


# MONTHLY **MONITOR**

OCTOBER 2023

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# ABOUT THIS SECTION

Within the Ministry of Petroleum & Mineral Resources' strategy to implement a working plan capable of meeting the local demand for petroleum products, several national oil companies (NOCs) and Joint Ventures (JVs)

These companies are Egyptian Natural Gas Holding Co. (EGAS), South Valley Egyptian Petroleum Holding Co. (Ganope), Egyptian Petrochemicals Holding Co. (ECHEM), General Petroleum Co. (GPC), Petroshrouk Petroleum Co., Khalda Petroleum Co., Agiba Petroleum Co., Gulf of Suez Petroleum Co. (GUPCO), Badr Petroleum Company (Bapetco), Rashid Petroleum Co. (Rashpetco) and Burullus Gas Co. (Burullus), Belayim Petroleum Co. (Petrobel), Pharaonic Petroleum

announced their achievements and results in the fiscal year (FY) 2022/23. These announcements mainly encompass companies' major activities, either upstream or downstream, and refining and petrochemical projects.

Co. (PhPC), Western Desert Operating Petroleum Co. (WEPCO), Petroleum Gas Co. (Petrogas), Cooperation Petroleum Co. (Copetrole), Assiut Oil Refining Company (ASORC), Cairo Oil Refining Co. (CORC), Suez Oil Processing Co. (SOPC), Nasr Petroleum Co. (NPC), Alexandria Petroleum Co. (APC), Amreya Petroleum Refining Co. (APRC), Alexandria National Refining and Petrochemical Co. (ANRPC), Misr Petroleum Co., Petroleum Pipelines Co. (PPC).

## EGAS

Natural Gas Exploration Agreements	
In-issuance	<b>11</b>
Signed	<b>9</b>
Signature Bonus	<b>\$30 million</b>
Investments	<b>\$925 million</b>

Development Projects	
Implemented	<b>6</b>
Wells Put on Production	<b>36</b>
Initial Production	<b>666 mmcf/d</b>
Condensates	<b>17 bbl/d</b>
Investments	<b>\$738 million</b>

Polyethylene Pipelines Project for Natural Gas Delivery	
Location	<b>Al-Sokhnaa</b>
Capacity	<b>40,000 t/y</b>

Implemented Natural Gas Delivery Pipelines	
2 <sup>nd</sup> Phase of Al-Tineh West/Mit Nama/Al-Sharqawiya Line	
Length	<b>86 km</b>
Total Length in Two Phases	<b>168 km</b>
Investments	<b>EGP 3.9 billion</b>

Natural Gas Drilling & Discoveries	
Drilled Exploration Wells	<b>8</b>
New Discoveries	<b>5</b>
Location	<b>Mediterranean Sea &amp; Nile Delta</b>
Reserves	<b>2.65 tcf</b>
Condensates	<b>23 mmbbl</b>

Natural Gas Delivery	
Residential Units	
Since the Beginning of the Activity	<b>14.2 million</b>
Last 5 Years	<b>5.5 million</b>

Cars Conversions into Natural Gas*	
Cars	<b>507,000</b>
Fueling Stations	<b>910</b>
Conversion Centers	<b>130</b>

\*Since the Beginning of the Activity

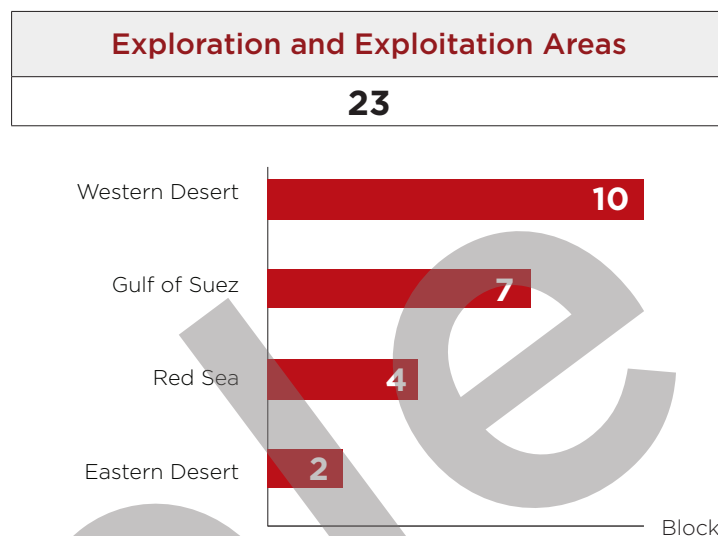
<b>Saved Electrical Energy Consumption</b>	<b>190,00 kw/h</b>
<b>Reduced Emissions</b>	<b>84 t Co<sub>2</sub></b>

# SPOTLIGHT ON THE INDUSTRY

## New International Petroleum Bid Round

The Ministry of Petroleum and Mineral Resources (MoPMR) announced a new international petroleum bid round. The bid round aims to boost oil exploration and exploitation in new 23 areas; 10 for the Egyptian General Petroleum Corporation (EGPC) and 13 for South Valley Egyptian Petroleum Holding Co. (GANOPE).

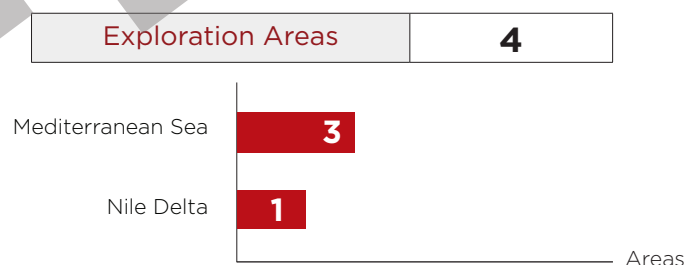
Announced Date	September 25, 2023
Issued by	EGPC & GANOPE
Platform	EUG
Closing Date	February 25, 2024



## Announcement of the EGAS Bid Round 2022 Results

MoPMR announced the results of the international bid round by the Egyptian Natural Gas Holding Co. (EGAS) which was issued by EUG for the search and exploration of natural gas and crude oil in the Mediterranean Sea and Nile Delta regions, which closed in mid-July 2023.

Investment	\$281 million
Drilled Wells	12
Signature Bonus	\$7.5 million



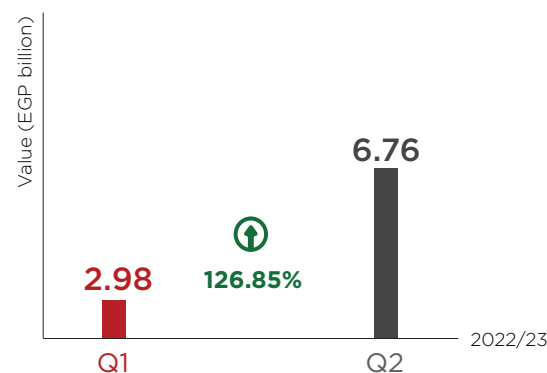
## Cabinet Approved Exploration Contract

The Cabinet approved a draft law that aims to search for, develop, and exploit oil in the West-East Esh El Mallaha development area, with the aim of developing operations and increasing production rates.

Partners	EGPC & Lukoil Overseas
Location	Eastern Desert

## Petroleum Sector Public Investments in Q2 2022/23

The contribution of the petroleum sector to the total public investments witnessed a significant increase of 72% in the second quarter (Q2) of 2022/23, compared to the previous quarter, to reach 4.3% of total public investments.



## Sold Gas

(mmcf/d)

Mediterranean Sea

Eastern Desert

Western Desert

Gulf of Suez

Nile Delta

Sinai

Upper Egypt

 TOTAL

MoM

YoY

Jul  
2023

Aug  
2023

Aug  
2022

Aug  
2023

4,368

↓1.4%

4,308

4,896

↓12%

4,308

26

↑3.8%

27

33

↓18.2%

27

837

837

869

↓3.7%

837

108

↑28.7%

139

127

↑9.4%

139

476

↑3.4%

492

540

↓8.9%

492

0

0

0

0

0

0

0

0

5,815

5,803

6,465

5,803

## Condensates

(bbl/d)

Mediterranean Sea

Eastern Desert

Western Desert

Gulf of Suez

Nile Delta

Sinai

Upper Egypt

 TOTAL

52,109

↓4%

50,002

53,858

↓7.2%

50,002

247

↓6%

232

204

↑13.7%

232

26,564

↓5.7%

25,048

25,106

↓0.2%

25,048

1,488

↑24.9%

1,859

1,761

↑5.6%

1,859

6,021

↑10.9%

6,677

5,159

↑29.4%

6,677

486

↑9.9%

534

416

↑28.4%

534

0

0

0

0

86,915

84,352

86,504

84,352

# MAIN ECONOMIC INDICATORS

## Annual Inflation CPI

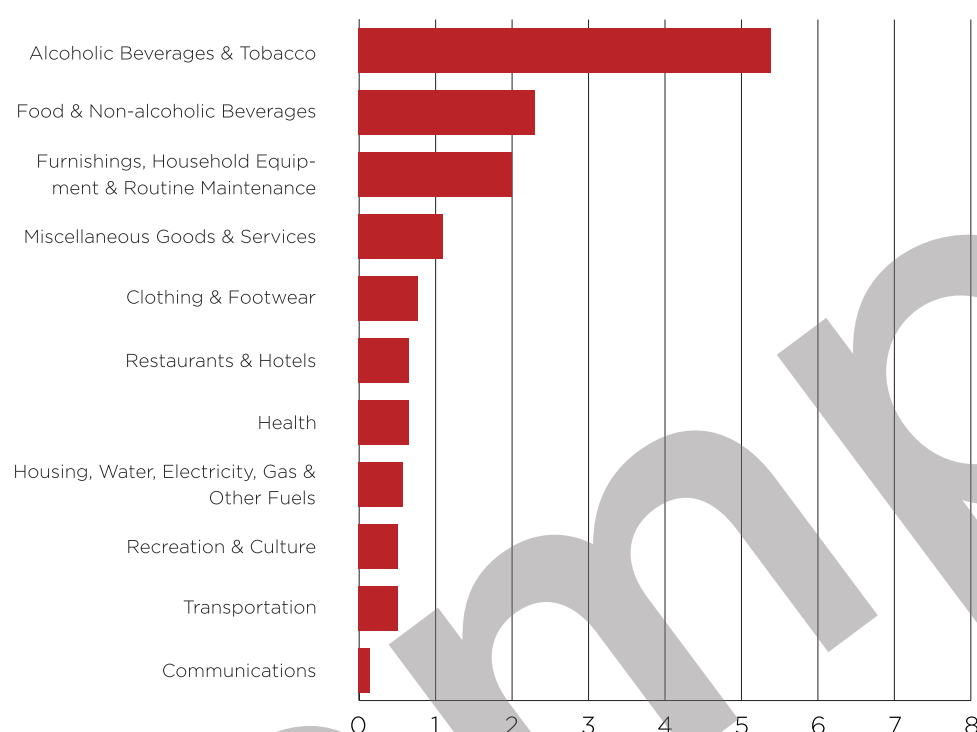
July  
2023

**38.2%**

August  
2023

**39.7%**

## Inflation Breakdown (MoM)\*



\*July-August 2023

Egypt's headline inflation hit a high record of 39.7% in August 2023, compared to 38.2% in July. Alcoholic Beverages and Tobacco, and Food and Non-alcoholic Beverages were the triggering items for this inflation hike.

Tobacco's surging prices, which increased by 5.4%, also built momentum for inflation. Also, August's surging inflation was partially driven by a 71.9% increase on an annual basis in Food and Non-alcoholic Beverages.

This is mainly attributed to the rising production costs that food producers are facing, which are passed to the consumer in the form of an increase in the prices of final products. Furthermore, since July there have been persistent pressures on global food markets, raised after Russia announced its withdrawal from the grain agreement concluded last year.

This is in addition to India's announcement that it will stop exporting rice, a development that would create shockwaves in global food markets since it is the world's largest rice exporter.

## Net International Reserves (\$ billion)

July 2023	<b>34.879</b>
August 2023	<b>34.928</b>

## Non-Oil Private Sector PMI (Point)

July 2023	<b>49.2</b>
August 2023	<b>49.2</b>

## Average Exchange Rates in September 2023 (MoM)\*

USD	<b>30.94</b>	<b>0%</b>
-----	--------------	-----------

Euro	<b>33.09</b>	<b>⬇️ 2.01%</b>
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British Pound	<b>38.4</b>	<b>⬇️ 2.31%</b>
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\*August-September 2023



## STATE'S EFFORTS TO PROMOTE INVESTMENTS

### Egypt Targets Facilitating Investment in Industrial Zones



Prime Minister Mostafa Madbouly conducted a meeting with a number of ministers to discuss the facilitation and promotion of investment in industrial zones across Egypt.

Madbouly emphasized the government's dedication to advancing the industrial sector and creating sustainable job opportunities. Discussions involved proposals from investors, such as increasing building percentages and heights and expanding industrial land areas. He also instructed the Industrial Development Authority (IDA) to promptly announce building regulations and requirements on their website and through various media channels.

The meeting also witnessed the exemptions and amendments granted for industrial lands. Steps were also taken to streamline environmental approvals for industrial projects.

### Egypt Approves Package of 171 Reforms to Empower Private Sector



Egypt has set a package of 171 reform measures aimed at boosting the private sector.

The measures mainly focus on enhancing policy flexibility, exchange rate reforms, competition, the industrial sector, investment support, business environment improvement, legal and regulatory reforms, and state ownership policy.

The implemented measures have led to positive outcomes so far, such as increased investor confidence and participation in the Egyptian Stock Exchange, with a growth rate of 202% in 2022.

The government plans to implement further reforms, including IPO procedures, attracting private sector investments, governance and transparency enhancements, and improving the investment environment to boost competitiveness.

## GAFI HIGHLIGHTS

### GAFI to Attract Investments Through Golden Licenses



Prime Minister Mostafa Madbouly met with Hossam Heiba, CEO of the General Authority for Investment and Free Zones (GAFI), to discuss the authority's efforts to attract and promote investments in Egypt. Heiba pointed out that the efforts to improve the investment climate during the past months

contributed to attracting new investments that varied between small, medium, and large projects in various economic sectors.

In this context, Heiba explained that the golden license was handed over to four companies, namely: PLM & Africa for the manufacture of medical bandages, Red Sea Wind Energy, Gennvax Egypt for the manufacture and trade of serums, and Media Electric Egypt. This brings the number of companies that obtained the golden license to 22 companies. Moreover, 65 companies have been submitted since the launch of the electronic services in August 2023 and 30 companies have already been established electronically.



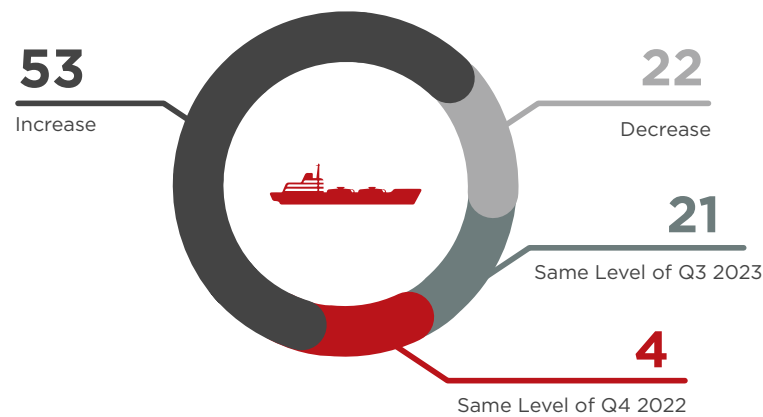
### GAFI, InvestHK Sign an MoU on the Sidelines of Belt and Road Summit

The CEO of the General Authority for Investment and Free Zones (GAFI) Hossam Heiba, and the Associate Director-General of Invest Hong Kong (InvestHK) Jimmy Chiang signed a memorandum of understanding (MoU) to foster investment flows between Egypt and China.

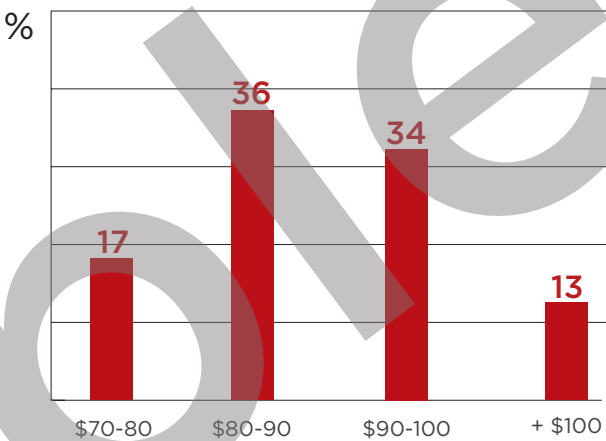
This came on the sidelines of the activities of the 8<sup>th</sup> Belt and Road Summit in Hong

Kong. In the meantime, Heiba showcased Egypt's extensive efforts to attract more foreign direct investments. He also pointed out the successful cooperation between the Egyptian and Chinese governments, which resulted in many projects within the framework of the Belt and Road Initiative, especially the China-Egypt TEDA Suez Economic and Trade Cooperation Zone project in the Suez Canal Economic Zone.

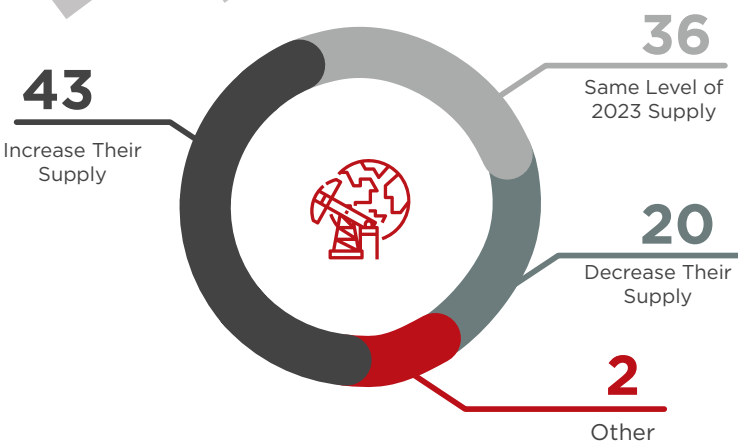
What are your expectations for Egypt's imports of petroleum products in Q4 2023? (%)



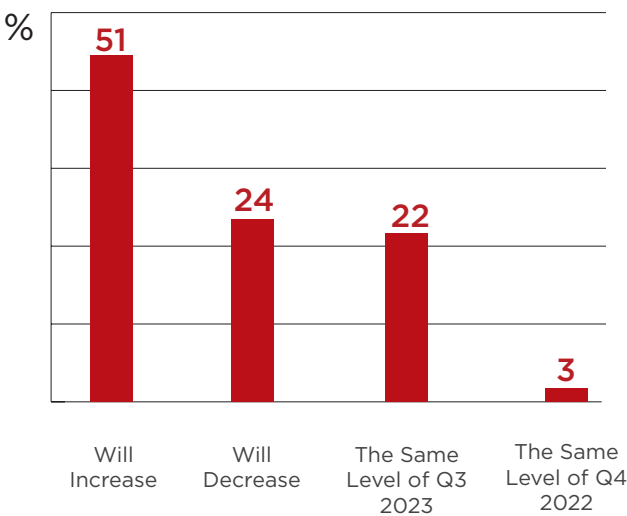
What are your expectations for average oil barrel price in Q4 of 2023?



What is the expected adjustment for the global oil supply which will be taken by the non-OPEC countries for 2024? (%)

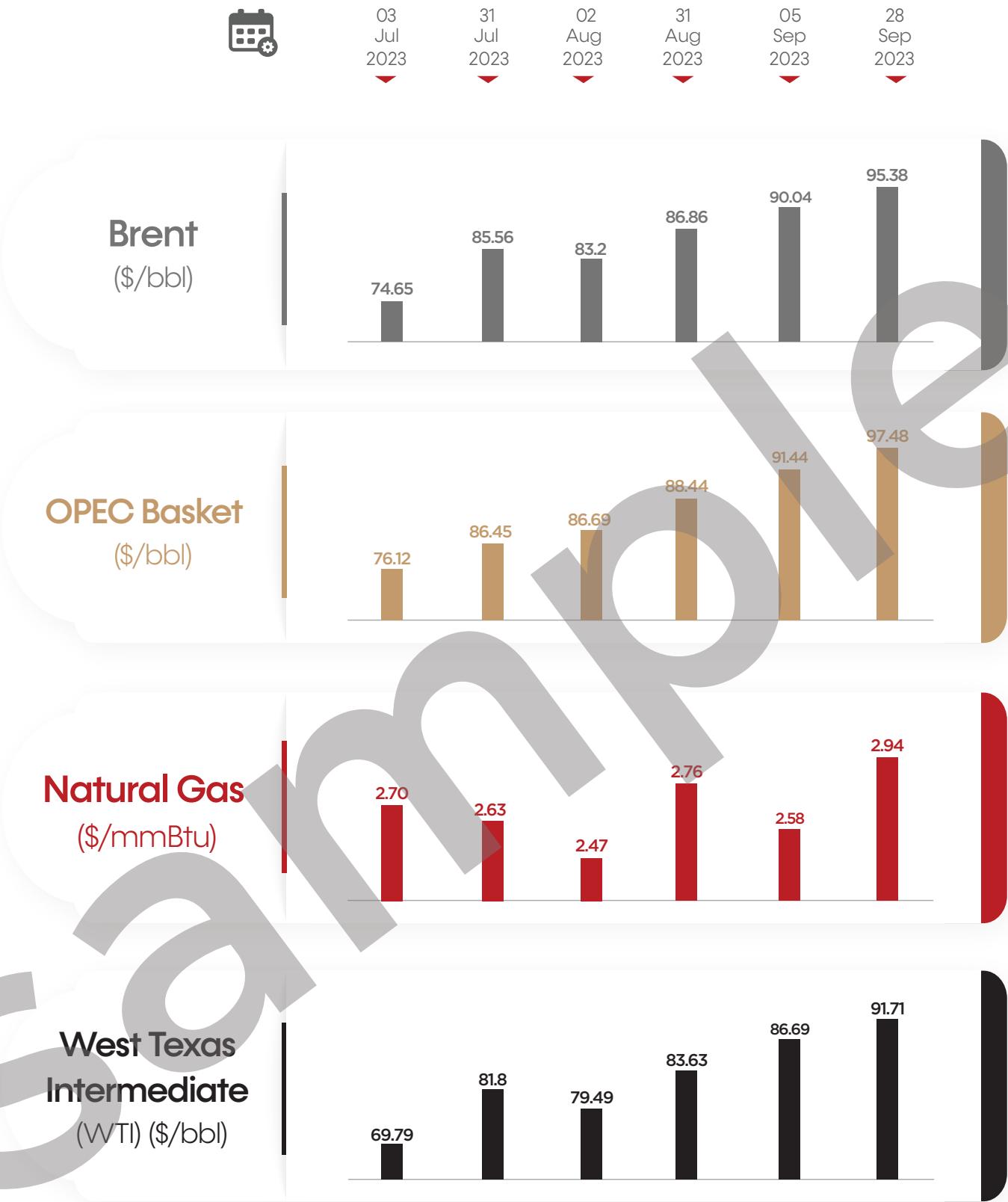


What is your expectation for Egypt's natural gas production in Q4 2023?





INTERNATIONAL CRUDE OIL AND NATURAL GAS PRICES



Oil prices experienced a significant surge over the past three months. By the end of September, Brent crude oil, OPEC basket prices, and West Texas Intermediate (WTI) crude prices had risen by 27.76% 28.06% and 31.40% respectively, compared to its value in early July. Meanwhile, natural gas prices witnessed an increase of 8.89%. The primary factor behind this upward trend is the joint announcement made by Saudi Arabia and Russia, the world's largest crude exporters, regarding the extension of production cuts until the end of 2023.

On September 27, oil prices reached a new one-year high, driven by a decline in crude inventories at the largest US storage center, Cushing, Oklahoma. Inventories fell to just under 22 million barrels (mmbbl), approaching the operational minimum level recorded in July 2022.

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2023

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