

# MoH fee hike hits traders hard

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## Manama

The Ministry of Health's (MoH) decision to hike cigarette licence fees has negatively affected the small and medium businesses in the Kingdom.

In the past, MoH had charged only BD25 for small and BD50 for medium businesses as fees for selling cigarettes. But the new rules of the MoH have made it mandatory to pay a fee of BD300 and BD500, for small and medium businesses, respectively.

To start a business, a proprietor needs to get a

commercial registration and pay fees for specific licenses separately besides the annual fee to renew the license.

Once all payments and regulations are met, the company receives approval from the Ministry of Industry and Commerce to commence a business.

The hefty hike in the fees only adds to the costs of separate licenses and renewal processes, distressing small businesses like cold-stores.

"Last year I renewed my license paying BD160. But this year, I had to pay around BD600 because of the cigarette licence fee hike. While, the bigger supermarkets and hypermarkets can afford

such a hike, it is impossible for small businesses like us to pay hefty fees," said one of the cold-store owners in the island.

Cold-stores in the Kingdom are extremely popular among households for basic dairy products, cold-drinks, snacks and cigarettes.

Expressing his concerns another cold-store owner said: "Supermarkets and hypermarkets are not heavily impacted by these issues because they sell a wide variety of products, earn higher profits to manage costs and they are often sponsored by a cigarette company but small businesses have no such support.



The hefty hike in cigarette license fees has affected the small and medium businesses in Bahrain

"Due to the new rules, our profits have been on an all-time low and we are struggling to make ends meet because we have to pay salaries to those who work in our shops, along with the rent, electricity and water charges which are also on the rise."

The Bahrain Malayalee Business Forum, an industry organisation of a large number of small business

owners in the Kingdom, has urged the Bahrain Chamber of Commerce (BCCI) for support and the Chamber has assured them that they will raise the issue with the relevant authorities.

"We think it is unfair to hike the license fee to such a great extent. They have to create different and more logical categories of fees for small and medium firms

rather than charging them both at the same rate. Not only will the hefty fees stop these ventures from expanding, it will also force people to evade fees," said Ahmed Al Saloom, Head of Restaurants and Coffee Shops of the BCCI.

The Chamber is making efforts to persuade the Ministry of Health and the Ministry of Commerce to find a solution to the problem.



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