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PUBLICATION:	Daily News
DATE:	11-May-2016
COUNTRY:	Egypt
CIRCULATION:	60,000
TITLE:	Expansion of gas production tops state priorities for next period
PAGE:	07
ARTICLE TYPE:	General Industry News
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Expansion of gas production tops state priorities for next period

CORC TARGETS REFINING 4.2M TONNES OF OIL PER YEAR, SAYS EGPC VICE CHAIRPERSON



The second session of the Third Annual Energy Conference titled Energy and Sustainable Development

By Hossam Mounir

The Cairo Oil Refining Company (CORC) is currently working on launching a new plant to refine about 4.2m tonnes of crude oil annually into liquefied petroleum gas (LPG) and other petroleum derivatives, Egyptian General Petroleum Corporation (EGPC) vice chairperson Zohdy Maarouf said at the second session of the Third Annual Energy Conference.

The conference entitled "Energy and Sustainable Development" is sponsored by Business News Egypt and addresses investment opportunities in the gas sector and the impact of global market volatility on the oil industry.

The Middle East Oil Refinery (MIDOR) is currently establishing new hydrocracking oil units with a capacity of 2,400 tonnes per year and \$7.5bn investments, Maarouf said.

Oil expert Mohamed Shoaib said that investing in the existing oil refinery plants will improve them, will reduce production costs for the state, and will make the state more competitive following the future liberalisation of the energy market.

Egypt currently consumes about 73m tonnes of oil per annum, of which 33m tonnes is directed to the electricity sector, Shoaib said.

According to vice chairperson for Gas Regulatory Affairs at the Egyptian Natural Gas Holding Company (EGAS) Amira El-Mazni, the liberalisation of the energy market will happen gradually, starting by issuing a gas law, then setting up the system, and after that the consumer will choose their own suppliers.

Liberalising the gas market requires entering new players into the market, creating a competitive market, and supporting the efficiency of the provided service to the consumer, according to director of Gas Affairs at EGAS Lamia Abu Shahba.

A separate market will be implemented to establish networks and to issue and organise all licences related to gas companies, Abu Shahba said.

Vice chairperson of the Egyptian Petrochemicals Holding Company (ECHEM) Hussein Ismail explained that there is great demand for petrochemical products. These products' prices were not affected locally by the decline in their prices globally.

ECHEM plans to produce nearly 460,000 tonnes of polyethylene in June. Egypt is close to the global scale in terms of petrochemicals production, Ismail said. There are expectations to continue the project of exporting polyethylene and obtaining

hard currency.

The petrochemicals complex to be established in the Suez Canal Development Area will produce plastic and polyester products, in addition to other petrochemical materials which mainly depend on raw materials in Egypt.

The government is currently working on establishing a factory to produce 300,000 tonnes of polypropylene annually, and it plans to export part of its production to foreign markets, according to Ismail.

Vice chairperson for Planning and Gas Projects at EGAS Gamal Hegazy said the Zohr gas exploration is one of the biggest projects in the Mediterranean. There is significant pressure to finish this project in record time. It has been agreed with the foreign partner to start production from this well in December 2017. The project will be fully completed by December 2019.

For the first time in Egypt, a ship was provided to Sokhna area in Suez to gasify the imported liquid gas and pump it into the network directly, Hegazy said.

The state has delivered natural gas to approximately 7.4 million customers as of now. Moreover, 24 villages and cities were linked to the natural gas network for the first time.