

## II. ENERGY PRODUCTION AND PROCESSING

### 2.1 Imported Petroleum Products

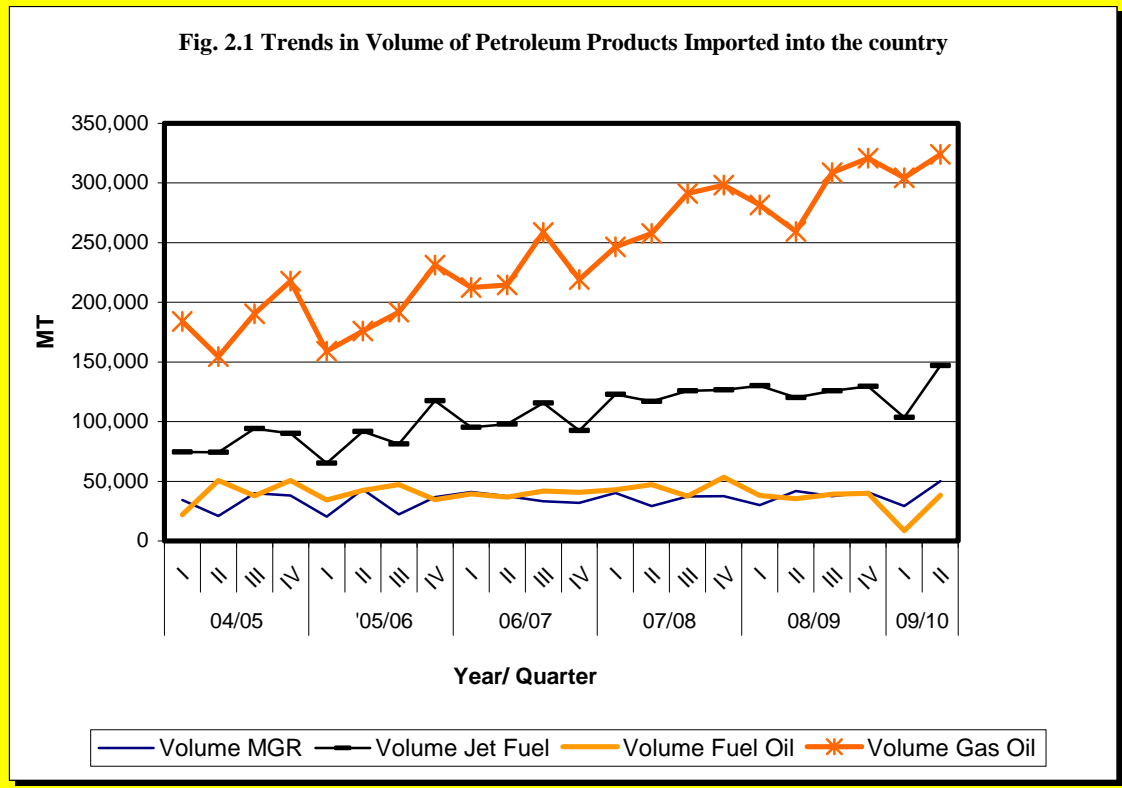
The total volume of petroleum products imported into the country in the second quarter of 2009/10 amounted to 559,117.2 metric tones, 22.4 and 25.4 percent higher relative to the same

period of last year and the preceding quarter, respectively. Gas oil and jet fuel alone accounted for about 84 percent of the total petroleum imports (Table2.1).

**Table 2.1: Volume of Petroleum Products Imported** (In MT)

	2008/09		2009/10				Percentage Change	
	Qtr II		Qtr I		Qtr II		C/A	C/B
	A	Share In %	B	Share In %	C	Share In %		
Regular Gasoline (MGR)	41,831.1	9.2	29,177.6	6.5	50,128.1	9.0	19.8	71.8
Jet Fuel	120,234.6	26.3	103,453.7	23.2	146,894.3	26.3	22.2	42.0
Fuel Oil	35,457.3	7.8	8,711.0	2.0	38,232.4	6.8	7.8	338.9
Gas Oil (ADO)	259,306.0	56.8	304,391.2	68.3	323,862.3	57.9	24.9	6.4
<b>Total</b>	<b>456,828.9</b>	100.0	<b>445,733.4</b>	100.0	<b>559,117.2</b>	100.0	22.4	25.4

Source: Ethiopian Petroleum Enterprise (EPE)



Source: EPE

At the same time, the total CIF value of petroleum import rose by 92.2 percent to reach Birr 4.5 Billion, due to both in higher volume and unit prices (Table 2.2 & 2.4). The rise in the prices of fuel partially depicts the gradually evolving global economic recovery in recent months (Table 2.3).

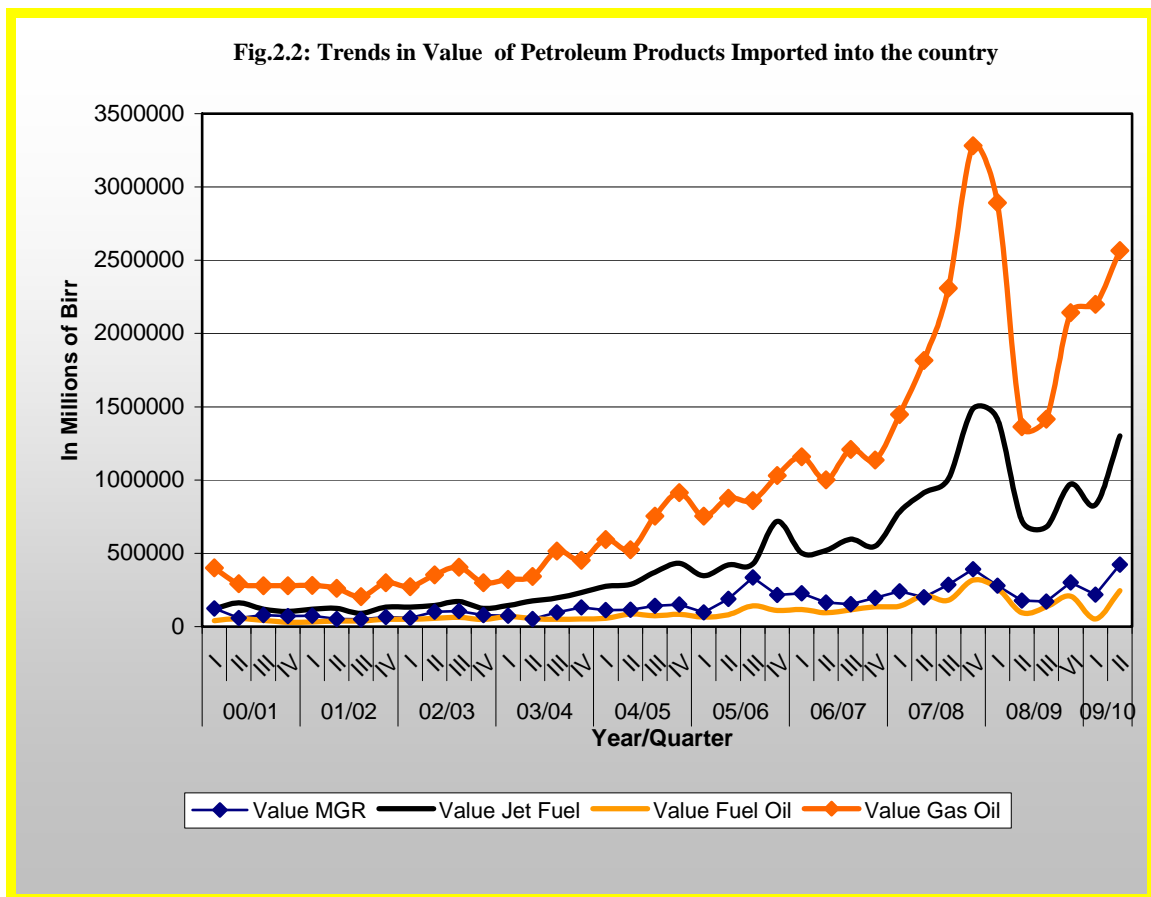
The significant increase in value during the review period was witnessed in regular gasoline (138.3 percent) and fuel oil (160 percent) compared to last year. Jet fuel and fuel oil constituted about 85 percent of the total value of petroleum import in the stated period.

**Table 2.2 Value of Petroleum Products Imported**

(In '000 Birr)

	2008/09		2009/10				Percentage Change	
	Qtr II		Qtr I		Qtr II			
	A	Share In %	B	Share In %	C	Share In %	C/A	C/B
Regular Gasoline (MGR)	177,095.6	8	219,214.5	6.6	422,094.4	9.3	138.3	92.5
Jet Fuel	722,821.8	31	830,831.7	25.2	1,300,291.7	28.7	79.9	56.5
Fuel Oil	94,822.3	4	52,467.3	1.6	246,419.6	5.4	159.9	369.7
Gas Oil (ADO)	1,364,649.3	58	2,198,944.3	66.6	2,566,753.2	56.6	88.1	16.7
<b>Total</b>	<b>2,359,389.0</b>	<b>100</b>	<b>3,301,457.8</b>	<b>100.0</b>	<b>4,535,558.9</b>	<b>100.0</b>	<b>92.2</b>	<b>37.4</b>

Source: EPE



Source: EPE

On the other hand, the FOB prices of petroleum products on average exhibited a 7.7 percent increase over the preceding quarter but a 10.8 percent decline against last year.

and regular gasoline (4.5 percent) (Table 2.4).

The quarterly price rise was attributed to hike in the prices of jet fuel (9.6 percent), fuel oil (8.9 percent), gas-oil (8.7 percent)

**Table 2.3 Average Quarterly World Fuel Price**

(USD/ Barrel)

Item	June- Aug 09	Sept- Nov. 09	Growth rate
Fuel/Crude Oil	68	72	5.9

Source: U.S. Energy Information Administration (Internet) & Staff Computation

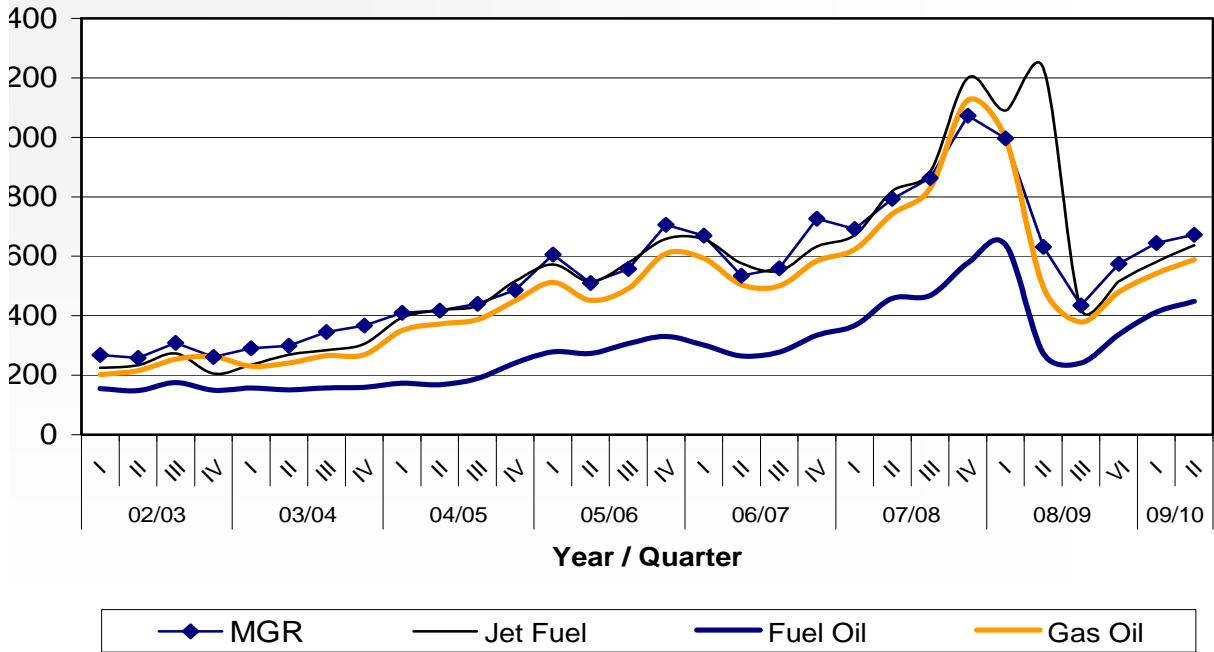
**Table 2.4 FOB Price of Petroleum Products Imported**

(In USD/MT)

Petroleum Products	2008/09	2009/10		Percentage Change	
	Qtr II	Qtr I	Qtr II		
	A	B	C	C/A	C/B
Regular Gasoline (MGR)	632.0	644.1	672.8	6.5	4.5
Jet Fuel	1232.3	580.7	636.7	-48.3	9.6
Fuel Oil	272.7	412.2	448.9	64.6	8.9
Gas Oil (ADO)	495.9	541.9	589.1	18.8	8.7
<b>Average</b>	658.2	544.7	586.9	-10.8	7.7

Source: EPE

**Fig. 2.3 Trends in FOB Prices of Petroleum Products Imported into the country**



Source: EPE

Following the global economic recovery, the international fuel/crude oil prices have shown a continuous rise. As shown in table 2.6, it peaked up quarterly at an average rate of 16.6 percent from USD 42 per barrel in the period January to March 2009 to USD 56 in April to June 2009 and USD 73 in October to December 2009. In accordance with the international price developments, the

Ethiopian government also started to determine the domestic retail prices of fuel. Hence, on average, domestic retail prices of fuel in Addis Ababa, during the review quarter, have shown a 23.6 percent growth over last year same period. Component wise, domestic retail price of fuel Oil, regular gas oil, kerosene, and Gas oil increased by 28.8, 28.3, 17.9, and 8.0 percent, respectively (Table2.5).

**Table 2.5: Retail Prices of Fuel in Addis Ababa**

(Birr/Liter)

Petroleum Products	2008/09	2009/10		Percentage Change	
	Qtr II	Qtr I	Qtr II	C/A	C/B
	A	B	C		
Regular Gasoline (MGR)	9.6	9.7	12.3	28.3	27.5
Fuel Oil	7.4	8.1	9.5	28.8	17.7
Gas Oil (ADO)	9.4	8.4	10.1	8.0	20.1
Kerosene	7.5	7.5	8.9	17.9	19.0
Jet Fuel	-	9.7	11.5	-	19.0
<b>Average</b>	<b>8.45</b>	<b>8.7</b>	<b>10.5</b>	<b>23.6</b>	<b>20.5</b>

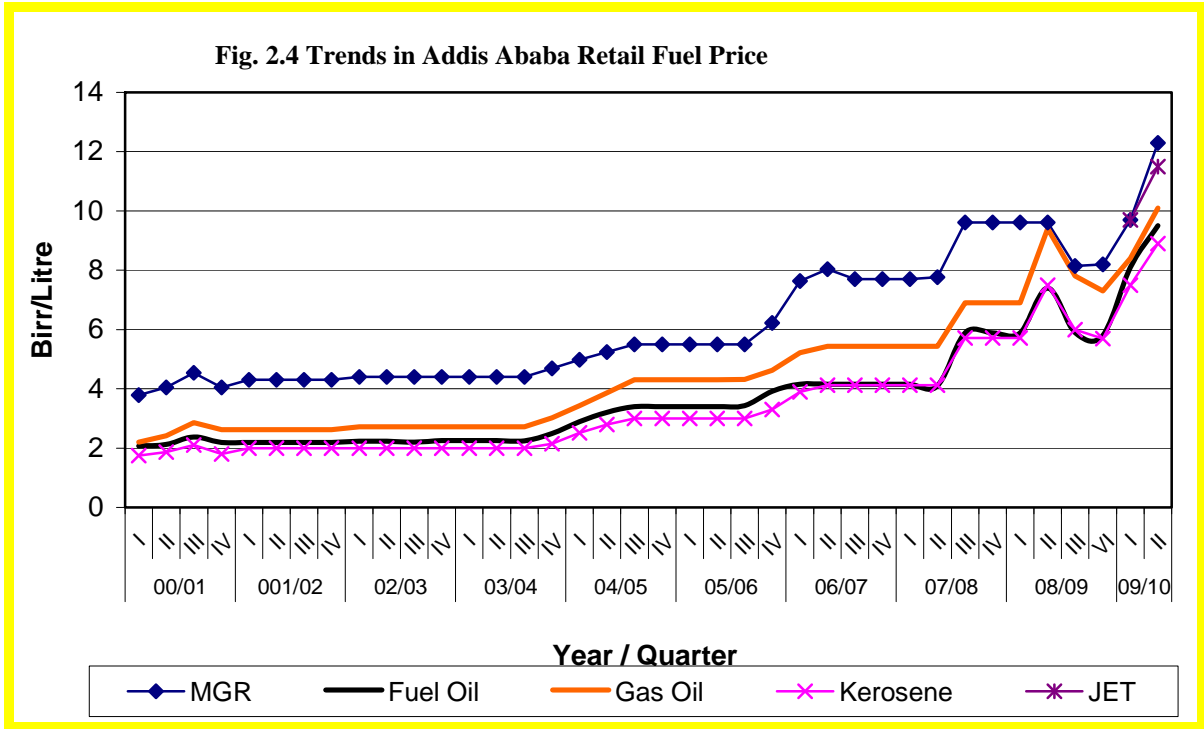
Source: EPE

**Table 2.6 Quarterly World Fuel Price Development for the period 2009-10**

(USD per Barrel)

Item	Jan-Mar, 09	Apr-June, 09	July-Sept,09	Oct-Dec,09	Jan-Mar,10	Apr-May.10
Fuel/ Crude Oil	42	56	69	73	76	79

Source: U.S. Energy Information Administration (Internet) &amp; Staff Computation



Source: EPE

## 2.2 Electric Power Generation

The total electric power generated during the review period was 993.83 million KWH, which was 14.7 and 0.8 percent higher than the preceding quarter and the same period of last fiscal year, respectively (Table 2.7).

The quarterly rise in electric power generation was attributed to 34.6 percent growth in hydropower, which constituted 92.4 percent of the total power supply of the review period,

followed by a 3.5 percent increase in geo-thermal power.

About 98.8 percent of electric power generation emanated from the Interconnected System (ICS); while the remaining 1.2 percent was from the Self Contained System (SCS) (Table 2.8).

Currently, the total amount of electricity generation in the country from hydro, geo-thermal, and thermal sources has increased from past level of 814 MW to

1534 MW. The number of electrified towns and villages also greatly increased for the last three years to reach 3,367, which brought electric energy access to 32 percent, according to EEPCo.

Generally, as a number of power generating projects currently underway, the country's electric power generation capacity is estimated to rise to 3028 MW by the year 2010 and 14,912 MW in the coming ten years. Subsequently, the number of cities and rural towns expected to benefit from the service will grow substantially.



**Table 2.7 Electric Power Generation**

(In '000 of K.W.H)

Power Source	2008/09		2009/10				Percentage Change	
	Qtr II	Share	Qtr I	Share	Qtr II	Share		
	A	In %	B	In %	C	In %	C/A	C/B
Hydropower	928,567.6	94.2	682,347.2	78.7	918,473.1	92.4	-1.1	34.6
Thermal Power	57,599.7	5.8	178,786.0	20.6	69,503.0	7.0	20.7	-61.1
Geo-thermal			5,659.2	0.7	5,854.7	0.6		3.5
<b>Total</b>	<b>986,167.3</b>	<b>100.0</b>	<b>866,792.5</b>	<b>100.0</b>	<b>993,830.8</b>	<b>100.0</b>	<b>0.8</b>	<b>14.7</b>

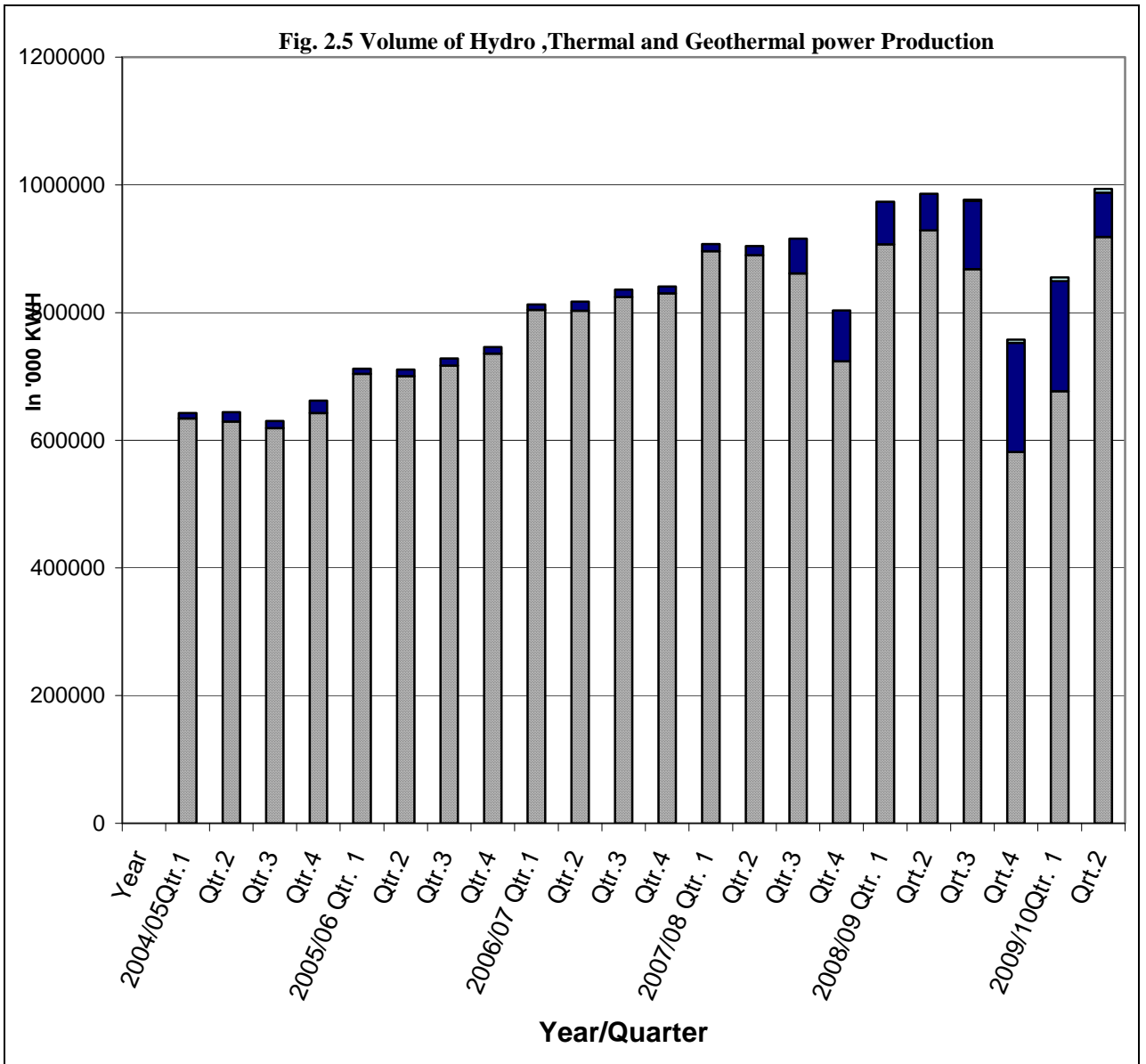
Source: Ethiopian Electric Power Corporation (EEPCo)

**Table 2.8 Electricity Generation in Inter Connected System (ICS) and Self Contained System (SCS)**

(In '000 of K.W.H)

System of Power Supply	2008/09		2009/10				Percentage Change	
	Qtr II	Share	Qtr I	Share	Qtr II	Share		
	A	In %	B	In %	C	In %	C/A	C/B
<b>ICS</b>								
Hydro Power	925,199.3	93.8	676,800.8	78.1	912,523.8	91.8	(1.4)	34.8
Thermal Power	50,136.7	5.1	172,680.7	19.9	63,269.3	6.4	26.2	(63.4)
Geo-thermal			5,659.2	0.7	5,854.7	0.6		
<b>Sub-Total</b>	<b>975,336.0</b>	<b>98.9</b>	<b>855,140.7</b>	<b>98.7</b>	<b>981,647.8</b>	<b>98.8</b>	<b>0.6</b>	<b>14.8</b>
<b>SCS</b>								
Hydro Power	3,368.3	0.3	5,546.4	0.6	5,949.4	0.6		
Thermal Power	7,463.0	0.8	6,105.3	0.7	6,233.7	0.6	(16.5)	2.1
Geo-thermal					-	-		
<b>Sub-Total</b>	<b>10,831.3</b>	<b>1.1</b>	<b>11,651.7</b>	<b>1.3</b>	<b>12,183.0</b>	<b>1.2</b>	<b>12.5</b>	<b>4.6</b>
<b>Grand Total</b>	<b>986,167.3</b>	<b>100</b>	<b>866,792.5</b>	<b>100</b>	<b>993,830.8</b>	<b>100.0</b>	<b>0.8</b>	<b>14.7</b>

Source: EEPCo



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