



In AlBorsa newspaper's seminar: uncertain future awaits Egyptian Industry amid energy crisis

Fernas El Hakim: Arabian Cement Company earmarks EGP 300 Mn to establish 3 projects for converting to operate using coal and alternative fuel

The cost of converting all cement plants to operate using coal amounts \$600 Mn and companies will provide dollars to import coal

The following names participated in the seminar:

- Osama Kamal: former petroleum minister
- Abdel Halim Al-Gamal: the first secretary of the Finance and Economic Committee at the Shura Council
- Eng. Walid Jamal al-Din: Chairman of the Export Council of building materials
- Eng. Fernas El Hakim: Chairman of Arabian Cement Company
- Hassan Abdel Alim: Chairman of MOPCO
- Eng. Hamdy Zaher: Chairman of Export Council for Mining Materials and Industries

- Nabil El Maraghy: Executive manager of International Desalination & Water Treatment
- Abdullah Hassan: chairman of the Shura Council's Legislative and Constitutional Committee

Energy crisis escalated significantly over the past period, which was clearly evident in reducing power supply to plants and frequent power outage for homes since the beginning of the summer season. AlBorsa opened "energy crisis and Egyptian industry's future" file through the seminar, held at the end of last week, in the light of state's efforts to liberate energy prices directed for industry, and the repercussions of reduced supplies to plants. Al Borsa Seminar tacked energy subsidy in the state's budget, energy alternatives, importing coal and natural gas, and encouraging citizens to rationalize electricity consumption. The private sector called for announcing state' plan of liberating energy prices for plants during the upcoming years, as well as the plan of delivering natural gas to industrial zones. It's worth mentioning that oil reserves reach 4.4 Bn barrels, while gas reserves reached 78 trillion cubic feet. Since 2006, Egypt has been consuming its total oil production and 60% of its natural gas production.

Fernas El Hakim: Arabian Cement Company will start implementing the three new projects of converting to operate using alternative energy. The first project is establishing coal mill with a total cost worth €15 million. The coal mill will cover 70% of energy the Company needs. The two other projects are converting to operate using alternative energy (wastes) with a total cost of €10 million. The two other projects will cover 25% of the energy that the Company needs. So the three projects' total cost amounts EGP 300 million. The actual cost for converting all cement plants to operate using coal instead of natural gas worth \$600 million. Cement companies have no problem in providing foreign currency necessary for importing coal with no need to state's interference. Cement industry consumes 7% of natural gas and 3% of mazut and the problem lies not in getting subsidy but in the decision as cement plants all over the world operate using coal.

Fernas El Hakim: EGAS reducing Arabian Cement Company's plant natural gas quota by 30% is the main reason for the Company's tendency to launch its three new projects as it led to 5 million ton (4.2 clinker tons) drop in the Company's production capacity, and reducing production of the plant's kiln from 7 thousand tons to 4 thousand tons. ACC signed a contract to operate using coal by the end of 2013. The conversion process will take 14 months, pointing out that ACC will import coal from AlSokhna and EL- Dekheila port.