

II ENERGY PRODUCTION AND PROCESSING

2.1 Imported Petroleum Products

According to the data obtained from the Ethiopian Petroleum Enterprise (EPE), 511,260.2 metric tones of petroleum products were imported into the country during the third quarter of 2008/09. The figure shows improvement as compared to the same period of last fiscal year and previous quarter by 4 and 12 percent,

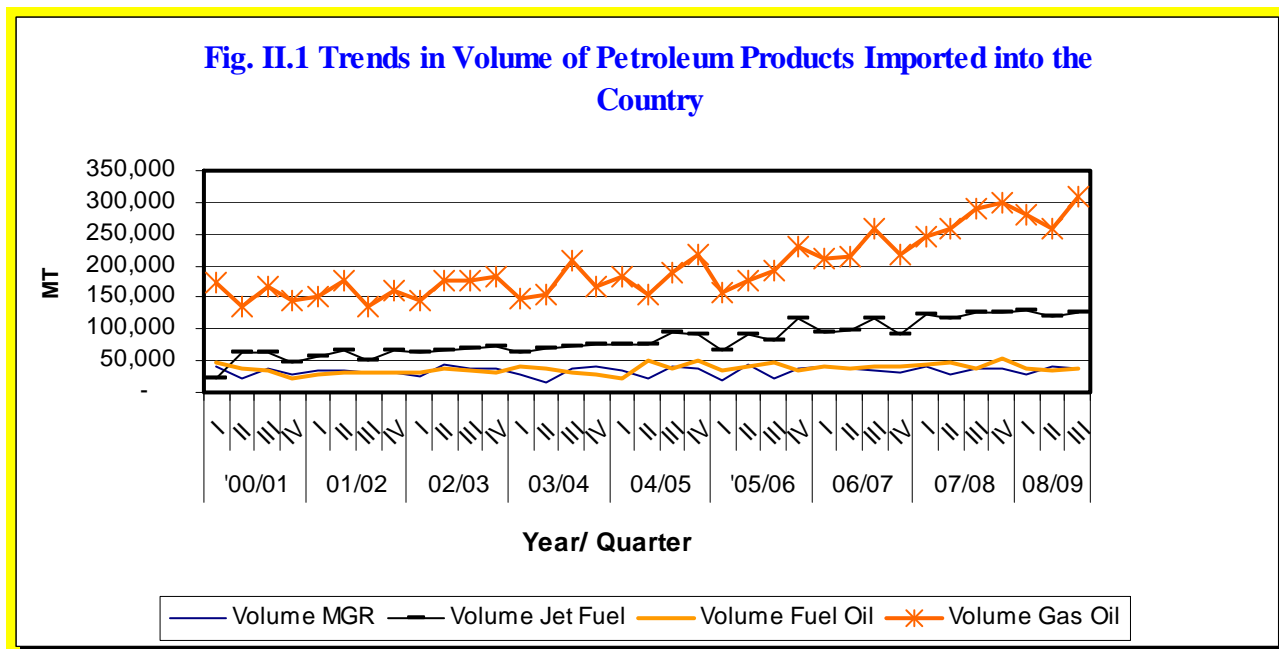
respectively. In addition, quarterly increase was observed in the volume of imported jet fuel (5 percent), fuel oil (10 percent) and gas oil (19 percent). But, the volume of imported regular gasoline decreased by 10 percent as compared to the preceding quarter. (Table 2.1)

Table 2.1: Volume of Petroleum Products Imported

(In MT)

	2007/08		2008/09				Percentage Change	
	Qtr III		Qtr II		Qtr III			
	A	Share In %	B	Share In %	C	Share In %	C/A	C/B
Regular Gasoline (MGR)	37,402	8	41,831	9	37,546.2	7	0.4	-10.2
Jet Fuel	125,719	26	120,235	26	125,919.1	25	0.2	4.7
Fuel Oil	37,672	8	35,457	8	39,042.8	8	4	10.1
Gas Oil (ADO)	291,374	59	259,306	57	308,752.1	60	6	19.1
Total	492,167	100	456,829	100	511,260.2	100	4	11.9

Source: Ethiopian Petroleum Enterprise (EPE)



Source: EPE

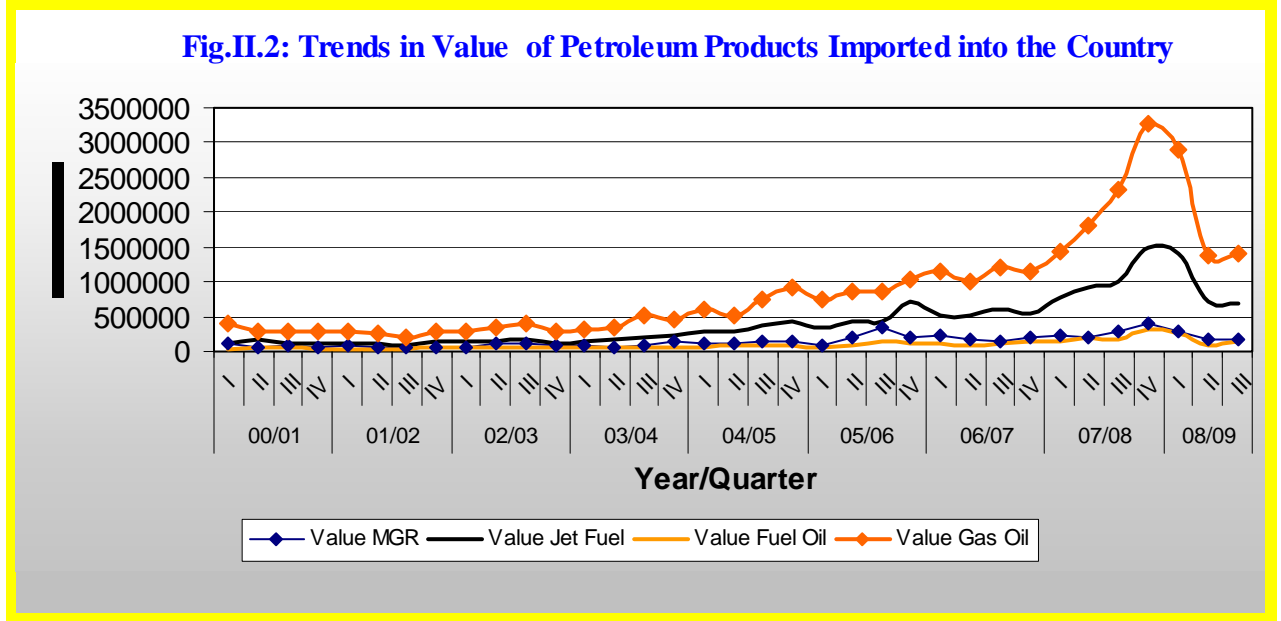
The total C&F value of petroleum products imported during the third quarter was 2.4 Billion Birr. This has increased by 1.8 percent, but lowered by 36.5 percent as compared to the previous quarter and same period last fiscal year, respectively. As indicated in Table 2.2,

as compared to the preceding quarter, regular gas oil and jet fuel products decreased by 3.3 and 5.8 percent, respectively. However, fuel oil and gas oil increased by 41.3 and 3.8 percent, respectively.

Table 2.2 C&F Value of Petroleum Products Imported into the Country
(In '000 Birr)

	2007/08		2008/09				Percentage Change	
	Qtr III		Qtr II		Qtr III			
	A	Share In %	B	Share In %	C	Share In %	C/A	C/B
Regular Gasoline (MGR)	285,520	8	177,096	8	171,188.3	7	-40.0	-3.3
Jet Fuel	1,007,784	27	722,822	31	680,808.8	28	-32.4	-5.8
Fuel Oil	180,149	5	94,822	4	133,999.7	6	-25.6	41.3
Gas Oil (ADO)	2,310,209	61	1,364,649	58	1,415,943.2	59	-38.7	3.8
Total	3,783,662	100	2,359,389	100	2,401,940	100	-36.5	1.8

Source: EPE



Source: EPE

The FOB prices of petroleum products on average exhibited a 43.9 and 51.5 percent decline compared to the previous quarter and last year, respectively. The quarterly decline in the FOB prices of petroleum

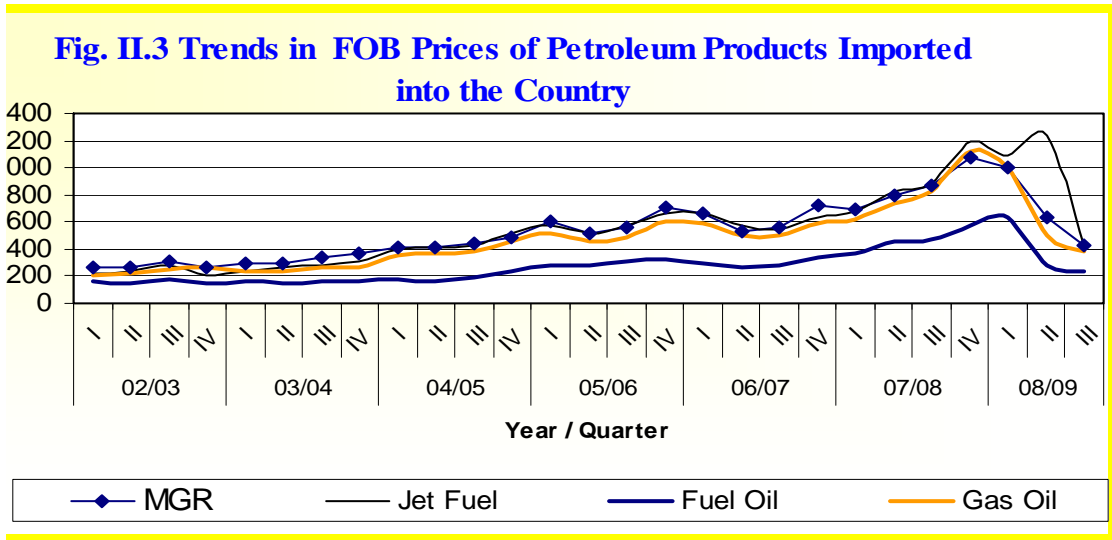
products were attributable to the fall in the price of regular gasoline (31.3 percent), fuel oil (11.6 percent), gas oil (23.6 percent) and jet fuel (65.7). At the same time, year-on-year basis, the FOB prices of all petroleum products revealed a considerable decrease (Table 2.3).

Table 2.3: FOB Price of Petroleum Products Imported into the Country

(In USD/MT)

Petroleum Products	2007/08		2008/09		Percentage Change	
	Qtr III	Qtr II	Qtr III			
	A	B	C	C/A	C/B	
Regular Gasoline (MGR)	863	632	434.4	-49.6	-31.3	
Jet Fuel	884	1232	422.9	-52.2	-65.7	
Fuel Oil	468	273	241.2	-48.4	-11.6	
Gas Oil (ADO)	829	496	379	-54.3	-23.6	
Average	761	658	369	-51.5	-43.9	

Source: EPE



Source: EPE

On average, domestic retail prices of petroleum products went down by 17.9 percent. Component wise, domestic retail price of fuel oil, gas oil and

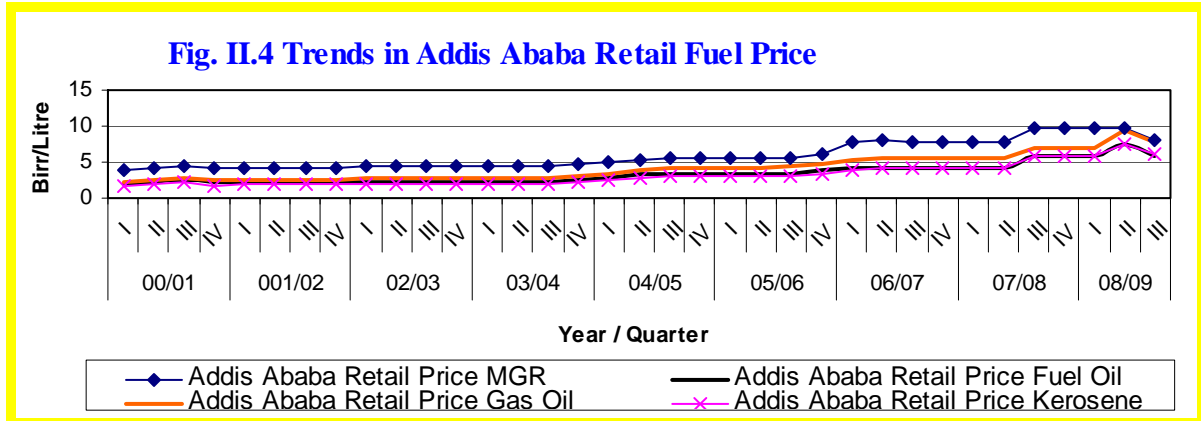
kerosene decreased by 20.2, 16.9 and 20.3, respectively as compared with the previous quarter. Similarly, year-on-basis retail prices on the average declined remarkably by 99.1 percent.

Table 2.4: Retail Prices of Fuel in Addis Ababa

(Birr/Liter)

Petroleum Products	2007/08	2008/09		Percentage Change	
	Qtr III	Qtr II	Qtr III	C/A	C/B
	A	B	C		
Regular Gasoline (MGR)	863	9.61	8.14	-99.1	-15.3
Fuel Oil	884	7.4	5.9	-99.3	-20.2
Gas Oil (ADO)	468	9.4	7.81	-98.3	-16.9
Kerosene	829	7.53	6	-99.3	-20.3
Average	761	8.48	6.96	-99.1	-17.9

Source: EPE



Source: EPE

2.2 Electric Power Generation

The total electric power generated during the review period was 976,895 million KWH, which was 0.9 percent lower than the preceding quarter and 6.7 higher than third quarter of FY 2007/08. (Table 2.5)

Hydropower accounted for 88.9 of the total power generated during the stated quarter; whereas the remaining 11 and 0.2 percent generated from thermal and geothermal sources, respectively.

Looking power generation in detail by system category, 99.3 percent the electric power was generated from the Interconnected System (ICS) and the remaining 0.7 percent from Self Contained System (SCS).

As per government's plan for Accelerated and Sustained Development to End Poverty (PASDEP), it is planned to boost electric power generation capacity of the country by completing the power stations under construction and building new ones and increase the distribution to reach rural towns and kebeles.

By 2010, when the power generation projects such as Tekeze (300 MW), Gilgel-Gibe II (420MW), Amertenesh (97 MW), Beles (420 MW), Wind Power (50 MW) and Yayo (100 MW) are completed, the country's power generation capacity is expected to reach 2,218 MW per hour. The number of cities and towns with electric power access is also planned to reach 6000.

Table 2.5: Electric Power Generation

(In '000KWH)

Power Source	2007/08		2008/09				Percentage Change	
	Qtr III	Share	Qtr II	Share	Qtr III	Share		
	A	In %	B	In %	C	In %	C/A	C/B
Hydropower	861,405.1	98.8	928,567.6	94.2	867,976.4	88.9	0.8	-6.5
Thermal Power	54091	1.2	57599.7	5.8	107,191.1	11	98.2	86.1
Geothermal	0.0	0.0	0.0		1727.5	0.2		
Total	915,496.1	100.0	986,167.3	100	976,895	100.0	6.7	-0.9

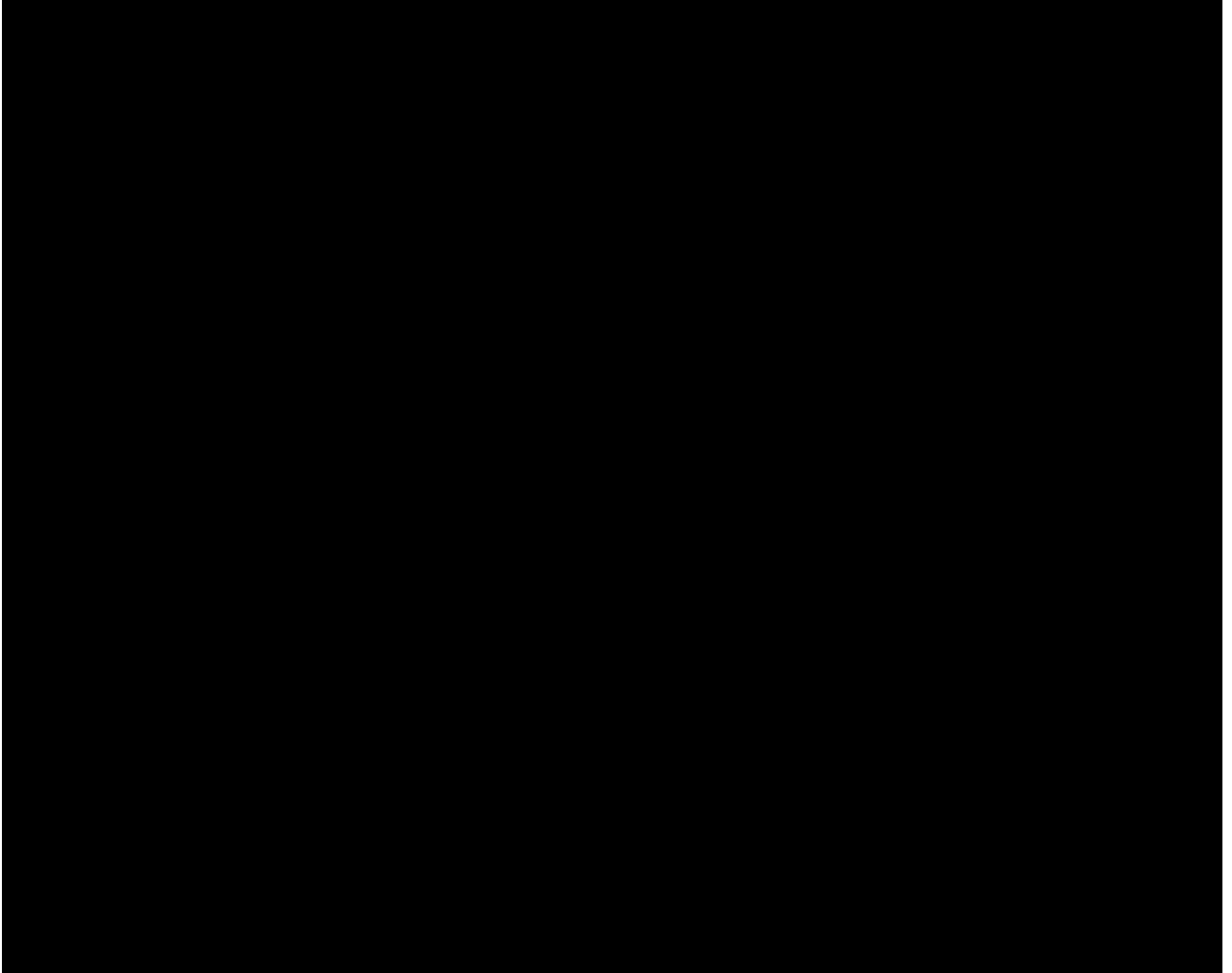
Source: Ethiopian Electric Power Corporation (EEPCo)

Table 2.6: Electric Power Generation from ICS and SCS

(In'000KWH)

System of Power Supply	2007/08		2008/09				Percentage Change	
	Qtr III	Share	Qtr II	Share	Qtr III	Share		
	A	In %	B	In %	C	In %	C/A	C/B
ICS								
Hydro Power	858,672.1	93.8	925,199.3	93.8	867,976.4	88.9	1.1	(6.2)
Thermal Power	47271	5.2	501,36.7	5.1	100,472.6	10.3	112.5	100.4
Geothermal					1727.5	0.2		
Supb-Total	905,943.1	99.0	975,336	98.9	970,176.5	99.3	7.1	(0.5)
SCS								
Hydro Power	2,733	0.3	3,368.3	0.3	-		-	-
Thermal Power	6,820	0.7	7,463	0.8	6718.5	0.7	(1.5)	(10)
Geothermal								
Supb-Total	9,553	1	10,831	1.1	6718.5	0.7	(29.7)	(38.0)
Grand Total	915,496.1	100.0	986,167.3	100	976,895	100	6.7	(0.9)

Source: Ethiopian EEPCo



Source: EEPCo