

ENERGY COUNTRY REVIEW

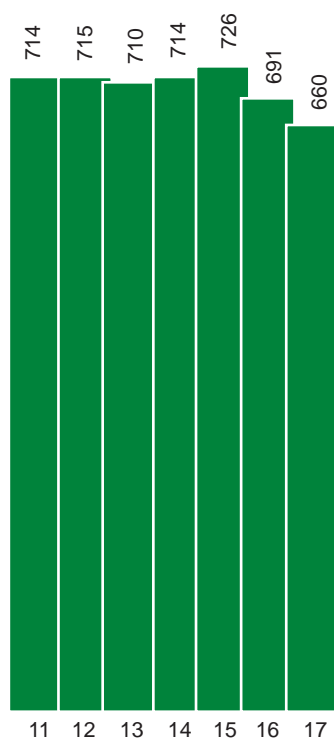
# Egypt

[keyfactsenergy.com](http://keyfactsenergy.com)

# Country Review Egypt

## Egypt oil production

Thousand barrels p/d



Source: BP Statistical Review

Egypt has one of the longest histories of any modern state, inhabited since the 10th millennium BCE. Since 1517 it was ruled by Ottoman Turks, the French and then the British. The UK gave it nominal independence in 1922 but it was not until 1953 that the Egyptian Republic was declared. Britain withdrew from the Suez Canal in 1956.

Egypt is the largest oil producer in Africa that is not a member of the Organization of Petroleum Exporting Countries (OPEC), and the second largest natural gas producer on the continent, following Algeria. Egypt also plays a vital role in international energy markets through the operation of the Suez Canal and Suez-Mediterranean (SUMED) Pipeline, important transit points for oil and liquefied natural gas (LNG) shipments from African and Persian Gulf states to Europe and the Mediterranean Basin. Fees collected from operation of these two transit points are significant sources of revenue for the Egyptian government.

## Oil & Gas History

The first exploration well, Gemsa, was drilled in 1886 near the Gulf of Suez. In 1911 oil production began in the region, which became an important oil province when the Belayim field was discovered in 1955. Over 130 fields have been productive in the Gulf. The commencement of oil production from fields discovered in the Western Desert region in 1966 ensured that oil production would remain near plateau for many years.

Some gas is produced in both regions as well as onshore the Nile Delta but real growth in gas output has been from the offshore Delta where a series of deep water fields, first onstream in 2003, deliver gas to the local market and to an LNG plant for export. However, by 2014, Egypt was struggling to meet its own gas needs.

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## Country Key Facts

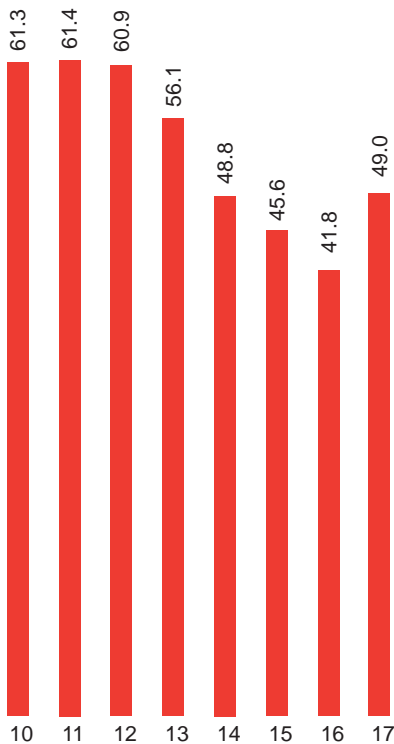
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Official name:	Arab Republic of Egypt
Capital:	Cairo
Population:	99,126,440 (2018)
Area:	1,001,450 square kilometres
Form of government:	Republic
Language:	Arabic, English, French
Religions:	Sunni Muslim, Coptic Christian
Currency:	Egyptian Pound
Calling code:	+20

# Country Review Egypt

## Egypt Gas Production

Billion cubic meters



Source: BP Statistical Review

## Gas self-sufficiency

Egypt has taken a major step towards reasserting itself as a regional energy hub, halting the import of liquefied natural gas (LNG) following a recent surge in domestic gas production.

In late September 2018, Tarek El Molla, the minister of petroleum and mineral resources, announced that Egypt had received its final shipment of LNG after meeting gas self-sufficiency.

The decision to halt imports was largely driven by increased production at the Zohr offshore gas field, located 200 km north of Port Said in the Mediterranean Sea, which has grown six-fold since operations began in January, the minister said.

Zohr's output jumped to 2bn standard cu feet per day (scfd) in September, up from 350m scfd in January. Discovered by Italian energy multinational Eni in 2015, the field holds reserves of more than 30trn standard cu feet (scf), with local media reporting that officials were aiming to increase output to 3bn scfd by the second half of next year.

As a result of the increase at Zohr, Egypt's total gas production rose to 6.6bn scfd in September 2018, according to the Ministry of Petroleum and Mineral Resources. This was above last year's average of 5.1bn scfd, which itself was a 15.9% increase on 2016's total of 4.4bn scfd.

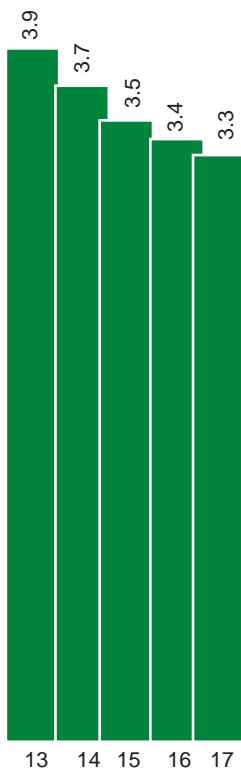
## Sector Organization

The Egyptian General Petroleum Corporation (EGPC) is the state entity charged with managing upstream activities including infrastructure, licensing, and production and also owns and operates much of the country's refining capacity. International and foreign national oil companies play a significant role in Egypt's upstream sector on a production-sharing basis with EGPC. In addition to the EGPC and the Egyptian

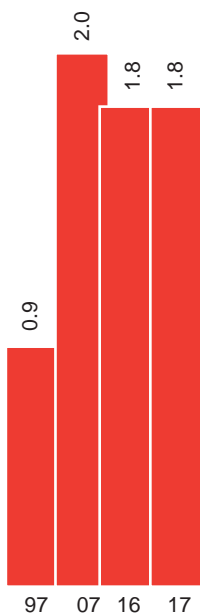
Mineral Resource Authority (EMRA), the energy sector is broken up into three holding companies: the Egyptian Natural Gas Holding Company (EGAS), the Egyptian Petrochemicals Holding Company (ECHEM), and Ganoub El Wadi Petroleum Holding Company (GANOPE).

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**Egypt year end oil reserves** Billion barrels



**Egypt year end natural gas reserves** TCM



Source: BP Statistical Review

## Exploration and Production

Egyptian oil production comes from five main areas: primarily the Gulf of Suez and the Nile Delta, and also the Western Desert, the Eastern Desert, and the Mediterranean Sea. Most Egyptian production is derived from mature, relatively small fields that are connected to larger regional production systems.

## Government

Egypt has a semi-presidential government. Elections in 2014 returned the country to a democracy but Parliament lacks powers to balance those of the President. The 567-member People's Assembly is the legislative body which sits for a 5-year term. The Shura Council was the 264-member upper house of Parliament but this was abolished in 2014.

The politics of Egypt has proved to be very unstable over the last few years. The Arab Spring of 2011 saw the toppling of the long-standing President Mubarak who was replaced by the Muslim Brotherhood led by Mohammed Morsi. This led to a relatively chaotic political era for Egypt. Mohammed Morsi was then toppled in a coup in 2013 by Abdel al Sisi, the chief of the army. This was then followed by elections that saw Abdel al Sisi elected as president. A new constitution has now been passed which has led to relative stability.

Source: GlobalShift

## Egyptian Ministry of Petroleum

The Ministry of Petroleum is the Egyptian authority that supervises exploration, production, marketing and distribution of oil, gas and other natural resources. The ministry was established in 1972.

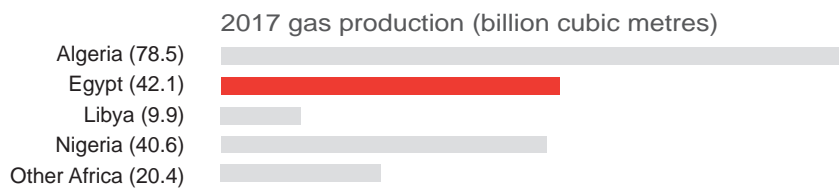
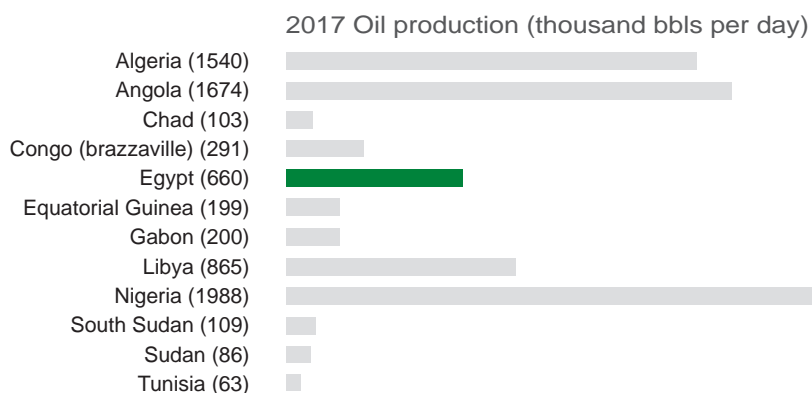
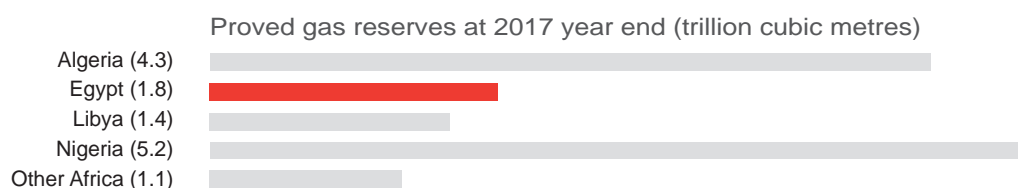
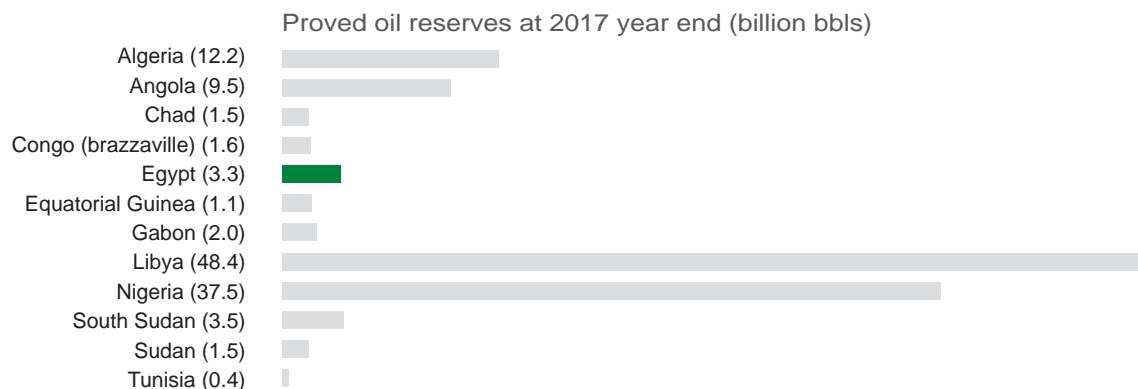
The petroleum sector in Egypt consists of 6 state-owned entities. These are: Egyptian General Petroleum Corporation (EGPC), Egyptian Natural Gas Holding Company (EGAS), Egyptian Petrochemicals Holding Company (ECHEM), Ganoub El Wadi Petroleum Holding Company (GANOPE), and Egyptian General Authority for Mineral Resources.

### The Egyptian Ministry of Petroleum

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Source: BP Statistical Review

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