







## RWI Index Questionnaire: Egypt, Arab Rep. 2012

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5.2	Disclosure	N/A	
5.3	Legal Framework and Practice	N/A	

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Indicator	Score
4.1.1	Context

4.1.1 Context

## 4.1.1.050: Has the government created a special fund or natural resource fund that concentrates revenue directly from oil, gas or mineral extraction?

Score: A  B C

### References:

For an overview of the oil and gas sector, see Ibrachy and Dermakar.

## 4.1.1.051: What authority is responsible for the natural resource fund?

Score: A B C D  E

### References:

There is no such fund.

### Peer Review Comments:

The revenue from natural resources is directed and deposited into the ministry of Finance under the general revenue account. There is no special fund to monitor this type of income. In recent years, the Board of Directors of EGPC was reformed to introduce in it representatives from other ministries, in particular the Ministry of Finance, Planning and Investment. The EGPC chairman title was changed to be Executive Board Secretary. The reason behind this change was to increase the cabinet authority over EGPC and check the influence of the ministry of Petroleum.

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Indicator		Score
4.2.1	Comprehensive reports	N/A
4.2.2.056	Audited reports	N/A

4.2.1 Comprehensive reports

## 4.2.1.052: Are the rules for the fund's deposits and withdrawals published, including the formula(s) for deposits and withdrawals?

Score: A B **C**

### References:

There is no such fund.

## 4.2.1.053: Does the fund management or authority in charge of the fund publish comprehensive information on its assets, transactions and investments?

Score: A B C D **E**

### References:

There is no such fund. For an overview of Egypt's oil and gas sector, see Ibrachy and Dermakar.

## 4.2.1.054: Are the reports containing information on the fund's assets and transactions understandable?

Score: A B C D **E**

### References:

There is no such fund. For an overview of Egypt's oil and gas sector, see Ibrachy and Dermakar.

## 4.2.1.055: How often are financial reports published by the fund management or authority in charge?

Score: A B C D **E**

### References:

There is no such fund. For an overview of Egypt's oil and gas sector, see Ibrachy and Dermakar.

4.2.2.056 Audited reports

## 4.2.2.056a: Are the fund s financial reports audited?

**Score:** A B C D **E**

**References:**

There is no such fund. For an overview of Egypt's oil and gas sector, see Ibrachy and Dermakar.

---

**4.2.2.056b: Are the audited financial reports published?**

**Score:** A B **C**

**References:**

There is no such fund. For an overview of Egypt's oil and gas sector, see Ibrachy and Dermakar.

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Indicator	Score
4.3.1 Legal Framework and Practice	N/A

## 4.3.1 Legal Framework and Practice

### 4.3.1.057: Are the rules governing deposits into the fund defined by legislation?

Score: A B  C

**References:**

There is no such fund. For an overview of Egypt's oil and gas sector, see Ibrachy and Dermakar.

### 4.3.1.058: In practice, does the government follow the rules governing deposits to the natural resource fund?

Score: A B C D  E

**References:**

There is no such fund. For an overview of Egypt's oil and gas sector, see Ibrachy and Dermakar.

### 4.3.1.059: Are the rules governing withdrawal or disbursement from the fund defined by legislation?

Score: A B  C

**References:**

There is no such fund. For an overview of Egypt's oil and gas sector, see Ibrachy and Dermakar.

### 4.3.1.060: In practice, does the government follow the rules governing withdrawal or spending from natural resource fund?

Score: A B C D  E

**References:**

There is no such fund. For an overview of Egypt's oil and gas sector, see Ibrachy and Dermakar.

### 4.3.1.061: Are withdrawals or spending from the fund reserves approved by the legislature as part of the budget process?

Score: A B  C

**References:**

There is no such fund. For an overview of Egypt's oil and gas sector, see Ibrachy and Dermakar.

---

**4.3.1.062: Are officials of the natural resource fund required to disclose information about their financial interest in any oil, gas or mining projects?**

**Score:** A B **C**

**References:**

There is no such fund.

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Indicator	Score
5.1.1	Context

5.1.1 Context

## 5.1.1.063: Do central governments transfer resources to subnational authorities based on extraction of mineral resources?

Score: A B C **D** E

### References:

There is no such direct transfer of resources. However, GANOPE, which controls all oil and natural gas activities below the 28th parallel, has several social goals as part of its mission:

- "Contribute in satisfying local demand."
- "Avail new job opportunities in Upper Egypt." Still, this is not a direct transfer from the state to the region.

See <http://www.ganope.com/Pages/Mission.htm>

## 5.1.1.064: Are conditions imposed on subnational government as part of revenue sharing regime?

Score: A B **C**

### References:

There is no such transfer. For an overview of the oil and gas sector in Egypt, see Ibrachy and Dermakar.

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Indicator	Score
5.2.1	Disclosure

5.2.1 Disclosure

**5.2.1.065: Are the rules for revenue transfers from central to sub national governments published, including the formula(s) for revenue sharing?**

Score: A B **C**

**References:**

There is no such transfer. For an overview of Egypt's oil and gas sector, see Ibrachy and Dermakar.

**5.2.1.066: Does the central government publish comprehensive information on transfers of resource related revenues to sub-national governments?**

Score: A B C D **E**

**References:**

There is no such transfer. For an overview of Egypt's oil and gas sector, see Ibrachy and Dermakar.

**5.2.1.067: Are the reports containing information on transfers of resource related revenues to sub-national governments understandable?**

Score: A B C D **E**

**References:**

There is no such transfer. For an overview of Egypt's oil and gas sector, see Ibrachy and Dermakar.

**5.2.1.068: How often does the central government publish information on transfers of resource related revenues to sub-national governments?**

Score: A B C D **E**

**References:**

There is no such transfer. For an overview of Egypt's oil and gas sector, see Ibrachy and Dermakar.

**5.2.1.069: Do sub-national governments publish information on transfers received from central governments?**

Score: A B **C**

**References:**



There is no such transfer. For an overview of Egypt's oil and gas sector, see Ibrachy and Dermarkar.

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Indicator	Score
5.3.1 Legal Framework and Practice	N/A

## 5.3.1 Legal Framework and Practice

### 5.3.1.070: Are arrangements (including formulas and responsible institutions) for resource revenue sharing between central and sub-national governments defined by legislation?

Score: A B **C**

**References:**

There is no such transfer. For an overview of Egypt's oil and gas sector, see Ibrachy and Dermarkar.

### 5.3.1.071: In practice, does the government follow the rules established by resource revenue sharing legislation?

Score: A B C D **E**

**References:**

There is no such transfer. For an overview of Egypt's oil and gas sector, see Ibrachy and Dermarkar.

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# Egypt - RWI Index Questionnaire

## Context

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Indicator	Score
1.1	Context
1.1	Context

### 1.1.001: Does the country have a clear legal definition of ownership of mineral resources?

Score:  A  B  C  D  E

#### Comments:

English language summary of legal framework for the oil and gas sector:  
<http://www.legal500.com/c/egypt/developments/2905>

Note: According to the CIA World Factbook, Egypt produced 711,500 bbl/day of crude oil in 2011, making it the largest non-OPEC producer in Africa.

It produced 61.33 billion cubic meters natural gas in 2010, ranking as Africa's second-largest producer, after Algeria.

(see <https://www.cia.gov/library/publications/the-world-factbook/geos/eg.html>)

#### References:

Law No. 66 of 1953, Chapter 1, Article 2 states: "All raw minerals existing in mines and quarries in the Egyptian Kingdom, including territorial waters, are considered as State property." [Nicola H. Karam (trns.) Business Laws of Egypt. Graham & Trotman, 1985. Vol. III, 3.9-3]

### 1.1.002: Who has authority to grant hydrocarbon and mineral rights or licenses?

Score:  A  B  C  D  E

#### Comments:

According to the Decision 1451 (1973) establishing the Ministry of Petroleum, the duties of the Ministry included (3) "Designing a general policy towards petroleum and extraction agreements, based on world events" and other principles that establish their authority in this area, including (7) "Suggesting legislation..."

#### References:

The Minister of Petroleum drafts the concession agreement in conjunction with the state-owned company and the concessionaire, and is a signatory. The parliament must approve the contract (by issuing a law that authorizes the minister to issue the contract). [See Ibrachy & Dermakar]

#### Peer Review Comments:

The authority to to grant hydrocarbon and mineral rights or licenses is placed in a state owned company that acts as operator, regulator and holder of government interests. the same reference used by the researcher states that the 3 holding SOC named EGPC, EGAS and GANOUE FOR OIL AND GAS , EMRA

for minerals are responsible to carry out the whole process of licenses starting from preparing tender documents, technical and financial assessments. The ministry role is no more than signature of the prepared contract and the Parliament's to validate the contract.

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### 1.1.003: What licensing practices does the government commonly follow?

Score:  A  B  C  D  E

#### Comments:

The government usually holds open bidding rounds, but the criteria for selection are not transparent.

#### References:

Although this practice may vary, the government usually holds international auctions and solicits bids. For bidding rounds on seven blocks in the Mediterranean, see [http://www.egas.com.eg/BidRound2008/BidRound2008\\_Anoncement.aspx](http://www.egas.com.eg/BidRound2008/BidRound2008_Anoncement.aspx). For a news article document a bidding round in 2011, see [http://www.menafn.com/qn\\_news\\_story\\_s.asp?storyid=1093454900](http://www.menafn.com/qn_news_story_s.asp?storyid=1093454900).

According to an NGO report, the Law of Tenders and Bids No. 89 (1998) requires that the requests for public bids and tenders be printed in "daily papers or other substantial news channels." <http://www.cipe-arabia.org/files/pdf/EN-ACCESS-TO-INFO.pdf>, 20.

The procedures for application for exploratory licenses and exploitation leases are specified in the Regulations for the Implementation of Law 66/1953 [see Nicola H. Karam (trns.) Business laws of Egypt. Graham & Trotman, 1985. 3.9-37]. However, these do not specify criteria for selecting bids.

#### Peer Review Comments:

Reviewer disagrees with the comment of the researcher, the following reference includes template of Main Commercial Parameters as an example of transparency in the 2011 international bid round: [http://www.egpc.com.eg/Main\\_Commercial\\_Parameters/Main\\_Commercial\\_Parameters.html](http://www.egpc.com.eg/Main_Commercial_Parameters/Main_Commercial_Parameters.html)

---

### 1.1.004: What is the fiscal system for mineral resources?

Score:  A  B  C  D  E

#### Comments:

Although the agreements are officially called "concessions", they are modeled on (and often referred to as) production sharing agreements. The websites of the Ministry of Petroleum or the Egypt Natural Gas Company do not provide information as to whether this is a standard practice required by law.

#### References:

For a standard model agreement, see [http://www.egas.com.eg/BidRound2008/BidRound2008\\_MODEL.aspx](http://www.egas.com.eg/BidRound2008/BidRound2008_MODEL.aspx) (attached)

---

### 1.1.005: What agency has authority to regulate the hydrocarbon and mineral sector?

Score:  A  B  C  D  E

#### References:

Several parties oversee the agreements regulating natural gas: The Ministry of Petroleum, the Egyptian Natural Gas Holding company (EGAS), and (for each concession agreement) a "exploration advisory committee" of six members (three from the government company and three from the investor) formed to "review and advise on the proposed work programs and budget, to approve expenditure, and to carry out many other powers defined in each concession agreement."

See attached, 78-9.

**Peer Review Comments:**

The ministry of Petroleum established 4 state owned companies to regulate the hydrocarbon EGPC, Egas and GANOPE, there is also a separate Authority for Egyptian Mineral Resources (EMRA) responsible for the non hydrocarbon resources. See: <http://www.petroleum.gov.eg/en/pages/default.aspx>

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## Disclosure

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Indicator	Score
1.2.006 Information on licensing process	84 
1.2 Contract transparency	0 
1.2.008 Environmental and social impact assessments	25 
1.2 Access to information and legislation	50 

1.2.006 Information on licensing process

### 1.2.006.a: What information does the government publish on the licensing process before negotiations?

Score:  A  B  C  D  E

#### References:

The licensing process is generally guided by the relevant legislation, particularly the Law 129 of 1947. However, although the required information to submit for bids is specific, the procedure by which successful bids are selected is unclear. For instance, in 2008, the "Procedures" specify that "EGAS shall have the right to reject any offer without giving reasons." Prospective bidders must purchase or review the relevant geological data from the government.

Law 66 of 1953, Chapter 1, Article 6 requires "Registers shall be kept by both the Department of Mines and Quarries and the Fuels Department in which all applications submitted to them for licenses...shall be recorded in order of precedence of date and hour..." [Nicola H. Karam (trns.) Business laws of Egypt. Graham & Trotman, 1985, 3.9-3]

Law 86/1956: "Article 10 (1) For the granting of a prospecting license, the applicant must have the technical ability necessary for this purpose, and shall undertake to make necessary expenditure for prospecting operations..." [Ibid., 3.9-100 and 101]

For an example of this, see See, e.g., [http://www.egas.com.eg/BidRound2008/BidRound2008\\_Announcement.aspx](http://www.egas.com.eg/BidRound2008/BidRound2008_Announcement.aspx)

#### Peer Review Comments:

The reference of the searcher includes all terms and condition of the bid, the information is published to all on the website of the concerned. The 2011 international bid round also provides main commercial parameters here:

[http://www.egpc.com.eg/Main\\_Commercial\\_Parameters/Main\\_Commercial\\_Parameters.html](http://www.egpc.com.eg/Main_Commercial_Parameters/Main_Commercial_Parameters.html)

### 1.2.006.b: What information does the government publish on the licensing process after negotiations?

Score: A  B  C  D  E

**Comments:**

E.g., in regards to the latest completed rounds of bids in 2008: the government-owned natural gas company published information on the winning bids, including the winners' names, the relevant laws approving the bids, and the total amounts of the revenue sharing. However, it does not publish the relevant laws authorizing the contracts on its website, nor does it reveal the winning bidding variables. There do not appear to be any published reports about the bids.

See, e.g., [http://www.egas.com.eg/Business\\_Opportunities/Bid\\_Round.aspx](http://www.egas.com.eg/Business_Opportunities/Bid_Round.aspx).

""Due to Bid Round 2008 EGAS succeeded to award four new concessions:

- North Tina Offshore concession with bp Exploration (Delta) Ltd. Issued by Law No. 150 of 2009.
- North Gamasa Offshore concession with BG International Ltd. Issued by Law No. 151 of 2009, North Damietta Offshore concession with bp Exploration (Delta) Ltd, Petronas Cargaly Overseas SDN. BHD. and Shell Egypt N.V. Issued by Law No. 153 of 2009.
- East El Brullus Offshore concession with TOTAL E&P Egypt and Enel Trade SPA. Issued by Law No. 154 of 2009.

Total financial commitment for the four blocks awarded, 926 Million US\$ to acquire 3D seismic covering 5050 Km2 and to drill 13 exploratory wells. Total signature bonus 88 Million US\$."

**References:**

The parliament passes the agreement as a law, which is then published in the State Register. However, the State Register is not currently available online (the website is down.) Moreover, no explanation is provided for the decision, such as selection criteria.

**Peer Review Comments:**

The commercial parameters include all the information about the variables for auction, the process of tender gives competitive chances to all participants till the result is announced and the licensing authority publishes reports with information about its activities to the public. See: [http://www.egpc.com.eg/Main\\_Commercial\\_Parameters/Main\\_Commercial\\_Parameters.html](http://www.egpc.com.eg/Main_Commercial_Parameters/Main_Commercial_Parameters.html)

## 1.2 Contract transparency

**1.2.007: Are all contracts, agreements or negotiated terms for exploration and production, regardless of the way they are granted, disclosed to the public?**

**Score:** A B C **(D)** E

**Comments:**

Contracts are awarded according to the following process:

"Egypt grants concessions in a specific area through the promulgation of a "special law" by the Egyptian Parliament, which allows the Minister of Petroleum to conclude an agreement between the Egyptian Government on one side and the Egyptian General Petroleum Corporation (EGPC) acting as the concession holder and the foreign oil investor (IOC) acting as a Contractor on the other side."

([http://www.egas.com.eg/BidRound2012/MODEL\\_AGREEMENT\\_2012\\_new.pdf](http://www.egas.com.eg/BidRound2012/MODEL_AGREEMENT_2012_new.pdf)) contains the following wording in Article XXIX: "This Agreement shall not be binding upon any of the parties hereto unless and until a law is issued by the competent authorities of the A.R.E. authorizing the Minister of Petroleum to sign this Agreement and giving this Agreement full force and effect of law notwithstanding any countervailing Governmental enactment, and the Agreement is signed by the GOVERNMENT, EGAS, and CONTRACTOR."

It is not clear whether negotiated agree

**References:**

As laws, all concessions (but not negotiated agreements) are published in the National Gazette (al-Jarida al-Rasmiya). However, this is not currently available online.

State <http://www.state.gov/e/eb/rls/othr/ics/2012/191142.htm>

p. 41, <http://www.krr-law.com/business%20and%20commercial%20laws%20of%20Egypt07.pdf>

EGAS website for model agreements:

[http://www.egas.com.eg/BidRound2012/MODEL\\_AGREEMENT\\_2012\\_new.pdf](http://www.egas.com.eg/BidRound2012/MODEL_AGREEMENT_2012_new.pdf)

#### **Peer Review Comments:**

The reference of the researcher is the decree of the parliament to validate the contract but this does not include all the details of the contract, the website of the state owned companies do not publish the contracts on their websites, so contracts are not published. A model agreement link is available on the 2011 international bidding round: [http://www.egpc.com.eg/Model\\_Agreement.html](http://www.egpc.com.eg/Model_Agreement.html) It is not clear whether negotiated agreements are published (likely not).

### 1.2.008 Environmental and social impact assessments

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#### **1.2.008.a: Does legislation require that mining, gas and oil development projects prepare an environmental impact assessment prior to the award of any mineral rights or project implementation?**

Score:  A  B  C

#### **References:**

See Ibrachy and Dermakar, pg. 79.

See also Annex 2 of the 1994 Law No. 4.

---

#### **1.2.008.b: Are environmental impact assessments for oil, gas and mining projects published by the authority in charge of regulating the sector and is there a consultation process?**

Score:  A  B  C  D  E

#### **References:**

The law does not require that these assessments be published, or for stakeholder review and consultation to occur.

However, the EEAA is required to send a copy of the report to the "establishment owner", who has the right to object (the definition of this is unclear in regards to natural gas extraction). See Law 4, Chapter II, Article 14.

That said, in some cases, these studies are published. Attached is a copy of a study done for a gas infrastructure project in Cairo. This report may have been published in part because it is an infrastructure project co-sponsored by international financial institutions, rather than a resource extraction process. See, e.g., <http://www.egas.com.eg/docs/Environmental%20Impact%20Assessment%20Framework%20Executive%20Summary%28.pdf>

---

#### **1.2.008.c: Does legislation require that mining, gas and oil development projects prepare a social impact assessment?**



**Score:** A  B C

**References:**

No relevant legal framework for this.

---

**1.2.008.d: Are social impact assessments for oil, gas and mining projects published and is there a consultation process?**

**Score:** A B C  D E

**References:**

There is no legal framework for this. It is not mentioned in Ibrachy and Dermakar, Question 2.11.

1.2 Access to information and legislation

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**1.2.009: Does the government publish detailed mineral/hydrocarbon resource legislation?**

**Score:**  A B C D E

**Comments:**

Most is only available in Arabic, not in English. The best English translations seem to be Nicola H. Karam (trns.) Business laws of Egypt. Graham & Trotman, 1985. However, these are not complete.

**References:**

All mineral and hydrocarbon legislation is published in the National Gazette (al-Jarida al-Rasmiya). Most of the relevant legislation is online at <http://www.petroleum.gov.eg/ar/Laws/Pages/default.aspx>.

---

**1.2.010: This country has adopted a rule or legislation that provides for disclosure of information in the oil, gas and mineral sectors.**

**Score:** A B C  D E

**References:**

See <http://www.cipe-arabia.org/files/pdf/EN-ACCESS-TO-INFO.pdf>

Although Egypt has no freedom of information law currently, it is now in the process of drafting one. See <http://www.egyptindependent.com/node/683606>.


There are some rights to obtain information regarding oil and gas contracts for a fee:  
Law No. 66 of 1953, Chapter IV, Article 55: "Parties interested in licenses and leases shall, alone, have the right to obtain copies of contracts and complementary maps, and the Department concerned shall collect thereon the following fees..."

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# Egypt - RWI Index Questionnaire

## Legal Framework and Practices

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Indicator	Score
1.3 Legal Framework and Practices	45 

### 1.3 Legal Framework and Practices

#### 1.3.011: The authority in charge of awarding licenses or contracts for mineral or hydrocarbon production is independent of the state owned company (SOC) or other operating companies.

Score: A  B  C

##### References:

Minister of Petroleum awards licenses with the authorization of the Parliament.

The contracts are signed by the Minister of Petroleum, the head of the Gas company, and the third party.

Ibrachy & Dermarkar, pg. 79

##### Peer Review Comments:

No. The authority to award licenses or contracts is placed in a state owned company that acts as operator, regulator and holder of government interests. The same reference used by the researcher states that the 3 holding SOC named EGPC, EGAS and GANOUE are responsible to carry out the whole process of licenses starting from preparing tender documents, technical and financial assessments. The ministry role is to sign the prepared contract and the Parliament's to validate the contract.

#### 1.3.012: Is the licensing process intended to be open and competitive to all qualified companies?

Score:  A  B  C  D  E

##### Comments:

The licensing process is open to all qualified companies, but no criteria are offered for winning bids. However, numerous criteria are given for disqualification. See the 2008 bid for a standard announcement.

There are some criteria in the legal framework that could affect competitiveness in principle, but in practice probably do not:

Law 66/1953: Chapter 2, Article 40, "(2) Egyptians shall have priority over non-Egyptians in case it is not possible to determine the priority as provided in Article 7; likewise, Egyptians shall also have the priority in obtaining prospecting licenses and mining leases through public auction in case of parity of offers."

The law guarantees that any individual and group has the ability to explore for minerals:

Law 86 of 1956: Article 6: "Every individual or corporate body may freely explore for mineral materials, under the conditions and provisions prescribed in this Law." [Nicola H. Karam (trns.) Business laws of Egypt. Graham & Trotman, 1985, 3.9-99]

**References:**

See [http://www.egas.com.eg/BidRound2008/BidRound2008\\_TERMS.aspx](http://www.egas.com.eg/BidRound2008/BidRound2008_TERMS.aspx)

**Peer Review Comments:**

The same reference of researcher includes documents to prove the process is open to all qualified companies to bid, the commercial model included in the EGPC website is self explanatory:  
[http://www.egpc.com.eg/Main\\_Commercial\\_Paramters/Main\\_Commercial\\_Paramters.html](http://www.egpc.com.eg/Main_Commercial_Paramters/Main_Commercial_Paramters.html)

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**1.3.013: Does the licensing process or legislation impose limits to discretionary powers of the authority in charge of awarding licenses or contracts?**

Score:  A  B  C  D  E

**References:**

The Ministry of Petroleum has Model Contracts that provide for the basis for negotiations. See [http://www.egas.com.eg/BidRound2008/BidRound2008\\_TERMS.aspx](http://www.egas.com.eg/BidRound2008/BidRound2008_TERMS.aspx)

The legislation authorizing the issuing of contracts provides some principles, but appears to allow for broad interpretation.

1953 Law, Chapter 2, Article 36: "(1) The royalty shall be settled in cash or in kind at the discretion of the Ministry of Commerce and Industry. It shall be fixed on the basis of the total quantities of petroleum raised and saved by the lessee..." [Nicola H. Karam (trns.) Business laws of Egypt. Graham & Trotman, 1985, 3.9-19]

1953 Law, Ch 2, Article 37: "(1) The Government shall have the preferential right to purchase from the lessee not more than 20 per cent of the petroleum produced..." [Nicola H. Karam (trns.) Business laws of Egypt. Graham & Trotman, 1985, 3.9-20]

**Peer Review Comments:**

The content of the reference does not indicate any deviation of the commercial model, the researcher interpretation is not supported by any referred document.

---

**1.3.014: Does the legislative branch have any oversight role regarding contracts and licenses in the oil, gas and mining sector?**

Score: A  B  C  D  E

**References:**

The Parliament approves contracts, but does not exercise continuous supervision of contracts.

The Law specifies that the Ministry of Petroleum is responsible for overseeing the national companies, including the EGPC. See Law 1451 of 1973, Article 3.

**Peer Review Comments:**

The legislative branch in Egypt has the power to approve the prepared contract, giving it validity to agreements signed by the Minister of Petroleum.

---

**1.3.015: Is there a due process to appeal licensing decisions?**

Score: A  B  C

**References:**

Not in the 1953 law or the 1956 law. The Model Contract provides provisions for arbitration in the event

of disputes between the contracting parties, but not in the awarding of contracts.

There have been accusations of political influence regarding gas, notably in the Egyptian-Israeli gas deal, which is a centerpiece of the trial of the former President and his associates: "There were questions from the moment the deal was signed, particularly since it was handed to Mr. Salem and an Israeli partner, Yosef Meiman, whose East Mediterranean Gas Company acted as a middleman between Egypt and the Israel Electric Corporation and other clients." New York Times, April 23, 2011.

**Peer Review Comments:**

The example presented by the researcher to prove his choice, is a very special case and there is probability that the the peace treaty between Egypt and Isreal supports to this cooperation, However, the commercial policy does not include an appeal policy

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**1.3.016: Is there a legal or regulatory requirement to disclose all beneficial ownership in oil, gas and mining companies or projects?**

**Score:** A  B C

**References:**

This does not appear to be the case. There is no mention of this in 1953 or 1956 laws, nor in the model contract or licensing agreements.

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# Egypt - RWI Index Questionnaire

## Context

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Indicator	Score
2.1 Context	33 

### 2.1 Context

#### 2.1.017: Does the government receive in-kind payments instead of financial payments from resource companies?

Score:  A  B  C

##### References:

1953 Law, Chapter 2, Article 36: "(1) The royalty shall be settled in cash or in kind at the discretion of the Ministry of Commerce and Industry. It shall be fixed on the basis of the total quantities of petroleum raised and saved by the lessee..." [Nicola H. Karam (trns.) Business laws of Egypt. Graham & Trotman, 1985, 3.9-19]

1953 Law, Ch 2, Article 37: "(1) The Government shall have the preferential right to purchase from the lessee not more than 20 per cent of the petroleum produced..." [Nicola H. Karam (trns.) Business laws of Egypt. Graham & Trotman, 1985, 3.9-20]

The current (2011) Model Contract used by Egypt specifies in Article 3(a) mandates "a 10% royalty in cash or in kind of ten percent (10%)" to the government.  
[[http://www.egpc.com.eg/Model\\_Agreement.html](http://www.egpc.com.eg/Model_Agreement.html)]

##### Peer Review Comments:

The choice of the researcher is correct, but the explanation given and classifying in-kind payments instead of financial payments from resource, companies, as royalty is incorrect. The commercial model gives the government the right to change the share of company from product to payment, and what is happening now is that to cover the shortage of oil products, the government buys the share of the foreign companies instead of importing the same products.

#### 2.1.018: If the government or state owned companies sell physical commodities (oil, gas or minerals) from in-kind payments or own production, is there information about how these commodities are marketed?

Score:  A  B  C  D  E

##### References:

There is no publically available information about how this gas is marketed.

##### Peer Review Comments:

###### VALUATION OF GAS

The cost recovery and profit gas price for local market will be agreed upon between contractor and EGPC or EGAS after the Commercial Discovery and before converting an area to a development lease(s). Production sharing gas price for export will be valued at net back price.

[http://www.egpc.com.eg/Main\\_Commercial\\_Paramters/Main\\_Commercial\\_Paramters.html](http://www.egpc.com.eg/Main_Commercial_Paramters/Main_Commercial_Paramters.html)

---

### 2.1.019: What authority actually collects payments from resource companies?

Score: A B  C D E

#### References:

Royalty payments (usually 10% as specified in the model contract) are paid to the government directly by the EGPC. See Article III Grant of Terms and Rights (g) (1) of Model Contract.

" The GOVERNMENT shall own and be entitled, as hereinafter provided to a royalty in cash or in kind of ten percent (10%) of the total quantity of Petroleum produced and saved from the Area during the Development period including renewal. Said royalty shall be borne and paid by EGPC and shall not be the obligation of CONTRACTOR. The payment of royalties by EGPC shall not be deemed to result in income attributable to the CONTRACTOR."

#### Peer Review Comments:

Under the model contract, CONTRACTOR is subject to Egyptian income tax laws and responsible to the tax authority. The Tax Authority under the Ministry of Finance is in charge of this payments and the model contract provides further data on the Contractor's rights and duties. See Article III Grant of Terms and Rights (g) (1) of Model Contract.











"Unless otherwise provided, CONTRACTOR shall be subject to Egyptian income tax laws and shall comply with the requirements of such laws with respect to the filing of returns, the assessment of tax, and keeping and showing of books and records."

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# Egypt - RWI Index Questionnaire

## Disclosure

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Indicator		Score	
2.2A.020	Does the Ministry of Finance publish periodical information on revenue generation?	41	
2.2A.020.j	Does the Ministry of Finance publish information on disaggregated revenue streams?	45	
2.2A	Quality of reports	67	
2.2B.020	Does the Ministry of the extractive sector publish information on revenue generation?	26	
2.2B.020.j	Does the Ministry of the extractive sector publish information on disaggregated revenue streams?	0	
2.2B	Quality of reports	50	
2.2C.020	Does a Regulatory Agency publish information on revenue generation?	N/A	
2.2C.020.j	Does a Regulatory Agency publish information on disaggregated revenue streams?	N/A	
2.2C	Quality of reports	N/A	
2.2D.020	Does the Central Bank publish information on revenue generation?	22	
2.2D.020.j	Does the Central Bank publish information on disaggregated revenue streams?	0	
2.2D	Quality of reports	67	
2.2E.020	Does any other government agency or entity publish information on revenue generation?	N/A	
2.2E.020.j	Does any other government agency or entity publish information on disaggregated revenue streams?	N/A	
2.2E	Quality of reports	N/A	
2.2	Public sector balance	50	

2.2A.020 Does the Ministry of Finance publish periodical information on revenue generation?

### 2.2A.020.a: Reserves

Score: A B C **(D)** E

#### References:

Not in Quarterly Economic reports:

[http://www.mof.gov.eg/English/publications/MOF\\_Publications/pages/Quarterly%20Digesta.aspx](http://www.mof.gov.eg/English/publications/MOF_Publications/pages/Quarterly%20Digesta.aspx)

---

### 2.2A.020.b: Production volumes

Score: A  B C D E

**References:**

[http://www.mof.gov.eg/English/publications/MOF\\_Publications/pages/Quarterly%20Digesta.aspx](http://www.mof.gov.eg/English/publications/MOF_Publications/pages/Quarterly%20Digesta.aspx)

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### 2.2A.020.c: Information on prices

Score: A B C  D E

**References:**

Not in Economic Quarterly. See, e.g.,  
<http://www.mof.gov.eg/MOFGallerySource/English/PDF/Monitor%20Sep%202010.pdf>

---

### 2.2A.020.d: Value of resource exports

Score:  A B C D E

**References:**

See, e.g., <http://www.mof.gov.eg/MOFGallerySource/English/PDF/Monitor%20Sep%202010.pdf>

**Peer Review Comments:**

The reference quoted by researcher is the Egyptian Economic Monitor report, published by the ministry of Finance. It includes revenues aggregated as one figure. Reviewer tried to locate a breakdown for revenue by categories or types of payments, with no success. The report provides detailed information on subsidies to each oil product though.

---

### 2.2A.020.e: Estimates of investment in exploration and development

Score:  A B C D E

**References:**

Net foreign investment in oil and gas sector provided with comparisons for 2004-2010, while investment by government and other agencies only for reporting period.

See, e.g., <http://www.mof.gov.eg/MOFGallerySource/English/PDF/Monitor%20Sep%202010.pdf>

---

### 2.2A.020.f: Production costs

Score: A B C  D E

**References:**

The Quarterly Economic See, e.g.,  
<http://www.mof.gov.eg/MOFGallerySource/English/PDF/Monitor%20Sep%202010.pdf>

**Peer Review Comments:**

The reference quoted by researcher does not include any data regarding the production cost for the oil and gas sector. It includes forecast of production for the following year, but no data on costs for this specific sector provided by the MOF.



---

**2.2A.020.g: Names of companies operating in country****Score:** A B C **(D)** E**References:**

The quarterly economic report mentions several companies working in the country, but not all. See, e.g., <http://www.mof.gov.eg/MOFGallerySource/English/PDF/Monitor%20Sep%202010.pdf>

**Peer Review Comments:**

The reference of the researcher includes data regarding companies of high potential to increase their production but there is no comprehensive report to include all operating companies and their production capabilities.

---

**2.2A.020.h: Production data by company and/or block****Score:** A B C **(D)** E**References:**

No such data is provided. See, e.g., <http://www.mof.gov.eg/MOFGallerySource/English/PDF/Monitor%20Sep%202010.pdf>

---

**2.2A.020.i: Cost of subsidies or social investments paid by mineral revenue****Score:** **(A)** B C D E**References:**

The government provides extensive gas subsidies for petroleum products consumed domestically. The quarterly economic reports provide detailed information about this. However, subsidies are not related directly to the revenues of oil and gas. See <http://www.mof.gov.eg/MOFGallerySource/English/PDF/Monitor%20Sep%202010.pdf>, page 47-9.

**Peer Review Comments:**

The same reference of the researcher gives detailed reports of the subsidies cost per product compared to the international market price. It also gives in other report the subsidies, grants and social benefits by EGAS and EGPC (<http://www.mof.gov.eg/MOFGallerySource/English/Reports/monthly/2012/March2012/full%20version.pdf>)

2.2A.020.j Does the Ministry of Finance publish information on disaggregated revenue streams?

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**2.2A.020.j1: Production streams value****Score:** **(A)** B C D E**References:**

Mentioned in <http://www.mof.gov.eg/MOFGallerySource/English/PDF/Monitor%20Sep%202010.pdf>, pg. 47.

**Peer Review Comments:**

MOF mentions on its report the average daily production and gives historical comparison of one prior year

---

**2.2A.020.j2: Government s share in PSC**

**Score:** A B C **(D)** E

**References:**

The quarterly reports only include information on total production, not on the government's share.  
<http://www.mof.gov.eg/MOFGallerySource/English/PDF/Monitor%20Sep%202010.pdf>

---

**2.2A.020.j3: Royalties**

**Score:** A **(B)** C D E

**References:**

In the annual budget, [http://www.mof.gov.eg/MOFGallerySource/English/State\\_Budget2011-2012/vol1-CAB.pdf](http://www.mof.gov.eg/MOFGallerySource/English/State_Budget2011-2012/vol1-CAB.pdf), p. 156.

---

**2.2A.020.j4: Special taxes (e.g. withholding taxes, excise taxes, excess earning taxes, charged on extractive companies)**

**Score:** A B C D **(E)**

**References:**

Contractors only pay income taxes and royalties, and are exempt from other taxes. Updated Standard Contract, Article XVIII(c).

---

**2.2A.020.j5: Dividends**

**Score:** **(A)** B C D E

**References:**

Egypt does not receive a share of dividends.

**Peer Review Comments:**

<http://www.mof.gov.eg/MOFGallerySource/English/Reports/monthly/2012/March2012/full%20version.pdf>, page 29, Table (12-B) Revenue Breakdown (Non- Tax Revenue), dividends by EGPC for years 2006-2012, actual and budget.

---

**2.2A.020.j6: Bonuses**

**Score:** A B C **(D)** E

**References:**

Bonuses are provided for in Article IX of the Standard Agreement, but they are not reported separately as oil income by the Ministry of Petroleum in the annual reports.

<http://www.petroleum.gov.eg/ar/AboutMinistry/AnnualReports/Pages/Report2008.aspx>

---

**2.2A.020.j7: License fees**

**Score:** A B C **(D)** E

**References:**

This is not reported separately from other income. See quarterly and annual reports mentioned previously.

---

**2.2A.020.j8: Acreage fees**

**Score:** A B C D **(E)**

**References:**

Egypt does not receive acreage fees, so it is not mentioned.

---

**2.2A.020.j9: Other (Explain in 'comments' box.)**

**Score:** A B C D **(E)**

**References:**

All of the charges in the Standard Agreement have been included in these categories.

---

2.2A Quality of reports

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**2.2A.021: Are periodical reports containing information on revenue generation published by the Ministry of Finance understandable?**

**Score:** **(A)** B C D E

**References:**

The Quarterly "Egyptian Economic Monitor" Reports are particularly good, and the Annual Reports are understandable if less detailed. The annual budgets, however, lack sufficient explanation.

See:

[http://www.mof.gov.eg/English/publications/MOF\\_Publications/pages/Quarterly%20Digesta.aspx](http://www.mof.gov.eg/English/publications/MOF_Publications/pages/Quarterly%20Digesta.aspx)

[http://www.mof.gov.eg/English/Papers\\_and\\_Studies/Pages/budget11-12.aspx](http://www.mof.gov.eg/English/Papers_and_Studies/Pages/budget11-12.aspx)

**Peer Review Comments:**

The issued reports includes comprehensive data for the economy, which covers all the ministry's portfolio, and it includes figures of actual production, aggregated revenues, exports and investment. On subsidies, it provides a lot of detail. These reports do not have a specific focus on the oil and gas sector, but on the entire economic variables.

---

**2.2A.022: How often are the periodical reports containing information on revenue generation published by the Ministry of Finance?**

**Score:** A B **(C)** D E

**References:**

[http://www.mof.gov.eg/English/publications/MOF\\_Publications/pages/Quarterly%20Digesta.aspx](http://www.mof.gov.eg/English/publications/MOF_Publications/pages/Quarterly%20Digesta.aspx)

However, the last edition was December 2010 – indicative of the political situation in that country.

---

The score recognizes this situation by choosing C over A.

2.2B.020 Does the Ministry of the extractive sector publish information on revenue generation?

---

**2.2B.020.a: Reserves**

**Score:** A  B C D E

**References:**

<http://www.petroleum.gov.eg/ar/aboutministry/annualreports/pages/default.aspx>, pg.4.

**Peer Review Comments:**

The reference is for 2008/2009 but there are reports after that date. The present political instability could be the reason for not issuing the following reports. The report gives a figure for reserves of oil and gas. The Ministry of Petroleum is also experiencing trouble opening as of June 2012.

---

**2.2B.020.b: Production volumes**

**Score:**  A B C D E

**References:**

The Annual Report provides current year information,

<http://www.petroleum.gov.eg/ar/aboutministry/annualreports/pages/default.aspx>, pg. 6.

There is a chart showing historical data on the MoP website:

<http://www.petroleum.gov.eg/ar/AboutMinistry/KeyIndicators/GasKeyindicators/Pages/pic5.aspx>

**Peer Review Comments:**

The reference gives one figure for oil and equivalent gas and gives a percentage of change from last year.

---

**2.2B.020.c: Information on prices**

**Score:** A B C  D E

**References:**

Not in the annual report, or elsewhere.

<http://www.petroleum.gov.eg/ar/aboutministry/annualreports/pages/default.aspx>

---

**2.2B.020.d: Value of resource exports**

**Score:** A B C  D E

**References:**

Not in the Annual Report, although it does include an estimate of alleged "savings" as a result of the renegotiation of the gas prices.

<http://www.petroleum.gov.eg/ar/AboutMinistry/KeyIndicators/GasKeyindicators/Pages/pic5.aspx>

---

**2.2B.020.e: Estimates of investment in exploration and development**

**Score:** A B C **(D)** E

**References:**

Not in annual or other reports.

<http://www.petroleum.gov.eg/ar/aboutministry/annualreports/pages/default.aspx>

---

**2.2B.020.f: Production costs**

**Score:** A B C **(D)** E

**References:**

Not in annual or other reports.

<http://www.petroleum.gov.eg/ar/aboutministry/annualreports/pages/default.aspx>

---

**2.2B.020.g: Names of companies operating in country**

**Score:** A **(B)** C D E

**References:**

There is no list. However, there is an interactive online map, where one can scroll over the concession areas and find out the name of the company which has been granted the concession.

<http://www.petroleum.gov.eg/ar/Investment/Pages/Concessionmap.aspx>

The Ministry only publishes the names of a few companies in the Annual Report. See

<http://www.petroleum.gov.eg/ar/AboutMinistry/KeyIndicators/GasKeyindicators/Pages/pic5.aspx>

---

**2.2B.020.h: Production data by company and/or block**

**Score:** A B C **(D)** E

**References:**

No data provided by concession or by block.

However, data is provided by region.

<http://www.petroleum.gov.eg/ar/AboutMinistry/KeyIndicators/GasKeyindicators/Pages/pic6.aspx>

---

**2.2B.020.i: Cost of subsidies or social investments paid by mineral revenue**

**Score:** A B C **(D)** E

**References:**

No info on website or in annual reports.

<http://www.petroleum.gov.eg/ar/AboutMinistry/KeyIndicators/GasKeyindicators/Pages/pic6.aspx>

---

2.2B.020.j Does the Ministry of the extractive sector publish information on disaggregated revenue streams?

---

**2.2B.020.j1: Production streams value**

**Score:** A B C  D E

**References:**

Not on MoP website or in annual reports.

---

**2.2B.020.j2: Government s share in PSC**

**Score:** A B C  D E

**References:**

Not on MoP website or in annual reports.

---

**2.2B.020.j3: Royalties**

**Score:** A B C  D E

**References:**

Not on MoP website or in annual reports.

---

**2.2B.020.j4: Special taxes (e.g. withholding taxes, excise taxes, excess earning taxes, charged on extractive companies)**

**Score:** A B C D  E

**References:**

Not relevant - contractors and operating companies do not pay these types of revenue. See Standard Agreement, Article XVIII(c).

---

**2.2B.020.j5: Dividends**

**Score:** A B C  D E

**References:**

Egypt does not collect dividend revenue. See Standard Model Contract. EGPC however pays dividends to the government. No information on this on the companies report.

---

**2.2B.020.j6: Bonuses**

**Score:** A B C  D E

**References:**

Bonuses are provided for in Article IX of the Standard Agreement, but they are not reported separately as oil income by the Ministry of Petroleum in the annual reports.

<http://www.petroleum.gov.eg/ar/AboutMinistry/AnnualReports/Pages/Report2008.aspx>

---

**2.2B.020.j7: License fees**

**Score:** A B C  D E

**References:**

This information is not reported separately in the annual reports.  
<http://www.petroleum.gov.eg/ar/AboutMinistry/AnnualReports/Pages/Report2008.aspx>

---

**2.2B.020.j8: Acreage fees**

**Score:** A B C D  E

**References:**

Egypt does not receive acreage fees. No mention of this in the standard contract.

---

**2.2B.020.j9: Other (Explain in 'comments' box.)**

**Score:** A B C D  E

**References:**

No other fees mentioned in the model contract.

---

**2.2B Quality of reports**

---

**2.2B.021: Are periodical reports containing information on revenue generation published by the Ministry of the extractive sector understandable?**

**Score:** A  B C D E

**References:**

Yes, they are understandable - they are written in simple language and highlight chief accomplishments. However, as indicated above, they are incomplete, containing primarily data about production, rather than detailed information about revenue collection (available in Arabic).  
<http://www.petroleum.gov.eg/ar/AboutMinistry/AnnualReports/Pages/Report2008.aspx>

**Peer Review Comments:**

Reports are incomplete, containing primarily data about production, rather than detailed information about revenue collection.  
<http://www.petroleum.gov.eg/ar/AboutMinistry/AnnualReports/Pages/Report2008.aspx>

---

**2.2B.022: How often are the periodical reports containing information on revenue generation published by the Ministry of the extractive sector?**

**Score:** A B  C D E

**References:**

The Ministry of Petroleum only publishes annual reports.  
<http://www.petroleum.gov.eg/ar/AboutMinistry/AnnualReports/Pages/Report2008.aspx>

**Peer Review Comments:**

The last report was issued for 2008/2009 and no recent updates as of June 2012 have been issued. The delay could be due to the political instability that Egypt is currently experiencing.

## 2.2C.020 Does a Regulatory Agency publish information on revenue generation?

---

### 2.2C.020.a: Reserves

Score: A B C D  E

**References:**

There is no regulatory agency - the Egyptian Natural Gas Company and the Ministry of Petroleum are in charge of regulation. See Ibrachy and Dermarkar, 2.1., pg. 78.

---

### 2.2C.020.b: Production volumes

Score: A B C D  E

**References:**

There is no regulatory agency - the Egyptian Natural Gas Company and the Ministry of Petroleum are in charge of regulation. See Ibrachy and Dermarkar, 2.1., pg. 78.

---

### 2.2C.020.c: Information on prices

Score: A B C D  E

**References:**

There is no regulatory agency - the Egyptian Natural Gas Company and the Ministry of Petroleum are in charge of regulation. See Ibrachy and Dermarkar, 2.1., pg. 78.

---

### 2.2C.020.d: Value of resource exports

Score: A B C D  E

**References:**

There is no regulatory agency - the Egyptian Natural Gas Company and the Ministry of Petroleum are in charge of regulation. See Ibrachy and Dermarkar, 2.1., pg. 78.

---

### 2.2C.020.e: Estimates of investment in exploration and development

Score: A B C D  E

**References:**

There is no regulatory agency - the Egyptian Natural Gas Company and the Ministry of Petroleum are in charge of regulation. See Ibrachy and Dermarkar, 2.1., pg. 78.

---

### 2.2C.020.f: Production costs

Score: A B C D  E

**References:**

There is no regulatory agency - the Egyptian Natural Gas Company and the Ministry of Petroleum are in charge of regulation. See Ibrachy and Dermarkar, 2.1., pg. 78.



---

**2.2C.020.g: Names of companies operating in country****Score:** A B C D  E**References:**

There is no regulatory agency - the Egyptian Natural Gas Company and the Ministry of Petroleum are in charge of regulation. See Ibrachy and Dermakar, 2.1., pg. 78.

---

**2.2C.020.h: Production data by company and/or block****Score:** A B C D  E**References:**

There is no regulatory agency - the Egyptian Natural Gas Company and the Ministry of Petroleum are in charge of regulation. See Ibrachy and Dermakar, 2.1., pg. 78.

---

**2.2C.020.i: Cost of subsidies or social investments paid by mineral revenue****Score:** A B C D  E**References:**

There is no regulatory agency - the Egyptian Natural Gas Company and the Ministry of Petroleum are in charge of regulation. See Ibrachy and Dermakar, 2.1., pg. 78.

2.2C.020.j Does a Regulatory Agency publish information on disaggregated revenue streams?

---

**2.2C.020.j1: Production streams value****Score:** A B C D  E**References:**

There is no regulatory agency - the Egyptian Natural Gas Company and the Ministry of Petroleum are in charge of regulation. See Ibrachy and Dermakar, 2.1., pg. 78.

---

**2.2C.020.j2: Government s share in PSC****Score:** A B C D  E**References:**

There is no regulatory agency - the Egyptian Natural Gas Company and the Ministry of Petroleum are in charge of regulation. See Ibrachy and Dermakar, 2.1., pg. 78.

---

**2.2C.020.j3: Royalties****Score:** A B C D  E**References:**

There is no regulatory agency - the Egyptian Natural Gas Company and the Ministry of Petroleum are in charge of regulation. See Ibrachy and Dermakar, 2.1., pg. 78.

---

**2.2C.020.j4: Special taxes (e.g. withholding taxes, excise taxes, excess earning taxes, charged on extractive companies)**

Score: A B C D  E

**References:**

There is no regulatory agency - the Egyptian Natural Gas Company and the Ministry of Petroleum are in charge of regulation. See Ibrachy and Dermakar, 2.1., pg. 78.

---

**2.2C.020.j5: Dividends**

Score: A B C D  E

**References:**

There is no regulatory agency - the Egyptian Natural Gas Company and the Ministry of Petroleum are in charge of regulation. See Ibrachy and Dermakar, 2.1., pg. 78.

---

**2.2C.020.j6: Bonuses**

Score: A B C D  E

**References:**

There is no regulatory agency - the Egyptian Natural Gas Company and the Ministry of Petroleum are in charge of regulation. See Ibrachy and Dermakar, 2.1., pg. 78.

---

**2.2C.020.j7: License fees**

Score: A B C D  E

**References:**

There is no regulatory agency - the Egyptian Natural Gas Company and the Ministry of Petroleum are in charge of regulation. See Ibrachy and Dermakar, 2.1., pg. 78.

---

**2.2C.020.j8: Acreage fees**

Score: A B C D  E

**References:**

There is no regulatory agency - the Egyptian Natural Gas Company and the Ministry of Petroleum are in charge of regulation. See Ibrachy and Dermakar, 2.1., pg. 78.

---

**2.2C.020.j9: Other (Explain in 'comments' box.)**

Score: A B C D  E

**References:**

There is no regulatory agency - the Egyptian Natural Gas Company and the Ministry of Petroleum are in charge of regulation. See Ibrachy and Dermakar, 2.1., pg. 78.

## 2.2C Quality of reports

---

### 2.2C.021: Are periodical reports containing information on revenue generation published by the Regulatory Agency understandable?

Score: A B C D  E

**References:**

There is no regulatory agency - the Egyptian Natural Gas Company and the Ministry of Petroleum are in charge of regulation. See Ibrachy and Dermakar, 2.1., pg. 78.

---

### 2.2C.022: How often are the periodical reports containing information on revenue generation published by the Regulatory Agency?

Score: A B C D  E

**References:**

There is no regulatory agency - the Egyptian Natural Gas Company and the Ministry of Petroleum are in charge of regulation. See Ibrachy and Dermakar, 2.1., pg. 78.

---

## 2.2D.020 Does the Central Bank publish information on revenue generation?

---

### 2.2D.020.a: Reserves

Score: A B C  D E

**References:**

Not included in annual reports or quarterly economic reports. For an annual report, see [http://www.cbe.org.eg/public/annualreport2009\\_2010E.pdf](http://www.cbe.org.eg/public/annualreport2009_2010E.pdf). For a quarterly economic report, see <http://www.cbe.org.eg/public/EconomicVol51No3En.pdf>.

---

### 2.2D.020.b: Production volumes

Score: A B C  D E

**References:**

Not included in annual reports or quarterly economic reports. For an annual report, see [http://www.cbe.org.eg/public/annualreport2009\\_2010E.pdf](http://www.cbe.org.eg/public/annualreport2009_2010E.pdf). For a quarterly economic report, see <http://www.cbe.org.eg/public/EconomicVol51No3En.pdf>.

---

### 2.2D.020.c: Information on prices

Score: A B C  D E

**References:**

Not included in annual reports or quarterly economic reports. For an annual report, see [http://www.cbe.org.eg/public/annualreport2009\\_2010E.pdf](http://www.cbe.org.eg/public/annualreport2009_2010E.pdf). For a quarterly economic report, see <http://www.cbe.org.eg/public/EconomicVol51No3En.pdf>.

---

### 2.2D.020.d: Value of resource exports

Score:  A  B  C  D  E

**References:**

The annual reports and quarterly economic reports present information on "Petroleum" as a component of GDP. However, it does not distinguish between the export of raw resources and the export of processed petroleum products. It also does not distinguish between oil and natural gas. For an annual report, see [http://www.cbe.org.eg/public/annualreport2009\\_2010E.pdf](http://www.cbe.org.eg/public/annualreport2009_2010E.pdf). For a quarterly economic report, see <http://www.cbe.org.eg/public/EconomicVol51No3En.pdf>.

---

### 2.2D.020.e: Estimates of investment in exploration and development

Score:  A  B  C  D  E

**References:**

The annual reports and quarterly economic reports present information on "Petroleum" as a component of foreign direct investment (FDI). However, they do not distinguish between upstream and downstream. They also do not distinguish between oil and natural gas. For an annual report, see [http://www.cbe.org.eg/public/annualreport2009\\_2010E.pdf](http://www.cbe.org.eg/public/annualreport2009_2010E.pdf). For a quarterly economic report, see <http://www.cbe.org.eg/public/EconomicVol51No3En.pdf>.

---

### 2.2D.020.f: Production costs

Score:  A  B  C  D  E

**References:**

Not included in annual reports or quarterly economic reports. For an annual report, see [http://www.cbe.org.eg/public/annualreport2009\\_2010E.pdf](http://www.cbe.org.eg/public/annualreport2009_2010E.pdf). For a quarterly economic report, see <http://www.cbe.org.eg/public/EconomicVol51No3En.pdf>.

---

### 2.2D.020.g: Names of companies operating in country

Score:  A  B  C  D  E

**References:**

Not included in annual reports or quarterly economic reports. For an annual report, see [http://www.cbe.org.eg/public/annualreport2009\\_2010E.pdf](http://www.cbe.org.eg/public/annualreport2009_2010E.pdf). For a quarterly economic report, see <http://www.cbe.org.eg/public/EconomicVol51No3En.pdf>.

---

### 2.2D.020.h: Production data by company and/or block

Score:  A  B  C  D  E

**References:**

Not included in annual reports or quarterly economic reports. For an annual report, see [http://www.cbe.org.eg/public/annualreport2009\\_2010E.pdf](http://www.cbe.org.eg/public/annualreport2009_2010E.pdf). For a quarterly economic report, see

<http://www.cbe.org.eg/public/EconomicVol51No3En.pdf>.

---

### 2.2D.020.i: Cost of subsidies or social investments paid by mineral revenue

Score: A B C  D E

**References:**

Not included in annual reports or quarterly economic reports. For an annual report, see [http://www.cbe.org.eg/public/annualreport2009\\_2010E.pdf](http://www.cbe.org.eg/public/annualreport2009_2010E.pdf). For a quarterly economic report, see <http://www.cbe.org.eg/public/EconomicVol51No3En.pdf>.

2.2D.020.j Does the Central Bank publish information on disaggregated revenue streams?

---

### 2.2D.020.j1: Production streams value

Score: A B C  D E

**References:**

Not included in annual reports or quarterly economic reports. For an annual report, see [http://www.cbe.org.eg/public/annualreport2009\\_2010E.pdf](http://www.cbe.org.eg/public/annualreport2009_2010E.pdf). For a quarterly economic report, see <http://www.cbe.org.eg/public/EconomicVol51No3En.pdf>.

### 2.2D.020.j2: Government s share in PSC

Score: A B C  D E

**References:**

Not included in annual reports or quarterly economic reports. For an annual report, see [http://www.cbe.org.eg/public/annualreport2009\\_2010E.pdf](http://www.cbe.org.eg/public/annualreport2009_2010E.pdf). For a quarterly economic report, see <http://www.cbe.org.eg/public/EconomicVol51No3En.pdf>.

### 2.2D.020.j3: Royalties

Score: A B C  D E

**References:**

Not included in annual reports or quarterly economic reports. For an annual report, see [http://www.cbe.org.eg/public/annualreport2009\\_2010E.pdf](http://www.cbe.org.eg/public/annualreport2009_2010E.pdf). For a quarterly economic report, see <http://www.cbe.org.eg/public/EconomicVol51No3En.pdf>.

### 2.2D.020.j4: Special taxes (e.g. withholding taxes, excise taxes, excess earning taxes, charged on extractive companies)

Score: A B C  D E

**References:**

Not included in annual reports or quarterly economic reports. For an annual report, see [http://www.cbe.org.eg/public/annualreport2009\\_2010E.pdf](http://www.cbe.org.eg/public/annualreport2009_2010E.pdf). For a quarterly economic report, see <http://www.cbe.org.eg/public/EconomicVol51No3En.pdf>.

---

**2.2D.020.j5: Dividends****Score:** A B C D  E**References:**

Egypt does not collect this kind of revenue.

---

**2.2D.020.j6: Bonuses****Score:** A B C  D E**References:**

Not included in annual reports or quarterly economic reports. For an annual report, see [http://www.cbe.org.eg/public/annualreport2009\\_2010E.pdf](http://www.cbe.org.eg/public/annualreport2009_2010E.pdf). For a quarterly economic report, see <http://www.cbe.org.eg/public/EconomicVol51No3En.pdf>.

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**2.2D.020.j7: License fees****Score:** A B C  D E**References:**

Not included in annual reports or quarterly economic reports. For an annual report, see [http://www.cbe.org.eg/public/annualreport2009\\_2010E.pdf](http://www.cbe.org.eg/public/annualreport2009_2010E.pdf). For a quarterly economic report, see <http://www.cbe.org.eg/public/EconomicVol51No3En.pdf>.

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**2.2D.020.j8: Acreage fees****Score:** A B C D  E**References:**

Not included in annual reports or quarterly economic reports. For an annual report, see [http://www.cbe.org.eg/public/annualreport2009\\_2010E.pdf](http://www.cbe.org.eg/public/annualreport2009_2010E.pdf). For a quarterly economic report, see <http://www.cbe.org.eg/public/EconomicVol51No3En.pdf>.

**Peer Review Comments:**

[http://www.egpc.com.eg/Main\\_Commercial\\_Paramters/Main\\_Commercial\\_Paramters.html](http://www.egpc.com.eg/Main_Commercial_Paramters/Main_Commercial_Paramters.html)  
Acreage fees are not a part of commercial parameters nor in the bid round model, so I would classify this as not applicable.

---

**2.2D.020.j9: Other (Explain in 'comments' box.)****Score:** A B C D  E**References:**

Egypt does not collect other kinds of revenue. See standard contract.

## 2.2D Quality of reports

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**2.2D.021: Are periodical reports containing information on revenue generation published by the Central Bank understandable?**

Score: A B  C D E

**Comments:**

These are understandable, but they provide scant information about resource extraction. They do mention "petroleum" as a component of GDP and FDI, but they do not separate between upstream and downstream production, or between oil and gas.

**References:**

For an annual report, see [http://www.cbe.org.eg/public/annualreport2009\\_2010E.pdf](http://www.cbe.org.eg/public/annualreport2009_2010E.pdf). For a quarterly economic report, see <http://www.cbe.org.eg/public/EconomicVol51No3En.pdf>.

**Peer Review Comments:**

These reports cover the areas under the Bank's authority and provide very few information about the petroleum sector.

---

**2.2D.022: How often are the periodical reports containing information on revenue generation published by the Central Bank?**

Score:  A B C D E

**References:**

For an annual report, see [http://www.cbe.org.eg/public/annualreport2009\\_2010E.pdf](http://www.cbe.org.eg/public/annualreport2009_2010E.pdf). For a quarterly economic report, see <http://www.cbe.org.eg/public/EconomicVol51No3En.pdf>.

2.2E.020 Does any other government agency or entity publish information on revenue generation?

---

**2.2E.020.a: Reserves**

Score: A B C D  E

**References:**

No other agencies publish this type of information. For an overview of Egypt's oil and gas sector see Ibrachy and Dermakar.

---

**2.2E.020.b: Production volumes**

Score: A B C D  E

**References:**

No other agencies publish this type of information. For an overview of Egypt's oil and gas sector see Ibrachy and Dermakar.

---

**2.2E.020.c: Information on prices**

Score: A B C D  E

**References:**

No other agencies publish this type of information. For an overview of Egypt's oil and gas sector see Ibrachy and Dermarkar.

---

**2.2E.020.d: Value of resource exports**

**Score:** A B C D  E

**References:**

No other agencies publish this type of information. For an overview of Egypt's oil and gas sector see Ibrachy and Dermarkar.

---

**2.2E.020.e: Estimates of investment in exploration and development**

**Score:** A B C D  E

**References:**

No other agencies publish this type of information. For an overview of Egypt's oil and gas sector see Ibrachy and Dermarkar.

---

**2.2E.020.f: Production costs**

**Score:** A B C D  E

**References:**

No other agencies publish this type of information. For an overview of Egypt's oil and gas sector see Ibrachy and Dermarkar.

---

**2.2E.020.g: Names of companies operating in country**

**Score:** A B C D  E

**References:**

No other agencies publish this type of information. For an overview of Egypt's oil and gas sector see Ibrachy and Dermarkar.

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**2.2E.020.h: Production data by company and/or block**

**Score:** A B C D  E

**References:**

No other agencies publish this type of information. For an overview of Egypt's oil and gas sector see Ibrachy and Dermarkar.

---

**2.2E.020.i: Cost of subsidies or social investments paid by mineral revenue**

**Score:** A B C D  E

**References:**



No other agencies publish this type of information. For an overview of Egypt's oil and gas sector see Ibrachy and Dermarkar.

2.2E.020.j Does any other government agency or entity publish information on disaggregated revenue streams?

---

**2.2E.020.j1: Production streams value**

Score: A B C D  E

**References:**

No other agencies publish this type of information. For an overview of Egypt's oil and gas sector see Ibrachy and Dermarkar.

---

**2.2E.020.j2: Government s share in PSC**

Score: A B C D  E

**References:**

No other agencies publish this type of information. For an overview of Egypt's oil and gas sector see Ibrachy and Dermarkar.

---

**2.2E.020.j3: Royalties**

Score: A B C D  E

**References:**

No other agencies publish this type of information. For an overview of Egypt's oil and gas sector see Ibrachy and Dermarkar.

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**2.2E.020.j4: Special taxes (e.g. withholding taxes, excise taxes, excess earning taxes, charged on extractive companies)**

Score: A B C D  E

**References:**

No other agencies publish this type of information. For an overview of Egypt's oil and gas sector see Ibrachy and Dermarkar.

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**2.2E.020.j5: Dividends**

Score: A B C D  E

**References:**

No other agencies publish this type of information. For an overview of Egypt's oil and gas sector see Ibrachy and Dermarkar.

---

**2.2E.020.j6: Bonuses**

**Score:** A B C D  E

**References:**

No other agencies publish this type of information. For an overview of Egypt's oil and gas sector see Ibrachy and Dermarkar.

---

**2.2E.020.j7: License fees**

**Score:** A B C D  E

**References:**

No other agencies publish this type of information. For an overview of Egypt's oil and gas sector see Ibrachy and Dermarkar.

---

**2.2E.020.j8: Acreage fees**

**Score:** A B C D  E

**References:**

No other agencies publish this type of information. For an overview of Egypt's oil and gas sector see Ibrachy and Dermarkar.

---

**2.2E.020.j9: Other (Explain in 'comments' box.)**

**Score:** A B C D  E

**References:**

No other agencies publish this type of information. For an overview of Egypt's oil and gas sector see Ibrachy and Dermarkar.

---

2.2E Quality of reports

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**2.2E.021: Are periodical reports containing information on revenue generation published by any other government agency or entity understandable?**

**Score:** A B C D  E

**References:**

No other agencies publish this type of information. For an overview of Egypt's oil and gas sector see Ibrachy and Dermarkar.

---

**2.2E.022: How often are the periodical reports containing information on revenue generation published by the any other governmental agency or entity?**

**Score:** A B C D  E

**References:**

No other agencies publish this type of information. For an overview of Egypt's oil and gas sector see Ibrachy and Dermarkar.

## 2.2 Public sector balance

---

**2.2.023: Does the government include the SOC financial balance (its assets and liabilities) within the public sector balance or overall balance of general government in reports to the legislature?**

**Score:** A B C  D E

**References:**

There is no mention of the SOC budget in the annual budget, nor does the SOC publish its own financial data.

---

**2.2.024: Does the government include projections of transactions, accounts of actual spending by the natural resource funds, and their assets and liabilities, within the public sector balance or overall balance of general government in reports to the legislature?**

**Score:** A B C D  E

**References:**

There is no natural resources fund.

---

**2.2.025: Does the government provide information on the non resource fiscal balance in its budget proposal?**

**Score:**  A B C

**Comments:**

This question makes sense when a country is largely dependent on mineral resources for income, which Egypt is not.

**References:**


The budget has information on the country's fiscal balance.

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# Egypt - RWI Index Questionnaire

## Legal Framework and Practices

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Indicator	Score
2.3 Legal Framework and Practices	48 

### 2.3 Legal Framework and Practices

#### 2.3.026: In the legal framework, what government agencies have authority to collect taxes and payments from resource companies?

Score: A B  C D E

**Comments:**

In the model agreements, although the concessionaires are subject to income tax, the national gas company (the EGPC, which is a party to the contract) pays the government on their behalf, then provides them with a receipt indicating that the taxes were paid.

This system appears to have replaced what was in the 1953 law, which mandated the Department concerned (at that time, Ministry of Commerce and Industry) would collect the rents.

**References:**

Davies, Business Law in Egypt, Netherlands: Kluwer, 1983. 115; see also Model Contract, p. 18-19.

#### 2.3.027: Are all resource related revenues, including those collected by state owned companies, regulatory agencies, ministries, special funds or by the tax authority placed in the national treasury?

Score:  A B C D E

**References:**

Most resource revenues are collected as income tax, which goes into national coffers. These income tax and other revenues are listed in the national budget.

#### 2.3.028: Are government officials with a role in the oversight of the oil, gas or mining sector required to disclose information about their financial interest in any extractive activity or projects?

Score:  A B C

**Comments:**

However, this only occurs every five years.

**References:**

According to Transparency International, "Law 62/1975 dealing with illegal profiting stipulates that the head of State and all government officials are required to fill out and submit a regular asset disclosure form once every five years, which includes all of their possessions and those of their spouses and

underage children." Pg. 40

---

**2.3.029: Is there independent external validation of internal controls of agencies in charge of receiving payments from resource companies with the objective of providing assurances of integrity of public funds and sound financial management?**

**Score:** A  B C D E

**Comments:**

There is a national auditing agency that has the authority to review the agencies and companies involved. However, there is no evidence that they do so regularly in regards to the oil and gas sector.

According to Transparency International, the "The issue of budget adequacy has never been raised as a problem in practice; however, it is important to note that CAO staffers remain civil servants who generally suffer from low wages." (pg. 75) However, several other problems remain, including the subordination of the institution to the office of the President. (pg. 79)

In the Model Contract, the EGPC is responsible for auditing statements from the contractors and operating companies. See Updated Model Contract, Annex E, Article

**References:**

See [www.cao.gov.eg](http://www.cao.gov.eg)

---

**2.3.030: Does the national audit office (or similar independent organization) report regularly to the legislature on its findings, including an objective analysis of agencies in charge of managing resource revenues, and are these reports published?**

**Score:** A B  C D E

**References:**

<http://back.globalintegrity.org/reports/2006/egypt/scorecard.cfm?subcategoryID=70&countryID=9>

The legislature has to request access to the reports. Transparency International Report, pg. 77.

**Peer Review Comments:**

The Central Auditing Organization has to review all the transactions of a fiscal year, providing analysis of the agencies in charge of managing resource revenue. The report, which is issued yearly, is submitted to the board of SOC's during their general assembly meetings, including any deficiencies and the board has the right to accept or reject or to take any appropriate action from its perspective.

---

**2.3.031: Does a Parliamentary committee scrutinize reports on resource related revenues and, if so, when does this occur?**

**Score:** A B C  D E

**References:**

The Parliament has the ability to scrutinize reports.

<http://back.globalintegrity.org/reports/2006/egypt/scorecard.cfm?subcategoryID=70&countryID=9>

In practice, however, there is no evidence that they do so.

**Peer Review Comments:**

The current practice does not give Parliament power to scrutinize, but after the 25 January (2011) revolution, there is serious interest to enable the Parliament to review such reports for more transparency.

---

**2.3.032: Is this country an EITI candidate or compliant country?**

**Score:** A B C **(D)** E

**References:**

Many hope that Egypt will do so. <http://eiti.org/news-events/president-obama-us-will-implement-eiti>

But there has been no expression of interest.

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# Egypt - RWI Index Questionnaire

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Indicator	Score
3.1.1	Context 100 

3.1.1 Context

### 3.1.1.033: Is there a state-owned company? If so, what is its role in the extractive sector?

Score: A  B  C  D  E

#### Comments:

The relevant SOCs are the Egypt General Petroleum Company (EGPC), the Egypt Natural Gas Holding Company (EGAS), and the Ganoub El Wady Holding Petroleum Co. (GANOPE).

EGAS and GANOPE are the most relevant companies for natural gas. In general, EGAS handles developments above the 28th parallel, while GANOPE (often in coordination with EGAS) handles developments below the 28th parallel.

#### References:

Egypt has five state-owned energy companies, three of which are involved in extraction.  
<http://www.petroleum.gov.eg/en/AboutMinistry/Pages/Heirarchy.aspx>

As Ibrachy and Dermarkar explain, in Egypt, all contracts are issued as a partnership between the EGPC (or other SOC) and private companies, which then have a profit sharing arrangement. See Section 2.4, pg. 79.

### 3.1.1.034: How is government ownership of resource companies structured in this country?

Score:  A  B  C  D  E

#### References:

All of the Egyptian companies are fully owned by the state. See, e.g, the 1976 law establishing the Egyptian General Petroleum Company.

### 3.1.1.035: Is there more than one state-owned company (SOC) operating in the extractive sector?

Score:  A  B  C

#### References:

There are five government owned companies.  
<http://www.petroleum.gov.eg/ar/AboutMinistry/Pages/Heirarchy.aspx>

Of these, three seem to operate in the development/extraction of oil and gas - EGPC/EGAS/GANOPE. See Ibrachy and Dermarkar, 2.4, pg. 79.

### 3.1.1.036: Do the roles and responsibilities of the SOC include provision of subsidies or social

**expenditures (quasi-fiscal activities)?****Score:** (A) B C**References:**

See the websites of the relevant SOCs: [www.egas.com](http://www.egas.com), [www.egpc.com.eg](http://www.egpc.com.eg), and <http://www.ganope.com/>. There is no mention of any such activities.

**Peer Review Comments:**






Some companies of EGPC have football teams play in the first class league, which prompts questions about the source of their budget to run such business especially that such teams are without mass supporters .

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# Egypt - RWI Index Questionnaire

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Indicator		Score	
3.2.1	Comprehensive reports	100	
3.2.2.038	Does the SOC publish information on revenue generation?	38	
3.2.3.038.j	Disaggregated Revenue Streams	11	
3.2.4	Quality of reports	22	
3.2.5.043	Audited reports	0	

## 3.2.1 Comprehensive reports

### 3.2.1.037: Does the SOC publish comprehensive reports with information about its operations and subsidiaries?

Score:  A  B  C  D  E

#### Comments:

However, these reports are not signed by an auditor, only the Chairman of the Board and the Vice Chairman for Finance.

#### References:

EGAS and GANOPE do publish annual reports, containing cash flow statements.

See the annual reports at

<http://www.ganope.com/Downloads/Annual.pdf>, 61ff

[http://www.egas.com.eg/docs/pdf/EN\\_mid.pdf](http://www.egas.com.eg/docs/pdf/EN_mid.pdf), pg. 45ff

Regarding EGPC, it does not publish annual reports on its website (<http://www.egpc.com.eg>). However, they do have an annual report. According to an IMF source, the EGPC annual report has "limited circulation." See Miguel A. Savastano, "Arab Republic of Egypt: Selected Issues", International Monetary Fund, 2005, p. 33 (footnote 28). It is not readily available to the public.

#### Peer Review Comments:

As per any government organizations, all SOC are subject to audit by Central Accounting Organization which has to approve the balance sheet prior to offer to their General Assembly for approval.

## 3.2.2.038 Does the SOC publish information on revenue generation?

### 3.2.2.038.a: Reserves

Score:  A  B  C  D  E

#### Comments:

There are three state-owned companies actively involved in oil and gas production: EGPC, EGAS and GANOPE. It is difficult to isolate their specific contribution of to the country's economy, because they are

rarely treated separately. For instance, in annual budget reports, the contributions from the oil and gas sector are simply treated as categories of "income tax" and "royalties."

According to an IMF staff report based on consultations conducted under Article IV, between 2005 and 2009, oil revenues went from 7.8 to 3.8 billion EGP, out of a total nominal GDP of 617 to 1,284 billion EGP. Thus, the contribution of oil revenues to the economy was between 1.2% and .2% of nominal GDP. (see [www.imf.org/external/pubs/ft/scr/2009/cr0925.pdf](http://www.imf.org/external/pubs/ft/scr/2009/cr0925.pdf), pg. 18) This data is based on figures provided by EGPC. This is small though not insignificant portion of GDP. However, it is unclear whether "oil revenue" also contains the gas revenues from EGAS and GANOPE.

There are no reliable figures available on EGPC' revenues and taxes paid. However, based on published figures (in the annual reports above), EGAS and GANOPE seem to be relatively small compared to EGPC. For the June 2008 fiscal year, EGAS paid 319 million EGP in taxes and had 1.3 billion EGP in net "activity gain", which means that EGP is much smaller. GANOPE is even smaller. It paid just 22 million EGP in taxes, and made 23 million EGP in "activity gain". However, it also had long-term investments in companies that had over 6 billion EGP in capital, a not insignificant amount. It is unclear how these figures relate to one another.

Given this complication, the RWI index 2012 takes into account for this section the best reporting practice found among the three SOC's active in oil and gas extraction.

**References:**

EGAS and GANOPE do publish annual reports, containing cash flow statements. See the annual reports at <http://www.ganope.com/Downloads/Annual.pdf>, 61ff [http://www.egas.com.eg/docs/pdf/EN\\_mid.pdf](http://www.egas.com.eg/docs/pdf/EN_mid.pdf), pg. 45ff

EGPC does not publish its annual reports on its website: (<http://www.egpc.com.eg>).

**Peer Review Comments:**

Reserve figures are announced in the MOP annual report for crude oil and for natural gas but not in these reports, which only show money/cash reserves and not hydrocarbon reserves: <http://www.petroleum.gov.eg/en/aboutministry/annualreports/pages/default.aspx>

**3.2.2.038.b: Production volumes**

Score: (A) B C D E

**References:**

EGAS and GANOPE do publish production information in their annual reports. See the annual reports at <http://www.ganope.com/Downloads/Annual.pdf>, pg. 4. [http://www.egas.com.eg/docs/pdf/EN\\_mid.pdf](http://www.egas.com.eg/docs/pdf/EN_mid.pdf), pg. 29ff.

EGPC does not publish this information on its website.

**Peer Review Comments:**

The Ministry of Petroleum publish the figures at their annual report <http://www.petroleum.gov.eg/en/aboutministry/annualreports/pages/default.aspx>,

**3.2.2.038.c: Information on prices**

Score: A B C (D) E

**Comments:**

See the websites of the relevant SOCs: [www.egas.com](http://www.egas.com), [www.egpc.com.eg](http://www.egpc.com.eg), and <http://www.ganope.com/>. They do not provide this information.

**References:**

See the websites of the relevant SOCs: [www.egas.com](http://www.egas.com), [eg](http://www.egpc.com.eg), [www.egpc.com.eg](http://www.egpc.com.eg), and <http://www.ganope.com/>. They do not provide this information.

No information in the annual reports:

<http://www.ganope.com/Downloads/Annual.pdf>

[http://www.egas.com.eg/docs/pdf/EN\\_mid.pdf](http://www.egas.com.eg/docs/pdf/EN_mid.pdf)

EGPC does not publish this information on its website.

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**3.2.2.038.d: Value of resource exports**

**Score:** A B C **(D)** E

**References:**

See the websites of the relevant SOCs: [www.egas.com](http://www.egas.com), [eg](http://www.egpc.com.eg), [www.egpc.com.eg](http://www.egpc.com.eg), and <http://www.ganope.com/>. They do not provide this information.

In its annual report, EGAS mentions some export figures, but they are not comprehensive and do not include value of the resources.

<http://www.ganope.com/Downloads/Annual.pdf>, pg. 6.

EGPC does not publish this information on its website.

---

**3.2.2.038.e: Estimates of investment in exploration and development**

**Score:** A **(B)** C D E

**References:**

EGAS and GANOPE annual reports contain some information on investments.

<http://www.ganope.com/Downloads/Annual.pdf>, pg. 23-6, 53.

[http://www.egas.com.eg/docs/pdf/EN\\_mid.pdf](http://www.egas.com.eg/docs/pdf/EN_mid.pdf), pg. 61.

EGPC does not publish this information on its website.

**Peer Review Comments:**

This data is available in Ministry of Finance report and the Ministry of Petroleum. However, the data published is not comprehensive and the only available report is an old one from 1/7/2007 to 30/6/2008

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**3.2.2.038.f: Production costs**

**Score:** A **(B)** C D E

**References:**

EGAS and GANOPE annual reports contain some information on investments.

<http://www.ganope.com/Downloads/Annual.pdf>, 61-2.

[http://www.egas.com.eg/docs/pdf/EN\\_mid.pdf](http://www.egas.com.eg/docs/pdf/EN_mid.pdf), pg. 45.

EGPC does not publish this information.

**Peer Review Comments:**

The two references of EGAS and GANOPE reports expenses aggregated in one figure without details to specify what goes into its operating expenses. The available report is an old one from 1/7/2007 to 30/6/2008

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**3.2.2.038.g: Names of companies operating in country**

**Score:** A  B C D E

**References:**

EGAS and GANOPE provide this information. See  
[http://www.egas.com.eg/Corporate\\_Overview/Agreements.aspx](http://www.egas.com.eg/Corporate_Overview/Agreements.aspx),  
[http://www.egas.com.eg/Corporate\\_Overview/Affiliate\\_companies.aspx](http://www.egas.com.eg/Corporate_Overview/Affiliate_companies.aspx)

See the annual reports at  
<http://www.ganope.com/Downloads/Annual.pdf>, 15ff  
[http://www.egas.com.eg/docs/pdf/EN\\_mid.pdf](http://www.egas.com.eg/docs/pdf/EN_mid.pdf), pgs. 13ff, 23ff.

EGPC does not publish this information.

---

**3.2.2.038.h: Production data by company and/or block**

**Score:** A B C  D E

**References:**

GANOPE lists companies that are extracting natural gas, but does not divide up production figures by block.

<http://www.ganope.com/Downloads/Annual.pdf>

EGAS does not provide this information, either, but they do provide target production information for field currently being developed.

[http://www.egas.com.eg/docs/pdf/EN\\_mid.pdf](http://www.egas.com.eg/docs/pdf/EN_mid.pdf)

EGPC does not publish this information.

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**3.2.2.038.i: Quasi fiscal activities**

**Score:** A B C D  E

**References:**

Egyptian SOCs do not conduct these types of activities.

See the websites of the relevant SOCs: [www.egas.com](http://www.egas.com), [www.egpc.com.eg](http://www.egpc.com.eg), and <http://www.ganope.com/>. They do not provide this information.

EGPC does not publish this information.

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**3.2.3.038.j Disaggregated Revenue Streams****3.2.3.038.j1: Production streams value**

**Score:** A B C  D E

**References:**

See the websites of the relevant SOCs: [www.egas.com](http://www.egas.com), [www.egpc.com.eg](http://www.egpc.com.eg), and <http://www.ganope.com/>. They do not provide this information.

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**3.2.3.038.j2: Government s share in PSC****Score:** A B C **(D)** E**References:**

See the websites of the relevant SOCs: [www.egas.com](http://www.egas.com), [eg, www.egpc.com.eg](http://www.egpc.com.eg), and <http://www.ganope.com/>. They do not provide this information.

EGPC does not publish this information.

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**3.2.3.038.j3: Royalties****Score:** A B C **(D)** E**References:**

See the websites of the relevant SOCs: [www.egas.com](http://www.egas.com), [eg, www.egpc.com.eg](http://www.egpc.com.eg), and <http://www.ganope.com/>. They do not provide this information.

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**3.2.3.038.j4: Special taxes****Score:** A B C **(D)** E**References:**

See the websites of the relevant SOCs: [www.egas.com](http://www.egas.com), [eg, www.egpc.com.eg](http://www.egpc.com.eg), and <http://www.ganope.com/>. They do not provide this information.

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**3.2.3.038.j5: Dividends****Score:** A B C D **(E)****References:**

There are dividends paid by state owned corporations, but they do not publish this info.

See the websites of the relevant SOCs: [www.egas.com](http://www.egas.com), [eg, www.egpc.com.eg](http://www.egpc.com.eg), and <http://www.ganope.com/>. They do not provide this information.

**Peer Review Comments:**

SOC's do not publish any information on Dividends. However, this is reported on the balance sheet of the Ministry of Finance under Revenues Breakdown (Non-Tax Revenues) Page 29 <http://www.mof.gov.eg/MOFGallerySource/English/Reports/monthly/2012/March2012/full%20version.pdf>

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**3.2.3.038.j6: Bonuses****Score:** A **(B)** C D E**References:**

Only the GANOPE annual report presents this data. See <http://www.ganope.com/Downloads/Annual.pdf>, pg. 18.

This data is not broken down in EGAS annual reports. [http://www.egas.com.eg/docs/pdf/EN\\_mid.pdf](http://www.egas.com.eg/docs/pdf/EN_mid.pdf)

EGPC does not present any revenues streams.

**Peer Review Comments:**

The reference quoted mentions only one company, GANOPE, which includes info on Total Signature Bonus paid for all Agreements. However, the other two corporations, EGAS and EGPC, do not publish this data. There is no consistent system to publish this information within SOC's.

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**3.2.3.038.j7: License fees**

**Score:** A B C  D E

**References:**

See the websites of the relevant SOC's: [www.egas.com](http://www.egas.com), [www.egpc.com.eg](http://www.egpc.com.eg), and <http://www.ganope.com/>. They do not provide this information.

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**3.2.3.038.j8: Acreage fees**

**Score:** A B C D  E

**References:**

See the websites of the relevant SOC's: [www.egas.com](http://www.egas.com), [www.egpc.com.eg](http://www.egpc.com.eg), and <http://www.ganope.com/>. They do not provide this information.

**Peer Review Comments:**

While reviewing all revenues and expenses in the balance sheets of SOC's, the ministry of Finance and the Central bank, it seems Acreage fees are not part of fiscal obligations.

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**3.2.3.038.j9: Other (Describe below)**

**Score:** A B C D  E

**References:**

Egypt does not collect other type of revenue.

See the websites of the relevant SOC's: [www.egas.com](http://www.egas.com), [www.egpc.com.eg](http://www.egpc.com.eg), and <http://www.ganope.com/>.

3.2.4 Quality of reports

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**3.2.4.039: Are the reports published by the state owned company understandable?**

**Score:** A B  C D E

**Comments:**

GANOPE publishes an annual report online. While understandable, it does not provide comprehensive data, focusing instead selectively on regions. GANOPE's annual report provides a detailed list of companies that they own, as well as data on each individual extraction operation. However, the reports' data is not comparable. Neither report provides a breakdown of tax payments into corporate income tax and royalties, nor information about the earnings and tax payments of each of the subsidiary companies.

**References:**

See the websites of the relevant SOCs: [www.egas.com](http://www.egas.com), [eg, www.egpc.com.eg](http://www.egpc.com.eg), and <http://www.ganope.com/>.

GANOPE's Annual Report, <http://www.ganope.com/Downloads/Annual.pdf>  
EGAS' report is available at [http://www.egas.com.eg/docs/pdf/EN\\_mid.pdf](http://www.egas.com.eg/docs/pdf/EN_mid.pdf)

**Peer Review Comments:**

The three relevant state-owned corporations produce annual reports, but these are not regularly published and are not comprehensive. Also, reports do not follow a consistent template or model, including similar data under different categories or context.

**3.2.4.040: How often are the reports or statistical databases containing information on revenue generation published by the state owned company?**

Score: A B  C D E

**Comments:**

Of the three SOCs, only GANOPE publishes an annual report.

**References:**

<http://www.ganope.com/Downloads/Annual.pdf>

**Peer Review Comments:**

The websites of all SOC's have a link for annual reports but EGAS has the only available report, which covers 2007/2008. Although it is planned annually, it is not regular and it's difficult to asses whether the lack of updated reports is due to current political instability.

**3.2.4.041: If the SOC is involved with quasi fiscal activities, does it publish information about them?**

Score: A B  C

**References:**

The SOCs are not involved in quasi-fiscal activities.

See the websites of the relevant SOCs: [www.egas.com](http://www.egas.com), [eg, www.egpc.com.eg](http://www.egpc.com.eg), and <http://www.ganope.com/>. They do not mention these types of activities. Nor is it mentioned in Ibrachy and Dermarkar's overview of the oil and gas sector, or anywhere else in the documentation encountered.

**3.2.4.042: If there are joint ventures, does the SOC (or government) publish information on its share of costs and revenues deriving from its equity participation in joint ventures?**

Score: A  B C

**References:**

No. The companies themselves do not provide this information. See the websites of the relevant SOCs: [www.egas.com](http://www.egas.com), [eg, www.egpc.com.eg](http://www.egpc.com.eg), and <http://www.ganope.com/>.

Nor does the government provide this information in the annual budget or other reports.

**3.2.5.043 Audited reports**

**3.2.5.043.a: Is the SOC subject to annual audits conducted by an independent external auditor to ensure that the financial statements represent the financial position and performance of the company?**

**Score:** A B C **(D)** E

**Comments:**

Financial statements are signed by the Board Chairman and the Vice Chairman, but not by an auditor.

**References:**

The government has an independent auditing entity, the Central Auditing Organization (CAO), which has the authority to audit the SOCs. In practice, there is no evidence that it does so.  
<http://www.cao.gov.eg/>

See also the Transparency International Report, pg. 75.

Currently, the website for the CAO has only homepage - none of the links work, so it is unclear whether this information is available elsewhere on the website.

**Peer Review Comments:**

The Central Accounting Organization is an independent government authority that by law has the right to review all the SOC's activities on annual basis, the final report after auditing the activities, would be submitted to its board for approval.

<http://back.globalintegrity.org/reports/2006/egypt/scorecard.cfm?subcategoryID=70&countryID=9>

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**3.2.5.043.b: Are SOC audited reports published?**

**Score:** A B C D **(E)**

**References:**

The government has an independent auditing entity, the Central Auditing Organization (CAO), which has the power to audit the SOCs. In practice, there is no evidence that it does so. <http://www.cao.gov.eg/>

See also the Transparency International Report, pg. 75.

Currently, the website for the CAO has only a homepage - none of the links work, so it is unclear whether this information is available elsewhere on the website.

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# Egypt - RWI Index Questionnaire

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Indicator	Score
3.3.1 <span style="color: red;">Legal Framework and Practice</span>	40 <span style="color: orange;">■</span>

## 3.3.1 Legal Framework and Practice

### 3.3.1.044: Does the SOC have a legal obligation to publish financial reports?

**Score:** A  B C

**References:**

There does not appear to be a legal obligation to publish an annual report. In practice, only GANOPE has done so, and the only one available online is for 2008-9.  
<http://www.ganope.com/Downloads/Annual.pdf>

The 1976 Law establishing the EGPC does not specify that the company board of administration must publish an annual report, though they are responsible for the company's finances. (However, in the official copy of the law on the EGPC's website (attached), one page appears to be missing.)

**Peer Review Comments:**

Egypt has not a freedom of information law but there are news that Parliament will introduce or discuss one. Since 25 January 2011 legislation plans are subject to political events.

### 3.3.1.045: Does the SOC follow internationally recognized accounting standards?

**Score:** A  B C

**References:**

Egypt requires IFRS for all domestically listed companies. <http://www.iasplus.com/en/resources/use-of-ifs> See also Transparency International, pg. 152. However, unlisted public companies generally use the so-called "Uniform Accounting System" established in the 1970s, which is not in conformity with international standards. [http://www.essex.ac.uk/ebs/research/working\\_papers/WP\\_08-02.pdf](http://www.essex.ac.uk/ebs/research/working_papers/WP_08-02.pdf), pg. 16-17.

However, as the SOC's are not listed on the stock markets, they are not required to follow this. There is no mention on their websites or annual reports (GANOPE only) that they follow these standards. See the websites of the relevant SOC's: [www.egas.com](http://www.egas.com), [www.egpc.com.eg](http://www.egpc.com.eg), and <http://www.ganope.com/>.

**Peer Review Comments:**

Certainly the auditors are using an Accounting system but the data available does not give any information about the system.

### 3.3.1.046: Do SOC audits include consolidated accounts that cover all of the SOC subsidiaries?

**Score:** A B  C

**References:**

As previously mentioned, there is no information available about public audits of SOCs.  
<http://www.cbe.org.eg/>

**Peer Review Comments:**

Audit reports not published, the only available data is the balance sheets prepared and signed by the Finance manager and the Chairman of the board. Such reports include all financial figures for state expenditure, revenues and others. It is well known that the auditor reviews the reports, correct and approve it, but the company finance department is responsible to prepare it. Not sure they include all subsidiaries.

**3.3.1.047: Are officials of the SOC required to disclose information about their financial interest in any oil, gas or mining projects?**

Score: (A) B C

**References:**

There is no requirement to do so. See, for instance, the 1976 law establishing the EGPC.

**Peer Review Comments:**

According to Transparency International, "Law 62/1975 dealing with illegal profiting stipulates that the head of State and all government officials are required to fill out and submit a regular asset disclosure form once every five years, which includes all of their possessions and those of their spouses and underage children." Pg. 40, Please note that the SOC's are same as governmental officials and the same rules apply to them

**3.3.1.048: Does the SOC publish information on the composition of its Board of Directors?**

Score: (A) B C

**References:**

GANOPE publishes this information in its annual reports.  
<http://www.ganope.com/Downloads/Annual.pdf>, pg. 6.

However, EGAS includes only the name of the Chairman in its annual report, and no information on their website [egas.com.eg](http://egas.com.eg). EGAS does publish information on its chief corporate officers:  
[http://egas.com.eg/Corporate\\_Overview/Organization\\_chart.aspx](http://egas.com.eg/Corporate_Overview/Organization_chart.aspx).

**3.3.1.049: Does the SOC publish information about the rules governing decision making by the Board of Directors?**

Score: A (B) C

**Comments:**

The EGPC was created by Law No. 20/1976. Article 8 specifies that there is a Governing Board "Majlis Idara" whose President is appointed by the President of the Republic, and the rest of the Board members by the Prime Minister, suggested by the Minister of Petroleum. Article 9 spells out 16 duties of the Board of Directors. Article 10 specifies that the board will meet at least once a month. Article 11 says that the Chairman of the Board will announce their decisions to Minister of Petroleum, who has the power to modify or cancel them, and he must announce his decision about them within three days of receiving them.

For EGAS, Decision of the Prime Minister No. 1009/2001 contains the operational language that creates the Board of Directors. Article 6 creates the Board of Directors (Majlis Idara), with a President

suggested by the Minister of Petroleum for a period of three years. The board also meets once per month at the invitation of its Chairman, and the meeting will not be official without the majority of its members present. It issues decisions with the approval of the majority of its members present, and in case of a tie, the of the President prevails. In comparison with the EGPC, this order is much less specific about the duties of the board of directors.

For GANOPE, the relevant legislation is the Decision of the Prime Minister 1175/2002, whose Article 5 calls for the creation of a Board of Directors (Majlis al-Idara) that meets at least once monthly.

These are all available at <http://www.petroleum.gov.eg/ar/Laws/PublicLaws/Pages/default.aspx>.

**References:**

This information is not available on the websites of any of the companies, or in the annual reports published by EGAS and GANOPE. See the websites of the relevant SOCs: [www.egas.com](http://www.egas.com), [eg, www.egpc.com.eg](http://www.egpc.com.eg), and <http://www.ganope.com/>.

See the annual reports at

<http://www.ganope.com/Downloads/Annual.pdf>

[http://www.egas.com.eg/docs/pdf/EN\\_mid.pdf](http://www.egas.com.eg/docs/pdf/EN_mid.pdf)

However, some information about their duties is in the legislation that establishes the companies. See, for instance, the 1976 law that establishes the EGPC.

**Peer Review Comments:**

The rules governing decision making by the Board of Directors are stipulated in the law governing each SOC. It is not the role of SOC to publish such information, the firm rules governing the general assembly meeting, a well identified agenda, who is to attend, who has the right to attend and vote.

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