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<b>PUBLICATION:</b>	Daily News
<b>DATE:</b>	29-December-2015
<b>COUNTRY:</b>	Egypt
<b>CIRCULATION:</b>	60,000
<b>TITLE :</b>	Tender awarded to supply Egypt's petroleum needs for January: Petroleum Minister
<b>PAGE:</b>	05
<b>ARTICLE TYPE:</b>	General Industry News
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# Tender awarded to supply Egypt's petroleum needs for January: Petroleum Minister

*A TENDER WAS HELD BY EGPC TO SELECT THE COMPANY, PENDING NEGOTIATIONS WITH SAUDI ARABIA TO SUPPLY REQUIREMENTS FOR NEXT FIVE YEARS*

By Mohamed Adel

A number of petroleum importers were selected following the Egyptian General Petroleum Corporation's (EGPC) tender proposed to international companies to supply Egypt's petroleum requirements for January, Minister of Petroleum Tarek El Molla said, in special statements to Daily New Egypt.

The tender was awarded and the deal was made with the company. It will supply the petroleum shipments of January to secure Egypt's needs until it completes the negotiations with Saudi Arabia to provide Egypt's needs for five years.

EGPC proposed the international tender to foreign companies to supply the local market's needs of the petroleum products (benzene, diesel, Butane gas, and Mazut) for January 2016.

Usually the tenders are put up to supply the petroleum products for three months. The period was short-



Minister of Petroleum and Mineral Resources Tarek El-Molla

ened to one month in this case, in anticipation of the contract with Saudi Arabia to supply Egypt's requirements for five years, El Molla said.

King Salman issued instructions to provide Egypt with petroleum products for five years and to support the maritime traffic in the Suez Canal

through the Saudi ships.

El Molla said a meeting is set to be held with Saudi Arabia on 5 January to agree on the details of the deal that will allow Egypt to receive the fuel with repayment facilitations. The Ministry of Petroleum seeks to hold a meeting with Saudi officials

**A meeting to be held with Saudi Arabia on 5 January to agree on the details of the deal**

before the decided date to make the commercial deal between the countries earlier.

El Molla explained that the facilitations that will be negotiated with Saudi Arabia are different from the contract signed with Aramco for supplying shipments worth about \$1.4bn

for three months. The new deal is set to cover the five years that King Salman issued instructions for.

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

The value of Aramco's contract amounted to \$1.4bn. With the decline in the petrol's global prices however, the Saudi deal's value was reduced to \$1.1bn. The deal included supplying 500,000 tonnes of diesel, 220,000 tonnes of Mazut, and 150,000 tonnes of benzene, monthly.

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