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Photo by Soliman el-Otella

**PRIME** Minister Ibrahim Mahlab yesterday inaugurated a project aiming at producing radioactive isotopes in Inshas in Sharqiya Governorate. The project comes as part of a plan laid out by the Egyptian Atomic Energy Authority (EAEA) to promote and enhance peaceful usage of atomic energy, Atef Abdel-Hamid, the EAEA head said.

## Power choices appease public, squeeze industry

Shadi Bushra

**FAR** fewer Egyptians are complaining about the kind of power cuts that fuelled unrest in the past, but government energy policies apparently focused on appeasing the public are dealing a blow to industries vital for economic growth.

Companies say production will continue suffering unless the government starts diverting some of the gas supplied to electricity plants powering homes to factories.

Research group, Capital Economics, estimates manufacturing output contracted by almost 30 per cent year-on-year in June due to the foreign exchange restrictions and gas shortages.

"Factories have been beset by power outages and (economic) activity has suffered," it said in a note. The economy has slowed sharply in 2015, with growth falling from 4.3 per cent at the end of last year, to as little as 2 per cent year-on-year in recent months, Capital said according to Reuters.

The government's decision to keep power flowing to homes, especially during summer months when air conditioning units operate at full blast, is not surprising.

"There were no power cuts caused by

shortages this summer. Any cuts this summer were caused by technical failures and were fixed immediately," an Electricity Ministry spokesperson said.

Egypt's state gas board, EGAS, casts the gas shortages as a necessary ill that industry has to bear for now.

"Egypt's industrial sector understands that we must provide gas supplies for power plants," a senior EGAS official said.

The government says its efforts to boost imports of liquefied natural gas (LNG) and steps towards allowing coal usage will boost energy supplies.

In April, it agreed to import around \$3.55 billion worth of LNG in the 2015-2016 financial year, including cargoes from commodity traders Trafigura, Vitol and Noble Group, oil major BP, along with Russia's Gazprom and Algeria's state-owned energy company Sonatrach.

The government is seeking LNG via Jordan as the two neighbours bolster LNG imports following their recent installation of Floating Storage and Regasification Units (FSRUs). The EGAS is seeking four LNG cargoes for delivery to Jordan's Aqaba gas terminal which will then be piped to Egypt, the traders said.