



OVERVIEW OF PETROLEUM SECTOR'S INVESTMENTS OVER FYS (2016/17-2020/21)

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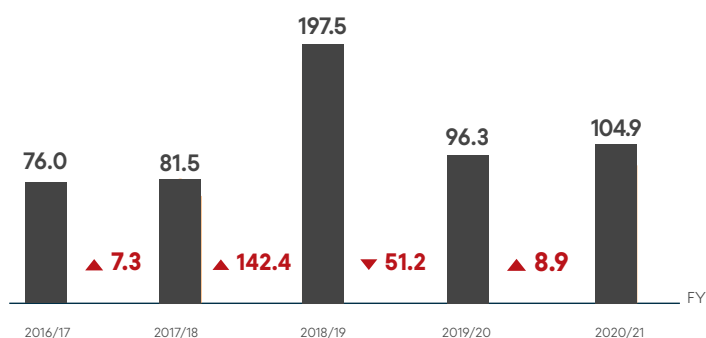
Over the past five fiscal years (FYS), the petroleum sector has witnessed many developments and an increase in the volume of investments, especially in the activities of both crude oil and natural gas extractions as well as oil refining. Achieving this growth in investments came in line with the intention to implement the modernization project which started in 2016, with its first pillar focusing on accelerating upstream investments. This is in addition to the bid rounds launched to encourage more companies to pump more investments in the sector.

Petroleum Sector's Investments

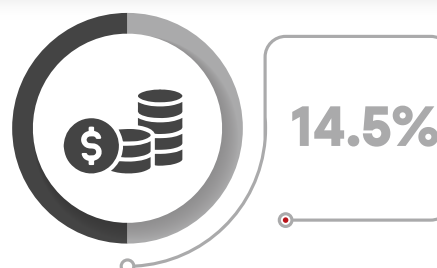
Over the five FYS (2016/17-2020/21), the total Investments in the petroleum sector reached EGP 556.2 billion. It is worth noting that starting from FY 2016/17, the investments witnessed an increasing trend until FY 2018/19.

In FY 2018/19, the investments jumped by 142% year-on-year (YoY) to reach its peak. This growth is accelerated by crude oil discoveries that increased by 18% YoY, in addition to the largest gas discovery in the Mediterranean to date, Zohr gas field, which started production in December 2017. Yet, in FY 2019/20, investments saw a decline caused by the surge of global COVID-19 pandemic.

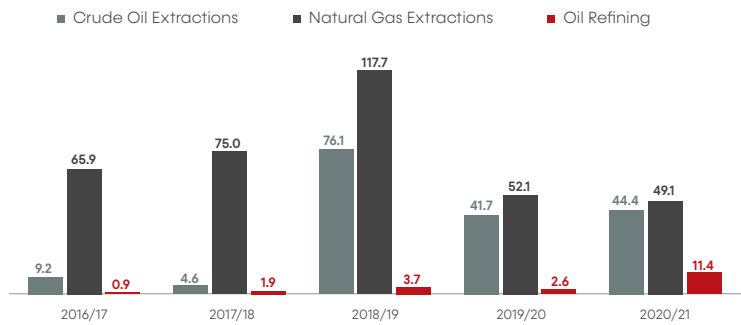
TOTAL PETROLEUM SECTOR'S INVESTMENTS (EGP billion)



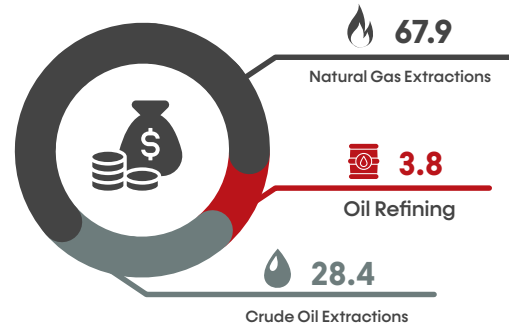
Average Share of Petroleum Sector's Investments in Total Investments over FYS (2016/17-2020/21)



ANNUAL INVESTMENTS PER ACTIVITY (EGP billion)



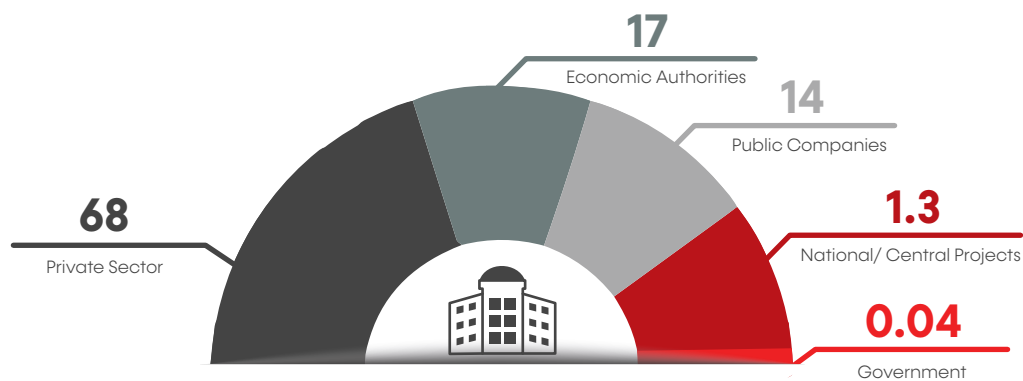
ACTIVITIES' AVERAGE SHARES FROM PETROLEUM SECTOR INVESTMENTS OVER FYS (2016/17-2020/21)



Sector's Investments per Entities

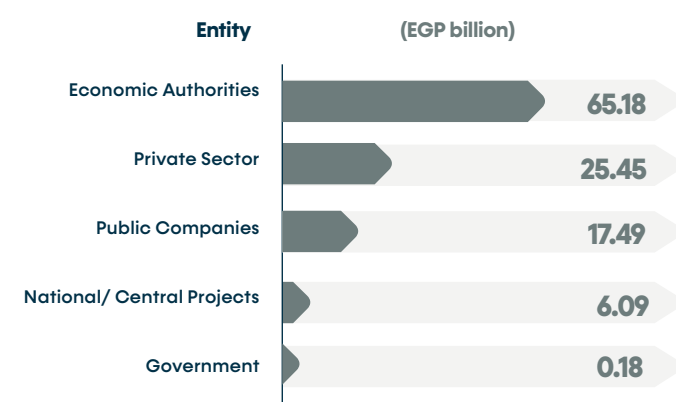
Over the mentioned period, entities in Egypt pumped investments in different activities in the petroleum sector. The private sector is the highest entity contributing to the sector's investments with EGP 326 billion. It is worth noting that in the same period there were no government or national/central project investments in natural gas extraction activities. As for the oil refining activities, only public companies pumped investments.

ENTITIES SHARES IN THE PETROLEUM SECTOR INVESTMENTS (%)

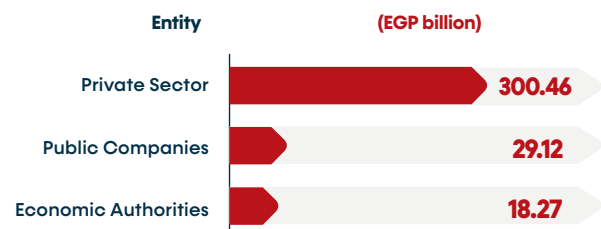


PETROLEUM ACTIVITIES' INVESTMENTS PER ENTITY

CRUDE OIL EXTRACTIONS



NATURAL GAS EXTRACTIONS



OIL REFINING

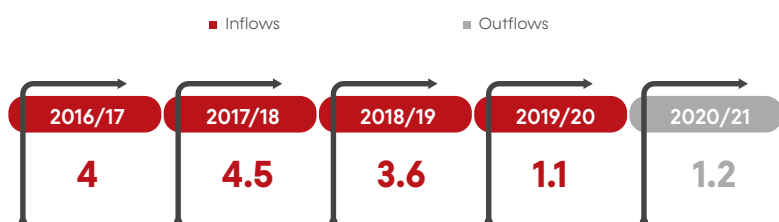


Oil Sector Foreign Direct Investments

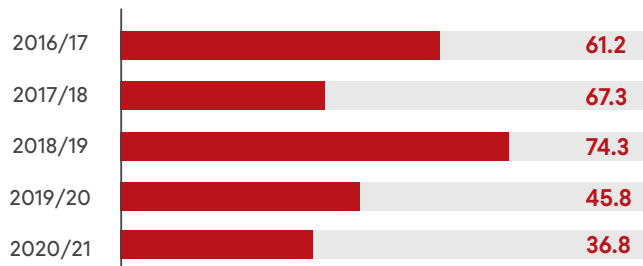
Over FYs (2016/17-2019/20), foreign direct investment (FDI) inflows passed through fluctuations until the investment reversed into net outflows of \$1.2 billion in 2020/21, from net inflows of \$1.1 billion in 2019/20. This came as a result of inflows of \$5.1 billion by foreign oil contractors were offset by outflows of \$6.3 billion.

Over the referred period, the petroleum sector has the biggest share in total FDI Inflows compared to other sectors. However, this share decreased in the last 2 FYs due to the spread of Covid-19 pandemic in late 2019 and the lock down which had affected the global demand negatively.

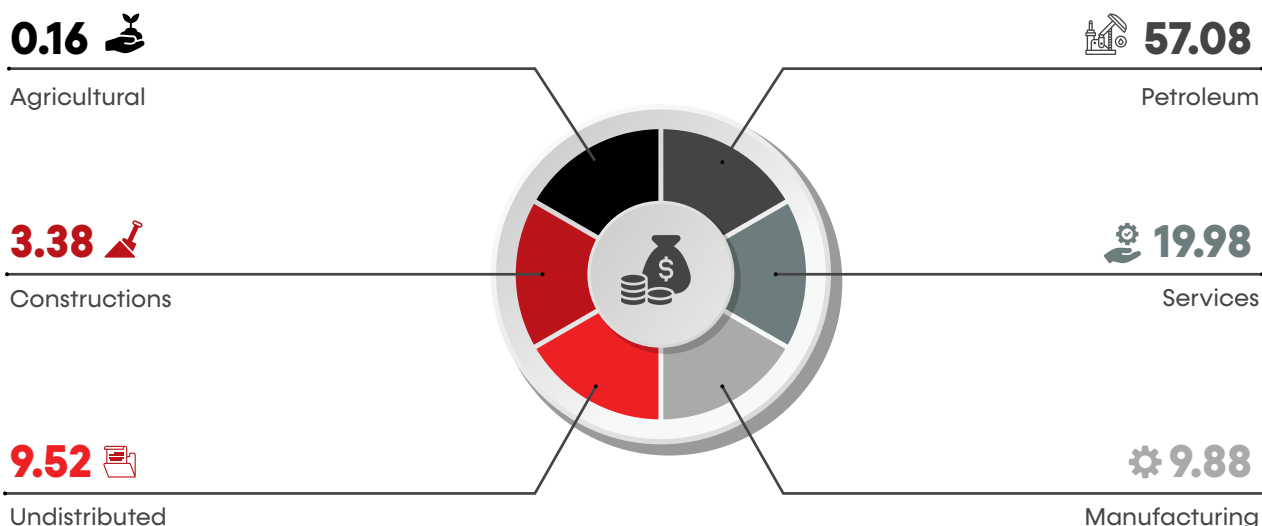
NET FDI INFLOWS/OUTFLOWS IN THE PETROLEUM SECTOR (\$ billion)



SHARE OF PETROLEUM SECTOR IN TOTAL FDI INFLOWS



SECTORS' AVERAGE SHARES IN TOTAL FDI INFLOWS OVER FYs (2016/17 – 2020/21)



The petroleum sector is one of the fundamental pillars of economic growth, also it's a major source of Egypt's energy needs. Therefore, Egypt is keen to encourage petroleum investments by foreign and local companies. Total petroleum investments targeted in the FY 2021/22 plan is EGP 65.3 billion, of which EGP 48.7 billion are for extraction activities, and EGP 16.6 are for petroleum refining activities, according to the Ministry of Planning and Economic Development (MPED) Data. For FY 2022/23, it planned to increase investments in Egypt-owned oil companies to EGP 30 billion, also Egypt anticipates \$7 billion FDI in the sector, according to the Ministry of Petroleum and Mineral Resources.

