



Egypt's Dynamic Energy Sector

From the very earliest petroleum discoveries on the Arabian peninsula, Egypt has served as the bridge between Europe, Africa and the Middle East. The same is true today, as Egypt solidifies its role as a regional hub for oil and natural gas and as a regional leader in the development and adoption of clean, renewable energy generation capabilities. Now and into the future, Egypt's energy sector presents exciting opportunities for growth and engagement.

A Balanced Energy Environment

Egypt's approach to energy development is guided by the balance between its domestic needs and commitments to combat climate change. Egypt is one of the five most vulnerable countries to climate change, according to the UN. Egypt recognizes the importance of and is committed to the principles of sustainable development.

- ▶ Egypt's energy sector is regulated by two ministries:
 - The **Ministry of Petroleum and Mineral Resources** is responsible for focusing on policies related specifically to oil and natural gas, demonstrating the prominence of these resources in Egypt's energy matrix.
 - The **Ministry of Electricity and Renewable Energy** focuses on all other energy resources, including renewables.
- ▶ In 2016, the Egyptian government launched **Vision 2030**, a comprehensive strategy for achieving a wide range of social and economic goals by 2030.
 - Each of the eight listed goals are in line with regional and global sustainable development agendas, and rely on developing both hydrocarbon and renewable energy resources.

A Leading Investor in Renewable Energy

Egypt has prioritized the generation of clean energy for its domestic development needs and plans on producing 20% of its electricity from renewable sources by 2022, and 42% by 2035. Recent legislative advancements have drawn massive investment from energy companies like Siemens, Schneider Electric and Total Eren. In the Getting Electricity sub-index of the World Bank's 2020 Doing Business report Egypt ranked 77th, jumping 67 spots from 2014.



▶ **Hydroelectric** – The Aswan High Dam is the world's largest embankment dam. Built in the 1960s, the dam generates the majority of Egypt's renewable electricity as hydropower. Reliance on the dam demonstrates the importance of Nile preservation to Egyptian livelihoods.



▶ **Solar** – Egypt has been a leader in solar electricity generation through development and investment in the globally-recognized Benban solar park. The facility will produce 1.8 GW of electricity for Egypt's grid using over 7 million photovoltaic panels, nearly doubling the share of electricity provided by renewable resources.



▶ **Wind** – Egypt has installed significant wind energy generation capacity, and more is planned for the future. More than 1.8 million acres have been allocated for wind farm development, with most of these projects located in the Gulf of Suez.



▶ **Nuclear** – Plans and construction of a major nuclear power plant at El Dabaa, in conjunction with international partners, is moving forward. The site will also generate significant desalination capacity, further securing Egypt's future.

The **Benban Solar Park**, the largest solar in the world, will have a capacity of nearly

2 GW

Egypt plans on producing

20%

of its electricity using renewable sources by **2022**, and

42%

by **2035**

9%

of global seaborne petroleum and

8%

liquefied natural gas transit the Suez region annually



A Regional Hub With International Coordination: Egypt's Oil and Natural Gas Policy

Petrochemicals remain a driving force behind Egypt's strong growth and development. Oil and cleaner-burning natural gas have been the focus of investment in Egypt's energy sector, paying great economic and political dividends. For example, in 2015 Egypt was a net importer of natural gas, but as a result of policies that encouraged growth Egypt began exporting natural gas in 2019, worth \$1.24 billion. Furthermore, the recently inaugurated Mostorod refinery is one of the largest public-private infrastructure projects in Africa, annually refining 4.7 million tons of petroleum products and increasing the production of diesel and gasoline by 30% and 15%, respectively.

- ▶ **International Attention** – The recent discovery of significant natural gas resources off Egypt's northern coast have generated great interest internationally, including from American companies.
- ▶ **Multilateral Cooperation** – Egypt has been the central figure in driving the **East Mediterranean Gas Forum (EMGF)**, a new setting for regional cooperation on developing shared gas resources.
 - Headquartered in Cairo, EMGF, founded in 2019, is a group of like-minded states seeking to promote natural gas exports from the eastern Mediterranean.
 - Israel, Palestine, Greece, Cyprus, Italy, Jordan and France are members; the United States became a permanent Observer in March 2021.
 - EMGF brings together Palestine and Israel in a mutually beneficial space to build diplomatic goodwill.
- ▶ **Egyptian-Israeli Coordination** – In February 2021, Egypt's Minister of Petroleum and Mineral Resources made an historic visit to Israel for a meeting with Israeli Prime Minister Benjamin Netanyahu, announcing the construction of a natural gas pipeline between the two countries.
- ▶ **Geopolitical and Economic Strength** – The Suez Canal and the Suez-Mediterranean (SUMED) pipeline are major aspects of Egypt's geopolitical power, and the transit of oil and natural gas through the Suez region helps fuel global growth.



Egyptian-Israeli Energy Coordination: Egyptian Minister for Petroleum Traek el-Molla visits with Prime Minister Netanyahu and Israeli Energy Minister Yuval Steinitz in February 2021



EMGF brings together gas producers, consumers and transit countries to manage and optimize gas resources in the region as well as stimulate market growth.

U.S.-Egypt Energy Cooperation: Strategic Energy Dialogue

- ▶ In 2019, Egypt and the United States entered into a Strategic Energy Dialogue, demonstrating alignment on broad energy goals. This platform will facilitate closer government and private sector cooperation on energy between the United States and Egypt.
- ▶ The dialogue focuses on all energy aspects and latest technologies including both oil and gas development, as well as cooperation in the electricity and renewable energy fields.
- ▶ Shared areas of interest include enhancing energy trade, clean coal technology, carbon capture utilization and storage, bio-economy, energy efficiency and renewable energy, green building technologies, smart grids and energy capacity building.