

PRESS CLIPPING SHEET

PUBLICATION:	Daily News
DATE:	12-January-2016
COUNTRY:	Egypt
CIRCULATION:	60,000
TITLE:	President Al-Sisi, King Salman to meet in February to discuss fuel supply to Egypt
PAGE:	Front Page
ARTICLE TYPE:	General Industry News
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President Al-Sisi, King Salman to meet in February to discuss fuel supply to Egypt

Shipments of petroleum materials will begin arriving to Egypt in February, according to the finalised agreement

By Mohamed Adel

Egyptian President Abdel Fattah Al-Sisi and the King of Saudi Arabia Salman bin Abdul Aziz will meet in February to discuss the details of supplying Egypt with its petroleum products for the next five years.

In statements to Daily News Egypt, a senior official in the petroleum sector said the agreement was finalised earlier in January.

The agreement includes supplying Egypt with petroleum

products. The Egyptian General Petroleum Corporation (EGPC) will take account of its expected petroleum needs from February to April before announcing their need to Saudi Arabia.

The agreement to secure Egypt's requirements of petroleum products over the next five years will take the form of commercial contract, which must be renewed every three months, the official noted.

He added that the agreement

provides payment facilitations that are yet to be determined. Additionally, the deal provides financing at a low interest rate.

An influx of petroleum products will also generate revenue as products pass through Egypt's industrial infrastructure, as maritime traffic in Suez Canal is expected to see an increase in Saudi ships.

The Egyptian market's monthly needs are estimated at 500,000 tonnes of diesel, 300,000 tonnes of butane,

150,000 tonnes of gasoline, and 500,000 tonnes of fuel oil, according to data from the EGPC.

EGPC previously signed a contract with the Saudi Aramco to meet Egypt's needs for petroleum products from September to November. The deal included offering payment facilitations for three years, with an interest rate of only 3%.

While Aramco originally stood to earn \$1.4bn from this contract, the decline in the international

price of oil decreased the value of the Saudi deal to \$1.1bn. The deal provided a supply of 500,000 tonnes of diesel, 220,000 tonnes of fuel oil, and 150,000 tonnes of gasoline, monthly.

The local consumption of gasoline amounts to 6.1m tonnes annually, 2.7m tonnes of which is octane 80 benzene, 2.5m tonnes of which is octane 92, and 400,000 tonnes of which is octane 95, according to the estimates of last fiscal year's budget.