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REPORTER:	Mohamed Adel

Electricity ministry owes EGAS EGP 53bn for gas deliveries: EGAS Chairman

THE MINISTRY OF ELECTRICITY DEMANDED A MAXIMUM OF APPROXIMATELY 149M CUBIC METRES OF DAILY GAS TO STATIONS DURING THE SUMMER, SAYS ABDEL BADIE

By Mohamed Adel

Egyptian Natural Gas Holding Company's (EGAS) dues from the Ministry of Electricity have significantly increased to roughly EGP 53bn, in exchange for the gas that electricity generation stations obtain.

EGAS dues are considered higher than other sectors, and the company did not reschedule any dues until now, but the petroleum authority is working on it, as it owns the gas produced from Egyptian fields, according to EGAS Chairman Khaled Abdel Badie.

Electricity stations are said to consume a monthly quota of EGP 1bn fuel, while they would only pay EGP 200m.

Abdel Badie said that the ministry demanded a maximum of approximately 149m cubic metres of daily gas to stations during the summer.

The EGAS Chairman affirmed that the company is providing a maximum of approximately 105m cubic metres of gas on a daily basis to stations, while the rest will be pumped as oil and diesel.

He added that following the decision to no longer pump gas to many

cement companies, fulfilling their needs through equivalent fuels, the consumed gas will be transferred from these plants to electricity generation stations.

Abdel Badie declared that a schedule will be set to settle the dues owed to the company in the industrial sectors, which are worth EGP 6bn, and that a number of plants agreed to pay their debts through instalments.

The industrial sector is said to consume around 23% of Egypt's natural gas production: fertiliser plants consume 10%, cement plants

8%, and petrochemicals plants 5%.

Egypt's daily natural gas production was at 4.75m cubic feet as a result of the decreasing production in fields and the lack of well linking to make up for the deficit.

Since 2012, Egypt has been facing a crisis in gas production, a result of the delay from foreign companies to implement the projects according to the plan agreed upon. This has caused the government to sign contracts with several companies to import liquefied gas shipments to be able to fill the needs of electricity stations.