

Better Future for Small Industries

A speech presented

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Small and medium industries constitute the base of hierarchical structure of industry everywhere and at any time. The development of feeding and small industries is an actual and real support for large industries.

The more the size of the small and medium industries is, the higher the top of the industrial hierarchy will be without any disequilibrium, thus reaching the stage of boosting competitiveness, exports and the value-added of the Egypt's industrial component.

The small and medium industries play an outstanding role in the contribution to the national income and its just distribution on a geographical scale. It also positively increases the pay per hour, thus achieving sufficient income and increasing the labor's purchasing power.

It is impossible for an industrial community to make progress without an integral, interactive basis of small industries at three levels:

- (i) the productive unit level along with the relevant increase and improvement of industrial skills of individuals at different levels,
- (ii) the role they play after reaching certain stage of maturity as a feeding industry for larger industries, an
- (iii) the level of technology and export-oriented industrial complexes.

Strategic orientation of small and medium industries

The critical question is: what is the strategic orientation of the small and medium industries in the lack of a clearly defined strategy? Is there a possible micro strategy that could catch up the macro strategy? Answering this question gives an indication to the orientation of these industries towards the future and their readiness to compete the international counterpart industries.

As a matter of fact, the national strategy just needs a legislative framework that organizes the relationship between parties without conflict or repetition of the exerted efforts of different and positive orientations.

This can not prevent the foundation of a micro strategy that may be included in the macro national strategy of the state without conflict.

The beginning always starts from the relative quality until reaching the competitive quality.

The relative quality is national and bestowed by God on certain area that may be endowed with natural abilities and skills of population.

For example, the pottery industry in Qena; the development of this industry to be competitive to the pottery, china and refractory industries needs to be mechanized.

Artistic export-oriented vases and bowls can also be included in this development process.

Strategic goals behind the development of small industries

The strategic goals pursued by the State and the Federation of Egyptian Industries can be summarized as follows:

First: the economic target:

1. Fair distribution of the national income: supporting the population's activities on a geographical scale.
2. Development of local savings to increase the investment rates and the national returns of investment, restraining the inflation and rationalizing consumption.
3. Increasing demand for local materials and then quality will be naturally boosted when demand increased. This also preserves the product's value in case it is used in non-industrial purposes.
4. Contributing to achieving a better balance of payments through the replacement of imports by local materials.
5. Recycling industrial waste to be used in bigger industries. For example, the industrial waste and the like may be recycled as a good treatment of industrial waste.
6. Securing good demand for national technology to open markets for cheap technologies, researches, and development that the local research centers can undertake by young researchers.
7. Approaching the re-exporting area as a step to full and integral exportation.

Second: the target of developing manpower

1. Creating real job opportunities of productive returns that may be positively reflected on the problem of unemployment through the geographical area.
2. Improving the abilities untrained and the average workers to promote their functional skills.
3. Establishing industrial concepts, starting from the non-industrial community by adding new industrial concepts to the value of work, punctuality, quality, production improvement, and the use of the proper instruments in the different industrial processes in addition to encouragement of inventiveness at the level of small villages and cities.
4. Creating opportunities for families to become productive and then can integrate with the simple industrial community on the small industry level through the performance of the processes of assembling, separating, and packaging. Through these processes families can become productive on the margin of a simple industry.

Third: the technological target

1. Providing jobs for the craftsmen to be integrated with a well organized industrial community to help skilled craftsmen have better skills and market through the ready-for-sale product that can easily find its way depending on an external marketing level of better efficiency and quality.
2. Rehabilitation to cope up with the bigger industries as a feeding industry. This gives a new characteristic of economic dimension when supplying

large industries with raw material and components of definite technical quality.

3. Working on the achievement of the integral industry in practical manner where interests are exchanged among the small and bigger industries at the industrial inputs levels or the industrial materials.

In the light of the aforementioned information, it is indisputable that developing the small and medium industries forms a priority to reorganize the Egyptian home from within.

It is necessary to overcome the problems and obstacles that hinder these industries by a new thought that copes with the mechanism adopted by the National Democratic Party in the first annual congress that necessitated the creation of new mechanism and untraditional solutions to meet the requirements of the upcoming stage.

We thus recommend the following:

1. Immediate issuance of an act organizing small and medium industries, defining the relation of these industries with the other State-rightful financial institutions and rationing frameworks of incentives and exemptions given to every case.
2. Establishing a supreme coordinative council for the small and medium industries representing the working bodies in this sector and presenting advice and coordination among the different sides to implement the national policy to develop these industries. Besides, it shall coordinate work among ministries and the concerned parties to execute the governmental commitment of buying 10% of the governmental sales from small industries.

3. Providing a database to serve these industries in respect of the way of getting the materials and instruments, and the requirements of the local and international markets.
4. Labor and trade unions should work at improving the technical and vocational level of workers to keep up with the ever-increasing changes, in addition to the adoption of vocational rehabilitation qualities through the use of the same programs of the same codes applied internationally and defining the qualitative vocational specialties and the specialized levels and tying them with the practice of the industrial activity.
5. Establishing an institution for the finance of owning machines and equipment. Financing the activities of industrial machinery and the creation of new work opportunities is a step in the course of industrial development. This is especially true for the fact that transferring the machineries from hand to another is safer than the transfer of capitals that may be exposed to dwindling and bankruptcy.
6. Activating other examples of loaning, such as the financial lease, debiting, and credit risk assurance companies.
7. Taking advantage of international successful expertise in supporting and developing the abilities of the small industries and cooperating with international small industrial entities.
8. Boosting efficiency of marketing through the participation of small industries communities in local and international exhibitions and encouraging chambers (of commerce and industry) to activate the contribution of these industries to specialized exhibitions.

9. Activating the big organizations to sign subcontracts with the small bodies within the framework of relevant acts and regulations of tenders.
10. Encouraging big factories to adopt factory-school idea and taking advantage of Mubarak-Kohl program.
11. Establishing a small industries bank to finance these industries and play a parallel role to that is played by the Principal Bank for Development and Agricultural Credit with regard to the agricultural development in Egypt.
12. Founding an independent tax body for the small industries.

We hope that we have presented a contribution that will find acceptance and may be applicable to meet the necessary measures that may help develop small industries.

Finally, may God grant us all success!

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