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Dollar loan partly allocated to repay foreign petroleum partners

We regularly repay the monthly bill of the partners' share of oil and gas, says petroleum minister

By Mohamed Adel

The Ministry of Petroleum plans to repay another part of the foreign partners' dues by the end of 2015, which amounted to \$2.9bn in August, through the Ministry of International Cooperation obtaining part of a dollar loan from a development bank.

Minister of Petroleum and Mineral Resources Tarek El Molla told Daily News Egypt that discussions are ongoing with the Ministry of International Cooperation to obtain the amount to be allocated for the repayment of foreign partners' dues and the date to obtain it.

Minister of International Cooperation Sahar Nasr said in a statement Friday that negotiations are ongoing with the World Bank to obtain \$3bn, as well as \$1.5bn from the African Development Fund (ADF) in order to support development programmes. She explained that this kind of financing is usually provided immediately; however, the government must decide which programmes and development projects to allocate it to.



Minister of Petroleum Tarek El Molla

She noted that a joint delegation from the World Bank and the ADF is currently visiting Egypt.

El Molla added that the ministry is working hard to repay its dues to foreign companies in the petroleum sector; to encourage them to increase investments in oil and natural gas research and exploration.

He said the petroleum ministry is committed to fully repaying foreign partners' shares of oil and gas every month, which helped avoid the accumulation of dues again, where they had reached \$2.9bn

by the end of August, compared to \$3.5bn.

El Molla noted that the value of foreign companies' share of oil and gas has declined to \$650m per month in fiscal year (FY) 2015/2016, compared to \$880m in FY 2014/2015.

The foreign companies' share of crude oil is estimated at \$380m per month, compared to \$600m in FY 2014/2015, due to the continuous decline of Brent in global markets.

The minister added that the partners' share of gas will not be affected by the prices of Brent, whereby it reached \$270m per month compared to \$280m in FY 2014/2015.

El Molla said the fuel import bill has declined to nearly \$550m per month, compared to \$800m in FY 2014/2015, as a result of the continuous decline of Brent prices, which led to a decline in the value of petroleum derivatives, such as gasoline, diesel, fuel oil, and butane, which are imported from abroad.

Egypt imported petroleum products from abroad worth \$1.3bn per month before the drop of Brent prices in global markets.