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<b>PUBLICATION:</b>	Daily News
<b>DATE:</b>	7-June-2015
<b>COUNTRY:</b>	Egypt
<b>CIRCULATION:</b>	10,000
<b>TITLE :</b>	EGAS to prioritize pumping gas in summer to fertilizer factories for local market
<b>PAGE:</b>	05
<b>ARTICLE TYPE:</b>	General Industry News
<b>REPORTER:</b>	Anaam El Adawy – Mohamed Adel

# EGAS to prioritise pumping gas in summer to fertiliser factories for local market

FERTILISER FACTORIES AGREE WITH MINISTRY OF AGRICULTURE TO SUPPLY 78% OF THEIR PRODUCTION LOCALLY

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The Egyptian Natural Gas Holding Company (EGAS) agreed with the Ministry of Agriculture to prioritise supplying natural gas in the summer months to fertiliser factories that feed the local market.

An official at EGAS told the Daily News Egypt that approximately 307m cubic feet of gas daily will be pumped to fertiliser factories of their total requirements, which amount to 510m cubic feet.

He stated that the available amounts of natural gas are supplied to the Talkha, Abu Qir Fertilizers, MOPCO, and Al-Masriya Fertiliser 2 factories.

The official said that natural gas is no longer pumped to factories that export all their production. The Ministry of Petroleum gives priority to fertiliser factories that feed the local market, and does not provide gas to exporting factories.

In a similar context, a senior official at the Ministry of Agriculture said that a



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meeting was held at the end of last week with fertiliser factories in the Free Trade Zone to determine this summer's supply amounts.

The meeting included the amounts supplied by factories, according to an official at the Alexandria Fertilizers Company. He added that an agreement was reached with the Ministry of Agriculture to supply 22% of pro-

duction for EGP 2,630, in addition to the 56% of production agreed upon in December, priced at EGP 1,910. This way, companies will supply 78% of their production for the local market.

The company's production volume remained at 85% is at 55,000 tonnes of urea a month.

An official source at Helwan Fertilizer

Company pointed out that EGAS promised companies to begin pumping gas to factories starting from Sunday. However, the amount of gas to be pumped is not yet decided. This came after gas pumping to free zone factories stopped on 20 May.

The source added that the factory's share of gas before halting gas pumping was estimated at 1.2m cubic metres of gas per day.

Meanwhile, an official in MOPCO Fertilizers Company said that his company has only operated for 40 days since the beginning of the year, and did not work during April and May, and hence did not supply to agriculture any amounts of production throughout these two months.

He added that MOPCO will not be adversely affected by supplying the share agreed upon with a 22% increase, especially as the price determined by agriculture is close to the exporting price, which is estimated at \$330.

The size of Egyptian production of fertilisers is 15.5m tonnes, while consumption is 8.5m tonnes, which means that there is a surplus of 7m tonnes. Consumption of the most commonly used nitrogenous fertilisers in Egypt does not exceed 70% of production.

The EGAS official explained that Egypt's production of gas is estimated at 4.35bn cubic feet per day, as a result of the continued attrition of wells' production, in addition to the exporting of 500m cubic feet per day of imported gas.