



# NATURAL GAS – A “SOCIAL INVESTMENT”

## November 2013

*A World*  
**OF ENERGY**

# NATURAL GAS A “SOCIAL INVESTMENT”

- **85km Transmission Pipeline**
  - 45 Km Cairo to Kom Aushim Pressure Reduction Station
  - 40 Km KomAushim to Fayum Oasis city
- **11 Months total pipeline construction schedule**
- **From Kom Aushim to Fayum City approx 1500 tenant farms (ROW / Compensation)**
- **Strategic project to deliver on the Government strategy to displace Liquid fuels (subsidy)**
- **Connection to two Industrial users (Edible oils Co. & Ceramic Industrial) at Kom Aushim**
- **Connection to 50,000 Domestic homes plus commercial customers in Fayoum City**





## THE EXISTING KOM – AUSHIM INDUSTRIAL AREA

### SILA EDIBLE OILS

- *Employing Max 20 People*
- *3 day working only due to Fuel cost / shortages*



### PHAROAH CERAMICS

- *Employing 200 people 8 hour working*
- *Consuming vast quantities of LPG - 12 storage tanks – 8 LPG tanker deliveries daily (with safety & environmental concerns)*



## Social Investment Opportunity

**In discussions with the Governor, to construct the pipeline, support from the Governorate & Local Authorities was required to**

- a) Provide permits for road / water crossings etc.**
- b) Develop a mechanism for compensating 1500 tenant farmers**
- c) Provide government land for the Pressure Reduction Station (PRS) installations.**

**In return for this support the Governor was looking for a solution to his unemployment issue by requesting that any unskilled job opportunities for the Pipeline Construction team were given to the local people of Fayum**

## PROJECT SOCIAL INVESTMENT BENEFITS / OPPORTUNITIES

### Short Term Benefits:

- **11 unskilled opportunities on the pipeline construction.**
- **12 months job opportunity only**
- **No specific training or skills development**
- **No “long term” Social Investment.**

### Medium Term benefits

- **By delivering the Natural Gas supply early, it provided**
  - **Lower cost for fuel to the existing two industrial customers**
  - **24hr. Continuous energy supply**
  - **Better Product Quality – higher revenues(Ceramics company)**
  - **Energy on credit ( Accounts settled monthly after consumption)**

## PROJECT LONG TERM SOCIAL INVESTMENT OPPORTUNITIES BENEFITS

- Created an Environment for investors to locate / re-locate to.
- Established a new Industrial zone with favourable Tax exemptions to potential Investors in conjunction with GAFIE.
- Placed the Industrial zone within easy access to the 4 lane Fayoum – Caro highway (close to main market)

## Outcome

- Over 85 light/medium & heavy Industrials now located in the new Industrial zone over the last 10 years.
- Over 2500 long term employment opportunities created.
- The existing Edible oils Co. working 6 day week with substantial expansion / growth
- The existing Ceramic Co. expanded by 2 new production trains, with 24 hr. shift working employing 600 additional workers

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## CERAMIC COMPANY

- 2 new prod. Trains
- 24 hr. shift working
- 600 additional jobs



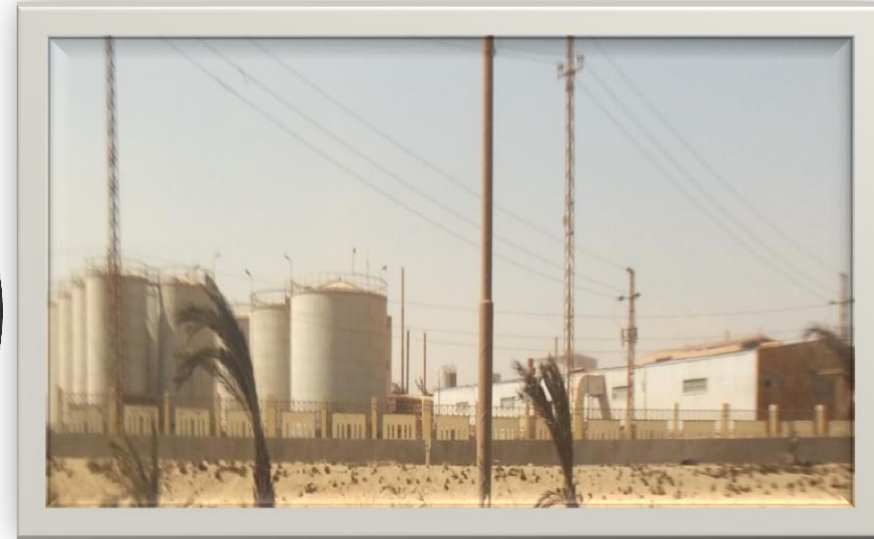
## EDIBLE OILS INDUSTRIAL

- 6 day working & substantial Growth





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## **NEW INDUSTRIAL ZONE**

- *Tax incentives / location*
- *85 Light/med. & heavy Ind.*
- *Established 2,500 jobs over last 10 year period*

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## CREATING AN ENVIRONMENT FOR SOCIAL INVESTMENT

- *Providing land for the Industrial zone to attract Investors, within easy accessibility of the main Cairo market*

- *Located in close proximity to the Fayoum – Cairo 4 Lane highway Toll road*





## TRUE SOCIAL INVESTMENT

*The Gas utility Company, working in tandem with the Government Authorities, have delivered through the provision of a 24hour, 365 day, cost effective Natural Gas supply – a truly sustainable “Social Investment” project to the Governorate of Fayoum.*

# THANK YOU