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EGAS dues from National Cement Factory worth EGP 1bn

We will not be able to provide gas in case dues were not paid, says Abdel Badie

By Mohamed Adel

The Egyptian Natural Gas Holding Company's (EGAS) dues from the government-owned National Cement Factory has reached EGP 1bn. EGAS demanded its money to be paid back but it is still not decided when it will receive the dues.

EGAS Chairman Khaled Abdel Badie said in a statement to Daily News Egypt on Tuesday that the company's dues from textile factories are now at EGP 750m.

"The total dues from the industrial sector are now more than EGP 12bn for its natural gas consumption and the delay in paying monthly bills," stated Abdel Badie.

EGAS dues from public sector factories amount to 75% of the total debt, because they are not committed to paying the monthly consumption bills, the chairman added.

According to Abdel Badie, the company will not be able to cut its gas supply from the National Cement Factory, because the factory is government owned and is linked to a gas line which comes directly from the field.

The public sector factories, including Abu Qir Fertilizer Factory and National Cement Factory, operate with full capacity and gas supply was not cut. Both factories are linked to gas

production lines which come directly from the fields.

Dues are continuously rising, Abdel Badie said, and the company gave factories a debt re-scheduling in which only a limited number of private-sector factories took part. New committees were also formed to resolve financial obstacles between public entities and nothing was resolved yet.

Abdel Badie added that, in case factories stopped paying their dues and their monthly consumption bill, EGAS will have an issue in providing gas to the factories. Egypt currently imports 500m cubic feet daily, and it will reach 1bn cubic feet. This will require liquidity to pay for the shipments.

Most of EGAS' financial dues are held up by the cement sector, which no longer pay their dues after shifting to mazut.

EGAS linked resuming pumping natural gas to red brick factories in Arab Abu Said to receiving their late dues from factories, which amount to 180 factories which have not paid their debts since 2011.

Red brick factories' debts are now at EGP 300m until February. There are also judicial decisions against 11 factory owners due to tampering with gas metres, and there decisions were not applied.