

II. ENERGY PRODUCTION AND PROCESSING

2.1 Imported Petroleum Products

According to the information obtained from the Ethiopian Petroleum Enterprise (EPE), a total of 300.6 thousand metric tons of petroleum products were imported during the second quarter of fiscal year 2004/05. This amount was higher by 8.3 percent when compared with the same quarter of last fiscal year. However, compared with the level in the preceding quarter, the quarterly petroleum import volume was lower by 4.5 percent. Component wise, there were declines in the imports of Gasoline, Jet fuel and Gas oil while there was an increase in the import of Fuel oil (see table 2.1).

Table 2.1: Volume of Petroleum Products Imported

(In Metric Tons)

	2003/04	2004/05		Percentage Change	
	Qtr.II	Qtr I	Qtr II		
	A	B	C	C/A	C/B
Regular Gasoline (MGR)	15,813	34,312	21,034	33.0	-38.7
Jet Fuel	69,475	74,614	74,229	6.8	-0.5
Fuel Oil	38,435	21,915	50,763	32.1	131.6
Gas Oil (ADO)	153,936	183,942	154,549	0.4	-16.0
Total	277,659	314,784	300,575	8.3	-4.5
Source: Ethiopian Petroleum Enterprise (EPE)					

Meanwhile, total value of petroleum products imported in the quarter under review stood at Birr 1012 million, which was lower by 2.3 percent vis-à-vis the preceding quarter. This was solely due to the slide in the value of Gas oil by 11.8 percent offsetting increases in values of MGR, Jet fuel, Fuel oil and Gas oil by 2.1,4.9 and 56.5 percent, respectively.

When compared with the same quarter of last fiscal year, however, the value of total imports showed a significant increase (62.3 percent) as all components of petroleum products moved up wards in the review quarter. As is evident from Table 2.2, MGR, Jet Fuel, Fuel oil and Gas oil imports increased by 126,63.3,60 and 52.8 percent, respectively.

Table 2.2 Value of Petroleum Products Imported

(In '000 Birr)

Petroleum Products	2003/04	2004/05		Percentage change	
	Qtr.II	Qtr I	Qtr II		
	A	B	C	C/A	C/B
Regular Gasoline (MGR)	50784	112,423	114,776	126.0	2.1
Jet Fuel	175846	273,871	287,158	63.3	4.9
Fuel Oil	53952	55,159	86,319	60.0	56.5
Gas Oil (ADO)	343004	594,249	523,986	52.8	-11.8
Total	623,586	1,035,702	1,012,239	62.3	-2.3

Source: Ethiopian Petroleum Enterprise (EPE)

Note: * The Values are C & F Value

Looking at the FOB price of imported petroleum products, we observed rises in the prices of all petroleum products. As it is shown in Table 2.3 below, the FOB price of petroleum products surged by 43.5 percent on average when compared with the second quarter of the previous fiscal year. However, when compared with the preceding quarter of the current fiscal year the FOB price was higher by merely 3.7 percent. Component wise, a 55.5 percent, 54.4 percent and 39.7 percent rises in the FOB prices were observed for Jet fuel, Gas oil and MGR, respectively, against the same quarter of last year.

Table 2.3: FOB Price of Petroleum Products Imported

(In USD/Metric Ton)

Petroleum Products	2003/04	2004/05		Percentage change	
	Qtr.II	Qtr I	Qtr II		
	A	B	C	C/A	C/B
Regular Gasoline (MGR)	299.1	410.2	417.7	39.7	1.8
Jet Fuel	269.0	393.4	418.4	55.5	6.4
Fuel Oil	150.3	173.4	168.1	11.9	-3.1
Gas Oil (ADO)	241.1	350.6	372.1	54.4	6.1
Average	239.9	331.9	344.11	43.5	3.7
Source: Ethiopian Petroleum Enterprise (EPE)	-	-	-	-	-

As can be seen from Table 2.4, retail prices of petroleum products have risen significantly in the domestic market due to the rise in the world oil prices.

Compared to the second quarter of the previous fiscal year, average retail price of oil rose by 32.8 percent whereas it increased by 9.4 percent when compared with the preceding quarter. Comparison of Table 2.3 and Table 2.4 reveals that the increases in prices of petroleum products in world market were not proportionally reflected in the increase of retail prices of fuel in the domestic market. This was due to Government's stabilization effort to minimize the wide-ranging adverse impact of a proportional rise in fuel prices on the domestic economy.

Table 2.4: The Addis Ababa Retail Price

(Birr/Litre)

	2003/04	2004/05				
	Qtr.II	Qtr.I	Qtr.II	Percentage		
	A	B	C	C/A	C/B	
Regular Gasoline (MGR)	4.4	4.98	5.25	19.2	5.4	
Fuel Oil	2.25	2.89	3.21	42.5	11.0	
Gas Oil (ADO)	2.72	3.43	3.86	41.8	12.4	
Kerosene	2	2.51	2.79	39.7	11.3	
Average	2.8	3.5	3.78	32.8	9.4	
Source: Ethiopian Petroleum Enterprise (EPE)						

2.1 Electricity Generation

The Ethiopian Electric Power Corporation (EEPCO) reported that a total of 644.1 million KWH power was generated during the second quarter of 2004/2005, which was higher by 12.2 percent and 0.2 percent vis-à-vis the same quarter last fiscal year and the preceding quarter of the current fiscal year ,respectively. (See table 2.5)

Out of the total electricity production, 97.7 percent was from hydropower sources while the remaining 2.3 percent was from thermal power. Despite the fact that the country has a large potential for electric power generation, per capita consumption is one of the lowest in Africa.

Solar and wind power sources are not also tapped. The recent moves to construct and expand dams and water works at Gilgel Gibe and Tekeze rivers, however, are encouraging signs to augment power supply which is critical for social and economic infrastructure development of the country. Currently, 98 percent of the power is supplied through the Inter-Connected system

while the remaining 2 percent is supplied through the Self-Contained system. (see table 2.6).

Table 2.5: Electricity Generation

(’000 of K.W.H)

Power Sources	2003/04		2004/05				Percentage Change	
	Qtr.II	Share	Qtr. I	Share	Qtr.II	Share		
	A	In %	B	In %	C	In %	C/A	C/B
Hydropower	559,644.00	97.5	633,878.65	98.6	629,176.65	97.7	12.4	-0.7
Thermal Power	14,292.00	2.5	8,867.35	1.4	14,906.06	2.3	4.3	68.1
Geothermal power								
Total	573,936.00	100.00	642,746.00	100.00	644,082.71	100.00	12.22	0.21

Source: Ethiopian Electric Power Corporation

Table 2.6: Generation of Electric Power in the Inter-Connected System (ICS and Self-Contained System (SCS

(000KWH)

System of Power Supply	2003/04		2004/05				Percentage Change	
	Qtr.II	Share	Qtr. I	Share	Qtr.II	Share		
	A	In %	B	In %	C	In %	C/A	C/B
ICS								
Hydro Power	555,359.00	96.8	629,934.1	98.0	624,001.9	96.9	12.4	-0.9
Thermal Power	9,082.00	1.6	1,692.4	0.3	6,878.8	1.1	-24.3	306.5
Sub-Total	564,441.00	98.3	631,626.5	98.3	630,880.7	98.0	11.8	-0.1
SCS								
Hydro Power	4285	0.7	3,944.6	0.6	5,174.8	0.8	20.8	31.2
Thermal Power	5,215.00	0.9	7,175.0	1.1	8,027.3	1.2	53.9	11.9
Sub-Total	9,500.0	1.7	11,119.5	1.7	13,202.1	2.0	39.0	18.7

Grand Total	573,941.00	100.0	642,746.00	100.00	644,082.71	100.00	12.2	0.2
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Source: Ethiopian Electric Power Corporation (EEPCo)