

II. ENERGY PRODUCTION AND PROCESSING

2.1 Petroleum Imports

During the second quarter of 2008/09, 456,829 metric tons of petroleum products were imported into the country indicating a one percent increase over the same period of last year due the rise in the volume of all petroleum products imported except fuel oil. It, however, declined by 5 percent in vis-à-vis the previous quarter. The quarterly decline

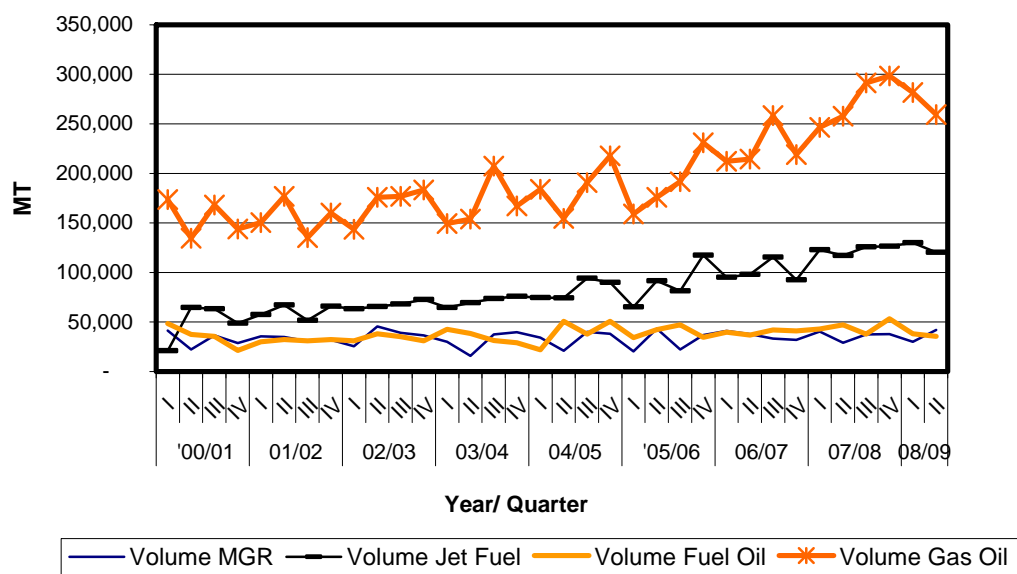
was due to the slow down in the volume of imported jet fuel (7.0 percent), fuel oil (7.0 percent) and gas oil (8.0 percent), off-setting the 40 percent surge in the volume of imported regular gasoline (Table 2.1). Jet fuel and gas oil alone accounted for about 83 percent of the total volume of petroleum imports in the second quarter of 2008/09.

Table 2.1: Volume of Petroleum Products Imported

(In MT)

| | 2007/08 | | 2008/09 | | | | Percentage Change | |
|------------------------|----------------|------------|----------------|------------|----------------|------------|-------------------|-----------|
| | Qtr II | | Qtr I | | Qtr II | | C/A | C/B |
| | A | Share In % | B | Share In % | C | Share In % | | |
| Regular Gasoline (MGR) | 29,153 | 6 | 29,907 | 6 | 41,831 | 9 | 43 | 40 |
| Jet Fuel | 117,045 | 26 | 129,951 | 27 | 120,235 | 26 | 3 | -7 |
| Fuel Oil | 47,096 | 10 | 38,126 | 8 | 35,457 | 8 | -25 | -7 |
| Gas Oil (ADO) | 257,654 | 57 | 281,623 | 59 | 259,306 | 57 | 1 | -8 |
| Total | 450,948 | 100 | 479,608 | 100 | 456,829 | 100 | 1 | -5 |

Source: Ethiopian Petroleum Enterprise (EPE)

Fig. II.1 Trends in Volume of Petroleum Products Imported into the Country

Source: EPE

The total value of petroleum products imported during the second quarter reached Birr 2.4 billion about 24.9 percent lower than the same period last

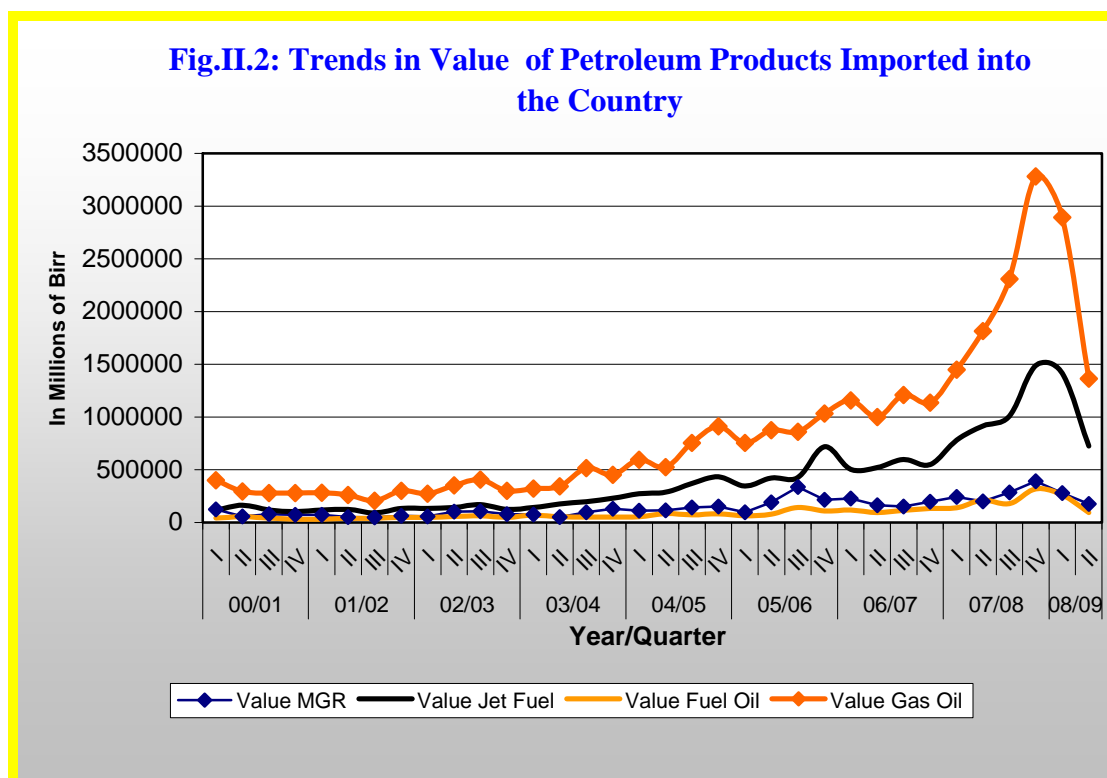
fiscal year, owing to the significant fall in the international price of oil since September 2008.

Table 2.2 C&F Value of Petroleum Imports

(In '000 Birr)

| | 2007/08 | | 2008/09 | | | | Percentage Change | |
|------------------------|------------------|------------|------------------|------------|------------------|------------|-------------------|--------------|
| | Qtr II | | Qtr I | | Qtr II | | C/A | C/B |
| | A | Share In % | B | Share In % | C | Share In % | | |
| Regular Gasoline (MGR) | 201,206 | 6 | 278,406 | 6 | 177,096 | 8 | -12.0 | -36.4 |
| Jet Fuel | 913,752 | 29 | 1,416,096 | 29 | 722,822 | 31 | -20.9 | -49.0 |
| Fuel Oil | 211,202 | 7 | 261,299 | 5 | 94,822 | 4 | -55.1 | -63.7 |
| Gas Oil (ADO) | 1,816,553 | 58 | 2,892,661 | 60 | 1,364,649 | 58 | -24.9 | -52.8 |
| Total | 3,142,712 | 100 | 4,848,462 | 100 | 2,359,389 | 100 | -24.9 | -51.3 |

Source: EPE



Source: EPE

The FOB prices of petroleum imports on average exhibited a 29.3 percent decrease compared to the previous quarter and 6.4 percent against last year. The year-on-year decline in the FOB prices was attributed

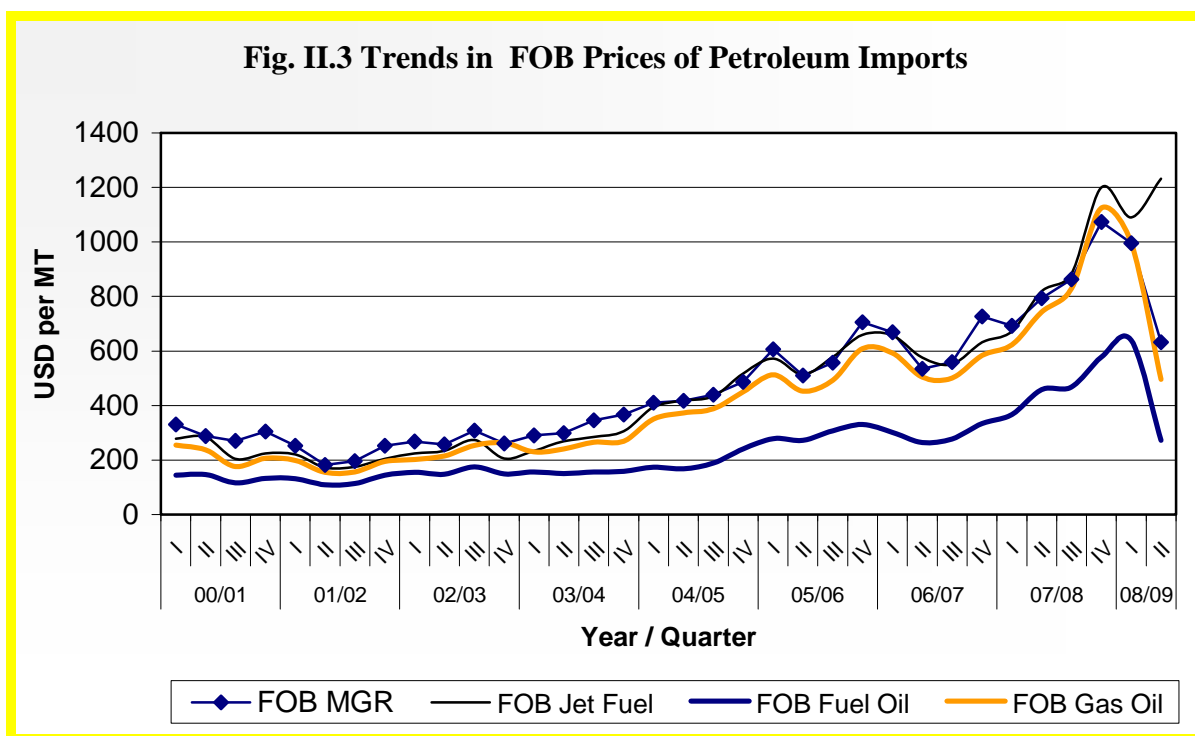
to the fall in the prices of all types of petroleum products imported into the country consistent with the slow down in the price of oil in the global market since the end of FY 2007/08.

Table 2.3: FOB Price of Petroleum Imports

(In USD/MT)

| Petroleum Products | 2007/08 | 2008/09 | | Percentage Change | |
|------------------------|------------|------------|------------|-------------------|--------------|
| | Qtr II | Qtr I | Qtr II | C/A | C/B |
| | A | B | C | | |
| Regular Gasoline (MGR) | 793 | 996 | 632.0 | -20.3 | -36.6 |
| Jet Fuel | 819 | 1,090 | 1,232.3 | 50.4 | 13.1 |
| Fuel Oil | 458 | 639 | 272.7 | -40.5 | -57.3 |
| Gas Oil (ADO) | 743 | 997 | 495.9 | -33.2 | -50.3 |
| Average | 703 | 931 | 658 | -6.4 | -29.3 |

Source: EPE



Source: EPE

Domestic retail prices of all petroleum products increased by 20.7 and 58.4 percent on quarterly and annual basis, respectively following the upward

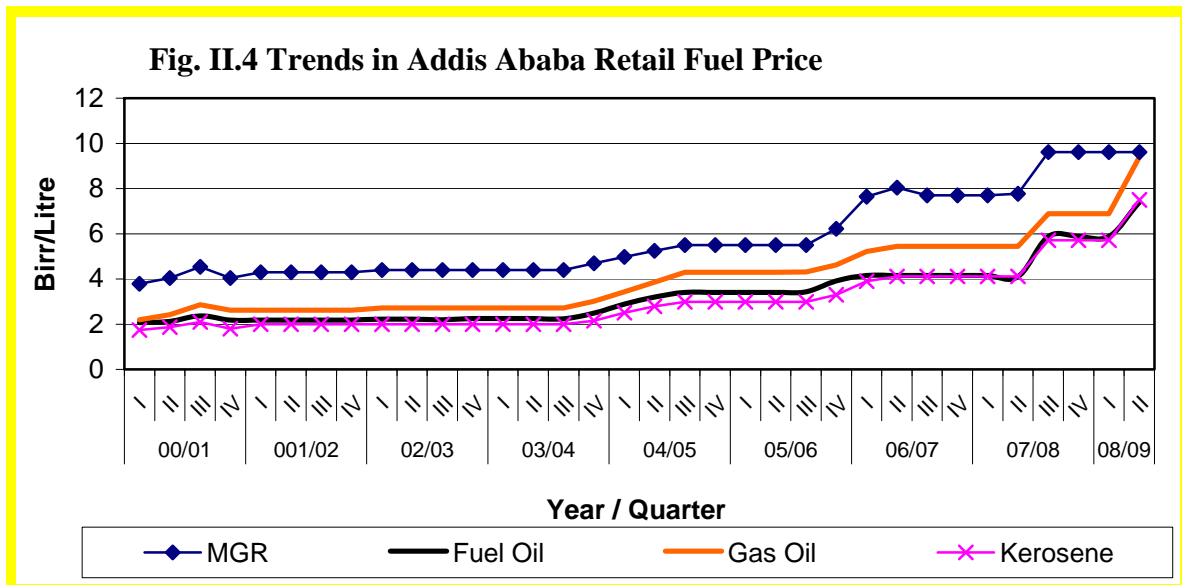
revision by the Ministry of Trade and Industry in line with the government's policy to remove the hitherto price subsidy.

Table 2.4: Retail Prices of Fuel in Addis Ababa

(Birr/Liter)

| Petroleum Products | 2007/08 | 2008/09 | | Percentage Change | |
|------------------------|------------|-------------|-------------|-------------------|-------------|
| | Qtr II | Qtr I | Qtr II | C/A | C/B |
| | A | B | C | | |
| Regular Gasoline (MGR) | 7.8 | 9.61 | 9.61 | 23.7 | 0.0 |
| Fuel Oil | 4.1 | 5.89 | 7.40 | 80.5 | 25.6 |
| Gas Oil (ADO) | 5.4 | 6.90 | 9.40 | 72.7 | 36.2 |
| Kerosene | 4.1 | 5.72 | 7.53 | 82.8 | 31.6 |
| Average | 5.4 | 7.03 | 8.48 | 58.4 | 20.7 |

Source: EPE



Source: EPE

2.2 Electric Power Generation

The total electric power generated during the second quarter of 2008/09 reached 986.2 million KWH, up by 1.3 and 9.1 percent compared with the preceding and second quarters of FY 2007/08, respectively (Table 2.5).

About 9.4 percent of the total electric power generated during the review period was from hydropower and remaining 5.8 percent from thermal sources. At the same time, 98.9 percent of the electric power was generated from the Interconnected System (ICS) and the rest from Self Contained System (SCS).

The completion of power generation projects such as Tekeze (300 MW), Gilgel-Gibe II (420MW), Amertenes (97 MW), Beles (420 MW), Wind Power (50 MW) and Yayo (100 MW) would increase the capacity of generating power from 791MW in 2004/05 to 2,218 MW per hour in 2010. The number of cities and towns with access to electric power in 2010 is also expected to reach 6,648 from the 648 in 2004/05.

Table 2.5: Electric Power Generation

(In '000KWH)

| Power Source | 2007/08 | | 2008/09 | | | | Percentage Change | |
|---------------|------------------|--------------|------------------|------------|------------------|--------------|-------------------|------------|
| | Qtr II | Share | Qtr I | Share | Qtr II | Share | | |
| | A | In % | B | In % | C | In % | C/A | C/B |
| Hydropower | 889,881.3 | 98.4 | 906,986.1 | 93.2 | 928,567.6 | 94.2 | 4.3 | 2.4 |
| Thermal Power | 14,078.6 | 1.6 | 66,512.5 | 6.8 | 57,599.7 | 5.8 | 309.1 | -13.4 |
| Total | 903,959.9 | 100.0 | 973,498.5 | 100 | 986,167.3 | 100.0 | 9.1 | 1.3 |

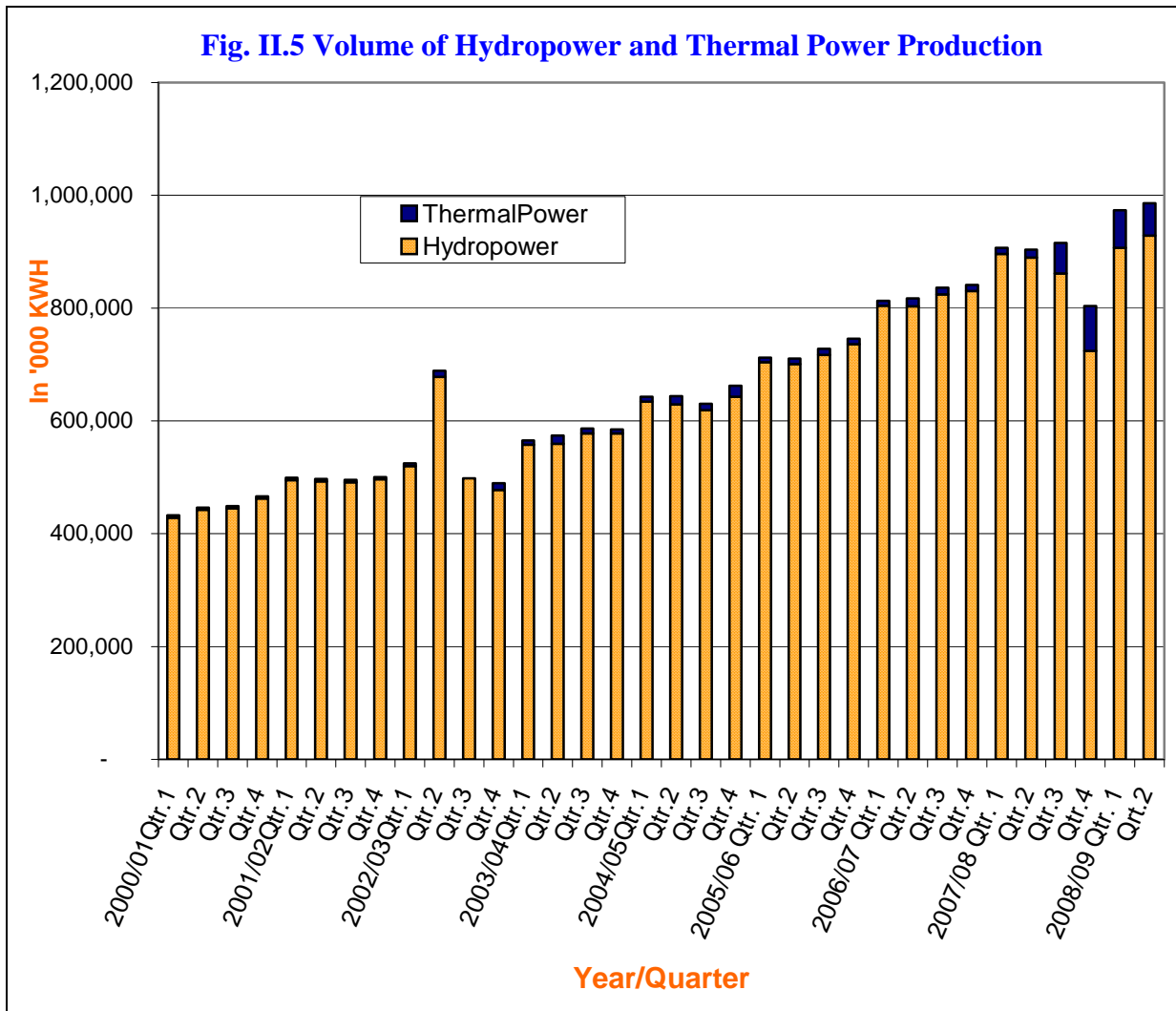
Source: Ethiopian Electric Power Corporation (EEPCo)

Table 2.6: Electric Power Generation from ICS and SCS

(In'000KWH)

| System of Power Supply | 2007/08 | | 2008/09 | | | | Percentage Change | |
|------------------------|------------------|--------------|------------------|-------------|------------------|-------------|-------------------|---------------|
| | Qtr II | Share | Qtr I | Share | Qtr II | Share | | |
| | A | In % | B | In % | C | In % | C/A | C/B |
| ICS | | | | | | | | |
| Hydro Power | 889,881.3 | 98.4 | 902,621.1 | 92.7 | 925,199.3 | 93.8 | 4.0 | 2.5 |
| Thermal Power | 7,621.9 | 0.8 | 58,399.6 | 6.0 | 50,136.7 | 5.1 | 557.8 | (14.1) |
| Supb-Total | 897,503.2 | 99.3 | 961,020.7 | 98.7 | 975,336.0 | 98.9 | 8.7 | 1.5 |
| SCS | | | | | | | | |
| Hydro Power | - | | 4,365.0 | 0.4 | 3,368.3 | 0.3 | | (22.8) |
| Thermal Power | 6,456.7 | 0.7 | 8,113.5 | 0.8 | 7,463.0 | 0.8 | 15.6 | (8.0) |
| Supb-Total | 6,456.7 | 0.7 | 12,478.5 | 1.3 | 10,831.3 | 1.1 | 67.8 | (13.2) |
| Grand Total | 903,959.9 | 100.0 | 973,499.1 | 100 | 986,167.3 | 100 | 9.1 | 1.3 |

Source: EEPCo



Source: EEPCo