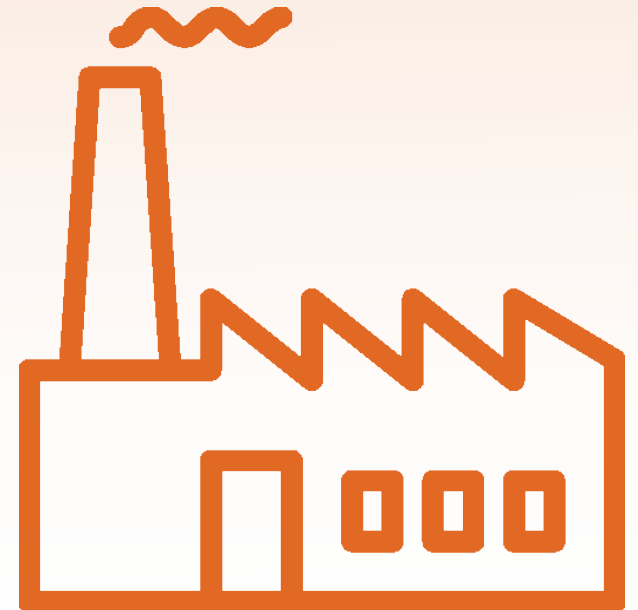


PROVISION OF INDUSTRIAL LAND

RESPONSIBLE ENTITIES:

- » The Industrial Development Authority (IDA)
- » The New Urban Communities Authority
- » The Ministry of Housing, Utilities & Urban Communities
- » The National Center for Planning State Land Use



CHALLENGE	RECOMMENDATION	STATUS/NOTES
<p>The lack of objectivity and transparency in the allocation and pricing of land, as well as the absence of comprehensive information on the availability of land, prices, and acquisition procedures.</p> <p>Land policies are developed in the absence of an updated integrated land information system.</p> <p>Lack of standardized procedures for land allocation across the various government entities, and lengthy and cumbersome allocation procedures.</p>	<p>The Prime Minister should promptly issue a decree to clarify jurisdictional issues related to industrial land; the decree should also clearly outline the role and function of the New Urban Communities Authority and IDA; the former should have jurisdiction over the land, infrastructure, and the provision of utilities, while the latter should have sole jurisdiction over land administration and allocation.</p> <p>Resolve the legal conflict regarding the jurisdiction of IDA over industrial land, as stipulated in the law regulating IDA. If needed, issue a new law that clearly delineates the jurisdictional authority of different government entities over industrial land and the responsibility for providing utilities and allocation of land to the final beneficiary.</p> <p>Create a well-integrated and accessible information system for industrial lands; ensure that it remains updated.</p> <p>Replace the numerous laws governing state land with a single unified and simplified law to administer it.</p> <p>IDA should be designated as the sole entity for interacting with investors.</p> <p>Create a land bank to serve as a database, listing all available industrial land, the price of each plot of land, and information regarding the current status of utilities and infrastructure.</p>	<p>A coordinating council, affiliated with the Cabinet, has been established to study the challenges facing investors in industrial zones.</p> <p>The Cabinet contracted a consultancy firm (MegaCom) to examine the challenges and barriers facing investors in industrial zones and develop solutions. The firm was to consult with investors and seek their feedback and views on the barriers and solutions. The consultancy contract is funded by the Ministry of Finance.</p> <p>FEI and MegaCom discussed the recommendations included in the study. It was agreed that investors should be able to lease the land plot for ten years; the plot may be purchased if the investor demonstrates seriousness about the investment.</p> <p>Investors can acquire industrial land by accessing the investment map posted on the website of GAFI and, according to the type of projects to be established in each region. That said, many users find it difficult to deal with this online map.</p>

<p>IDA lacks the financial resources needed for equipping industrial land with utilities. Together with the high cost of bringing utilities to undeveloped plots, small investors face a shortage of appropriate industrial land. IDA's lack of financial resources is likely to hinder its ability to deliver on its plan of making available 60 million square meters of land by 2020.</p> <p>Lack of industrial land plots (500 square meters) available to small enterprises in industrial zones, in line with the Industrial Licensing Law.</p> <p>Excessive increases in land prices and the lack of pricing standards.</p>	<p>Allocate additional land to IDA to increase the industrial land supply available for investors and develop objective and transparent mechanisms for land allocation.</p> <p>Make available land plots and facilitate land acquisition procedures.</p> <p>Authorize the development of public markets, major commercial complexes, and hypermarket chains, which are critical for marketing locally manufactured products at competitive prices and increasing demand for these products.</p>	<p>In June 2019, the Cabinet approved a proposal, submitted by the coordinating council for Industrial Zones that allows selling industrial land plots on installments at an annual interest rate of 7%, rather than the interest rate set by CBE. This decision, which will remain in effect for three years only, aims to attract more investments to the industrial sector, in order to expand the establishment of new industrial zones to increase youth employment opportunities.</p> <p>In July 2019, the Internal Trade Development Authority signed eight partnership agreements with a group of investors and commercial developers. Under these agreements, commercial and logistic zones will be established in a number of governorates including Sharqiya, Menoufia, Gharbia, Beheira, Luxor, Qena, Fayoum, and the New Obour City. It is expected that the agreements will attract investments worth LE 23 billion, and provide approximately 200,000 direct and indirect job opportunities, as well as make available commercial centers that meet all the needs of citizens at reduced prices.</p>
<p>Land registration requires conducting cadastral surveys. However, the current capacity of the Egyptian Survey Authority does not allow it to respond to survey requests nation-wide in a timely manner, thus, expedited requests for registration are put on hold.</p>	<p>Authorize the establishment of accreditation offices to carry out cadastral surveys to facilitate the land registration process (similar to the case under the Simplification of Licensing Procedures for Industrial Enterprises Law and the Investment Law, which authorize the establishment of accreditation offices to facilitate the licensing process); allow security-cleared entities to use modern techniques of geographic photography.</p>	
<p>Failure to fully enforce some of the provisions of Law No. 15 of 2017. The New Urban Communities Authority, which is affiliated with the Ministry of Housing, Utilities, and Urban Communities, continues to require investors to provide a bank guarantee to acquire land in industrial zones; this is an exaggerated requirement as it was revoked under Law No. 15 of 2017.</p>	<p>Fully enforce the provisions of Law No. 15 of 2017, which revoked the bank guarantee requirement, as a proof of the seriousness of purpose of investors who are interested in acquiring industrial land.</p>	