Prime Minister's Decree no. 47 of 2020

On the Rules, Regulations and Procedures of Heavy and other Industries Licenses Bid release to Investors

The Cabinet

Having Perused,

The Constitution;

Law on the Facilitation of Licensing Procedure for Industrial Establishments promulgated by law no. 15 of 2017;

The Executive Regulation of Law on the Facilitation of Licensing Procedure for Industrial Establishments issued by the Ministerial decree no. 1082 of 2017 of the Minister of Trade and Industry;

And the proposal of The Minister of Trade and Industry;

And After the approval of the Cabinet;

Has Decreed,

(Article I)

In applying the provisions of this decree, the terms and phrases shall have the meaning set forth below, unless otherwise understood from the context:

The Authority: The Industrial Development Authority.

Heavy Industries and Other ones: Industries prescribed in Article II) of this decree.

(Article II)

In applying the provisions of Article (36) of the said Law on the Facilitation of Licensing Procedure for Industrial Establishments, Heavy Industries and other industrial activities shall mean the following, in accordance with (ISIC4):

Cement, Lime and Stucco industry, including all products under code no. (2394) as follows:

Ser.	Product Name
1	White Portland Cement
2	Ordinary grey Portland Cement
3	Iron grey Portland Cement
4	Quick grey Portland Cement
5	Sulphate-resistant grey Portland Cement
6	Mixed grey Portland Cement

Basic Iron and steel industry, including all products under code no. (2410) as follows:

Ser.	Product Name
1	Continuous-casting Square Pellet
2	Sharpened overhauled Steel Rebar
3	Smooth brominated Steel Rebar
4	Direct Reduced Iron (DRI)
5	Hot-briquetted Iron (HBI)
6	Iron pellets

Tobacco products industry, including all products under code no. (1200) .

Alcoholic beverage, refining and mixing thereof industries, including all products under code no. (1101).

Wines industry, including all products under code no. (1102).

(Article III)

The Industrial Development Authority (IDA) shall, in coordination with the concerned entities and within the framework of State’s economic, social and environmental development plans and on annual bases or whenever found necessary, specify the licenses of Heavy industries and other ones to be released for investors and the geographical distribution thereof, taking into consideration the available amounts of energy as estimated by The Supreme Council of Energy based on the economic needs of the State and both local and export potential consumption.

Article IV

The Authority shall, in coordination with entities of competent jurisdiction, select locations where Heavy industries and other ones could be established in accordance with the certified geographical distribution, in compliance with State’s industrial policy and in respect for raw material availability, logistics, energy sources and environmental considerations.

The concerned parties may, upon the approval of the Authority, suggest location where the project could be established provided that the coordinates of the land selected for such purpose are specified and all approvals of the concerned entities, including coordination with the entity of competent jurisdiction to obtain the allocation contract in accordance with the applicable rules and regulations therein, are submitted to the Authority.

Article V

The project shall be supplied by the necessary electrical power by the State or any of Companies thereof in accordance with the prices set by the Supreme Council for Energy.

The Authority may, in coordination with the concerned entity, stipulate that the project shall be responsible for the establishment of the necessary electric power plants on his own expenses inside the land of the project.

In all cases, the project shall be responsible for the implementation of inner and outer basic infrastructure for the land allocated thereto on his own expenses or otherwise pay the equivalent value thereof to the State, if thereby implemented.

Article VI

The Authority shall, prior to the release of available licenses, prepare Bidding terms of reference including general and specific conditions, the amount of temporary security deposit that must be paid and bid deposit in case of congestion.

The Authority shall open a serial record, whether electronic or in paper, to register companies applying to obtain the Terms of Reference (TOR). Such record shall include company name, commercial register number and representative contact information thereof and the dates for both document withdrawal and submission.

Article VII

After ensuring the completion of the procedures stipulated in the previous articles, The Authority shall raise a memo for The Minister of Trade and Industry including number and type of licenses to be released, geographical locations thereof, conditions and procedures of release in addition to the value and price of each license and the calculation bases thereof. Such memo shall be proposed to the Cabinet to obtain release approval, conditions and procedures.

Article VIII

The Authority shall announce available licenses' release in the due time in at least one daily widespread newspaper, on Government electronic website and on the Authority's portal. The number of licenses, production capacity for each, price of TOR and annexes, the entity responsible for receiving thereof, submission deadline, amount of temporary security deposit and any other data that the Authority may find necessary shall be illustrated in the announcement.

In case of international release, announcement of the available licenses shall be in a foreign language in one of the widespread international newspapers, and the TOR shall be translated with a hint that in case of dispute or ambiguity thereon, the Arabic version shall prevail.

In addition to the abovementioned, announcement may be made in any other widespread media upon approval of the competent authority.

Bidding may, upon Cabinet's approval on the proposal of the The Minister of Trade and Industry, be through limited tender, and this can be in urgent cases where there is no space for public auction or sealed tender, in cases where public auction or sealed tender doesn’t lead repeatedly to any offer or reach the equivalent value set for such license, and thus the Authority found it more suitable to change bidding methodology and in cases of necessity related to the nature of the license to be released.

Article IX

Anyone who wants to obtain one of the released licenses, must submit the TOR prepared for that purpose, to the Authority, attached by the required data, documents, completed acknowledgments thereof and certified, sealed by the company’s seal and signed by the legal representative thereof.

TOR shall be submitted in original and two copies in addition to an electronic copy of all documents submitted and put in a sealed envelope in the name of the chairman of the Authority, with the Applicant’s name, address and company’s name, address and the legal representative thereof. The Envelope shall be submitted pursuant to the means and address set by the Authority in TOR during official working hours.

In all case, receiving TOR documents does neither mean that the company meets the requirements nor guarantee obtaining the license.

Article X

The company applying for the license must attach the following data and the supporting documents thereof with TOR:

1. The current activity of the company, local and international pre-qualifications in establishing and operating industrial establishments.
2. The proposed Master plan for the project and components thereof in accordance with the determinants set forth in TOR.

3. Complete technical study of the project, phases' implementation timeline and the period necessary to obtain operating license and unconditional industrial register.
4. Technology proposed to be used in the project, local/international equipment supplier, origin of such equipment, supplier's pre-qualification documents in the field of industrial establishments, technical details of the whole production line and electric power plants (if any).
5. Project investment cost specifying fund source (local/ foreign) and loans' percentage compared to investment cost.
6. Detailed statement project's proposed consumption of Energy types and sources thereof including (amounts – means of transfer- storage techniques – safty measures).
7. Any other data specified in TOR.

Article XI

The company may apply to obtain more than one license of the released ones with the same activity and with a maximum of two licenses. In such case, the company shall obtain separate TOR for each license, provided that the production capacity of both licenses does not exceed that stipulated in TOR and that approved by the Cabinet as part of the total production capacity targeted for the Egyptian market in the licensed activity.

Article XII

The company that has previously obtained licenses, may submit an application for an additional one, provided that seriousness is proved in all previously obtained licenses in accordance with the rules stipulated in the previous article.

Article XIII

A committee shall, upon a decree from the Minister of Trade and Industry, be formulated from technical, financial, legal and members experienced in the released licenses, to investigate the submitted applications and ensure conformity with all technical and financial conditions of the release.

The committee may have the right to formulate sub-committees from the members thereof or other expertise to assist in the achievement of the ultimate goal thereof.

The committee may request the applicants to submit any data, documents or clarifications as may be necessary for accurate technical and financial investigation of the applications and without prejudice to the principle of equal opportunities among applicants.

Article XIV

In case of competition among technically and financially qualified applicant for licenses, either through a rush on specific location or through the rush demand on both licenses and available locations, a public auction shall be made among such qualified companies with a view to select the most feasible thereof, provided that the costal value of the license shall be the basic value of the auction.

Article XV

The company that failed to obtain a license as a result of competition among technically and financially qualified investors, may express interest in obtaining a license in other vacant location from the available locations, and the decision-making committee shall investigate such application based on the new location .

Article XVI

The Committee shall make minutes including investigation outcome for licenses’ submitted applications and compliance thereof with the terms and regulations of release and recommendations regarding the award of released licenses to technically and financially qualified investors.

The aforementioned minutes shall be signed by all committee members and chairman thereof stating their opinion regarding the acceptance or refusal of the submitted applications.

Recommendations of the committee shall be raised by the minister of Trade and Industry to the Cabinet either for adoption or what may otherwise be decided in this regard .

Article XVII

The prime minister may formulate a committee of concerned entities' representatives to be responsible for following-up bidding procedures undertaken by specialists in this regard.

Article XVIII

The competent department in the Authority shall, following the Cabinet's adoption of released licenses' committee outcome, notify, within the maximum of one week period, successful applicant with the acceptance of application thereof by a registered letter with acknowledgement of receipt on the address written on TOR or by any other means agreed upon at the time of application submission.

Accepted applicants shall have to pay the full value of the license within a month as of the date of notification thereof with application acceptance.

Accepted applicants may, upon the approval of the Authority, pay (25%) of license value within the time stipulated in the previous paragraph, provided that the remaining (75%) license value shall be paid in addition to Central Bank's stated discount rate at the time of the payment on three equal quarterly installments to be counted as of the date of abovementioned (25%) payment.

License value may, on Cabinet's approval based on Minister of Trade and Industry's proposal, be paid on installments in accordance with stipulated conditions and regulations.

Article XIX

Have not paid the license value within the stipulated period, the submitted applications shall be deemed null and void and the temporary insurance or bid-entry insurance, in case of competition, shall be the right of the Authority with no need to undertake any other measure.

Article XX

Companies of accepted applications shall prepare Environmental Impact Assessment Study for project location outline and obtain Egyptian Environmental Affairs Agency (EEAA)'s approval.

The company shall as well be obliged to complete all industrial requirements in accordance with the industrial activity and prepare all the technical studies necessary for the project including raw material studies and energy usages necessary for such activity.

Article XXI

The company shall make project land available by itself or through the entity of competent jurisdiction and obtain all necessary approvals from the concerned entities within a year as of the date of obtaining license. Such period may be extended for the same, upon the approval of the Authority's board of directors.

The company shall, as well, be obliged to establish the project and obtain an operating license and an unconditional industrial register and start production within the period stipulated in TOR as of the date of final approval on the license, in light of nature and size of the proposed project .

Article XXI

The company shall make project land available by itself or through the entity of competent jurisdiction and obtain all necessary approvals from the concerned entities within a year as of the date of obtaining license. Such period may be extended for the same, upon the approval of the Authority's board of directors.

Article XXII

In case the stipulated period of time is exceeded, a committee from the Industrial Development Authority shall be formulated to evaluate the executive situation of the project in accordance with the following:

1. In case the implementation percentage is below (50%), the license shall be cancelled and, in such case, the company shall not have the right to request a refund of the license value or any other liability.

2. In case the implementation percentage is above (50%), a fine equal to (10%) of license value for the first additional year and to (20%) for the second additional year, as a final period to start production, shall be paid. In case of failure to meet the original and the additional deadlines, the license shall be cancelled and the company shall not have the right to request a refund of the license value or any other liability.

Article XXIII

This decree shall be published in the Official Gazette.

Issued in The Cabinet on Rabe'a Al Akhar 1442 AH

)Corresponding to December, 3rd 2020.(

Prime Minister

Dr. Mostafa Kamal Madbouly

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