

Eritrea Free Zones Authority

Massawa Free Zone

Procedure for Establishing a Project

The following information outlines the necessary requirements in locating in Massawa Free Zone.

The Free Zone Authority will assist and co-ordinate the formalities that should be fulfilled by an investor to set up a project.

1. How do we start?

Investors can submit their requirements by filling in the application form. Initial approval will be granted on reviewing the form and relevant documents.

The license will be issued within a maximum of 12 hours upon final agreement on the terms and condition of the contract and the fulfilling of the first year's financial commitments (premises rent, licensing fees).

Investors leasing Trading Offices or pre built units can take over the premises with immediate effect upon the issuance of the license.

Investors can obtain a 100% ownership operational license under the following categories according to their lease agreement with the authority.

Trading and General Trading License

Authorized to import export and re-export agreed and specified commodities. The license entitles the investor to carry out import export and re-export freely from the Free Zone.

Warehousing License

Can be obtained on leasing warehousing facilities. This license entitles the investor to use the warehouse as a hub for major distribution, including storage and packaging of goods.

Manufacturing License

Obtained on approval and implementation of the project. All projects must be fully insured including manpower and machinery. All manufacturing license approvals are subject to the identification of the following:

- Area requirements- including buildings and open space
- Electricity, water and manpower requirements
- Environmental aspects of the project

Service License

A service license can be obtained to carry out any type of service activity. Included in the types of services eligible for a license are data processing, back office activities, Insurance claims processing, consultancy, credit card processing and Customer Service activities.

2. Operating License

An operating license will be issued to the applicant specifying the authorized activity to be undertaken by the investor. The activity should commence within 6 months from the date of approval.

3. Application Form:

The investor should complete and return an application form to the General Manager Massawa Free Zone, Massawa. A more detailed business plan may be required and will be requested at the discretion of the authority.

The Free Zone Authority will notify the investor of their decision on his/her application within one month.

4. Facilities Offered by Massawa Free Zone

In addition to the usual benefits of Free Zone Operation, Massawa Free Zone offers a host of facilities that investors can take advantage of: -

Trading Offices:

Trading offices unfurnished (investor can furnish according to his requirements) can be leased for import, export and re-export operations.

Warehousing and logistics

Units of different sizes can be taken on lease for use as import, export and re-export of different commodities as well as general trading. Investors can operate a distribution center including storage, packaging and repackaging. This hub could be operated efficiently with the very attractive costs available in Massawa.

Manufacturing

Investors can lease pre built units or request the construction of units customized to their requirements with the option of additional land for manufacturing purposes.

5. Electricity Supply

Application for the supply of electricity may be submitted through Eritrea/Massawa Free Zone Authority. The authority will apply for approval from the Eritrea Electric Authority. See separate document on Eritrea Electric Authority including current costs.

The total consumption and load requirements in KW should be provided, as per the standard requirements of the Eritrea Electric Authority.

6. Water Supply

Application for water supply may be made through Eritrea/Massawa Free Zone authority. The authority will assist with your application to Eritrea Water Company.

7. Application for Telephone, Fax, & Internet Services.

Application may be made through Eritrea/Massawa Free Zone Authority. The authority will assist in application to the Eritrea Telecommunication Co.

8. Entry Visa

- All Free Zone investors, developers, representatives and employees must secure entry visas to Eritrea.
- Entry permits may be obtained from an Eritrean Embassy or Consulate abroad. An entry permit can also be obtained on arrival at any entry point with a prior request from the Free Zone Authority.

- All business or employment entry permits will allow the concerned person to stay in Eritrea for three months. These permits may also be renewed for another 3 months under special considerations.
- Multiple entries valid for 3 months, 6 months or a year are possible.

9. Work Permits

The Free Zone Authority will assist in the application of work permits. The form should be submitted as early as possible prior to intended date of employment.

The application form should be accompanied with a medical certificate of the proposed employee. Work permits will be valid for 1 year.

10. Residence Permits

The Dep. of Immigration and National Affairs issue residence Permits.

Any proposed businessperson or employee staying beyond six months in Eritrea is required to have a residence permit.

Currently issued residence permits are valid for a maximum of 2 years. There are fees for the different types of residence permits, which must be paid in US Dollars. If a different residence permit with a prolonged validity is absolutely essential, this needs to be discussed further with the Authority.

11. Health & Safety Requirements

Investors locating in Massawa Free Zone must comply with health, safety and environmental requirements in Eritrea. Companies will be required to register with the Ministry of Health and comply with the operational Health & safety manual prepared for Massawa Free Zone.

12. Customs Declaration Forms

Investor will need to complete a Customs declaration form or Single Administrative Document (SAD) for the importation or exportation of goods/services into Massawa Free Zone. The Free Zone authority should endorse the form with the relevant Bill of lading and Airway bill.

Note: The Free Zone Authority can process the various permits required by its clients. An administrative charge will be added to the standard charges for the provision of this service by the authority.

Contact Details:

Eritrea Free Zones Authority,

P .O. Box 9150

Tel: 291-1-200812/201521

Fax: 291-1- 202778

E-mail. erifreezone@tse.com.er

Asmara

Massawa Free Zone

P .O. Box 491

Tel: 291-1-540362/540247

Fax: 291-1-540243

Massawa