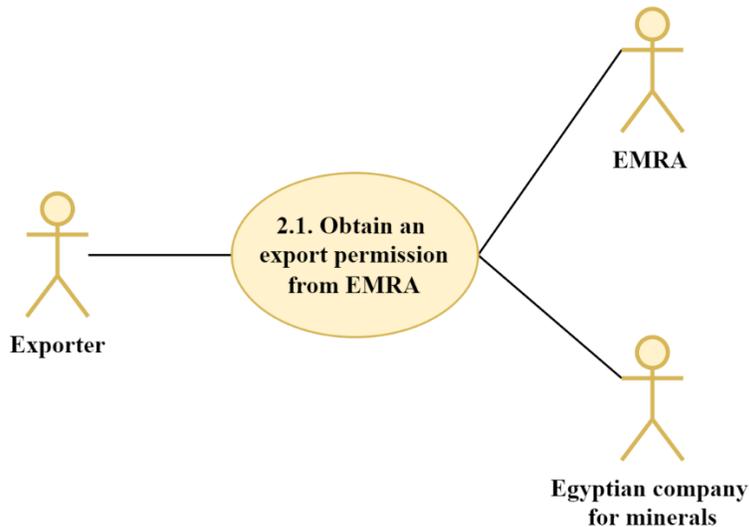
In the context of marble and granite export from Egypt, ship process area consists of 10 core business processes. As shown in figure 4.7, these core business processes deal with both transport and regulatory requirements. They involve the arrangement for cargo movement as well as the completion of customs formalities and necessary actions to meet marble and granite export requirements imposed by government agencies from Egypt.

Figure 4.7. “Buy” use case diagram



Core business process area 2.1: Obtain an export permission from EMRA

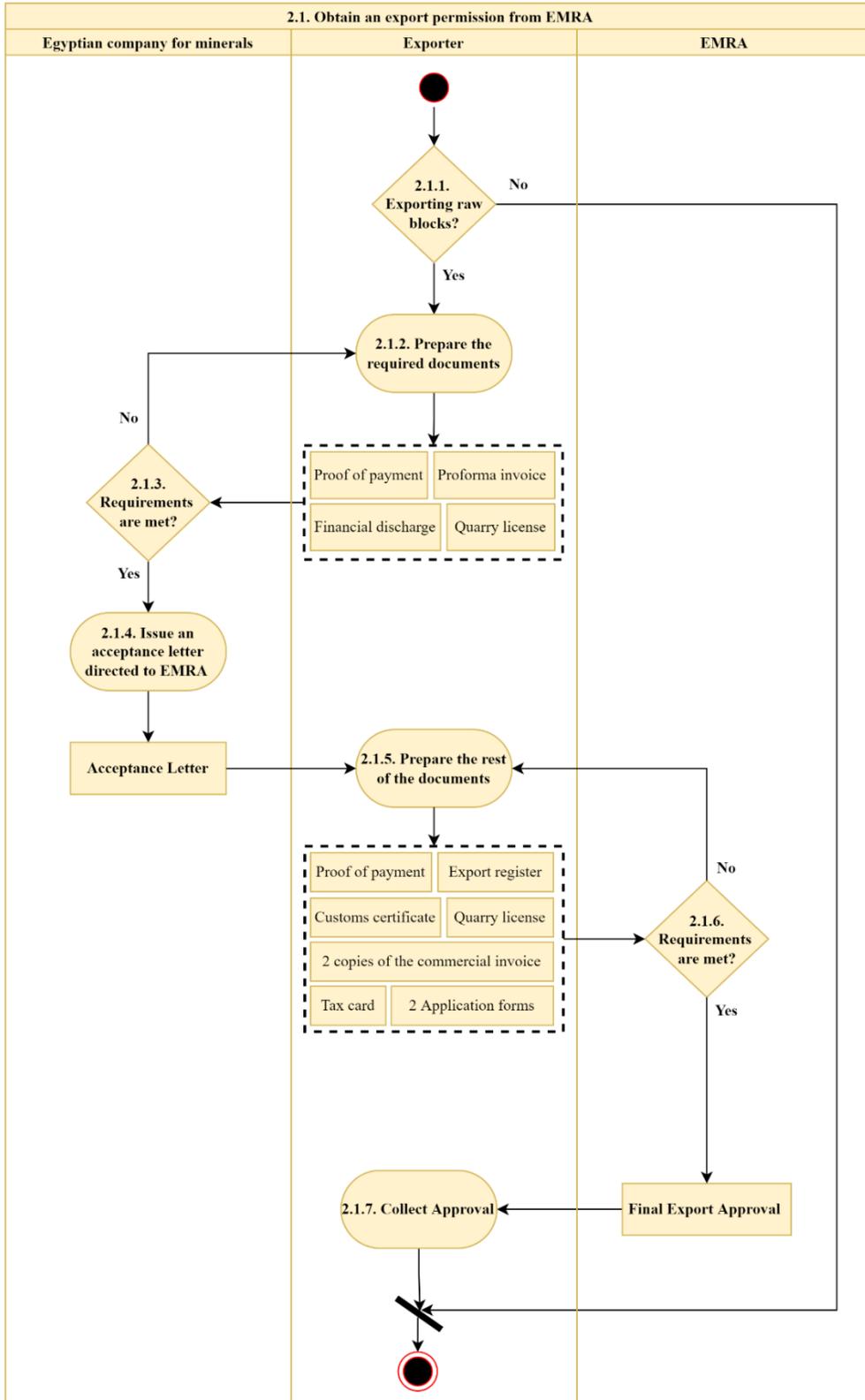
Figure 4.8. “Obtain an Export Permission from EMRA” use case diagram



The use case diagram shown in figure 4.8 suggests that “Obtain an export permission from EMRA” process requires the participation of:

- Exporter
- Egyptian company for minerals
- EMRA: Egyptian Mineral Resource Authority

Figure 4.9. “Obtain an Export Permission from EMRA” activity diagram

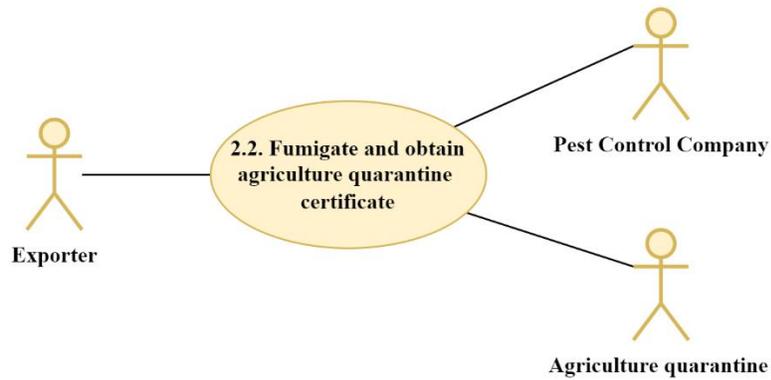


Name of process area	2. Ship
Name of business process	2.1. Obtain an export permission from EMRA
Related laws, rules, and regulations	<ul style="list-style-type: none"> • Mineral Resources Law No. 198 of 2014 • Mineral Resources Law No. 145 of 2019 • Executive regulations No. 108 of 2020
Process participants	<ul style="list-style-type: none"> • Exporter • Egyptian company for minerals • EMRA: Egyptian Mineral Resource Authority • Prime Minister decision No'2292 of 2017 amending some provisions of the executive regulations of the mineral resource law issued by the Prime Ministerial Decree No 1657 of 2015.
Input and criteria to enter/begin the business process	Trade terms between exporter and foreign buyer(importer) has already been concluded
Activities and associated documentary requirements	<p>2.1.1. First of all, if the exported product has some level of manufacturing, then an export permission is not needed. It is only required in case of exporting raw blocks of marble and granite.</p> <ul style="list-style-type: none"> • Due to modern finishing requirements, in many cases customs authorities consider the product as raw where it is in fact manufactured. <p>2.1.2. In case a permission is indeed required, the exporter has to prepare and submit the following documents to the Egyptian company for minerals:</p> <ul style="list-style-type: none"> • <i>Proof of payment:</i> a receipt from the bank indicating that the exporter has completely paid the assigned fees. There are two types of fees, first the exporter has deposited 1 dollar per ton in the company's bank account, second 50 Egyptian pounds per ton should be also deposited. Both types of payments should be performed separately. • <i>Financial clearance/ discharge:</i> typically, a financial clearance from the finance administration at the Egyptian company for minerals indicating that the exporter has completely settled all payment with the company, whether directly related to the current shipment or not. If there are any due payments from the exporter, the export permission will not be issued, even if these due payments do not have anything to do with the shipment at hand • <i>An electronic copy of the proforma invoice</i> • <i>Valid Quarry License</i>

	<p>2.1.3. The concerned department at the Egyptian company for minerals reviews the documents. If they are not complete, the exporter has to make the necessary corrections.</p> <p>2.1.4. If the documents are in fact complete, the company issues a letter directed to the Egyptian Mineral Resource Authority stating that there is no objection to issue an export permission for this exact shipment</p> <p>2.1.5. The exporter receives and submits the letter along with the rest of the required documents to the Egyptian Mineral Resource Authority. These documents are:</p> <ul style="list-style-type: none"> • <i>Proof payment</i>: a receipt from the bank indicating that the exporter has deposited 1800 LE in the authority’s bank account. • <i>Copy of the export certificate</i> • <i>Valid quarry license</i> • <i>2 copies of the commercial invoice</i> • <i>Valid tax card</i> • <i>2 application forms</i> • <i>Copy of the export register</i> <p>2.1.6. The concerned department at the authority reviews the documents. If they are not complete, the exporter has to make the necessary corrections. If the documents are in fact complete, the authority issues a final export permission / approval letter for this exact shipment</p> <p>2.1.7. The exporter collects the approval letter</p>
Output criteria to exit the business process	Approval for exporting marble and granite raw blocks
Average time required to complete this business process	5 days

Core business process area 2.2: fumigate and obtain agriculture quarantine certificate

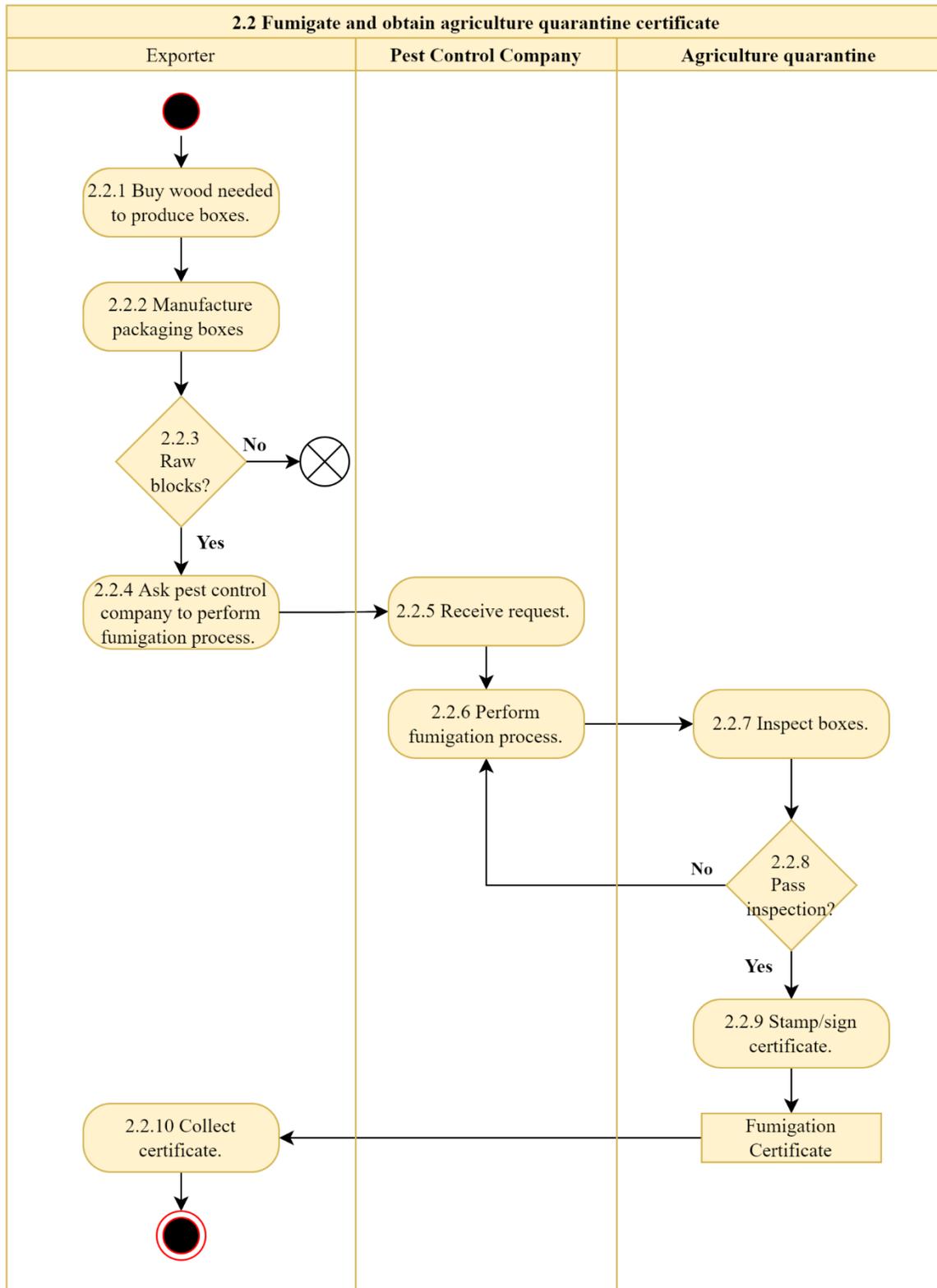
Figure 4.10. “Fumigating and Obtaining Agriculture Quarantine Certificate” use case diagram



The use case diagram shown in figure 4.10 suggests that “fumigating and obtaining agriculture quarantine certificate” process requires the participation of:

- Exporter
- Pest control company
- Agriculture quarantine

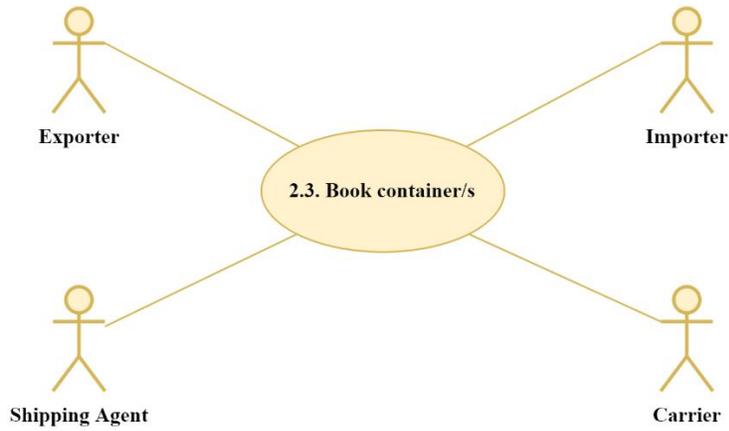
Figure 4.11. “Fumigating and Obtaining Agriculture Quarantine Certificate” activity diagram



Name of process area	2. Ship
Name of business process	<i>2.2. Fumigate and obtain agricultural quarantine certificate</i>
Related laws, rules, and regulations	---
Process participants	<ul style="list-style-type: none"> • Exporter • Pest control company • Agriculture quarantine representative
Input and criteria to enter/begin the business process	
Activities and associated documentary requirements	<p>2.2.1. Exporter buys the wood needed to produce the packages/wooden boxes.</p> <p>2.2.2. Exporter produces the packaging boxes.</p> <p>2.2.3. If the exported product is raw block of marble and granite, a fumigation certificate is not required.</p> <p>2.2.4. If the exported product is a final product (has some level of manufacturing and added value), the exporter asks the pest control company to fumigate the wooden packages and boxes.</p> <p>2.2.5. The pest control company receives the order sent by the exporter.</p> <ul style="list-style-type: none"> • The pest control company must be licensed and certified from the ministry of agriculture. <p>2.2.6. The pest control company starts the fumigation process (steaming& sterilizing).</p> <ul style="list-style-type: none"> • Boxes are usually left under plastic cover for 24 hours. <p>2.2.7. Agriculture quarantine representative inspects the boxes after completing the fumigation process.</p> <p>2.2.8. If the boxes do not pass the inspection, then the exporter needs to repeat the fumigation. If the boxes pass inspection, then will move to the next step.</p> <p>2.2.9. Agriculture quarantine representative issues a stamped certificate indicating that the packaging boxes have been properly fumigated.</p> <p>2.2.10. Exporter collects the certificate.</p>
Output criteria to exit the business process	Agricultural quarantine certificate
Average time required to complete this business process	1 day

Core business process area 2.3: Book Container

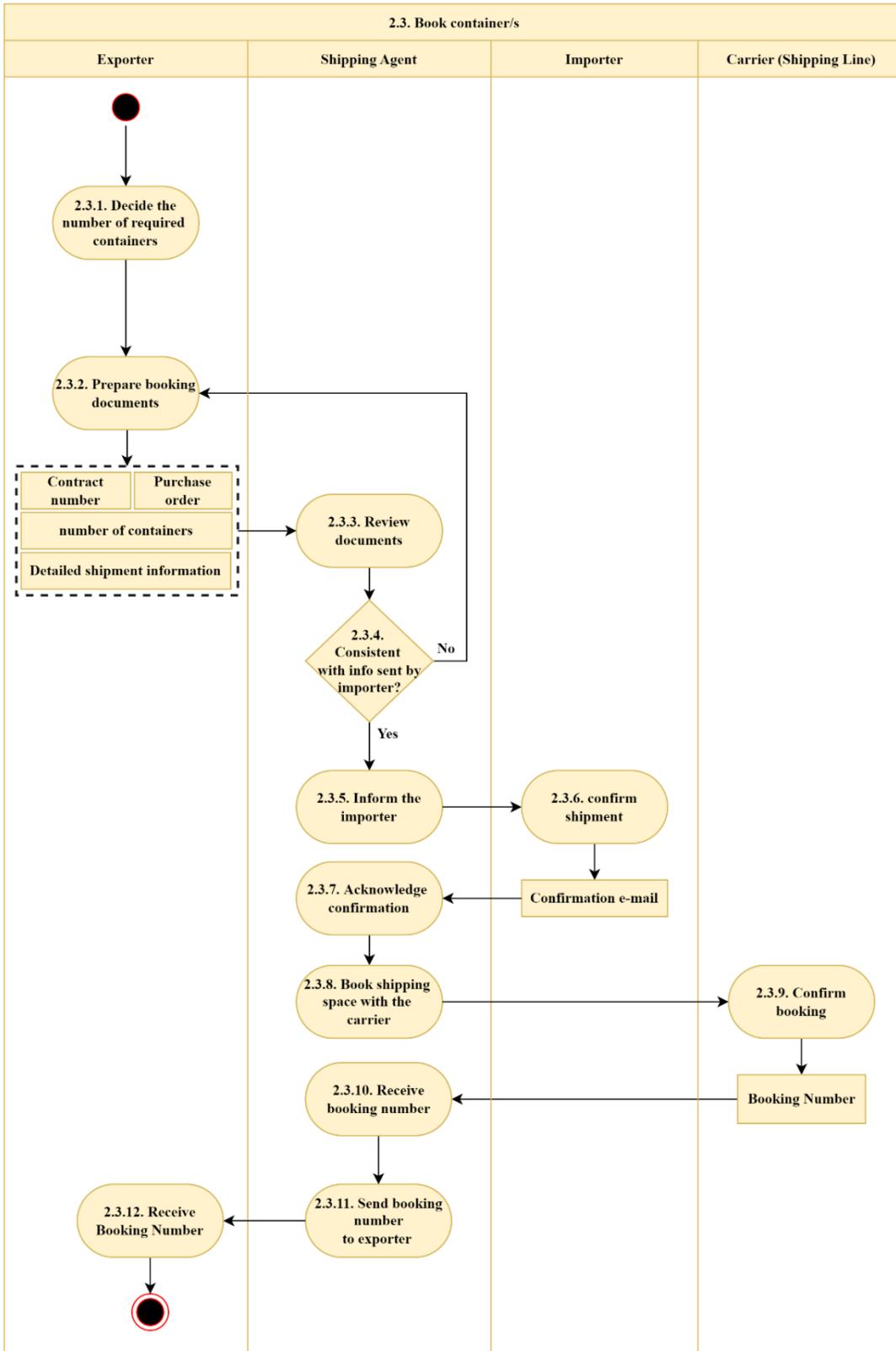
Figure 4.12. “Book Container” use case diagram



The use case diagram shown in Figure 4.12 suggests that “Book Container” process requires the participation of:

- Exporter
- Foreign buyer(importer)
- Shipping Agent
- Carrier

Figure 4.13. “Book Container” activity diagram

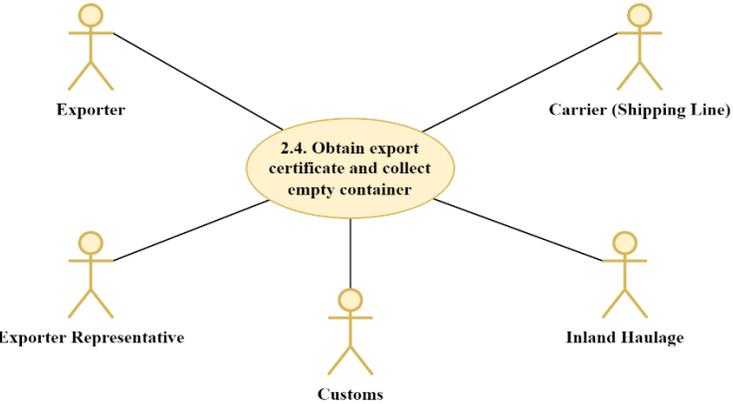


Name of process area	2. Ship
Name of business process	2.3. Book Container
Related laws, rules, and regulations	<ul style="list-style-type: none"> ● Resolution No. 800 of 2016 issuing a regulation regulating the conduct of activities and works related to maritime transport and fees for its usage. ● Procedures Circular No. 1 of 2022 regarding the cycle of procedures for incoming and outgoing shipments. ● Law No. 73 of 2019 establishing the internal and international land transport organization.
Process participants	<ul style="list-style-type: none"> ● Exporter ● Shipping Agent ● Foreign buyer(importer) ● Carrier (Shipping Line)
Input and criteria to enter/begin the business process	Exporter already completed the manufacturing and packing process.
Activities and associated documentary requirements	<p>2.3.1. Exporter decides the required number of containers to be booked</p> <ul style="list-style-type: none"> ● Due to the heavy weight of the marble and granite, containers have certain specifications: 20-foot container. <p>2.3.2. Exporter prepares the booking documents that include: contract number, the purchase order, no ‘of containers and the detailed shipment information.</p> <ul style="list-style-type: none"> ● If the exporting agreement is done on a CIF basis the exporter does the booking, however, if the exporting agreement is done on FOB basis, the exporter communicates with the shipping agent/ freight forwarder who is in charge of the booking. <p>2.3.3. The Shipping Agent reviews the documents to ensure consistency of information sent earlier by the foreign buyer(importer).</p> <p>2.3.4. If the information is not consistent with that sent by the foreign buyer(importer) the exporter prepares the documents again.</p> <p>2.3.5. If the information is consistent with that sent by the foreign buyer(importer), the agent informs the foreign buyer(importer).</p> <p>2.3.6. The foreign buyer(importer) confirms the shipment accordingly and sends a confirmation email to the shipping agent with all the detailed information of the shipment.</p> <p>2.3.7. The shipping agent then receives the email and acknowledges this confirmation.</p> <p>2.3.8. The shipping agents start to book a shipping space with the carrier or the shipping line.</p>

	<p>2.3.9. The carrier confirms the booking and issues a booking number and sends it back to the shipping agent.</p> <p>2.3.10. The shipping agent receives this number.</p> <p>2.3.11. The shipping agent sends the booking number to the exporter.</p> <p>2.3.12. The exporter receives the booking number of his shipment.</p>
Output criteria to exit the business process	Booking number of the shipment, that is, the exporter has now a slot on the shipping line.
Average time required to complete this business process	1 Hour

Core business process area 2.4: Obtain export certificate and collect empty container

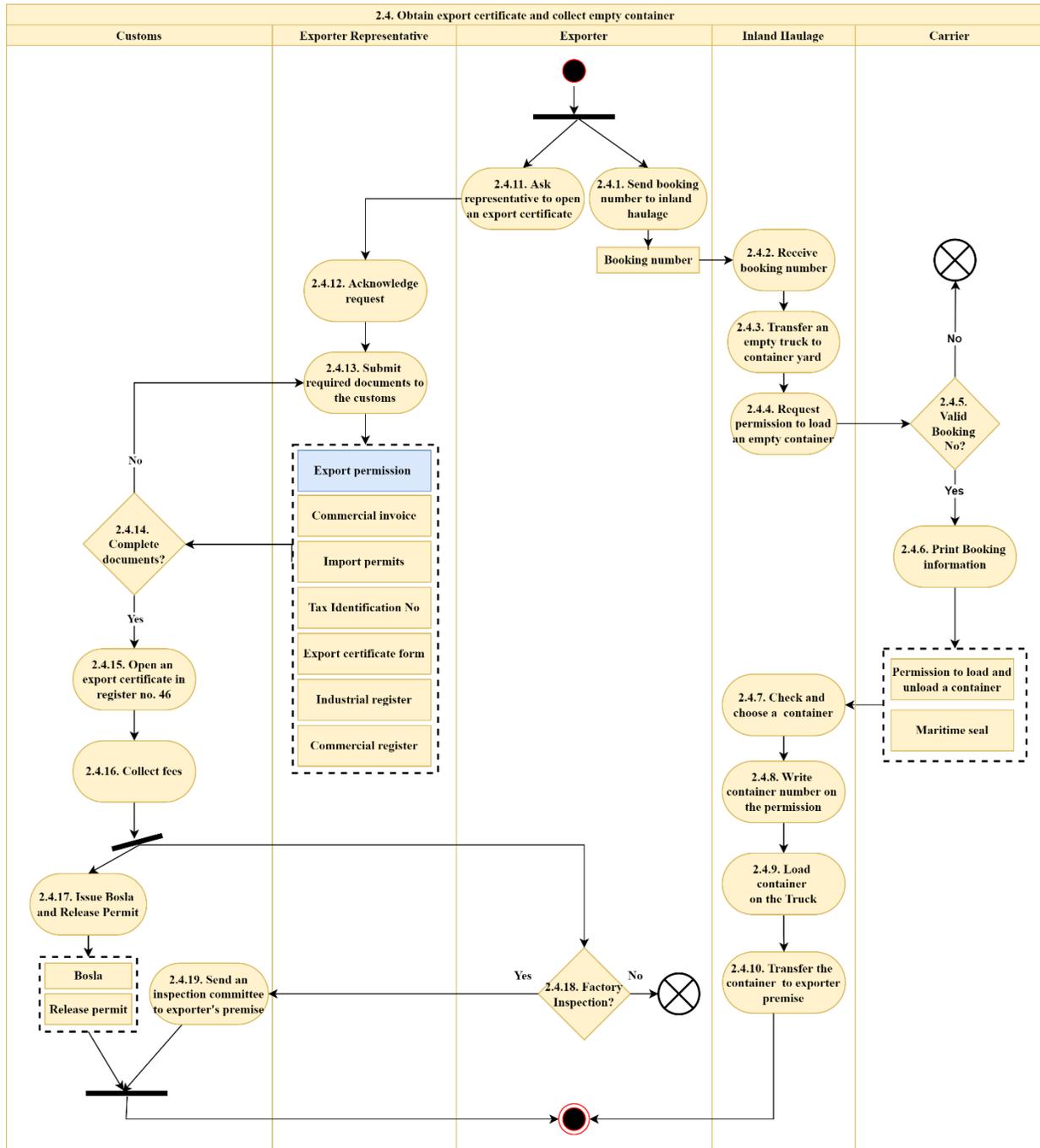
Figure 4.14. “Obtain Export Certificate and Collect Empty Container” use case diagram



The use case diagram shown in figure 4.14 suggests that “Obtain export certificate and collect empty container” process requires the participation of:

- Exporter
- Exporter Representative
- Customs
- Inland Haulage
- Carrier

Figure 4.15. “Obtain Export Certificate and Collect Empty Container” activity diagram



Name of process area	2. Ship
Name of business process	2.4. Obtain export certificate and collect empty container
Related laws, rules, and regulations	<ul style="list-style-type: none"> • Customs Law No. 207 of 2020 and its executive regulations issued by Minister of Finance Decree No. 430 of 2021. • Decision of the Minister of Finance No. 40 of 2017 regarding the activation of the unified customs declaration SAD. • Procedures Circular No. 24 of 2019 regarding the used and developed pathways for customs declaration. • Decision of the Minister of Trade and Industry No'82 of 2021 regarding the continuation of imposing an export tax on some mineral ores. • Decision No'96 of 2020 regarding the continuation of imposing an export tax on some mineral ores. • Decision of the Minister of Trade and Industry No'99 of 2019 regarding the continuation of imposing an export tax on some mineral ores. • Ministerial decision No'50 of 2022 regarding the continuation of imposing an export tax and amending the tax category on some mineral ores.
Process participants	<ul style="list-style-type: none"> • Exporter • Exporter Representative • Customs • Inland Haulage • Carrier
Input and criteria to enter/begin the business process	<ul style="list-style-type: none"> • Exporter already completed the manufacturing and packing process. • Container booking has been already made.
Activities and associated documentary requirements	<p>2.4.1. Exporter sends the booking number to the Inland Haulage.</p> <p>2.4.2. Inland Haulage receives the booking number that will allow the company to pick the container from the shipping line.</p> <p>2.4.3. Inland Haulage transfers an empty truck to the container yard to load the needed empty containers.</p> <p>2.4.4. Inland Haulage will request a permission from the carrier to load the empty container to the trucks.</p> <p>2.4.5. The carrier checks the validity of the booking number, if it is not valid the process provoked.</p> <p>2.4.6. If the carrier found that the booking number is valid, it prints out the booking information and delivers the following:</p> <ul style="list-style-type: none"> - Permission to load and unload the container;

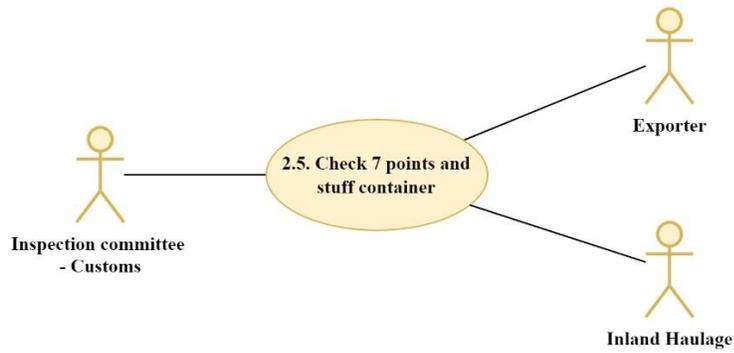
	<ul style="list-style-type: none"> - Maritime Seal. <p>2.4.7. The Inland haulage here checks the documents and chooses a container.</p> <ul style="list-style-type: none"> - The lack of safe transport companies. Most trucks (trailers) in the shipping companies are old, dilapidated and constantly break down. - Containers are not constantly available. Sometimes there is a reservation on shipping freight, but there are no containers free of defects. - Containers always have defects: Cut, puncture or unacceptable smell. In many cases, the container is loaded with fish or herbs, and must be cleaned well. - There is an authority in the port affiliated with the shipping line entrusted with cleaning the containers, but their work is just paperwork and mere formalities with no real results. - The inland haulage company work is often delayed due to the presence of defects in the containers and the need to replace them (once or twice a week). If the inland haulage receives a defective container from the port, upon returning it to the port, the shipping line assumes that the transport company is responsible for these defects, and a repair fine of up to \$500 is charged. - Late arrival of empty containers to the port, and consequently late container pickup by the local transport company. It may take 3 or 4 days until containers are available. - The driver may wait a full day to load the container awaiting assignment by the Port's Authority of the equipment to be used to lift the container onto the truck. The same is true for loading. <p>2.4.8. Inland Haulage inserts the container number in the permission.</p> <p>2.4.9. Inland Haulage loads the empty container on the truck.</p> <ul style="list-style-type: none"> • Due to the heavy weight of the marble and granite, containers have certain specifications: 20-foot container. <p>2.4.10. Inland Haulage transfers back the empty container to the exporter premises.</p> <p>2.4.11. Exporter asks his/her representative, at the same time, to obtain an export certificate from customs.</p> <ul style="list-style-type: none"> - Some ports have started to activate the NAFEZA to obtain the export certificate, however it is not operational yet in all ports, and partly operating in other ports. <p>2.4.12. Exporter representative acknowledges the request.</p> <p>2.4.13. Exporter representative submits the required documents to the customs, or upload in the MTS, including:</p> <ul style="list-style-type: none"> - Export permission (<i>required only in case of exporting raw blocks</i>) - Commercial Invoice - Tax Identification Number
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	<ul style="list-style-type: none"> - Export Certificate Form (if not applied via MTS) - Commercial Register - Exporter register - Industrial Register/ Mining and quarry and export permit certificate <p>2.4.14. The customs office checks if the documents are complete, if they are not complete the exporter representative completes them and resubmits them.</p> <p>2.4.15. If the documents are complete, MTS employee at customs uploads all documents to the MTS system and a certificate is opened for the exporter in register (No. 46) that records all the shipment information.</p> <p>2.4.16. The customs office collects the fees.</p> <ul style="list-style-type: none"> - In case of the blocks, an export tax is paid: 400 LE/Ton <p>2.4.17. The customs office issues the necessary documents:</p> <ul style="list-style-type: none"> - Release permit - BOSLA: a document containing detailed information about the exporter, the foreign buyer(importer), and the shipment. <p>2.4.18. The exporter decides whether inspection will be performed at port or at the factory</p> <p>2.4.19. In case of factory inspection, the customs send an inspection committee to the factory.</p> <ul style="list-style-type: none"> • The exporter has to pay extra fees in order to have the inspection performed at the factory • The inspection committee consists of a customs officer (for customs inspection), an engineer from GOEIC (for technical inspection), and an engineer from the agricultural quarantine • The GOEIC export engineer is responsible for checking the specification of the product, he is the one that decides whether the product is raw or manufactured and also decides the type and level of added value precisely.
Output criteria to exit the business process	<p>Exporter has registered his/her shipment information on the NAFZA (MTS platform)</p> <p>Exporter has his empty container(s) ready for the next stage of stuffing with goods.</p>
Average time required to complete this business process	<p>Direct duration 5 hours</p> <p>Indirect time 3 days⁷</p>

⁷ Indirect time is the time consumed by Inland Haulage during loading and transferring the container from the port to the factory and then returning it to the port again after being loaded.

Core business process area 2.5: Check 7 points and stuff container

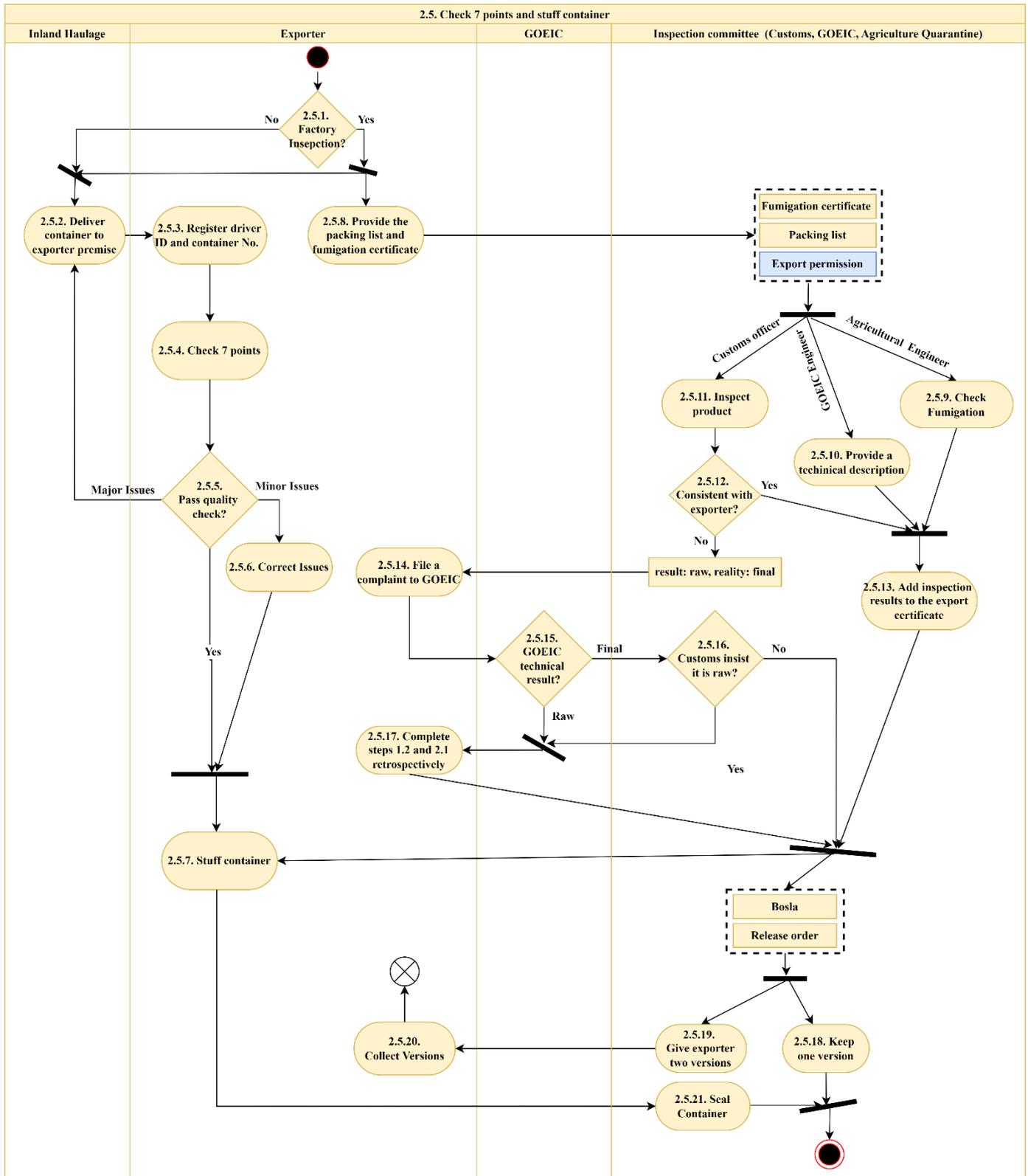
Figure 4.16. “Check 7 Points and Stuff Container” use case diagram



The use case diagram shown in figure 4.16 suggests that “Check 7 points and stuff container” process requires the participation of:

- Exporter
- Inspection Committee
- Inland Haulage

Figure 4.17. “Check 7 Points and Stuff Container” activity diagram



Name of process area	2. Ship
Name of business process	2.5. Check 7 points and stuff container
Related laws, rules, and regulations	<ul style="list-style-type: none"> • Customs Law No. 207 of 2020 and its executive regulations issued by Minister of Finance Decree No. 430 of 2021. • Decision of the Minister of Finance No. 40 of 2017 regarding the activation of the unified customs declaration SAD. • Presidential Decree No. 106 of 2000 Facilitating Examination and Control Procedures on Exported and Imported Goods. • Procedures Circular No. 20 of 2020 regarding the customs BOSLA • Procedures Circular No. 24 of 2019 regarding the used and developed pathways for customs declaration
Process participants	<ul style="list-style-type: none"> • Inland Haulage • Exporter • Inspection Committee
Input and criteria to enter/begin the business process	<ul style="list-style-type: none"> • Exporter already completed the manufacturing and packing process. • Container has been already transferred to the factory. • An exporting certificate has been already opened.
Activities and associated documentary requirements	<p>2.5.1. The process will differ based on whether the exporter decided to perform the inspection at the factory or at the port</p> <p>2.5.2. In both cases, Inland Haulage delivers an empty container to the exporter premise.</p> <p>2.5.3. Exporter registers the driver ID and the empty container number.</p> <p>2.5.4. Exporter checks the list of the 7 points, that the container is in a good case, free of any defects or damages such as holes or bad smells, its ceil and walls are intact.</p> <p style="padding-left: 40px;">- Containers always have defects: Cut, puncture or unacceptable smell.</p> <p>2.5.5. If there are major issues appeared in the check, it is returned to shipping line by Inland Haulage and another one is picked.</p>

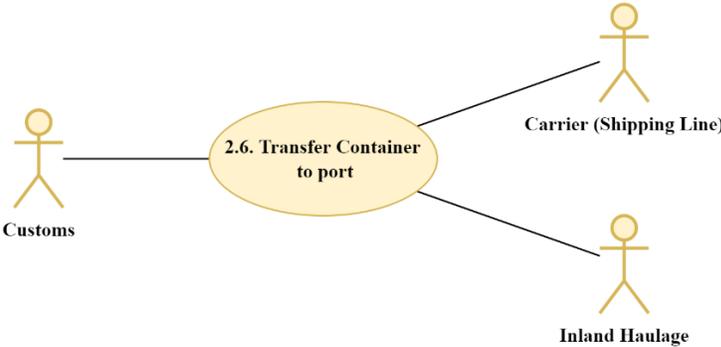
	<ul style="list-style-type: none">- The internal transport company work is often delayed due to the presence of defects in the containers and the need to replace them (once or twice a week). If the transport company receives a defective container from the port, upon returning it to the port, the shipping line assumes that the transport company is responsible for these defects, and a repair fine of up to \$500 is charged. <p>2.5.6. If the check revealed minor issues, exporter corrects them and moves to the next step.</p> <p>2.5.7. If no issues appeared during the check, and the condition of the container meets the condition specified in the check 7, the exporter can stuff the container with the goods.</p> <p>2.5.8. The exporter might decide to perform the inspection at the factory, in this case he/she provides the inspection committee with the packing list for the shipment, the fumigation certificate, and the export permission (<i>in case of exporting raw blocks of marble and granite</i>), which serves as the basis for inspection. Each pack has certain number, specifications, and measurements.</p> <ul style="list-style-type: none">- The inspection committee consists of a customs officer (for customs inspection), an engineer from GOEIC (for technical inspection), and an engineer from the agricultural quarantine. <p>2.5.9. The committee goes to the factory to inspect the goods before loading, to avoid unloading the goods and inspecting them at the shipping port for protection. However, inspection might be repeated at the port again.</p> <p>2.5.10. The agricultural quarantine engineer, he inspects the wooden material to verify that the fumigation has been performed properly. He also determines the exact date before which the shipment should be exported, otherwise the fumigation should be repeated all over again.</p>
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	<p>2.5.11. GOEIC export engineer is responsible for checking the specification of the product, he is the one that decides the type and level of added value precisely, he also provides a detailed technical description of product specifications.</p> <p>2.5.12. The customs officer inspects the goods in terms of numbers and quantities.</p> <p>2.5.13. The customs officer decides whether his inspection is consistent with what the exporter believes to be the true description of the product.</p> <p>2.5.14. If the inspection was consistent, all of the 3 inspectors add his own findings to the export certificate.</p> <p>2.5.15. However, exporters reported that usually customs officers confuse raw block with final products, causing further delays in the process.</p> <p>2.5.16. In this case, the exporter resort to GOEIC in order to decide whether it is a final product as the exporter insists or it is a raw block as the customs argue.</p> <p>2.5.17. If GOEIC concluded that is it a final product and the customs officer did not object, we move with the next steps of stuffing the container</p> <p>2.5.18. However, in many cases the customs insist that the product is a raw material even if GOEIC reported that it is a final product. In this case the client need to transfer the total value of the shipment (business process number 1.2) and also the exporter has to obtain an export permission from EMRA.</p> <p>2.5.19. Upon the completion of the preceding requirements, and the inspection committee issues and keeps one version of the following documents:</p> <ul style="list-style-type: none">- BOSLA- Release Order <p>2.5.20. The inspector gives the exporter two versions of the documents.</p>
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	2.5.21. The inspection committee seals the container
Output criteria to exit the business process	The container is stuffed with goods and has the seal number and necessary documents for the next step (BOSLA and Release Order).
Average time required to complete this business process	6 Hours (assuming that there is no default in the container) Informal payments (money/goods)

Core business process area 2.6: Transfer container to port

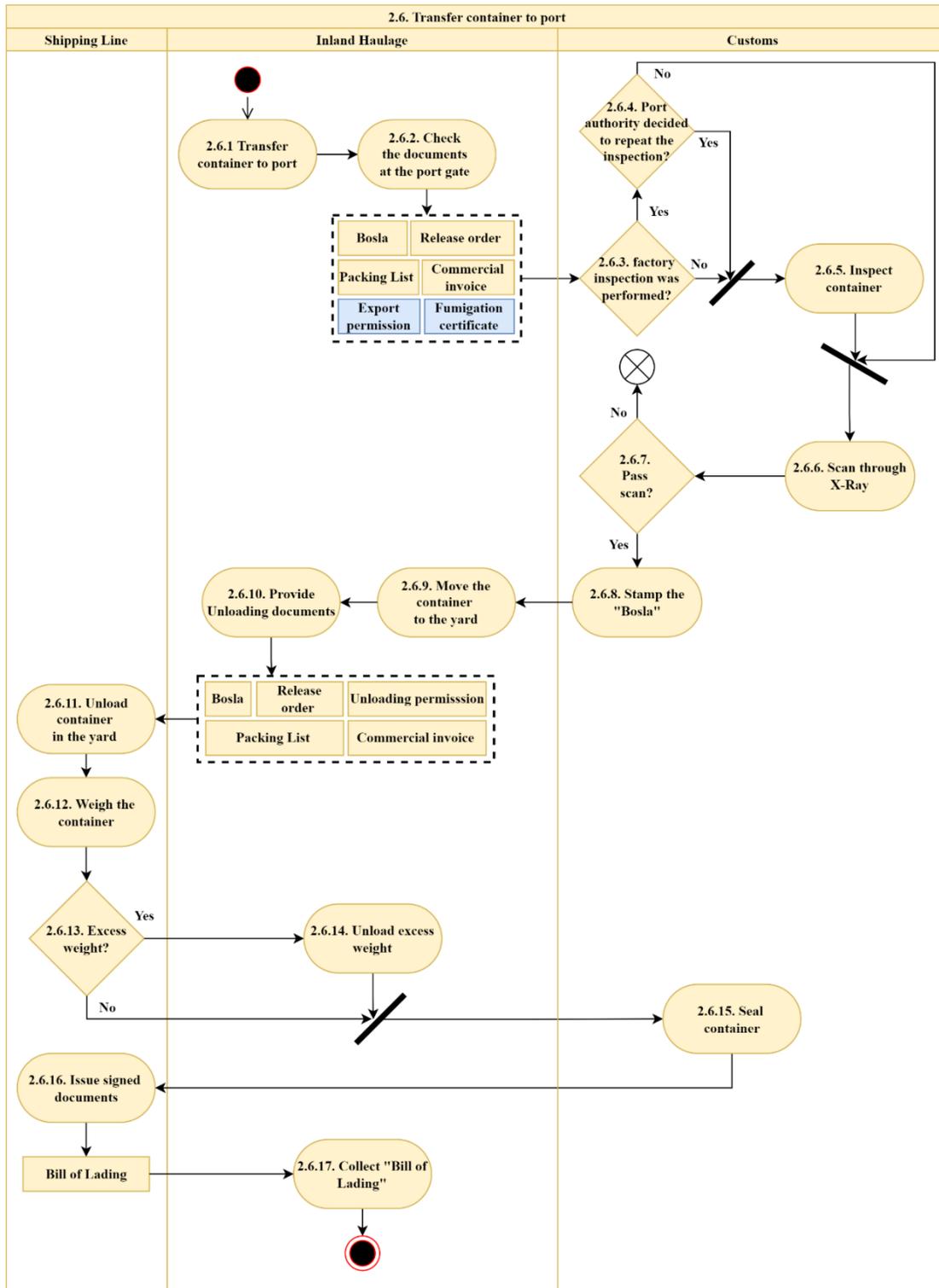
Figure 4.18. “Transfer Container to Port” use case diagram



The use case diagram shown in figure 4.18 suggests that “Transfer container to port” process requires the participation of:

- Customs
- Carrier (Shipping Line)
- Inland Haulage

Figure 4.19. "Transfer Container to Port" activity diagram



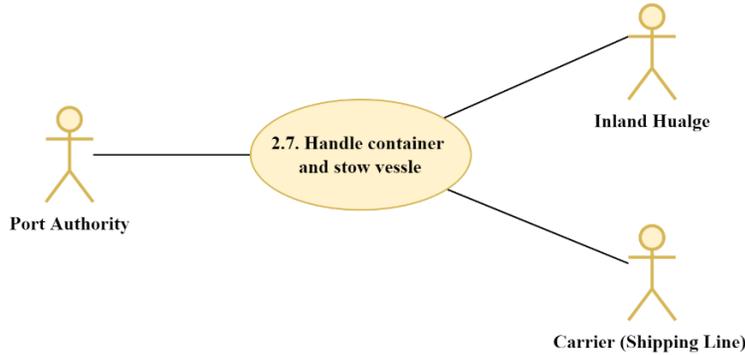
Name of process area	2. Ship
Name of business process	2.6. Transfer container to port
Related laws, rules, and regulations	<ul style="list-style-type: none"> • Decision of the Minister of Finance No. 40 of 2017 regarding the activation of the unified customs declaration SAD • Presidential Decree No. 106 of 2000 Facilitating Examination and Control Procedures on Exported and Imported Goods • Procedures Circular No. 20 of 2020 regarding the customs BOSLA • Procedures Circular No. 24 of 2019 regarding the used and developed pathways for customs declaration
Process participants	Shipping Line Inland Haulage Customs
Input and criteria to enter/begin the business process	<ul style="list-style-type: none"> • Container has been already stuffed and sealed • BOSLA is filled in with the details of the shipment
Activities and associated documentary requirements	<p>2.6.1. Inland Haulage company transfers container to the port.</p> <ul style="list-style-type: none"> - Truck overcrowding and the long time it takes to enter or exit the port, as not all port gates are opened to trucks. Often only 2 out of 5 gates are operated due to insufficient customs officers. - The port is closed to containers at 11 pm, and in the event of a football match or a personal circumstance for the gate staff, they may leave work at 7 or 9 pm. - Security men at the gates of the port, and inside it, represent a severe obstacle. The entry or exit of the truck is not allowed without the payment of an informal tip. Priority of standing in line to unload the container is also determined by the size of the tip. Ministry of Interior employees may give precedence to those who pay higher tips in the unloading process, and if any driver in the queue objects, his license is confiscated; so, everyone either stays silent or pays. <p>2.6.2. Customs office checks documents provided by the Inland Haulage at the port gate before entering to the quay, that the seal number completely matches the one in the BOSLA and the other documents including:</p> <ul style="list-style-type: none"> - Release Order - Packing List - Commercial Invoice - Export permission (for blocks) - Fumigation certificate (for final products)

	<p>2.6.3. The port customs check whether the inspection has been performed at the factory or not.</p> <p>2.6.4. Even if the shipment has been inspected at the factory, port inspection still has right to break the seal and inspect the very same goods again.</p> <p>2.6.5. If factory inspection did not take place, the inspection committee checks the shipment against the specifications in the documents.</p> <ul style="list-style-type: none"> • The inspection committee consists of a customs officer (for customs inspection), an engineer from GOEIC (for technical inspection), and an engineer from the agricultural quarantine. • The customs officer inspects the goods in terms of number and quantities • The GOEIC export engineer is responsible for checking the specification of the product. He is the one that decides the type and level of added value precisely, and provides a detailed technical description of product specifications. • As for the agricultural quarantine engineer, he inspects the wooden material to verify that fumigation has been performed properly <p>2.6.6. After inspection – whether at factory or port – the container must be scanned by x-ray.</p> <p>2.6.7. If the x-ray revealed any fraud, the process is revoked, and the exporter will be subject to trial</p> <p>2.6.8. If the x-ray scan went without inconsistencies, the customs officer stamps the BOSLA and gives it to the transport agent (Inland Haulage).</p> <p>2.6.9. The Inland Haulage transfers the container to the yard of the reserved shipping line.</p> <p>2.6.10. The Inland Haulage provides the necessary documents to prove that the container is in place and ready to unload. Documents include:</p> <ul style="list-style-type: none"> - BOSLA - Release Order - Unloading Permission - Packing List - Commercial Invoice <p>2.6.11. The shipping line unloads the container to the yard.</p> <p>2.6.12. The container is then weighed</p> <ul style="list-style-type: none"> • Containers must be weighed by the shipping line before being loaded onto the ship to determine the exact size of the cargo. In most cases, not all scales are operational because there are not enough port personnel. Sometimes the weighing process can take a whole day.
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	<p>2.6.13. The shipping line decides whether there is an excess weight or not based on the capacity of the container.</p> <p>2.6.14. If there is an excess weight, it should be unloaded. In this case, the exporter will need to amend the weight in all relevant documents such as the commercial invoice, shipping documents, and the export certificate.</p> <p>2.6.15. The container is then sealed in presence of the inspection committee, inland haulage driver, and exporter representative</p> <p>2.6.16. The shipping Line issues the Bill of Lading.</p> <p>2.6.17. Inland Haulage collects Bill of Lading.</p> <ul style="list-style-type: none"> - The bill of lading either is sent to the foreign buyer(importer) with the rest of the documents or remains with the shipping line and a telex release is issued.
Output criteria to exit the business process	<p>The container unloaded to the shipping line</p> <p>The exporter has the Bill of Lading</p>
Average time required to complete this business process	<p>Direct duration 6 hours</p> <p>Indirect duration 2 days</p> <p>Informal payments</p>

Core business process area 2.7: Handle container and Stow container into a vessel

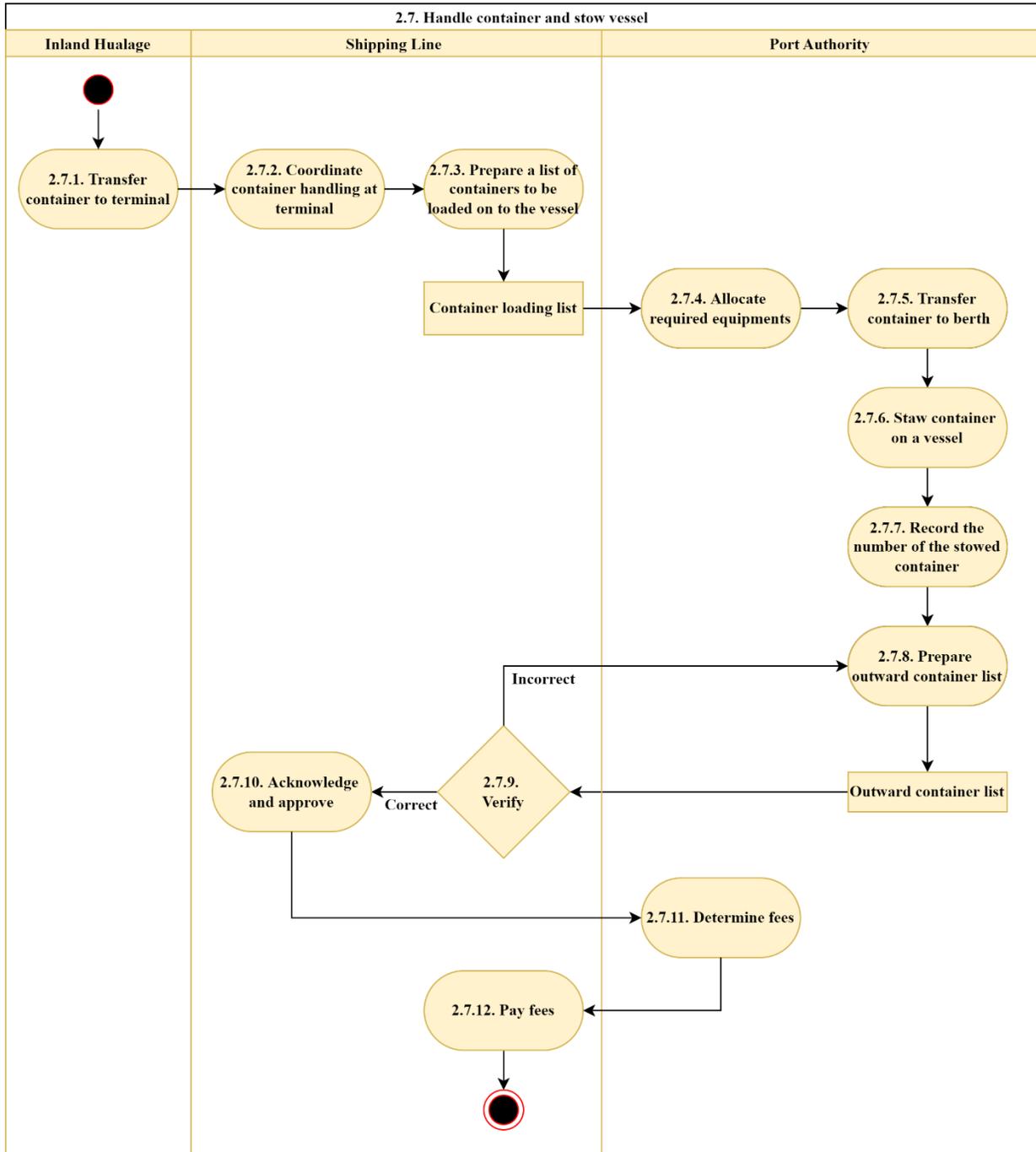
Figure 4.20. “Handle Container and Stow Vessel” use case diagram



The use case diagram shown in Figure 4.20 suggests that “handle container and stow vessel” process requires the participation of:

- Port Authority
- Carrier (Shipping Line)
- Inland Haulage

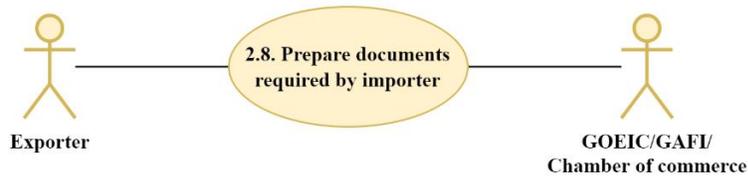
Figure 4.21. “Handle Container and Stow Vessel” activity diagram



Name of process area	2. Ship
Name of business process	2.7. Handle container and stow vessel
Related laws, rules, and regulations	<ul style="list-style-type: none"> ● Resolution No. 800 of 2016 issuing a regulation regulating the conduct of activities and works related to maritime transport and fees for its usage. ● Procedures Circular No. 1 of 2022 regarding the cycle of procedures for incoming and outgoing shipments. ● Law No. 73 of 2019 establishing the internal and international land transport organization.
Process participants	Shipping line Inland Haulage Port authority
Input and criteria to enter/begin the business process	<ul style="list-style-type: none"> ● Container has been already sealed with maritime seal and unloaded in the shipping yard.
Activities and associated documentary requirements	<p>2.7.1. Inland Haulage transfers the container to the terminal.</p> <p>2.7.2. The Shipping Line coordinates the handling process at the terminal.</p> <p>2.7.3. The Shipping Line prepares a list of containers to be loaded into the vessel and delivers a container loading list to the Port's Authority.</p> <p>2.7.4. Port's authority allocates the required equipment to load containers.</p> <p>2.7.5. Using the equipment, Port's Authority transfers the container to the landing place.</p> <p>2.7.6. Port's Authority stows the container into the vessel.</p> <p>2.7.7. Port's authority records the number of the stowed container.</p> <p>2.7.8. Port's authority prepares an outward container list.</p> <p>2.7.9. The Shipping Line verifies the outward list, if it is incorrect it returns to Port's Authority to prepare the list again.</p> <p>2.7.10. If the list is correct, the shipping line acknowledges and approves it.</p> <p>2.7.11. Port 'sAuthority determines the service fees to be paid by the Shipping Line.</p> <p>2.7.12. The Shipping Line pays the service fees, otherwise Port Authority must prepare the list again.</p>
Output criteria to exit the business process	Container loaded onto the vessel
Average time required to complete this business process	1 day

Core business process area 2.8: Prepare documents required by foreign buyer(importer)

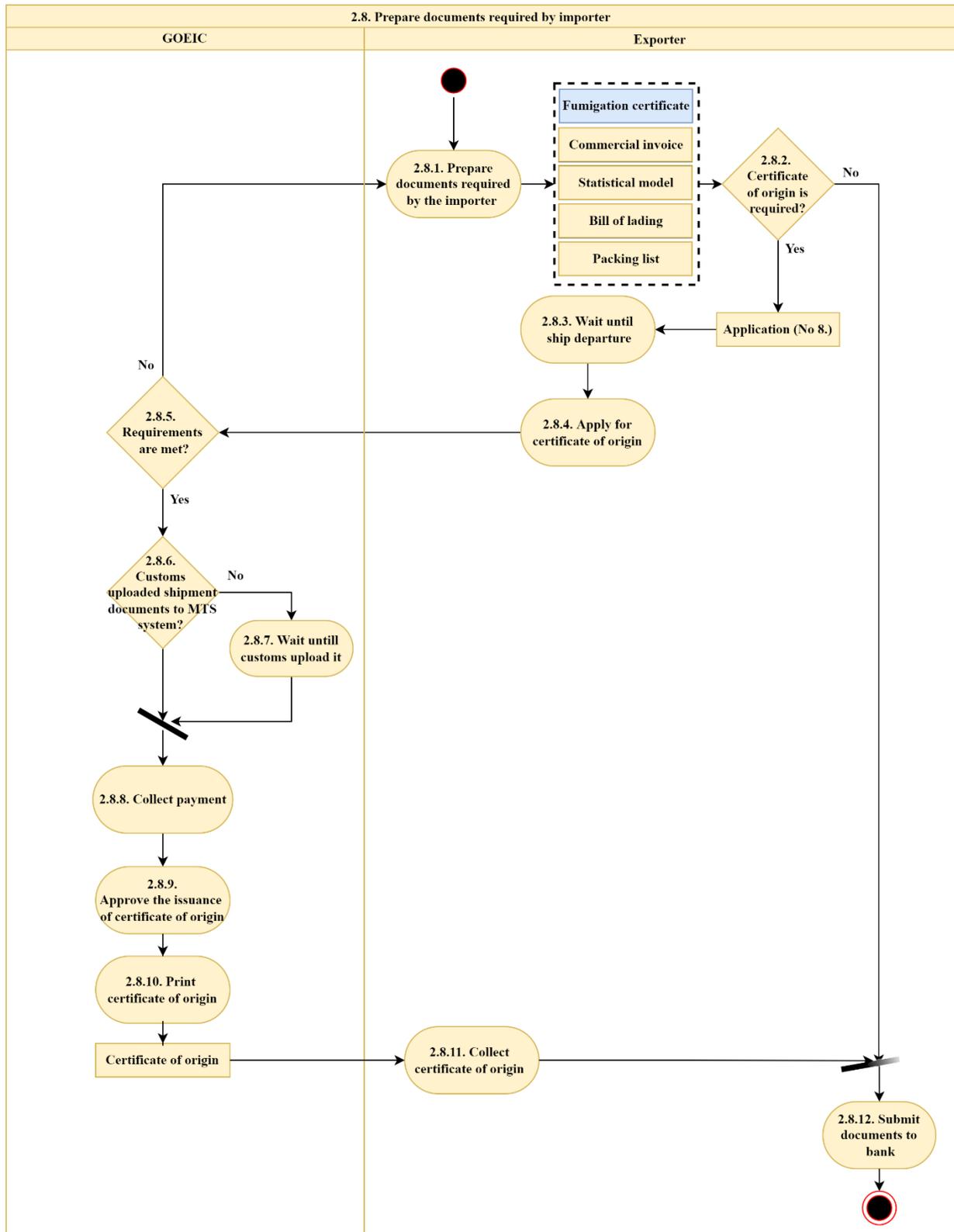
Figure 4.22. “Prepare Documents Required by Foreign Buyer (Importer)” use case diagram



The use case diagram shown in figure 4.22 suggests that “Prepare documents required by foreign buyer(importer)” process requires the participation of:

- Exporter
- General Organization of Export and Import Control (GOEIC)/ GAFI/ Chamber of commerce

Figure 4.23. “Prepare Documents Required by Foreign Buyer (Importer)” activity diagram

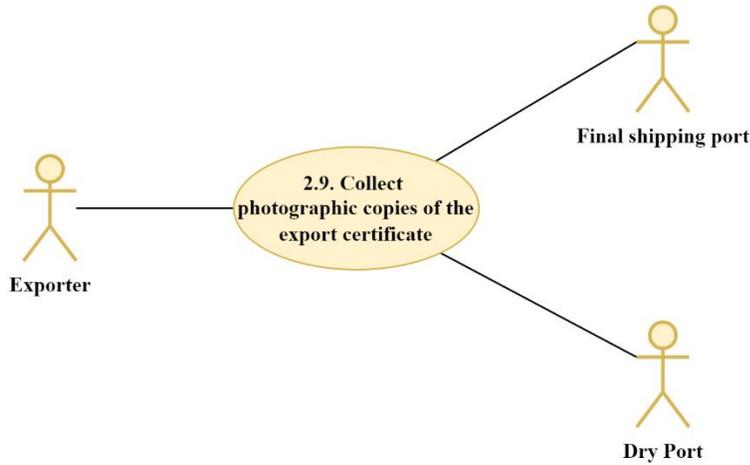


Name of process area	2. ship
Name of business process	2.8. Prepare documents required by foreign buyer (importer).
Related laws, rules, and regulations	<ul style="list-style-type: none"> • Presidential Decree No. 1770 of 1971 establishing the General Organization for Export and Import Control.
Process participants	<ul style="list-style-type: none"> • Exporter • General Organization of Export and Import Control (GOEIC)/ GAFI/ Chamber of Commerce
Input and criteria to enter/begin the business process	Exporter already has an account for electronic services on GOEIC portal and it is activated.
Activities and associated documentary requirements	<p>2.8.1. The exporter prepares the documents required by the Foreign buyer(importer), including:</p> <ul style="list-style-type: none"> - Fumigation certificate - Commercial Invoice - Statistical model - Bill of Lading - Packing List <p>2.8.2. If the foreign buyer(importer) does not ask for a certificate of origin, the exporter prepares only these documents.</p> <p>2.8.3. If the foreign buyer(importer) asks for a certificate of origin, exporter prepares the application form and waits until the ship leaves the port.</p> <p>2.8.4. Exporter applies for the certificate at the General Organization for Export and Import Control (GOEIC) (Application No. 8) for importing countries, which are part of a trade agreement</p> <ul style="list-style-type: none"> ▪ The application process for obtaining the certificate of Origin from GOEIC is not fully automated although the exporter applies for the certificate electronically through GOEIC website he has to complete the application manually at GOEIC <p>2.8.5. If the certificate requirements are not met, the exporter prepares the documents again.</p> <p>2.8.6. If the certificate requirements are met, GOEIC check if the customs uploaded the shipment documents on the MTS platform.</p> <p>2.8.7. If not uploaded, GOEIC waits until it is already uploaded, during this stage the exporter do a lot of going back and forth between the customs and the MTS administrator</p> <p>2.8.8. Once the documents are uploaded, GOEIC collects the payment.</p>

	<p>2.8.9. GOEIC acknowledges application and approves the issuance of the certificate.</p> <p>2.8.10. GOEIC prints the certificate of origin.</p> <p>2.8.11. The exporter collects the certificate of origin.</p> <ul style="list-style-type: none"> - According to GOEIC website obtaining the certificate of origin should not take more than 10 min, however, exporters reported that it actually takes two working days to obtain it. <p>2.8.12. Exporter submits the certificate of origin along with the rest of the documents to the bank.</p>
Output criteria to exit the business process	Certificate of origin
Average time required to complete this business process	<p>1 day</p> <p>2 days if the exporter requires a certificate of origin.</p>

Core business process area 2.9: Collect photographic copies of the export certificate

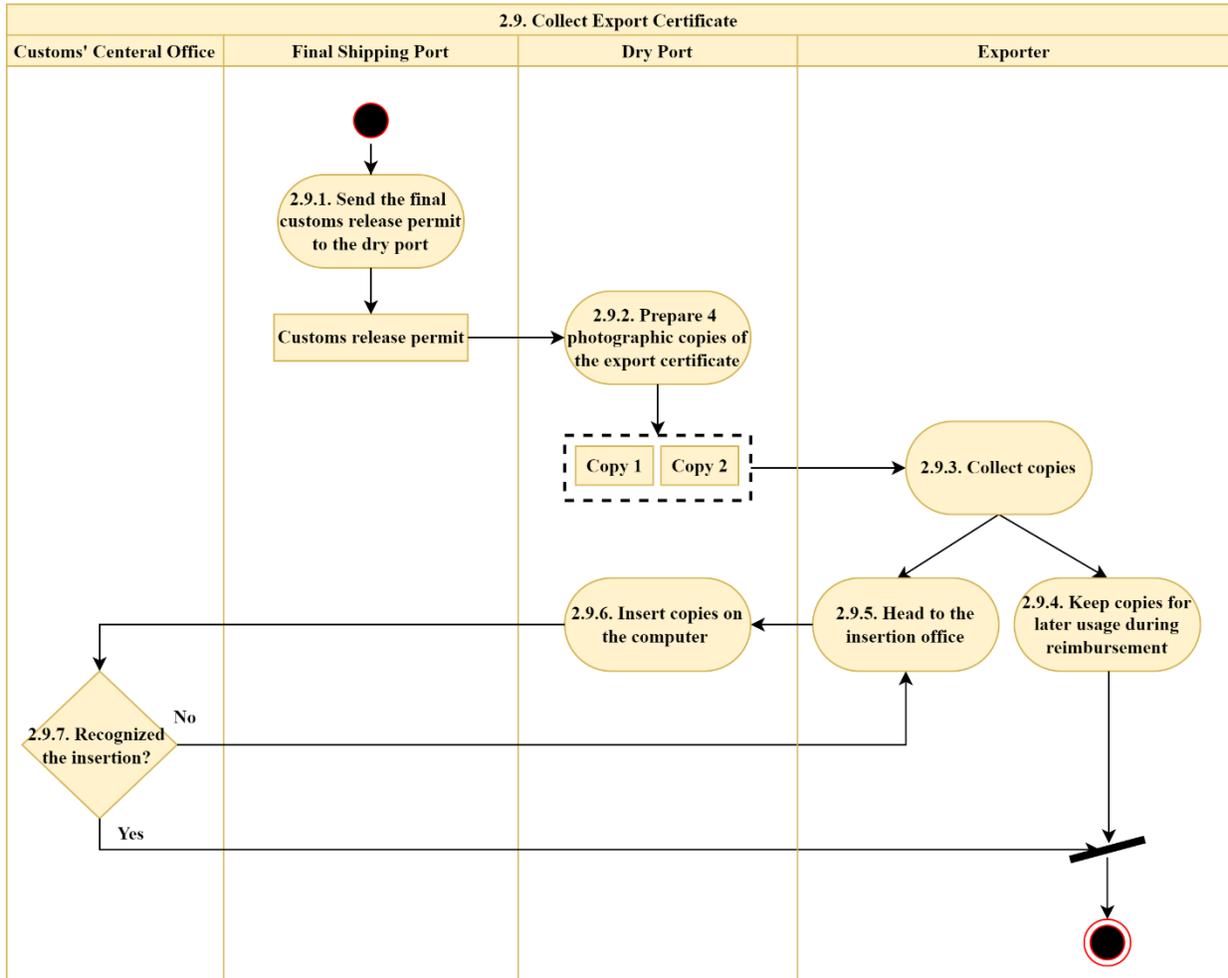
Figure 4.24. “Collect Photographic Copies of the Export Certificate” use case diagram



The use case diagram shown in figure 4.24 suggests that “Collect photographic copies of the export certificate” process requires the participation of:

- Exporter
- Final Shipping Port
- Dry Port

Figure 4.25. “Collect Photographic Copies of the Export Certificate” activity diagram

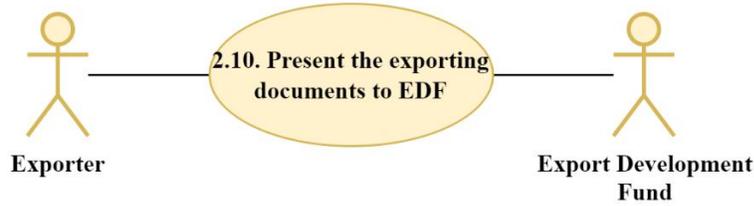


Name of process area	2. Ship
Name of business process	2.9. Collect photographic copies of the export certificate
Related laws, rules, and regulations	<ul style="list-style-type: none"> • Customs Law No. 207 of 2020 and its executive regulations issued by Minister of Finance Decree No. 430 of 2021
Process participants	<p>Final Shipping Port</p> <p>Dry Port</p> <p>Exporter</p>
Input and criteria to enter/begin the business process	<ul style="list-style-type: none"> • The shipment already moved from the port • The final customs release permit is ready to be sent from shipping port to dry port
Activities and associated documentary requirements	<p>2.9.1. Final shipping port sends the final customs release permit to the dry port.</p> <ul style="list-style-type: none"> - Companies deal with dry ports, such as the 10th of Ramadan and 6th of October ports, to facilitate procedures and shorten time. Some companies export through more than one port: Alexandria, Sokhna, and Damietta. Thus, the presence of one dry port that the company deals with, regardless of the final port of shipment, would facilitate procedures for the exporter (all transactions are in one place, even if the goods are exported from more than one port). - But the problem lies in the delay in sending the export confirmation (an acknowledgment from the final port that the container has already left the port) from the final port to the dry port for a period of up to three months in some cases, and hence obtaining photocopies of the export certificate from the dry port is delayed. - Without sending the export confirmation from the final port to the dry port, the photo certificate will not be issued. - The export confirmation shouldn't take that long, and no one knows the reason for the delay. - Procedures related to obtaining the final customs release differ from port to port depending on whether NAFZA MTS systems is applied in the port as well as the regulations applied in the port itself <p>2.9.2. The dry port prepares 2 photographic copies of the export certificate.</p> <ul style="list-style-type: none"> - One copy for the export development fund, and the other for the tax administration <p>2.9.3. The exporter collects the copies.</p> <p>2.9.4. The exporter keeps these copies for later usage during reimbursement.</p> <p>2.9.5. The exporter, at the same time, heads to the insertion office at the dry port to upload the copies onto the computer.</p>

	<p>2.9.6. The insertion office uploads the copies onto the computer</p> <ul style="list-style-type: none"> - The office is usually very crowded - In most cases the exporter needs to pay a mandatory tip in order to speed up the process. <p>2.9.7. In some cases, the exporter finds out that the insertion did not appear on the computer at the central customs office. In this case, the exporter or his representative has to return to the dry port to re-upload the copies onto the computer and make sure that the uploading has been made correctly.</p>
Output criteria to exit the business process	2 photographic copies of the export certificate.
Average time required to complete this business process	90 days on average.

Core business process area 2.10: present the exporting documents to the Export Development Fund

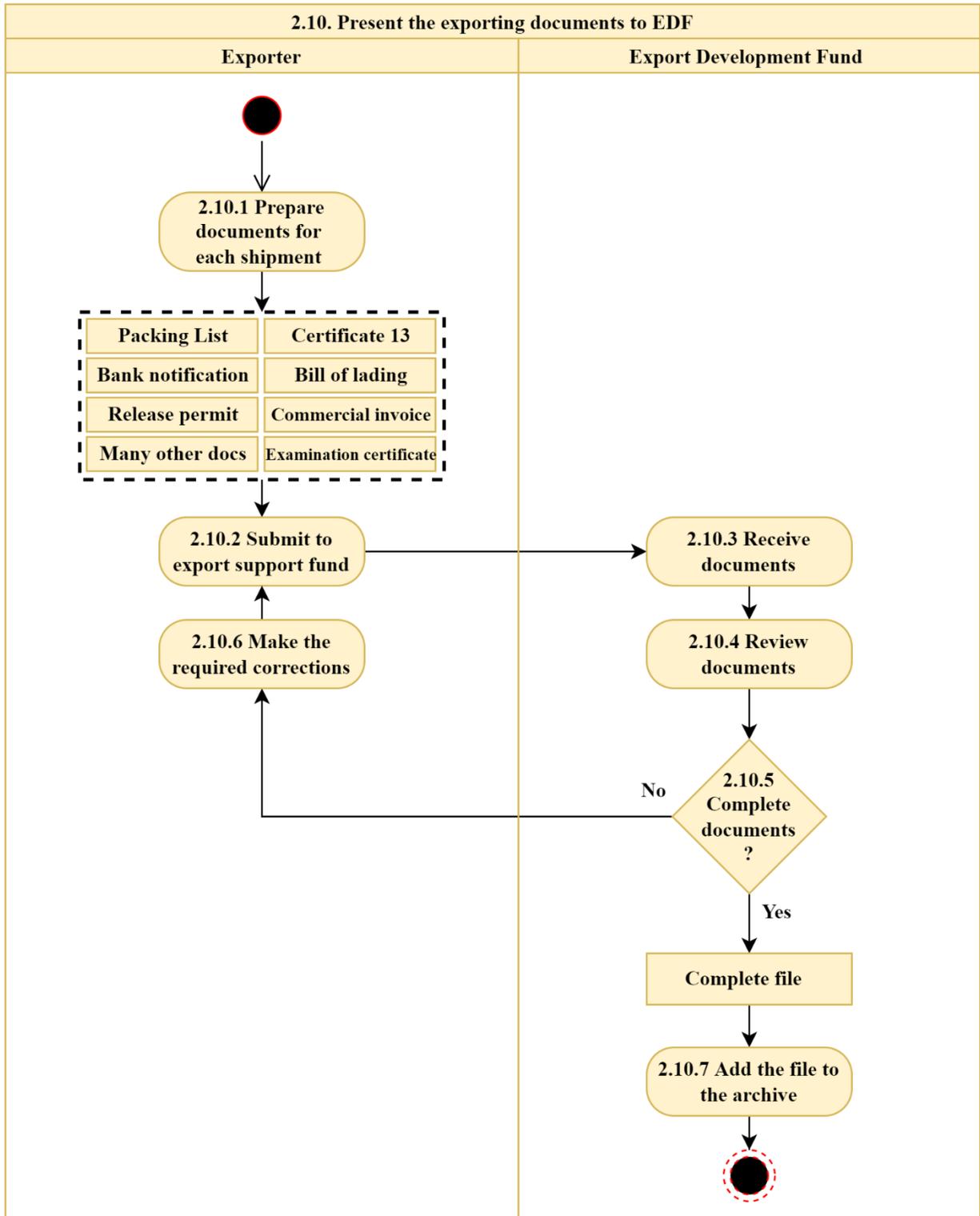
Figure 4.26. "Present the Exporting Documents to the Export Development Fund"



The use case diagram shown in figure 4.26 suggests that “presenting the exporting document to the export development fund requires the participation of:

- Exporter
- Export Development Fund

Figure 4.27. “Present the Exporting Documents to the Export Development Fund” activity diagram



Name of process area	2. Ship
Name of business process	2.10. Present the exporting document to the export development fund
Related laws, rules, and regulations	Announced export support program and its regulations
Process participants	Exporter Export Development Fund
Input and criteria to enter/begin the business process	<ul style="list-style-type: none"> ● The company is registered at the Export Development Fund
Activities and associated documentary requirements	<p>2.10.1. The exporter prepares detailed documents for each shipment. These documents are:</p> <ul style="list-style-type: none"> - Qualitative examination certificate: a certificate, obtained from GOEIC, containing the results of the inspection that is previously performed by the export engineer. The exporter must apply for it and wait for at least two weeks before it becomes available - Application form - Commercial invoice - Customs release permit - Bill of lading. - Packing list - Bank notification, stating that the company has an Egyptian bank account in local currency and accepts the transfer of due funds to it. - Export certificate - Transportation Bill - Unified customs declaration for exports - ISO certificate - Copy of the commercial register <p>2.10.2. The exporter submits the documents to the Export Development Fund.</p> <p>2.10.3. The Export Development Fund receives the documents</p> <p>2.10.4. The Export Development Fund forwards the documents to the concerned committee to get them reviewed.</p> <p>2.10.5. If the documents need correction, the export development fund notifies the exporter</p> <p>2.10.6. The exporter makes the necessary corrections and re-submits the corrected documents</p> <p>2.10.7. If the file was complete, or the required corrections have been completely made, the Export Development Fund adds the file to the archive, meaning</p>

	that the exporter is eligible to be reimbursed for that shipment once the Ministry of Finance launches a future initiative for the payment of export subsidy.
Output criteria to exit the business process	Exporter is included in the list of exporters who can be reimbursed.
Average time required to complete this business process	15 days

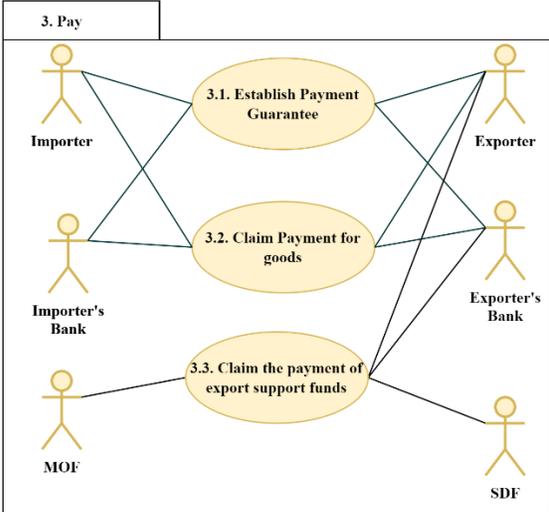
Process area 3: Pay

Pay process area for marble and granite exports transaction occurs at two levels. It first deals with the establishment of payment guarantee and the collection of payments for goods from the buyer under the assumption that the payment for the purchased marble and granite is made by Letter of Credit, as done in the rest of the world.

Second is the local payment from the export support program

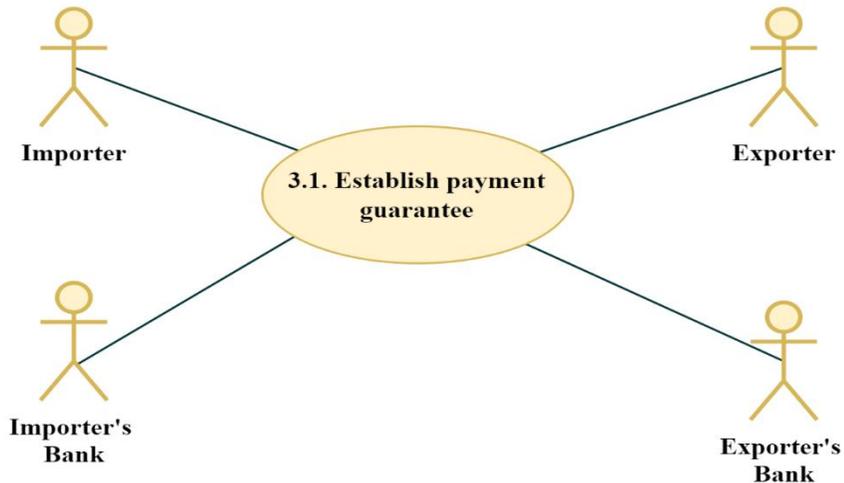
As shown in figure 4.28, the pay process area consists of 3 core business processes emphasizing how to apply for letter of Credit, use it to collect payment for goods, and get the payments from the export support program.

Figure 4.28. Use case diagram of core business processes in pay process area



Core business process area 3.1: Establish payment guarantee

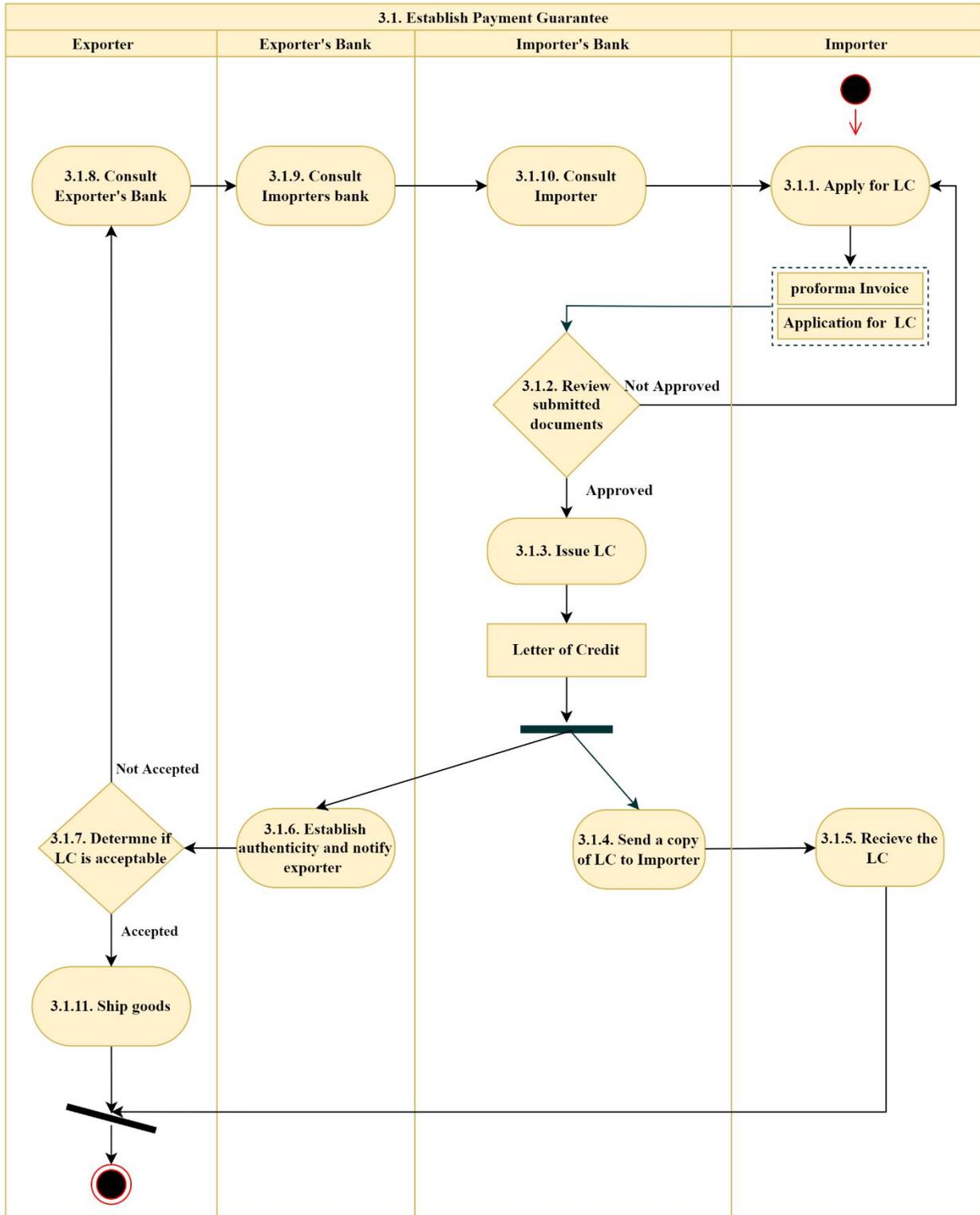
Figure 4.29. “Establish Payment Guarantee” use case diagram



The use case diagram shown in figure 4.29 suggests that “Establish payment guarantee” process requires the participation of:

- Exporter
- Foreign buyer (importer)
- Foreign buyer’s (importer) Bank
- Exporter’s Bank

Figure 4.30. “Establish Payment Guarantee” activity diagram

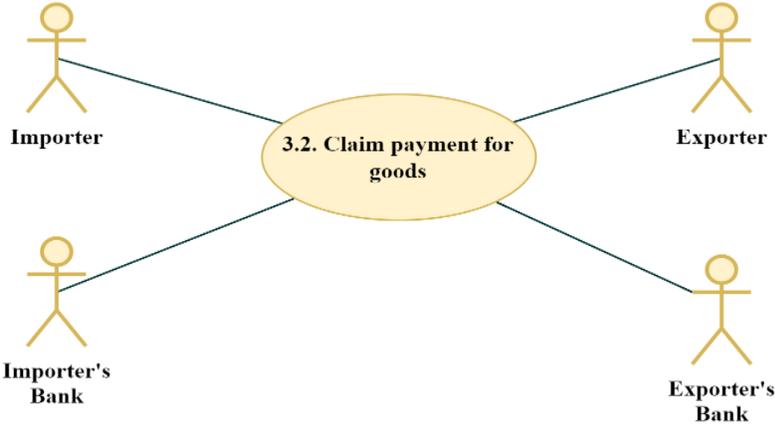


Name of process area	3. Pay
Name of business process	3.1 Establish payment guarantee
Related laws, rules, and regulations	<ul style="list-style-type: none"> • Circular No. 27 of 2022 regarding the exclusion of production requirements and raw materials from the Central Bank’s instructions to stop dealing with collection documents.
Process participants	<p>Exporter</p> <p>Exporter’s Bank</p> <p>Foreign buyer(importer)</p> <p>Foreign buyer’s (importer) Bank</p>
Input and criteria to enter/begin the business process	<p>Exporter and foreign buyer(importer) have agreed up on the method of payment for the goods.</p>
Activities and associated documentary requirements	<p>2.1.1. Foreign buyer(importer) applies for letter of credit by submitting application for Irrevocable Documentary letter of credit (LC) and Proforma Invoice to buyer’s (importer) bank.</p> <ul style="list-style-type: none"> • Other forms of payment like cash against documents and open account are also available depending on the agreement with the client and the level of trust. <p>2.1.2. Foreign buyer’s (importer) bank reviews submitted documents and evaluates foreign buyer’s (importer) credit standing.</p> <p>2.1.3. If foreign buyer’s (importer) credit is in good standing, foreign buyer’s (importer) bank approves the application, issues Letter of Credit, and forwards it to exporter’s bank.</p> <p>2.1.4. Foreign buyer’s (importer) bank sends a copy of the LC to the foreign buyer(importer).</p> <p>2.1.5. Foreign buyer (importer) receives the LC from his/her bank.</p> <p>2.1.6. Exporter’s bank establishes authenticity of the letter of credit and informs exporter that letter of credit is ready for collection.</p> <p>2.1.7. Exporter collects letter of credit and determines if it meets contractual agreement and its terms and conditions can be satisfied.</p> <p>2.1.8. If exporter finds letter of credit unacceptable, he or she needs to consult exporter’s bank.</p> <p>2.1.9. Exporter’s bank consults foreign buyer’s (importer) bank.</p> <p>2.1.10. Foreign buyer’s (importer) bank then consults foreign buyer(importer) on the amendment of Letter of Credit.</p>

	2.1.11. If exporter finds the already issued letter of credit acceptable, he or she makes the necessary arrangements for the delivery of goods.
Output criteria to exit the business process	<ul style="list-style-type: none"> • Exporter accepted Letter of Credit. • Exporter started to make the necessary arrangements to deliver marble and granite to the foreign buyer(importer).
Average time required to complete this business process	1 Day

Core business process area 3.2: Claim payment for goods

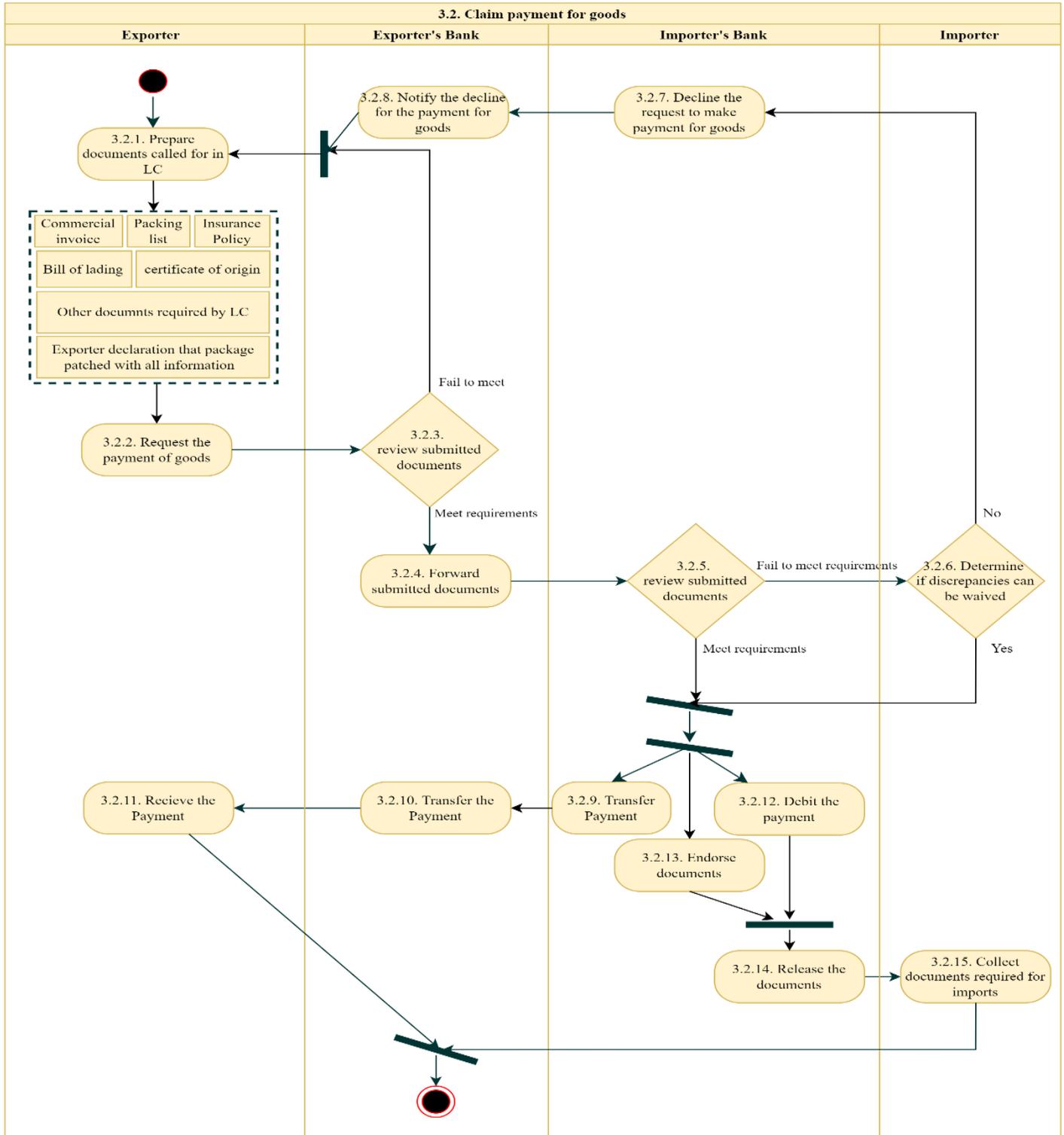
Figure 4.31. “Claim Payment for Goods” use case diagram



The use case diagram shown in figure 4.31 suggests that the “claim payment for goods” process requires the participation of:

- Exporter
- Foreign buyer(importer)
- Foreign buyer’s(importer) Bank
- Exporter’s Bank

Figure 4.32. "Claim Payment for Goods" activity diagram

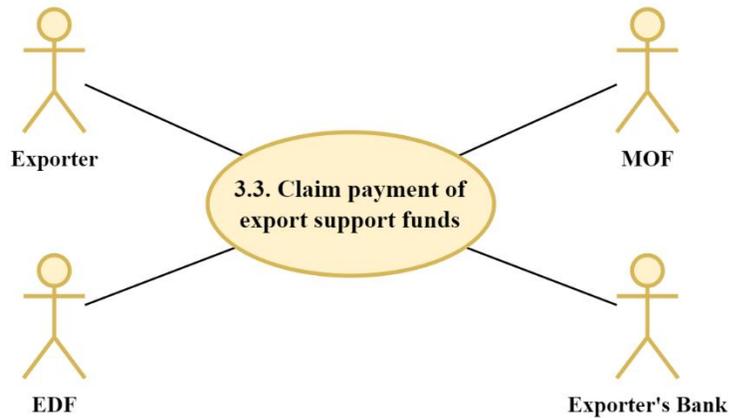


Name of process area	3. Pay
Name of business process	3.2 Claim payment for goods
Related laws, rules, and regulations	<ul style="list-style-type: none"> • Circular No. 27 of 2022 regarding the exclusion of production requirements and raw materials from the Central Bank’s instructions to stop dealing with collection documents
Process participants	<p>Exporter</p> <p>Exporter’s Bank</p> <p>Foreign buyer(importer)</p> <p>Foreign buyer’s (importer) Bank</p>
Input and criteria to enter/begin the business process	Exporter has already fulfilled contractual agreement.
Activities and associated documentary requirements	<p>3.2.1. Exporter also prepares documents called for in letter of credit. Those documents typically include:</p> <ul style="list-style-type: none"> • Commercial Invoice • Packing List • Insurance Policy • Bill of Lading • Certificate of Origin, and • Exporter declaration that the package is patched with all its detailed information • In addition to any other documents required by the letter of credit. <p>3.2.2. With the documents called for in letter of credit, exporter requests exporter’s bank to advise foreign buyer’s (importer) bank to proceed with the payment for goods.</p> <p>3.2.3. Exporter’s bank reviews submitted documents and determines if they are compliant with the terms and conditions as listed in letter of credit. If they do not meet the terms and conditions in the letter of credit, the exporter’s bank informs the exporter about the discrepancies. In this case, the exporter needs to make the necessary corrections.</p> <p>3.2.4. If the submitted documents meet the terms and conditions as listed in letter of credit, the exporter’s bank forwards them to the foreign buyer’s (importer) bank.</p> <p>3.2.5. The foreign buyer’s (importer) bank reviews the submitted documents and determines if they are compliant with the terms and conditions of the letter of credit. If they do not meet the terms and conditions in the letter of credit, the</p>

	<p>foreign buyer's (importer)' bank informs the foreign buyer(importer) about the discrepancies.</p> <p>3.2.6. Foreign buyer(importer) determines if discrepancies can be waived.</p> <p>3.2.7. If foreign buyer(importer) does not waive the discrepancies, foreign buyer's(importer) bank declines the request to make payment for goods.</p> <p>3.2.8. Exporter's bank notifies exporter about the decline for the payment for goods so that exporter makes necessary corrections.</p> <p>3.2.9. If foreign buyer's (importer) bank finds the submitted documents compliant with the terms and conditions listed in letter of credit from the very beginning, foreign buyer's (importer) bank transfers the payment for goods to exporter's bank.</p> <p>3.2.10. Exporter's bank transfers the payment for goods to exporter.</p> <p>3.2.11. Exporter receives the payment for goods.</p> <ul style="list-style-type: none"> ● Egyptian exporters reported that if the Central Bank is facing a shortage in the foreign currency, they might get paid in Egyptian currency according to the prevailing exchange rate. Also, in some cases, the CBE might ask exporters to keep the payment amount in the bank account and liquidize after one year if they wanted to get paid in foreign currency. <p>3.2.12. Foreign buyer's (importer) bank debits the payment for goods from foreign buyer(importer)'s account.</p> <p>3.2.13. Foreign buyer(importer) endorses the documents</p> <p>3.2.14. Foreign buyer's (importer) bank releases documents collected from exporter.</p> <p>3.2.15. Foreign buyer(importer) collects documents required for import.</p>
<p>Output criteria to exit the business process</p>	<ul style="list-style-type: none"> ● Exporter receives the payment for goods. ● Foreign buyer(importer) receives the documents required to complete import formalities.
<p>Average time required to complete this business process</p>	<p>1 Day</p>

Core business process area 3.3: Claim the payment from the export support program

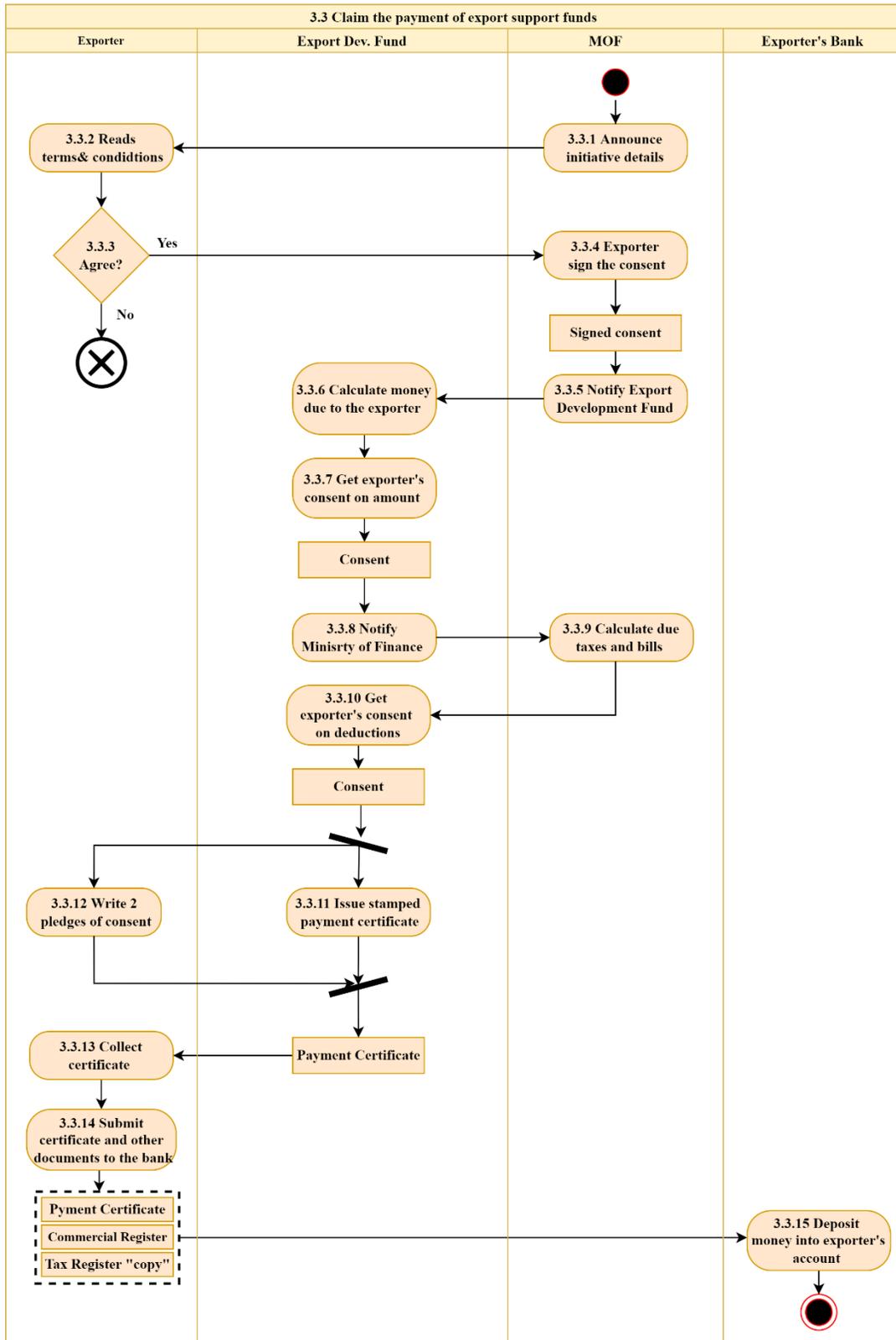
Figure 4.33. “Payment of Export Support” use case diagram



The use case diagram shown in figure 4.33 suggests that the “payment of export support” process requires the participation of:

- Exporter
- Exporter’s Bank
- Public bank
- Ministry of Finance (MOF)
- Export Development Fund (EDF)

Figure 4.34. “Claim the Payment of Export Support” activity diagram



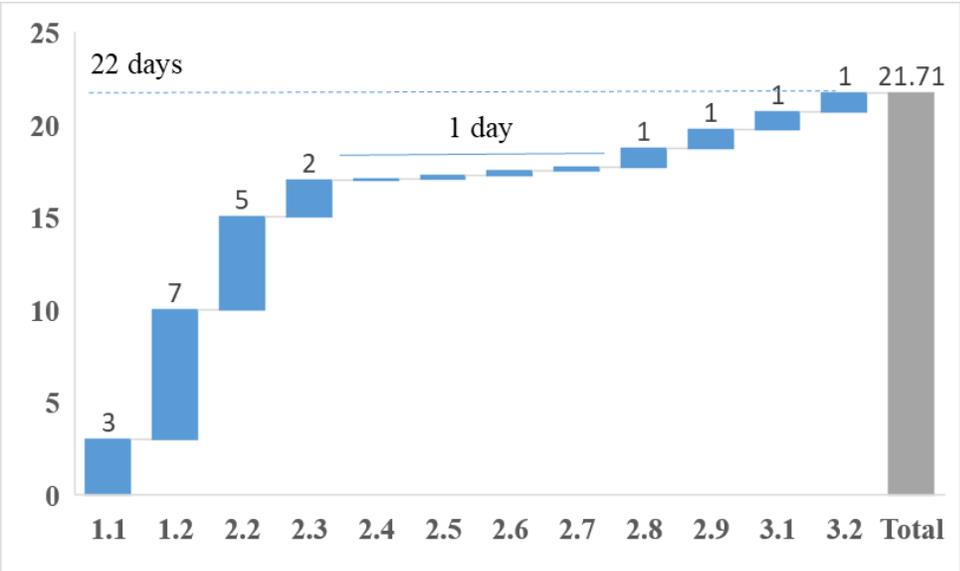
Name of process area	3. Pay
Name of business process	3.3 <i>Export support program payment.</i>
Related laws, rules, and regulations	The announced export support program and its implementing regulations
Process participants	<ul style="list-style-type: none"> • Exporter • Export Development Fund • Ministry of Finance • Public bank • Exporter's bank
Input and criteria to enter/begin the business process	Registration at the Export Development Fund (EDF)
Activities and associated documentary requirements	<p>3.3.1 The Ministry of Finance announces the details of the initiative. The initiative usually entails payment of export support based on certain conditions.</p> <p>3.3.2 The exporter reads the terms and conditions of the initiative</p> <p>3.3.3 The exporter decides whether to participate in the initiative or not.</p> <p>3.3.4 In case of participation, the exporter must head to the Ministry of Finance to sign a written consent declaring his approval to receive the money due to him according to the announced terms and conditions.</p> <p>3.3.5 The Ministry of Finance notifies the EDF to specify the amounts due to the exporter.</p> <p>3.3.6 The EDF calculates the required amounts and prepares the list of exporters who can disburse the amounts due.</p> <ul style="list-style-type: none"> - The EDF does not notify the exporter, and the exporter must periodically follow up <p>3.3.7 EDF takes exporter's consent on the calculated amounts</p> <p>3.3.8 EDF notifies the MOF with the amounts due to the exporter</p> <p>3.3.9 MOF calculates the taxes and bills due from the exporter to deduct their amount from the funds due to him.</p> <p>3.3.10 The exporter goes to the EDF, yet again, to sign a document stating his approval on the money due to him after making all deductions.</p> <ul style="list-style-type: none"> - Any payments due from the exporters to the tax authority are deducted from his payments <p>3.3.11 EDF issues a signed/stamped payment certificate indicating the net amount of money due to the exporter.</p> <p>3.3.12 Now the certificate is ready, but the exporter will not receive it before writing and submitting two pledges of consent that he is fully reimbursed.</p>

	<p>3.3.13 Once the exporter submits the two pledges of consents, he receives a stamped certificate from the Export Development Fund with the amount of money due to him</p> <p>3.3.14 The exporter goes in the same day to one of the public banks to deliver the certificate.</p> <ul style="list-style-type: none"> - The time taken in the bank depends on whether if you are a customer in this bank or not <p>3.3.15 The exporter receives the transfer of him money after a month from delivering the certificate</p>
Output criteria to exit the business process	Transfer of the exporters money from the export support program
Average time required to complete this business process	Minimum of two month

5. Time procedure for marble and granite products exports from Egypt

Figure 5.1 presents a time-procedure chart listing core business processes that are required to be carried out to export marble and granite products from Egypt. The time procedure chart suggests that it takes, on average, 22 days for stakeholders to fulfill commercial and regulatory requirements of 12 export business processes. Notably, it shows the time consumed during the exportation process in its narrow sense, as it excludes the impact of importation of components.

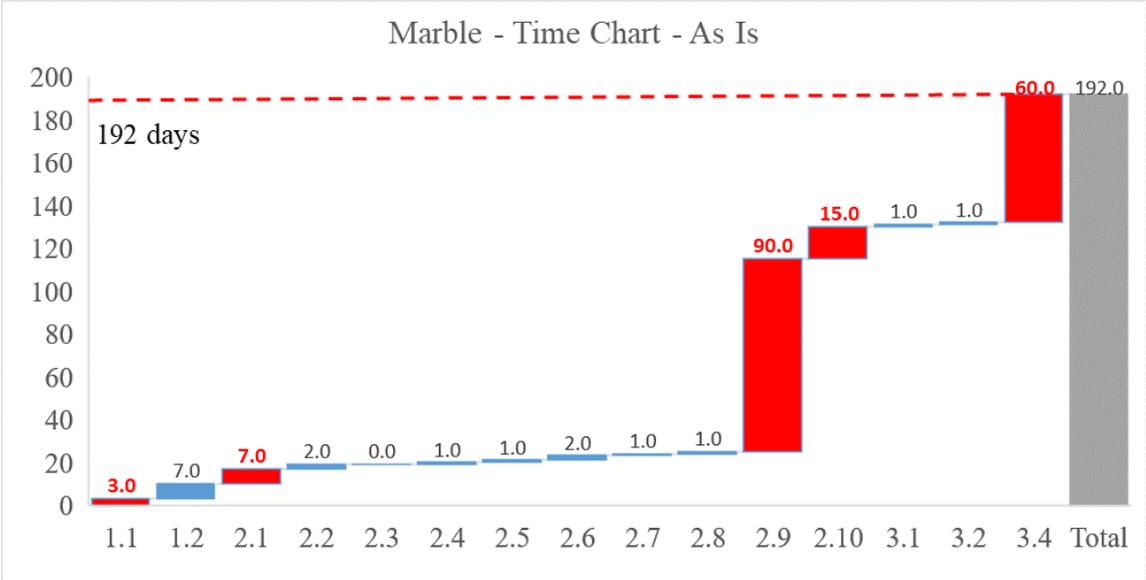
Figure 5.1. Time procedure chart for marble and granite products narrow exportation process



Source: Prepared by ECES.

While figure 5.2 below exhibits the time chart of the exportation transaction in its broader definition, as it considers the actual time taken to finish the exporting process and receive the local payments, these complications include: 2.9) getting the photocopies of export certificate letters, 2.10) Present the exporting document to the export development fund and 3.3) claim the payments of export support funds. These three processes take the exporting enterprises 90 days,15 days and 60 days respectively on average to finish. They are more than four times the above narrow BPM of exportation transaction “BUY” “SHIP” and “PAY”.

Figure 5.2. Time-procedure chart for marble and granite products broad exportation process



Source: Prepared by ECES.

Part II: "To Be" Scenario

1. The Methodology of dealing with the “To Be” scenarios

It starts with identification of key problem areas and suggestions of corrective solutions based on stakeholders’ opinions, international experiences and ECES’s analysis and expertise. four key observations are to be made at this stage:

- 1- Increasing exports cannot be achieved without resolving the bottlenecks in the importation processes and those related to production.
- 2- A significant portion of all problems associated with trade processes are linked primarily to the Ministry of Finance with its different departments and a secondary responsibility falling on the Ministry of Trade and Industry. The core of these problems lies in the fact that the Ministry of Finance has “collection of Money” as its main objective. Furthermore, the limited coordination between the Ministry of Finance and the Ministry of Trade and Industry, deepens the misconception and misunderstanding of the industrial and export development objective.
- 3- Most increase in cost and delay in trade processes are linked to importation of components necessary for the production of exported goods and related programs (the drawback system and temporary admission are financial compensations received by exporter after accounting for imported components). This means that improving the process of importation of all products takes top priority as it affects positivity both import and export trade processes.
- 4- International experiences in general reflect trust in the private sector and faster procedures simply because exports are envisioned as a top priority in these countries.
- 5- Radical changes in the system as per the Turkish and South Korean experiences can eliminate unnecessary steps and completely remove the role of some institutions in the export processes (e.g. Export Development Fund and The Egyptian company for mining) and redefine the role of some institutions like the export development bank to preform functions similar to those of the Turkish Eximbank

Detailed methodology is as follows:

Analyzing the business process for exporting marble and granite products revealed a number of bottlenecks. Generally speaking, those bottlenecks arise due to either a problem in the design of the system itself, or in the implementation of the system and finally the lack of relevant policy action as clarified in table (1) below.

Table 1. Definition of different types of problems

Nature of the Problem	Definition
Failure in System Design	When the system fails to achieve the objective due to inadequate planning, missing elements, adopting partial solutions, or system adopted is not consistent to what is adopted internationally.
Failure in system Implementation	When the system fails to achieve the objective due to problems related to poor management, employees resistance, lack of human capabilities to implement the new system
Lack of relevant policy action	The problem has not been addressed by appropriate policy action, even though the system design and system implementation exist

The following table proposes a list of corrective actions to each of these bottleneck and the expected impact. Corrective actions are classified by the time frame of implementation, with immediate actions denoted by the letter (I), short term (2-5 month) actions denoted by the letter (S) and medium term actions denoted by the letter (6months-year) (M). The time frame is intentionally short because the problems are very urgent to address. Several Immediate measures are meant to reduce the extent of the problem until deeper corrective actions are adopted.

These proposed corrective actions fall into two categories as follows:

- Category (A): first best solutions which are radical changes based on international experiences
- Category (B): second best solutions which are improvements the existing system

Both categories are included in our analysis in order to make sure that the "To Be" scenario is realistic and implementable.

A number of international experiences have been studied with respect to problems related to system design and system implementation. Reference is made in the table to the relevant international experience which is presented in details in Annex B. Following is the table of the modified business process. Charts are in a separate document due to different paper size.

2. Detailed table for the modified trade process "To Be"

Table 2. Proposed corrective actions in the business process of exporting marble and granite - HS code (6802)

Business process Area	Bottleneck	Nature of the problem	Relevant International Experience	Proposed corrective actions	Impact	
					Process of exporting	Others (increase in exports, decrease in informal payments.....
Pre-requisites						
	<ul style="list-style-type: none"> - Procedural requirements that potential marble and granite exporters have to follow in order to legally start exporting are complicated with several organizations involved without enough coordination among them. (“As Is “section 2) 	<ul style="list-style-type: none"> ▪ Failure in System design 	Turkey’s experience (Annex B)	<ul style="list-style-type: none"> - Digitalization of all business⁸ services including linkages between the relevant organizations (M) - All information should be available on the internet in a timely, updated, 	quicker start of export process and removing duplicate documents submission	Improve the overall business environment which will eventually lead to a rise in actual exports.

⁸ It is important to emphasize that digitization is not simply the automation of the as-is existing practices, it rather means introducing real reforms to make the process efficient before putting it online

Business process Area	Bottleneck	Nature of the problem	Relevant International Experience	Proposed corrective actions	Impact	
				and in a binding manner to all (I).		
	The conflicting triple role of the Egyptian Company for Mining (regulator , producer and exporter	<ul style="list-style-type: none"> Failure in system Design 	All countries	Abolish the role of the Egyptian Company for Mining as a regulator, and confine this role to the Egyptian Mineral Resources Authority (EMRA) (return to the old system) (I)	Elimination of a very serious conflict of interest leading to more serious inefficiency in the system and dwarfing of performance	
1. Buy						
1.1 sample approval	<ul style="list-style-type: none"> The customs and the inspection committee does not allow inclusion of samples among the consignments and the exporter is obligated to treat it as a part of the export shipment to have consistent documents 	<ul style="list-style-type: none"> Failure in system implementation 	-----	Customs recognition of sending samples with the consignment and accordingly counted in the packing list as samples and included in the inspection examination certificate (I)	Simplified track for sending samples which will be reflected in reduction of the time needed to send the sample	Increase in export transactions

Business process Area	Bottleneck	Nature of the problem	Relevant International Experience	Proposed corrective actions	Impact	
	<ul style="list-style-type: none"> ▪ The exportation of samples is treated as if it is a regular export process (all procedures related to full shipment) 	<ul style="list-style-type: none"> ▪ Failure in system design 	Turkish experience (Annex B)	<ul style="list-style-type: none"> ▪ Abolish all customs regulation related to exporting samples (I) 		
Trade steps of relevance to production						
	The marble and granite industry does not benefit from the drawback system	<ul style="list-style-type: none"> ▪ Failure in system Design 	India and china ⁹	Include the marble and granite industry in the list of manufacturing industries which benefit from the drawback system (I)	Exporting finished marble and granite products which rely on imported blocks will be subjected to the rules and regulations of the duty drawback system (currently obtaining the ICA letter). And in case of a radical change in the drawback system, exporters will	<ul style="list-style-type: none"> ▪ Increase in the exports of higher value added marble and granite finished products which depend on imported blocks. ▪ Creation of job opportunities

⁹ Based on scattered information

Business process Area	Bottleneck	Nature of the problem	Relevant International Experience	Proposed corrective actions	Impact	
					calculate the allowances themselves along the lines of the Turkish and South Korea experiences	
2. Ship						
2.1 Obtain an export permission from the Egyptian Mineral Resource Authority (EMRA)	<ul style="list-style-type: none"> Although obtaining the export permission is required only for exporting raw products (blocks) customs authorities more often than not insist on doing inspection without necessarily going back to GOEIC (the entity responsible for categorization of marble products. In many cases customs authorities wrongly consider the product as raw when it is in fact manufactured which adds 	<ul style="list-style-type: none"> Failure in system implementation 	-----	<ul style="list-style-type: none"> Enforce the law, according to which only GOEIC has the authority to determine whether the products exported are raw (blocks) or finished products and it is not allowed for the customs authority to make any decisions in that respect (I) 	Facilitate exporting manufactured products especially those of higher value added without the involvement of the customs authority	Increase the exports of finished products which meets the specification and new market trends

Business process Area	Bottleneck	Nature of the problem	Relevant International Experience	Proposed corrective actions	Impact	
	<p>unnecessary additional time to the process</p> <ul style="list-style-type: none"> • To obtain the same export permission requires among other things complete financial clearance (from the Egyptian Company for Mining) of all obligations on the exporter even if they are related to other quarries or other export transactions which puts financial burden on exporters 	<ul style="list-style-type: none"> ▪ Failure in system implementation ▪ Failure in system design 	<p>-----</p>	<ul style="list-style-type: none"> ▪ Cancel the role of the Egyptian Company for Mining as a regulator, and confine this role to EMRA. (I) ▪ Return to the old applied system in which a letter is issued from the governorate in which the quarry is located indicating the quarry production capacity in a year or 6 months, this letter is submitted to EMRA and accordingly the export permission is issued (this letter is issued once or twice a year) (I) ▪ Digitalize the process of obtaining the export permission from EMRA. 	<p>Reduce the time required to obtain the export permission to export raw marble and granite (blocks) to a maximum of 48 hours (on case of adjustment of the current system, and one hour in case of digitalization (S) of the process.)</p>	<p>Elimination of a very serious conflict of interest leading to more serious inefficiency in the system and dwarfing of performance.</p>

Business process Area	Bottleneck	Nature of the problem	Relevant International Experience	Proposed corrective actions	Impact	
				<ul style="list-style-type: none"> ▪ Allow the export process to proceed even if the license is expired and give a grace period for renewing the license after which the producer is subjected to a pre-determined fine (I) 		
2.4 Collect empty container and open export certificate	truck overcrowding at port gates, and defects in the containers.	Failure in system implementation	All countries	<ul style="list-style-type: none"> ▪ Open all ports gate (I) ▪ Increase the efficiency of the port management system by designing a monitoring and evaluation system for ports efficiency with a clear time line and penalties applied , which will enhance 	Reduction in time to collect empty containers	<ul style="list-style-type: none"> ▪ Increase in port operations efficiency ▪ A reduction in the actual cost burden due to the elimination in the informal payments

Business process Area	Bottleneck	Nature of the problem	Relevant International Experience	Proposed corrective actions	Impact	
				<p>port management efficiency (S)</p>		
	<ul style="list-style-type: none"> - The export certificate is opened by the customs and not the exporter - Delays in opening the export certificate from the NAFZA - Difficulties in uploading the document -One unified system applying to all regardless of the risk whether risks related to the exported goods or those related to reliability of the exporter 	<ul style="list-style-type: none"> ▪ Failure in system design ▪ Failure in system implementation 	<p>Turkish experience (Annex B)</p>	<p>Increase the efficiency of the currently applied NAFZA system as follows:</p> <ul style="list-style-type: none"> ▪ Allow the exporter to upload the documents on the NAFZA instead of customs official (I) ▪ Upgrade the IT infrastructure as follows: <ul style="list-style-type: none"> - Increase the capacity and the speed for uploading of the documents, to ensure the smooth operation of the NAFZA (I) 	<p>Reduction in time to collect empty containers and open the export certificate to a maximum of 5 hours (the current direct time needed (In case of adjustment in currently applied system).</p>	

Business process Area	Bottleneck	Nature of the problem	Relevant International Experience	Proposed corrective actions	Impact	
				<ul style="list-style-type: none"> - Forms should be electronic, freely available and downloadable, PDF fillable, capable of being signed electronically, with automatic fill-in data fields (for example, the date and hour of submission), with built-in spreadsheets and controls (validation) to ensure correct submissions and error-free calculations. Time and data stamps should automatically apply (I). 		

Business process Area	Bottleneck	Nature of the problem	Relevant International Experience	Proposed corrective actions	Impact	
				<ul style="list-style-type: none"> ▪ Radical change: Revision of the NAFZA system along the lines of the Turkish applied system, where by the NAFZA system conducts instant risk analysis and decides whether the consignment should be forwarded for physical inspection. This risk analysis is based on a logarithm that calculates pre-defined coefficients determined for every risk factor. And the entire export processes are digitalized with minimum human intervention (S) 		

Business process Area	Bottleneck	Nature of the problem	Relevant International Experience	Proposed corrective actions	Impact	
	Most trucks (trailers) in the shipping companies are old, dilapidated and constantly break down with little influence by the exporter	Lack of relevant policy action	All Countries	<p>slowly upgrading of the transport fleet by:</p> <ul style="list-style-type: none"> - Categorizing the cost of entry to the port and raise the cost if the vehicles is very old (I). - An initiative for upgrading the transport fleets fully starting by the trucks used by inland haulage companies supporting the exports. (S) 		All cost related to transportation are incurred by the exporter (whether directly or indirectly) Hence, an upgrade in the fleet will be reflected in a reduction in the transaction costs and time
2.5 Check the 7 points and stuff container ¹⁰	<ul style="list-style-type: none"> ▪ Observed problems in the containers provided by the port that do not meet the inspection criteria of the exporters due to the 	Failure in system implementation	All Countries	<ul style="list-style-type: none"> ▪ Increase the efficiency of the port management system by designing a monitoring and evaluation system for 	Reduction in the indirect time spent by the exporter to clean the container and preparing it to stuff his products	Increase in port operations efficiency

¹⁰ Exporter checks the list of the 7 points that the container is in a good case, free of any defects or damages such as holes or bad smells, its ceiling and walls are intact

Business process Area	Bottleneck	Nature of the problem	Relevant International Experience	Proposed corrective actions	Impact	
	<p>inefficiency of the relevant department at the port.</p> <ul style="list-style-type: none"> ▪ If the transport company receives a defective container from the port, upon returning it to the port, the shipping line assumes that the transport company is responsible for these defects, and a repair fine of up to \$500 is charged. 			<p>ports efficiency with a clear time line and penalties applied, which will enhance port management efficiency (S).</p> <ul style="list-style-type: none"> ▪ If the container is originally defected, the transport company should not be fined upon returning it unless his liability is proven (I). 		
	<ul style="list-style-type: none"> ▪ Physical inspection by customs is obligatory irrespective of whether the product is subject to an export tax or benefit from any advantages (export support) and also irrespective of the level of risks involved whether the risks related to the exported goods or those related to reliability of the exporter 	<ul style="list-style-type: none"> ▪ Failure in system design ▪ Failure in system implementation 	<ul style="list-style-type: none"> ▪ Turkish experience (Annex B) 	<ul style="list-style-type: none"> ▪ Adopt the international practices where by only 5% of the shipment is subjected to physical inspection (I). ▪ Radical Change: Revision of the NAFZA system along the lines of the 	<p>Reduce the time required for inspection</p>	<ul style="list-style-type: none"> - Reduction in the costs related to informal payments - Increase the efficiency of the use of government resources

Business process Area	Bottleneck	Nature of the problem	Relevant International Experience	Proposed corrective actions	Impact	
	<ul style="list-style-type: none"> ▪ High level of personal face-to-face interaction during custom inspection is time-consuming, costly in terms of staff effort, and conducive to bribery ▪ Absence of discernible service standard for any inspection by any agency. In particular, the customs do not provide the maximum time for its inspection or the information on the percentage of physical inspections. 			<p>Turkish system, where by the NAFZA system conducts instant risk analysis and decides whether the consignment should be forwarded for physical inspection. This risk analysis is based on a logarithm that calculates pre-defined coefficients determined for every risk factor. And the entire export processes is digitalized with minimum human intervention (marble and granite must be subject to inspection because exporting blocks is subject to</p>		

Business process Area	Bottleneck	Nature of the problem	Relevant International Experience	Proposed corrective actions	Impact	
				<p>an export tax, further the final products have several finishing which affect the amounts due to the exporter from the export support program.</p> <p>It should be noted here that inspection is related to the policies applied, thus if these policies are cancelled or the exporter does not enjoy the benefits then physical inspection is not necessary (S).</p>		

Business process Area	Bottleneck	Nature of the problem	Relevant International Experience	Proposed corrective actions	Impact	
2.5 Check the 7 points and stuff container ¹¹	<ul style="list-style-type: none"> Shaq El Thobban cluster does not have a logistics- customs area to facilitate customs inspection at the cluster level, so the majority of the marble and granite inspections has to be done at the port. 	Lack of relevant policy action	-----	<ul style="list-style-type: none"> Establish a logistics- customs area in Shaq el Thobaan 	Reduction of clearance time at the port	Increase in export transactions
2.6 Transfer container to port of departure	<ul style="list-style-type: none"> Inefficiency in the port management resulting in Truck overcrowding 	Failure in system implementation	All countries	<ul style="list-style-type: none"> Allow multiple entry gates to the ports (I) Ensure the availability of adequate numbers of customs official and other relevant employees at the port 24/7 (I) Increase the efficiency of the port management system by designing a monitoring and 		Increase in port operations efficiency

¹¹ Exporter checks the list of the 7 points that the container is in a good case, free of any defects or damages such as holes or bad smells, its ceiling and walls are intact

Business process Area	Bottleneck	Nature of the problem	Relevant International Experience	Proposed corrective actions	Impact	
	<ul style="list-style-type: none"> ▪ If the inspection has been done at the factory, the customs still have the right to inspect the container and break the seal even if the inspection has already been done at the factory ▪ Physical inspection by customs is obligatory irrespective of whether the product is subject to an export tax or benefit from any advantages (export support) and also irrespective of the level of risks involved whether the risks related to the exported goods or 	<ul style="list-style-type: none"> ▪ Failure in system implementation ▪ Failure in system design 	<p>Turkish experience (Annex B)</p>	<p>evaluation system for ports efficiency with a clear time line and penalties applied, which will enhance port management efficiency (S).</p> <ul style="list-style-type: none"> ▪ Adopt the international practices where by only 5% of the shipment is subjected to physical inspection (I). ▪ Radical Change: Revision of the NAFZA system along the lines of the Turkish system, where by the NAFZA system conducts instant risk analysis and decides whether the consignment 	<p>Reduction of time to a maximum 6 hours (direct time only) (In case of adjustment in currently applied system).</p> <p>Time is further reduced in case of inspection done at the cluster level and complete revision of NAFZA system to be risk based</p>	<ul style="list-style-type: none"> - elimination of the informal payments - Increase the efficiency of the use of government resources

Business process Area	Bottleneck	Nature of the problem	Relevant International Experience	Proposed corrective actions	Impact	
	<p>those related to reliability of the exporter</p> <ul style="list-style-type: none"> ▪ During inspection at port, if a mandatory tip is not paid, the customs inspectors might come up with an excuse for full inspection and unnecessarily unload the container. 			<p>should be forwarded for physical inspection. This risk analysis is based on a logarithm that calculates pre-defined coefficients determined for every risk factor. And the entire export processes is digitalized with minimum human intervention (marble and granite must be subject to inspection because exporting blocks is subject to an export tax, further the final products have several finishing which affect the amounts due to the</p>		

Business process Area	Bottleneck	Nature of the problem	Relevant International Experience	Proposed corrective actions	Impact	
				<p>exporter from the export support program.</p> <ul style="list-style-type: none"> ▪ It should be noted here that inspection is related to the policies applied, thus if these policies are cancelled or the exporter does not enjoy the benefits then physical inspection is not necessary (S). 		
2.6 Transfer container to port of departure	Export procedures of marble and granite products have to be done during the ports official working hours (daytime). On one hand, the MTS office is not operational at night, in addition to the unavailability of GOEIC and the Agriculture Quarantine employees after 6 pm. Further, there is discrimination in the fees	Failure in system implementation	All countries	<ul style="list-style-type: none"> ▪ Allow the exporter to upload the documents on the NAFZA instead of customs official (I) ▪ Allow for inspection to be done 24/7 (and work with shifts to synchronize the time of operation among 	Reduction in export clearance time	<ul style="list-style-type: none"> ▪ Increase in export transaction ▪ Reduction in cost related to price discrimination

Business process Area	Bottleneck	Nature of the problem	Relevant International Experience	Proposed corrective actions	Impact	
	<p>applied by GOEIC for inspection depending on the time of inspection. A fee of 150 EGP is applied if the inspection is done before 2 pm, and this fee is raised to 300 EGP if the inspection is done between 2pm-6pm</p>			<p>relevant organizations (I)</p> <ul style="list-style-type: none"> ▪ No price discrimination in the fees paid based on the time of inspection (I) 		
<p>2.7 Handle container and stow vessel</p>	<ul style="list-style-type: none"> - Not all scales are operational Sometimes the weighing process can take a whole day. - The X rays are not operating 	<p>Failure in system implementation</p>	<p>All countries</p>	<ul style="list-style-type: none"> ▪ Ensure the availability of adequate numbers of customs official and other relevant employees at the port 24/7 (I) ▪ Ensure all scales/x rays and all port equipment's are operational (I) ▪ Design a monitoring and evaluation system for ports efficiency with a clear time 	<p>Reduction in the duration taken to handle the container and stow vessel to few hours</p>	<p>Increase in port operations efficiency</p>

Business process Area	Bottleneck	Nature of the problem	Relevant International Experience	Proposed corrective actions	Impact	
				line and penalties applied (S)		
2.8 Prepare Documents required from importer	<ul style="list-style-type: none"> Delays in issuing the certificate of origin due to the delays in uploading shipment documents on the MTS system 	<ul style="list-style-type: none"> Failure in system implementation 	-----	<ul style="list-style-type: none"> Upgrade the IT infrastructure by <ul style="list-style-type: none"> Increasing the capacity and the speed for uploading of the documents, to ensure the smooth operation of the NAFZA (I) Radical change: the entire export processes are digitalized with minimum human intervention (M) 	<ul style="list-style-type: none"> Reduction of time required to obtain the certificate of origin to few hours 	Increase in export transactions
2.9 Collect photographic copies of the export certificate	<ul style="list-style-type: none"> Delay in sending the export confirmation to the dry port for a period of up to three months in some cases, and hence obtaining photocopies 	<ul style="list-style-type: none"> Failure in system design Failure in system implementation 	Turkish experience (Annex B)	<ul style="list-style-type: none"> Transfer of the export certificate should be done electronically only (I). 	<ul style="list-style-type: none"> Reduction of time from up to 3 months to 1- 2 days 	Reduction in the costs due to the elimination of informal payments

Business process Area	Bottleneck	Nature of the problem	Relevant International Experience	Proposed corrective actions	Impact	
	<p>of the export certificate from the dry port is delayed</p> <ul style="list-style-type: none"> ▪ The insertion office at the dry ports is usually very crowded ▪ In most cases, the exporter needs to pay a mandatory tip in order to speed up the process 			<ul style="list-style-type: none"> - A maximum reasonable time for issuing the export certificate should be enforced and monitored (I). - Radical Change: Cancel the whole step by digitizing the process completely and having shipment documents sent automatically to the relevant authorities which use these photographic copies (M) 	<p>In case of adjustment in currently applied system). Time reduced to zero in case of complete digitalization</p>	
2.10 Present the exporting document to the Export	The long time needed to prepare the documents	Failure in system design	Turkish experience (Annex B)	<ul style="list-style-type: none"> ▪ Digitalize the all the operations of the export development fund, so that all relevant documents 	<p>Reduction in time to maximum of 1 hour (Given the modification in step 2.9) is done</p>	

Business process Area	Bottleneck	Nature of the problem	Relevant International Experience	Proposed corrective actions	Impact	
Development Fund				<p>are up loaded/ sent electronically and the amounts due to the exporter are calculated electronically(S).</p> <ul style="list-style-type: none"> ▪ Radical Change Abolish the role of export development fund and establish a direct link between the customs and export development bank whereby the completion of the export transaction payment are notified to the bank and the amount due for the exporter are calculated automatically and payment to exporters account is made accordingly (M) 		
3. Pay						

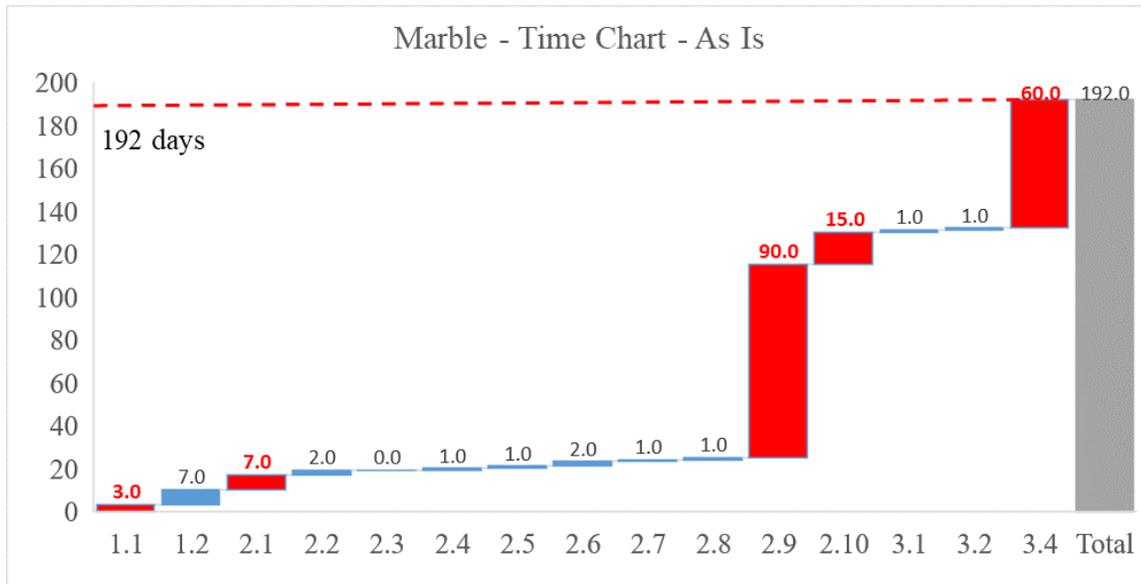
Business process Area	Bottleneck	Nature of the problem	Relevant International Experience	Proposed corrective actions	Impact	
3.3 Export support program payment .	<ul style="list-style-type: none"> ▪ Long time and complicated process to reimburse of the money from the export support program 	<ul style="list-style-type: none"> ▪ Failure in system design 	Turkish experience	<ul style="list-style-type: none"> ▪ Abolish the direct involvement of the ministry of finance and the assigned public commercial banks from the Export support program. (I) ▪ Radical Change Abolish the role of export development fund and establish a direct link between the customs and export development bank whereby the notification of completion of the export transaction payment are notified to the export development bank and the amount due for the exporter are calculated automatically and 	Reduction of the time to few days	Increase in export transactions

Business process Area	Bottleneck	Nature of the problem	Relevant International Experience	Proposed corrective actions	Impact	
				payment to exporters account is made accordingly (M)		

Finally, it should be stressed, that a dialogue with exporters should be done on a regular basis, through a weekly meeting with export councils, this is in addition to a consultation process with the exporters before implementing any new policy, with a feedback mechanism on the implementation. It is also very important to consider the capabilities of implementing government agencies before putting any policy into action. This will lead to re-trust between government and exporters and save efforts and time wasted with a definite positive impact on the business environment.

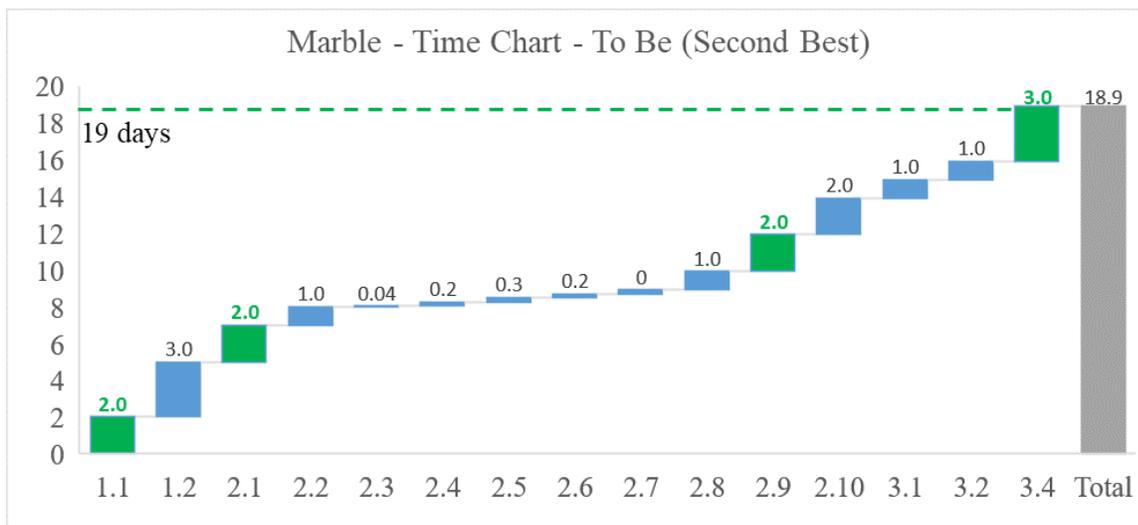
In conclusion, the time required to complete the business process for exporting marble and granite, will be reduced from currently 192 days (including indirect time) to just 19 days in the 2nd best scenario and 11 days in the first best scenario as highlighted in charts (1), (2), (3) and table (3).

Figure 1. Marble and granite – time chart, "As Is" situation



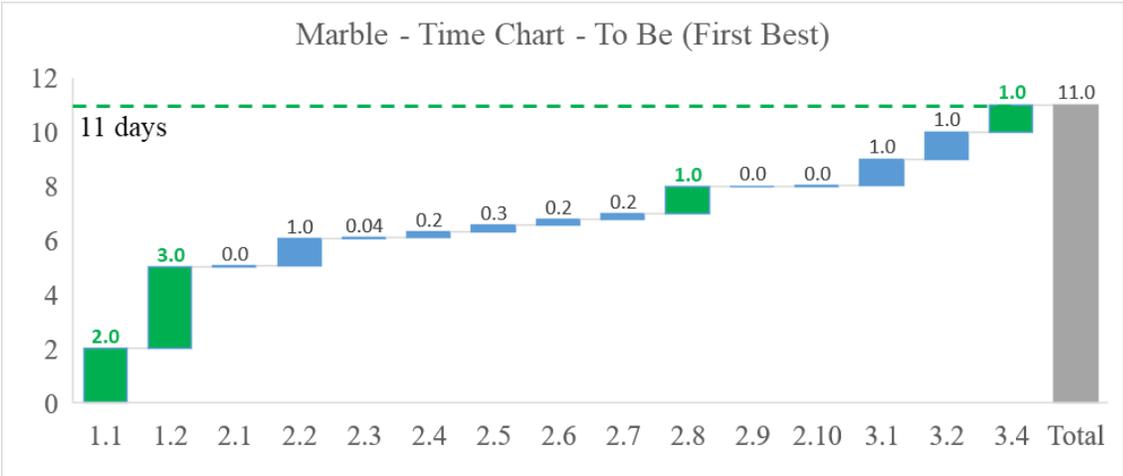
Source: Prepared by ECES.

Figure 2. Marble and granite – time chart, "To Be" scenario (second best)



Source: Prepared by ECES.

Figure 3. Marble and granite – time chart, "To Be" scenario (first best)



Source: Prepared by ECES.

Table 3. Marble and granite – timetable, first best vs second best scenario

ID	Business Process	As Is	To Be (Second Best)	To Be (First Best)
1.1	Approve samples	3	2	2
1.2	conclude sales contract and trade terms	7	3	3
2.1	Obtain an export permission from "EMRA"	7	2	0.04
2.2	Obtain agriculture quarantine certificate	2	1	1
2.3	Book a container	0.04	0.04	0.04
2.4	Pick container and open an export certificate	1	0.21	0.21
2.5	Check 7 points and stuff container	1	0.25	0.25
2.6	transfer container to port o departure	2	0.21	0.21
2.7	Stow container on the vessel	1	0.21	0.21
2.8	Prepare documents required by importer	1	1	1
2.9	Obtain photographic copies of the export certificate	90	2	0.0
2.10	Present export documents to EDF	15	2	0.04
3.1	Establish payment guarantee	1	1	1
3.2	Claim payment of goods	1	1	1
3.3	Claim the payment of export support	60	3	1
	Total	192	18.9	11.0

Source: Prepared by ECES.

Annexes

Annex A: Horizontal Observations

Observation #1

The industry imports the machinery and equipment used in production, and thus is forced to comply to Decree 43 as well as the unified window system (MTS), both parts of the import procedures that are known to take a long time. In fact, the MTS system increases customs clearance procedures from 3 days to 8 days if not more.

At another level, other than the resulting delays—especially in the case of decree 43—lots of problems with a weakly digitized process are faced. The whole process was seen as awkward by foreign suppliers leading many of them to stop supplying to Egypt, and finally corruptive behavior emerged as a certain stage of the process involved the approval of the Minister of Industry or other departments in the same ministry, which meant that employees in the Ministry have a say in how quickly the process can be completed.

what is worse is that the producing company has to also comply with the Central Bank’s decision of last March 2022 whereby “LCs” for the full value of the shipment irrespective of supplier’s facilitations, replace “document-based payment system” that has been used for the last 20 years or more. Recently it has been announced that this decision will be cancelled by December 2022

Observation #2

Meeting the delivery time is currently jeopardized by the limited availability of shipping lines and containers. Not only does this problem affect the cost of shipping but also extends the time for shipping and product delivery.

Observation #3

The marble and granite is one of the products that is eligible to payments from the Export Support Program. The administration of this program is theoretically under the Ministry of Trade and Industry, however, this has transformed over the years with the direct involvement of the Ministry of Finance which decides when, and how much money the exporters are going to be reimbursed, which not only complicates the process but also affects the exporters’ ability to continue in his activity and remain dynamic in the export operation.

Observation#4

The entire process of reimbursing the money from export support program is very slow which limits the availability of liquidity for exporters. In addition to the complication created from the involvement of multiple parties in the system, the timing of the actual reimbursement of the payments from the Export support program may take several months, depending on the availability of funding from the Ministry of Finance. Further, the transfer of the money from the banks to the exporters account takes around one month from the date of delivering the certificate of payment to the bank.

Observation #5

The difference between big enterprises and small enterprises is the ability of the first to have an administrative team to handle the import and export procedures efficiently. The small enterprise can't, so it has to use the services of one of the 'facilitators' who are self-employed and handle more than one company at a time. The process of completing the needed steps can take double or triple the time depending on how efficient the facilitator is and how much effort he is allocating to the company

Further smaller companies are a lot more likely to export via an exporting company or simply producing for an exporting company. This way the transaction is simply a local order without going through any of the ordeals of exportation.

Observation #6

The exportation of samples are treated as a regular export transaction.

Observation #7

There are a number of institutional problems related to:

- The weak IT infrastructure in the Customs Authority. A lot of the steps take longer time than expected because the IT system is not functioning.
- The weak role of the Ministry of Trade and Industry, as opposed to full power of the Ministry of Finance in the face of the exporters being in charge of customs, in addition to deciding on the exporters payments in relation to the Export support program.

- The lack of communication with the FEI chambers and the export councils when the decisions are taken.
- The inefficiency of the Egyptian Commercial Service in supporting the exporters with new business opportunities.
- Sudden change in the rules and regulations related to the exporting process, and the clarity about the implementation.
- Lack of communication with the exporting companies concerning any change in the technical specifications of the exported product from the importing companies.

Annex B: International Experiences

The Turkish Export business process and export support

- The prerequisites for exporting is membership in the relevant export association, and to be registered is the BILEG software, further the exporter should acquire all licenses/ permits or letters of conformity as per the national law. Most of these authorizations are granted through an electronic system “Single Window System”, therefore it is not necessary to attach them in paper to the customs declaration.
- All the business processes related to exporting is digitalized. Customs declarations can be filled in data by the exporter in entry rooms at customs administrations or in exporter’s office through EDI, a web based software.
- For inspection Turkey adopt a risk based system. In this system goods are categorized from high risk to low risk and accordingly determine which imported or exported consignments will go through physical inspections. The method of inspection and customs officer who will carry out inspection is determined by the system automatically. Methods for inspection are as follows:
 1. Red line: Physical examination of the goods and document control of related customs declaration with attached documents.
 2. Yellow line: Document control of related custom declaration with attached documents. There is no physical examination of the goods
 3. Blue line: Post control of the customs declaration with attached documents. There is no physical examination of the goods or document control at the time of export.
 4. Green line: No physical/document control.

Marble and Granite always belong to the green category except in the case of corruptive behavior. Such incidents are discovered through checking of random samples, and in such case the exporter is channeled to the red group and physical inspection takes place
- In turkey’s drawback system the exporter calculates the allowances.
- Samples are exempted from applying any rules regarding customs
- Institutionally all export associations are under the umbrella of a governmental organization called “TIM”. Each exporter firm has to be a member of the relevant sectoral and regional association. Specific role of TIM includes:
 - To represent the exporters in and outside Turkey
 - To provide coordination and solidarity among Exporter Associations

- To participate in determination of export targets and policies; to perform works to achieve the determined export targets and to make contribution to the works performed by other bodies and organizations.
- To perform works in coordination with public bodies and organizations on subjects related directly or indirectly with foreign trade and to make contributions to the works being performed
- This is addition to supporting innovation, entrepreneurship and providing and trainings to students and employees

TIM is managed by a private sector board of director, and it finance its activates through acquiring 0.5% of every export shipment.

- In addition to TIM, the Turkish Eximbank plays an important role is supporting exports. The Bank is a fully state-owned bank acting as the Turkish government's major export incentive vehicle in Turkey's sustainable export strategy. As Turkey's official export credit agency, Eximbank has been mandated to support foreign trade and Turkish contractors/investors operating overseas. The Bank currently supports Turkish exporters, contractors and investors through various credit, guarantee and insurance programs similar to export credit agencies of developed countries. It engages in direct lending activities as well as implementing insurance and guarantee schemes within the same institution. The bank provides serval credit scheme to finance short term, medium and long term needs of exporters and producers. The loans are provided against real export targets, the realization of which are monitored through the digital export transaction history of the exporter. Loans are given at 1/3 of the commercial bank's interest rate
- Other incentives given to exporters include a free zone status to the biggest 100 exporting companies irrespective of their location. Further there is a tax reduction for regions in turkey that still suffer from under industrialization.

