

## II. ENERGY PRODUCTION AND PROCESSING

### 2.1 Imported Petroleum Products

The data from Ethiopian Petroleum Enterprise (EPE) indicates that, a total of 385,583.89 metric tons of petroleum products were imported during the third quarter of the 2010/11 fiscal year. This volume was 26.3 percent lower than the

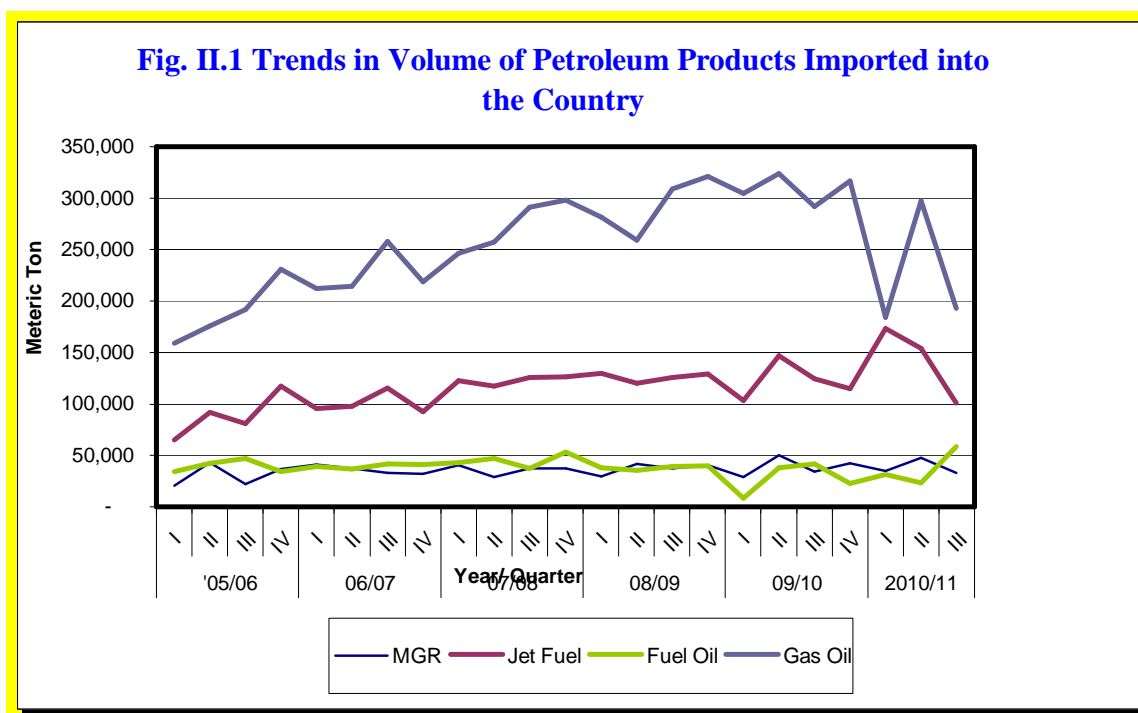
previous quarter and 21.7 percent compared to the same quarter last year. This was attributed to the decrease in the volumes of all types of petroleum products except fuel oil (See Table 2.1 ).

**Table 2.1: Volume of Petroleum Products Imported**

(In Metric Tons)

	2009/10		2010/11				Percentage Change	
	Qtr III		Qtr II		Qtr III			
	A	Share In %	B	Share In %	C	Share In %	C/A	C/B
Regular Gasoline (MGR)	34,311.2	7.0	48,048.3	9.2	32966.764	8.5	-3.9	-31.4
Jet Fuel	124,473.7	25.3	153,993.7	29.4	101025.125	26.2	-18.8	-34.4
Fuel Oil	41,446.0	8.4	23,734.3	4.5	58,800.06	15.2	41.9	147.7
Gas Oil (ADO)	292,199.0	59.3	297,309.2	56.8	192,791.94	50.0	-34.0	-35.2
<b>Total</b>	492,429.9	100.0	523,085.5	100.0	385,583.89	100.0	-21.7	-26.3

Source: Ethiopian Petroleum Enterprise (EPE)



Source: EPE

Although the volume of petroleum imported during the third quarter significantly declined, the year-on-year CIF value of these products which totaled Birr 5.7 billion, surged by 33.7 percent as all products depicted higher values.

Quarterly CIF values, however, slowed down by about 9 percent, exclusively due to 24.8 percent decline in that of gas oil (See Table 2.2).

**Table 2.2 Value of Petroleum Products Imported**

(In '000 Birr)

	2009/10		2010/11				Percentage Change	
	Qtr III		Qtr II		Qtr III		C/A	C/B
	A	Share In %	B	Share In %	C	Share In %		
Regular Gasoline (MGR)	326844.6986	7.6	468,152.9	7.4	468,167.9	8.12	43.2	0.0
Jet Fuel	1,165,435.4	27.0	2,077,987.0	32.7	2,078,046.8	36.05	78.3	0.0
Fuel Oil	284,411.8	6.6	162,713.8	2.6	335461.1733	5.82	17.9	106.2
Gas Oil (ADO)	2,532,746.6	58.8	3,640,227.4	57.3	2,881,675.9	50	13.8	-20.8
<b>Total</b>	<b>4,309,438.5</b>	<b>100.0</b>	<b>6,349,081.1</b>	<b>100.0</b>	<b>5,763,351.7</b>	<b>100</b>	<b>33.7</b>	<b>-9.2</b>

Source: EPE

Meanwhile, the FOB prices of all petroleum products increased on average by 20.2 percent on quarterly and 34.5 on annual terms owing to significant rises in all their components.

This was partly attributed to fast depreciation of the Birr against the USD and partly owing to increasing oil prices in the world market in recent months.

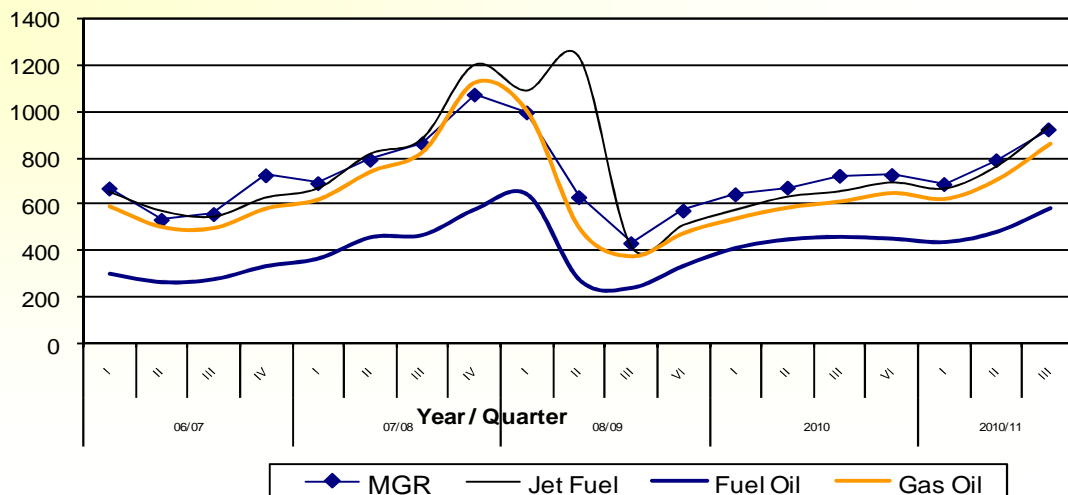
**Table 2.3: FOB Price of Petroleum Products Imported**

(USD /MT)

Petroleum Products	2009/10	2010/11		Percentage Change	
	Qtr III	Qtr II	Qtr III	C/A	C/B
	A	B	C		
Regular Gasoline (MGR)	723.7	791.0	923.2	27.6	16.7
Jet Fuel	659.5	767.4	938.6	42.3	22.3
Fuel Oil	459.0	482.6	582.3	26.8	20.6
Gas Oil (ADO)	614.9	710.0	862.0	40.2	21.4
<b>Average</b>	<b>614.3</b>	<b>687.8</b>	<b>826.5</b>	34.5	20.2

Source: Ethiopian Petroleum Enterprise

**Fig. II.3 Trends in FOB Prices of Petroleum Products Imported into the country**



Source: EPE

The International crude oil price has experienced a significant increase. The three months average price of crude oil reached USD 94 per barrel in the quarter under review 8.07 percent higher than the previous quarter and 19.36 percent vis-à-vis a year earlier. This was mainly owing to political instabilities in the Arab World and the failure of supply to keep pace with

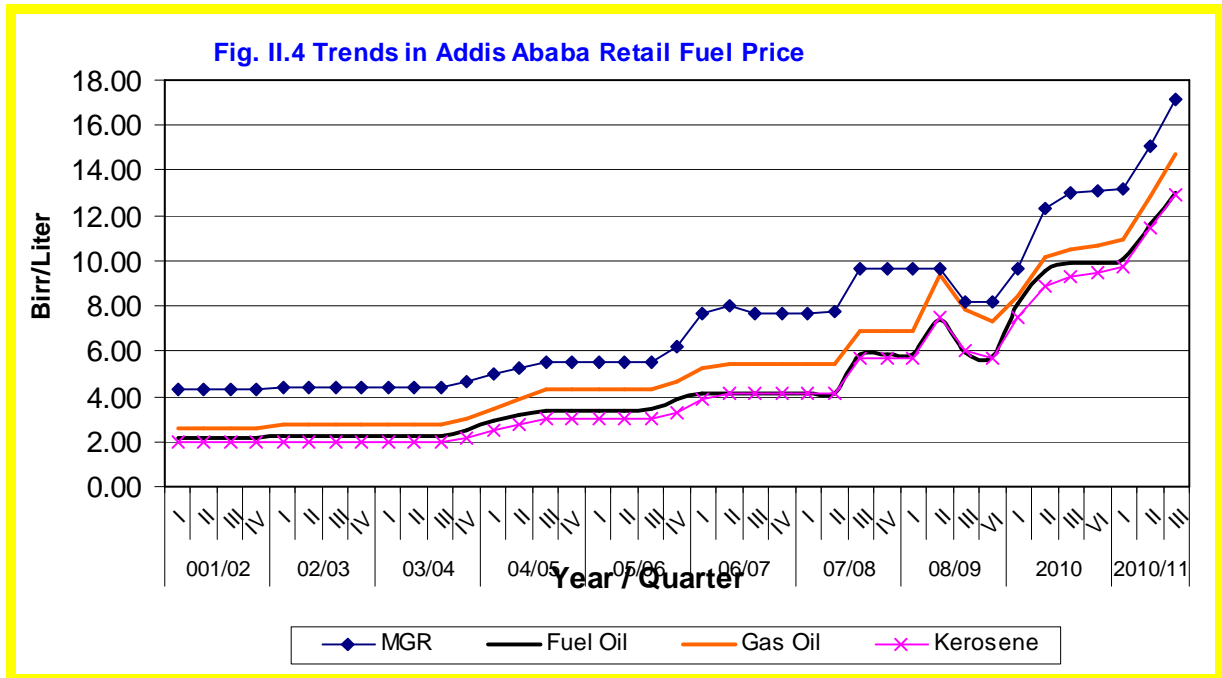
the relatively rising demand. The rise in petroleum prices in the world market obviously triggered the increase in the domestic retail prices of such products. Accordingly, domestic retail prices of petroleum products on average went up by about 13.2 percent during the quarter under review and by about 36 percent on annual basis (See Table 2.4 ).

**Table 2.4: Addis Ababa Average Retail Prices of Fuel**

(Birr/Liter)

Petroleum Products	2009/10	2010/11		Percentage Change	
	Qtr III	Qtr II	Qtr III	C/A	C/B
	A	B	C		
Regular Gasoline (MGR)	13.0	15.1	17.1	31.9	13.5
Fuel Oil	9.9	11.6	13.0	31.4	11.5
Gas Oil (ADO)	10.5	12.9	14.8	40.1	14.6
Kerosene	9.3	11.4	12.9	39.1	13.1
Jet fuel	12.08	14.7	16.7	38.0	13.1
<b>Average</b>	<b>11.0</b>	<b>13.2</b>	<b>14.9</b>	36.0	13.2

Source: Ethiopian Petroleum Enterprise



Source: EPE

## 2.2 Electric Power Generation

A total of 1.26 billion KWH electric power was generated during the quarter under review, about 24 percent higher than the same period of last year. Thermal and geothermal power dropped by 96.3 and 19.2 percent while hydro power generation increased by 34.4

percent during the review period. Hydro power accounted for 99.4 percent of the total electricity generation while thermal and geothermal power generation jointly constituted 0.6 percent compared to 8.6 percent a year ago (See Table 2.5).

**Table 2.5: Electricity Generation**

('000 of K.W.H)

Power Source	2009/10		2010/11				Percentage Change	
	Qtr III	Share	Qtr II	Share	Qtr III	Share	C/A	C/B
	A	in %	B	in %	C	in %		
Hydro Power	934,235.5	91.7	1,185,821.3	99.2	1,255,487.2	99.4	34.4	5.9
Thermal Power	78,503.9	7.7	5,352.8	0.4	2,917.8	0.2	-96.3	-45.5
Geo-thermal Power	6,600.8	0.6	5,090.6	0.4	5,335.1	0.4	-19.2	4.8
Total	1,019,340.2	100.0	1,196,264.7	100.0	1,263,740.1	100.0	24.0	5.6

Source: Ethiopian Electric Power Corporation (EEPCo)

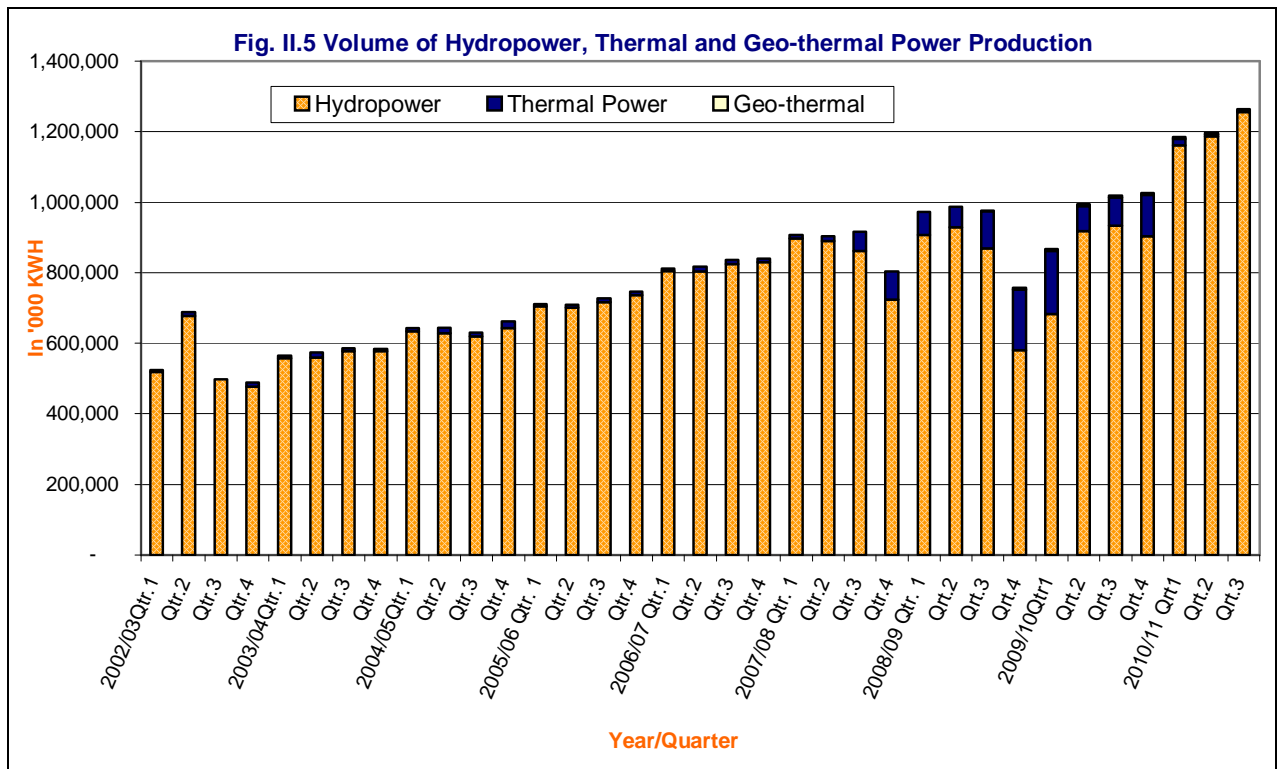
Of the total power generation 99.8 was from the interconnected system (ICS) while the remaining 0.2 percent from self contained system (SCS).

**Table 2.6: Generation of Electricity Power in the Interconnected System (ICS) and Self Contained System (SCS)**

('000 of K.W.H)

System of Power Supply	2009/10		2010/11				Percentage Change	
	Qtr III	Share	Qtr II	Share	Qtr III	Share	C/A	C/B
	A	in %	B	in %	C	in %		
<b>ICS</b>								
Hydro Power	930300.1	91.3	1183707.4	99.0	1255210.9	99.3	34.9	6.0
Thermal Power	71977.6	7.1	1321.2	0.1	205.0	0.0	-99.7	-84.5
Geothermal	6600.8	0.6	5090.6	0.4	5335.1	0.4	-19.2	4.8
Sub-Total	1008878.4	99.0	1190119.3	99.5	1260751.0	99.8	25.0	5.9
<b>SCS</b>								
Hydro Power	3935.4	0.4	2113.9	0.2	276.3	0.0	-93.0	-86.9
Thermal Power	6526.4	0.6	4031.5	0.3	2712.8	0.2	-58.4	-32.7
Geothermal								
Sub-Total	10461.7	1.0	6145.4	0.5	2989.0	0.2	-71.4	-51.4
Grand Total	1019340.2	100.0	1196264.7	100.0	1263740.1	100.0	24.0	5.6

Source: Ethiopian Electric Power Corporation (EEPCo)



**Source: EEPCo**

Under the five year Growth and Transformation Plan (GTP), the country's electricity power generation capacity is projected to reach 8,000 MW by 2015 from 2,000 MW in 2010 due to construction of new power station including the Grand Renaissance Dam Project. With this production level, the

electric power access coverage is expected to reach 75 percent of the population by end 2015 from 41 percent in 2010. According to the World Bank, in 2009 electricity use per capita (KWH) in Ethiopia was 42 compared to 531 for Sub-Saharan Africa and 2875 for the whole world.