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Meeting to promote specific Industrial
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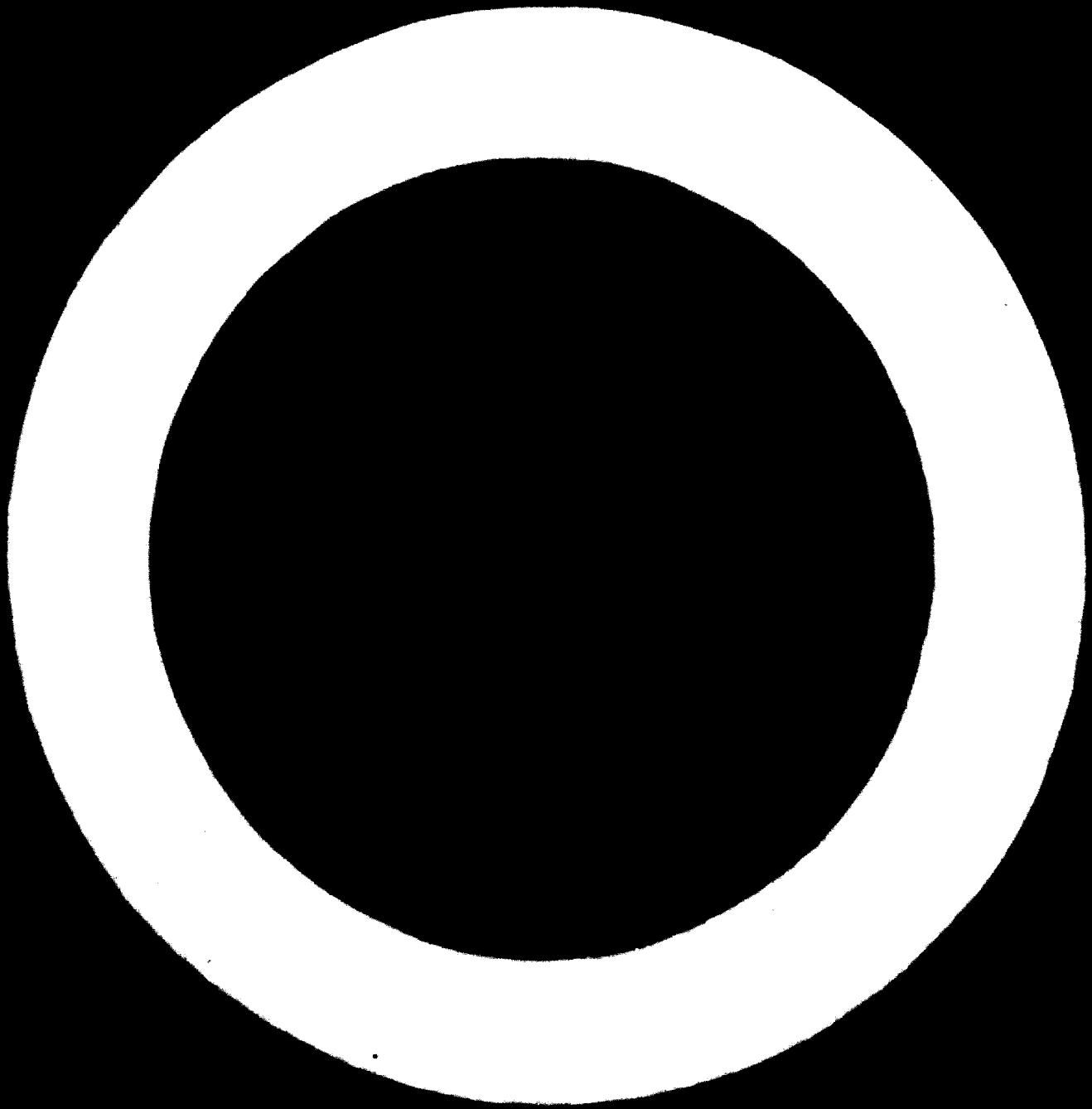
Nairobi, Kenya, 30 November - 4 December 1970

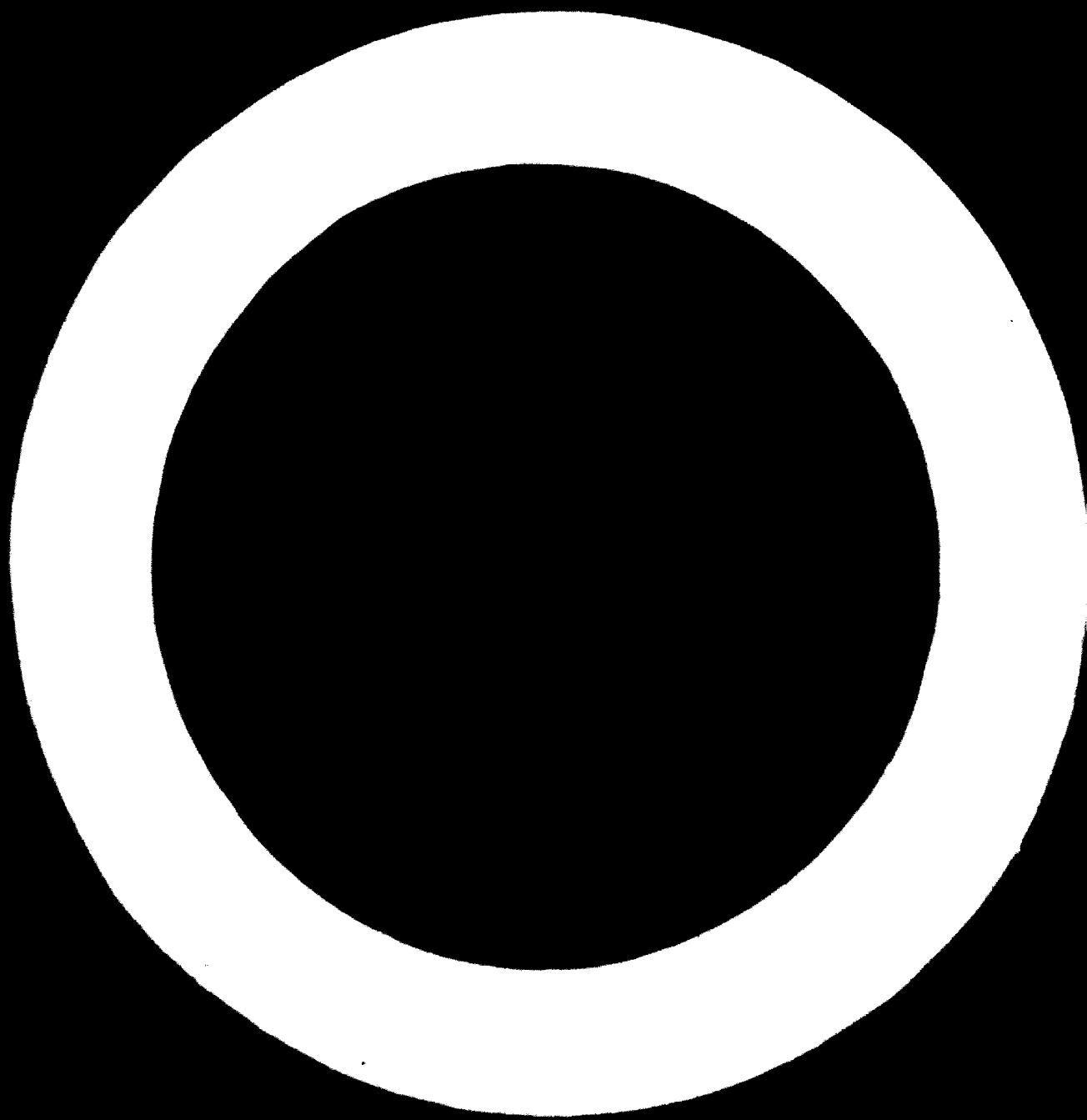
INCENTIVE ✓

THE SUDAN

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THE SUDAN

I. Incentives granted to industrial investments

- Protection from foreign competition

. Customs duties on imported competing commodities may be raised if deemed necessary by the Minister of Industries.

. Partial prohibition or restriction of imports to protect products of local enterprises.

- Import duty concessions

. Exemption of all machinery, equipment, spare parts necessary for production, maintenance and construction from customs duties and charges.

. Reduction of such duties on raw materials necessary for production, so that they will not exceed 10 per cent of the value at port of delivery, provided that the competent authority shall be the sole authority to determine the requirements of the enterprise.

Drawback of customs duties less than 1 per cent already paid by the enterprise for raw materials and packing materials used in the manufacture of an exported product.

- Fiscal incentives

. Exemption from payment of the business profit tax for a period of 5 years from the date of commencement of production; in case of an enterprise with an employed capital of one million pounds or more, in the fifth year, it shall be exempted half the tax for another period of 5 years.

. During the first 5 years, the depreciation rates may be counted as double or three times the rates in force.

. Any loss incurred during the first 5-year period shall be considered to be a loss incurred during the last year of that struggle.

- Assistance with physical facilities

Allocation of land necessary for the establishment of the enterprise at a reduced price paid either fully or by instalments.

. Reduced rates of electrical power consumed by the enterprise.

. Reduced rates of freight applicable on equipment, spare parts, raw materials, products and by-products of the enterprise regarding all means of transport owned by the Government or under its direct influence.

- Assistance with financing

. The Bank of Sudan may take measures aiming at the encouragement of industry through a policy of credit facilities.

. The Industrial Bank of Sudan provides medium-term financing to local industry.

- Assistance with labour and management

• Facilities for the entry and work permits to foreign technical staff (managers, experts and skilled foreign workers).

• A Management and Productivity Centre has been set up to improve and develop the standard of management at all levels.

II. Industries qualifying for incentive benefits

• Concessions are granted to existing or proposed industrial enterprises if one or more of the following conditions are satisfied, i.e. if the enterprise:

- Will be of defence or strategic importance;
- Utilizes local raw materials or encourages their production;
- Will substitute imports or increase exports and the saving of foreign exchange;
- Will employ and train Sudanese nationals with the purpose of replacing foreigners;
- Has sufficient capital and the necessary executive body;
- Will assist in the establishment of new industries in the Sudan;
- Will assist in increasing the national income.

• Enterprises have to obtain a licence by the Minister of Industry and Mining.

III. Investment procedure

• Enterprises have to obtain a licence.

• Applications for incentive benefits must be made to the Minister of Commerce. The Minister submits the application to the Advisory Committee for the Promotion of Industry. Upon its recommendation, the Minister of Industry and Mining grants to the applicant enterprise all or any concession provided by the law.

Composition of the Advisory Committee:

Under-Secretary, Ministry of Industry and Mining, Chairman;
Under-Secretaries, Ministry of Finance and Economics, Ministry of Commerce and Supply, Ministry of Local Government; Commissioner of Labour Department; Director of Customs; Managing Director of the Industrial Bank of Sudan; Director of the Department of Industry.

IV. Measures concerning foreign investments

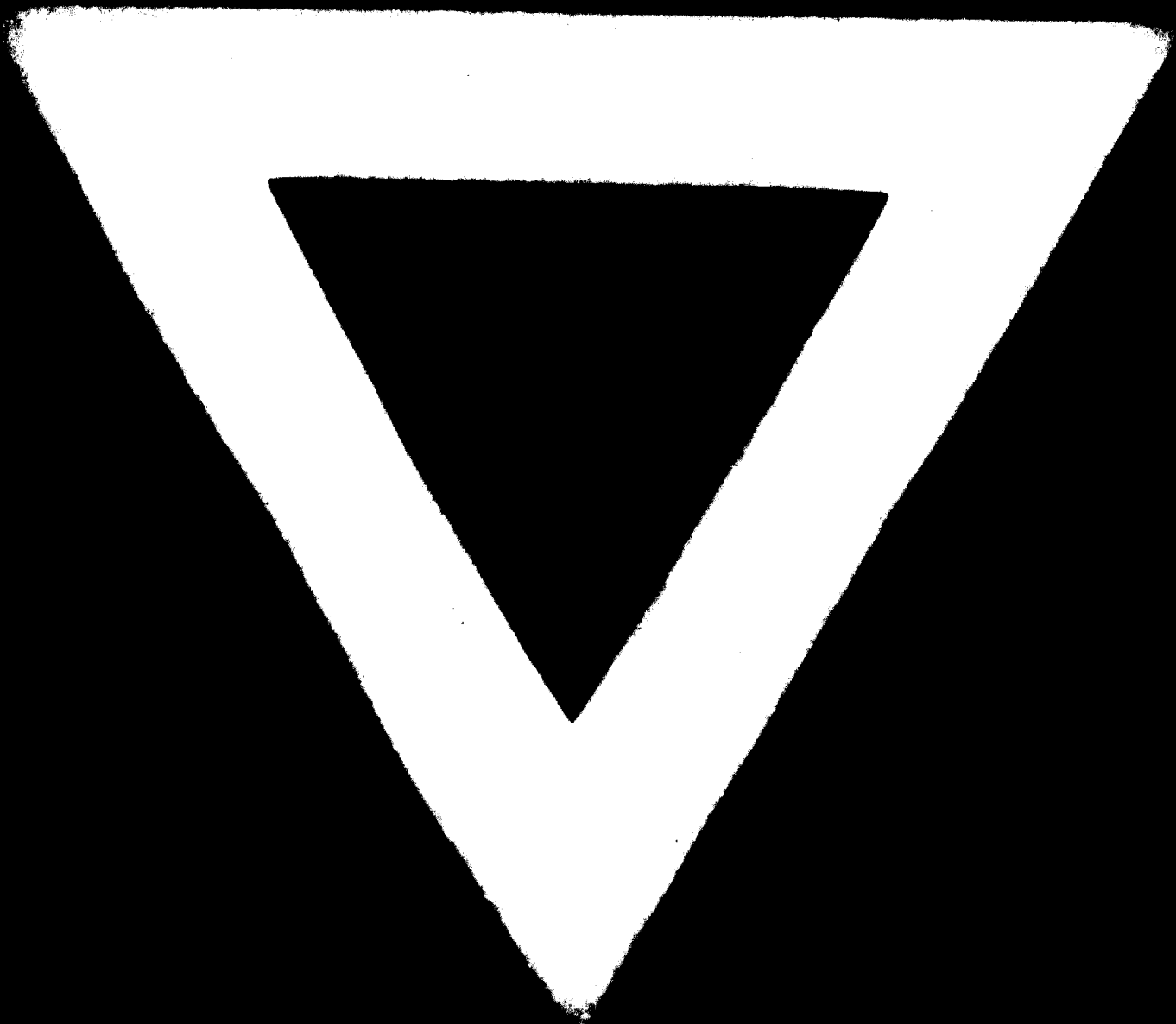
- Repatriation of capital: foreign industrialists have the right to remit profits to the country of origin of their capital.
- Compensation in case of compulsory acquisition by the Sudan Government of any property belonging to an approved foreign enterprise.
- Foreign enterprises enjoy the same rights and benefits as enterprises owned by nationals.

V. Source of information for investors

Ministry of Industry and Mining, Department of Industry, Khartoum.

References

- The Organisation and Promotion of Industrial Investment Act, 1967.
- The Organisation and Promotion of Industrial Investment (General) Regulations 1968.
- Ten-Year Plan of Social and Economic Development of the Sudan, 1961-62 - 1970-71.



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