

II. ENERGY PRODUCTION AND PROCESSING

2.1. Import of Petroleum Products

During the second quarter of 2013/14, the total volume of petroleum products imported amounted to 554.6 thousands of metric tons, depicting a 4.9 percent growth vis-à-vis the same period last year. This was due to the increase in imports of gasoline (9.4 percent), jet fuel (8.3 percent) and gas oil offsetting the decline in imports of fuel oil (2.1

percent). The volume of petroleum products was 17.2 percent lower than the preceding quarter mainly because of the availability of the reserve fuel and shortage of fuel transport trucks. Of the total imports during the period, gas oil constituted 55.2 percent followed by jet fuel (29.2 percent) (Table 2.1).

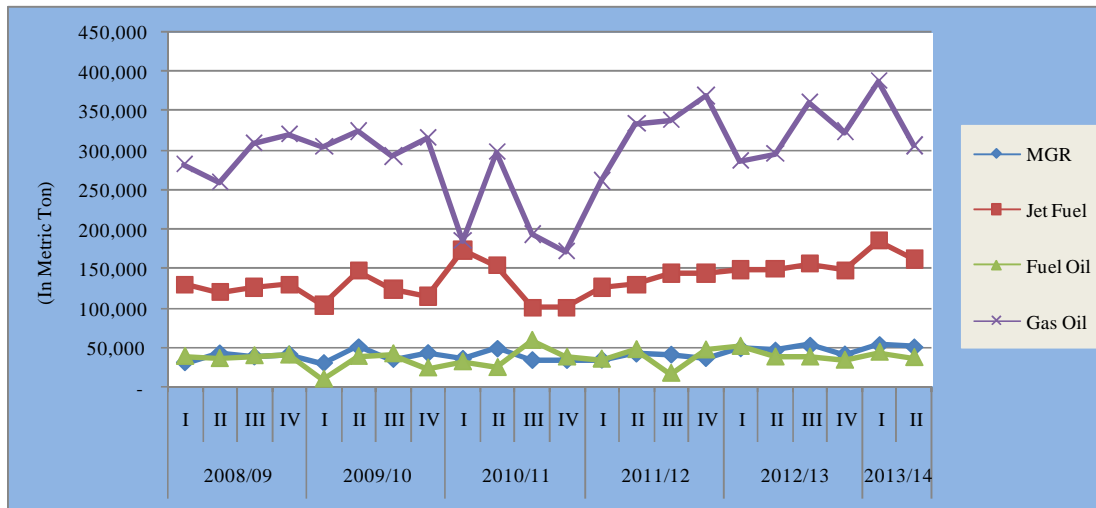
Table-2.1. Volume of Petroleum Products Imported

(In Metric Ton)

Petroleum Products	2012/13		2013/14				Percentage Change	
	Qtr II		Qtr I		Qtr II		C/A	C/B
	A	Share (In %)	B	Share (In %)	C	Share (In %)		
Regular Gasoline (MGR)	45,607.6	8.6	52,821.0	7.9	49,883.4	9.0	9.4	-5.6
Jet Fuel	149,611.1	28.3	185,032.1	27.6	162,038.7	29.2	8.3	-12.4
Fuel Oil	37,442.0	7.1	43,486.4	6.5	36,641.2	6.6	-2.1	-15.7
Gas Oil (ADO)	296,204.4	56.0	388,200.8	58.0	306,082.6	55.2	3.3	-21.2
Total	528,865.2	100.0	669,540.3	100.0	554,645.9	100.0	4.9	-17.2

Source: Ethiopian Petroleum Enterprise

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



Source: Ethiopian Petroleum Enterprise

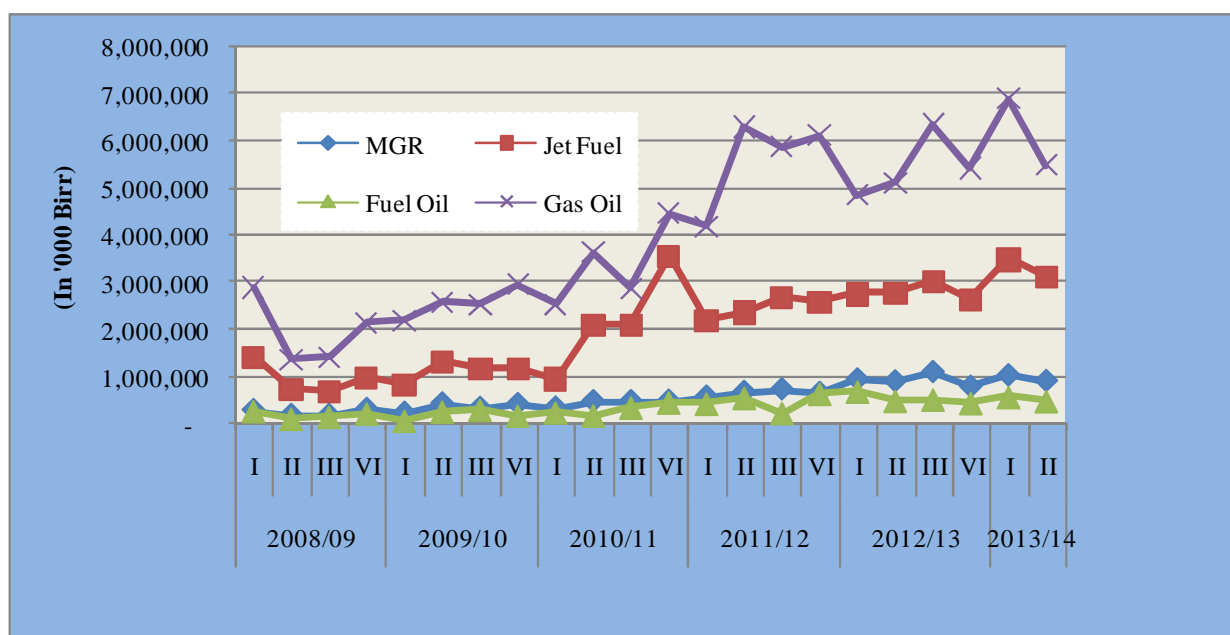
Meanwhile, total import bill of petroleum products increased to Birr 10 billion depicting a 7.9 percent growth over the same period last year. It

however, declined by 16.5 percent vis-à-vis the preceding quarter due to reduction in volume of all imported petroleum product (Table 2.2).

Table-2.2. Value of Petroleum Products Imported

(In '000 Birr)

Petroleum Products	2012/13		2013/14				Percentage Changes	
	Qtr II		Qtr I		Qtr II			
	A	Share (In %)	B	Share (In %)	C	Share (In %)	C/A	C/B
Regular Gasoline (MGR)	893,767.2	9.6	1,022,857.0	8.5	903,992.8	9.0	1.1	-11.6
Jet Fuel	2,779,340.8	30.0	3,489,406.1	29.1	3,134,799.8	31.3	12.8	-10.2
Fuel Oil	480,114.1	5.2	557,890.9	4.7	473,262.6	4.7	-1.4	-15.2
Gas Oil (ADO)	5,121,286.4	55.2	6,907,721.2	57.7	5,493,636.4	54.9	7.3	-20.5
Total	9,274,508.5	100.0	11,977,875.2	100.0	10,005,691.6	100.0	7.9	-16.5

Fig-II.2 Trends in the Value of Petroleum Products Imported

Source: Ethiopian Petroleum Enterprise

In general, the annual rise in the value of petroleum import (7.9 percent) was owing to higher volume of import (4.9 percent) despite the decline in FOB price of petroleum products (1.9 percent) during the period.

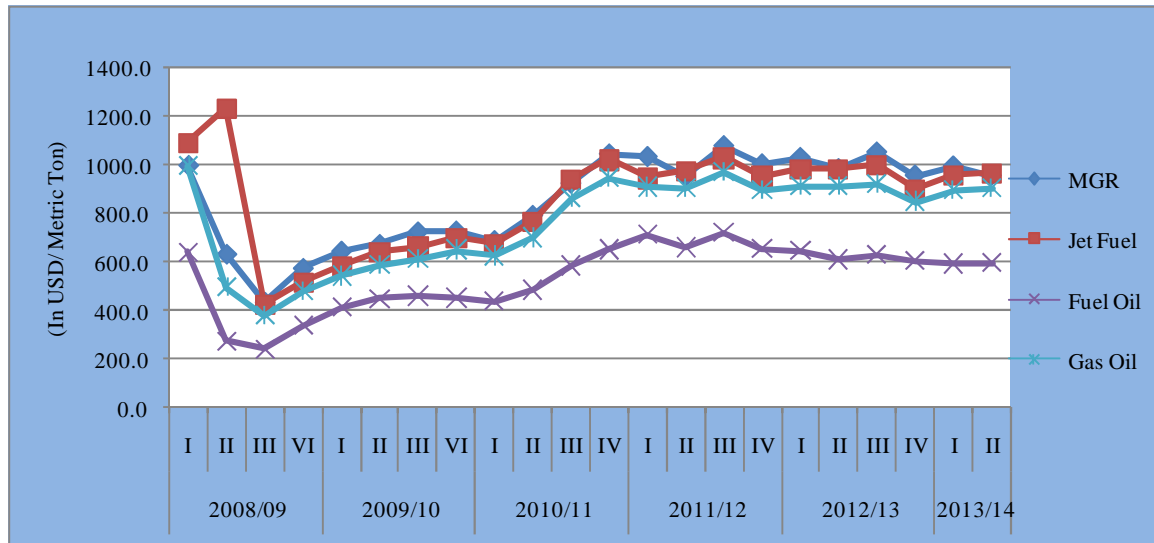
The decline in the average FOB price of petroleum products by 2.0 percent over the same period of last year was attributed to the fall in the FOB prices of jet fuel (1.7 percent), gas oil (1.1 percent), regular gasoline (2.9 percent) and fuel oil (1.8 percent) (Table 2.3).

Table-2.3: FOB Price of Petroleum Products Imported

(In USD/ Metric Ton)

Petroleum Products	2012/13	2013/14		Percentage Changes	
	Qtr II	Qtr I	Qtr II	C/A	C/B
	A	B	C		
Regular Gasoline (MGR)	983.4	994.2	955.4	-2.9	-3.9
Jet Fuel	982.4	959.0	966.0	-1.7	0.7
Fuel Oil	607.0	592.2	596.3	-1.8	0.7
Gas Oil (ADO)	915.3	898.2	904.8	-1.1	0.7
Average	872.0	860.9	855.6	-1.9	-0.6

Source: Ethiopian Petroleum Enterprise

Fig-II.3 Trends in the FOB Price of Imported Petroleum Products

Source: Ethiopian Petroleum Enterprise

During the second quarter of 2013/14, the average price of Brent crude oil, used as a point of reference for international oil price, stood at USD 109.4 per barrel showing a marginal decline compared with the USD 110.4 and USD 110.1 per barrel recorded in the previous year same period and the preceding quarter, respectively.

Following the movements in the international oil prices and other

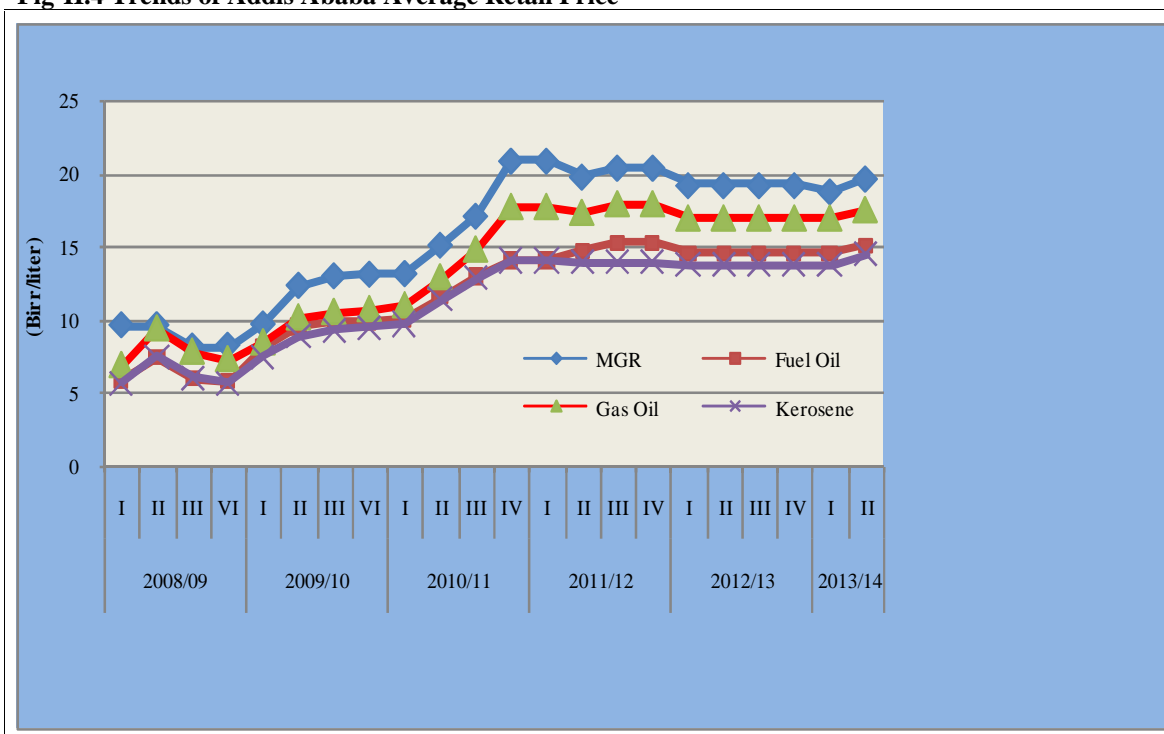
domestic factors, domestic retail prices have been adjusted accordingly. The average retail price of fuel in Addis Ababa rose to 17.62 Birr per liter; showing an average increment of 4.0 percent and 4.7 percent vis-à-vis the same quarter of last year and the preceding quarter, respectively (Table 2.4).

Table-2.4: Addis Ababa Average Retail Prices of Fuel

(Birr/Liter)

Petroleum Products	2012/13	2013/14		Percentage Change	
	Qtr II	Qtr I	Qtr II		
	A	B	C	C/A	C/B
Regular Gasoline (MGR)	19.21	18.8	19.7	2.4	4.7
Fuel Oil	14.59	14.59	15.09	3.4	3.4
Gas Oil (ADO)	16.91	16.91	17.49	3.4	3.4
Kerosene	13.85	13.85	14.50	4.7	4.7
Jet fuel	20.15	20.01	21.34	5.9	6.7
Average	16.94	16.83	17.62	4.0	4.7

Source: Ministry of Trade

Fig-II.4 Trends of Addis Ababa Average Retail Price

Source: Ministry of Trade

2.2 Electric Power Generation

The total electricity generated during the second quarter of 2013/14 reached 2.1 billion KWH which increased by 12.6 percent vis-à-vis last year same quarter as the demand for electricity soared in line with continued economic growth in the country. About 82.9 percent of the annual growth in electricity originated from hydropower and 18 percent wind power. Of the total energy generated during the review period, about 95.1 percent was produced by hydropower and 4.8 percent by wind power.

The remarkable growth in the generation of wind power on quarterly and annual basis was attributed to implementation of Ashegoda and Adama wind farms which has a production capacity of 120 MW and 51 MW, respectively.

On the other hand, electric power generation from thermal sources has sharply declined; there has been no production from this source throughout the review period.

About 100 percent of electricity produced during the second quarter of 2013/14 was from Inter Connected System (ICS¹) while Self Contained System (SCS²) only formed a negligible amount (Table 2.6).

¹ Generates power by connecting to other systems.

² Generates power independently

Table 2.5 Electricity Generation

(In '000 of K.W.H)

Power Source	2012/13		2013/14				Percentage Change	
	Qtr II		Qtr I		Qtr II		C/A	C/B
	A	Share (in %)	B	Share (in %)	C	Share (in %)		
Hydropower	1,832,856.8	96.7	2,066,899.4	97.3	2,029,316.6	95.1	10.7	-1.8
Thermal Power	1,540.6	0.1	866.2	-	618.1	0.0	-59.9	-28.6
Geothermal	-	-	-	-	-	-	-	-
Wind	60,368.8	3.2	56,673.1	2.7	103,195.1	4.8	70.9	82.1
Total	1,894,766.1	100.0	2,124,438.7	100.0	2,133,129.8	100.0	12.6	0.4

Source: Ethiopian Electric Power Corporation

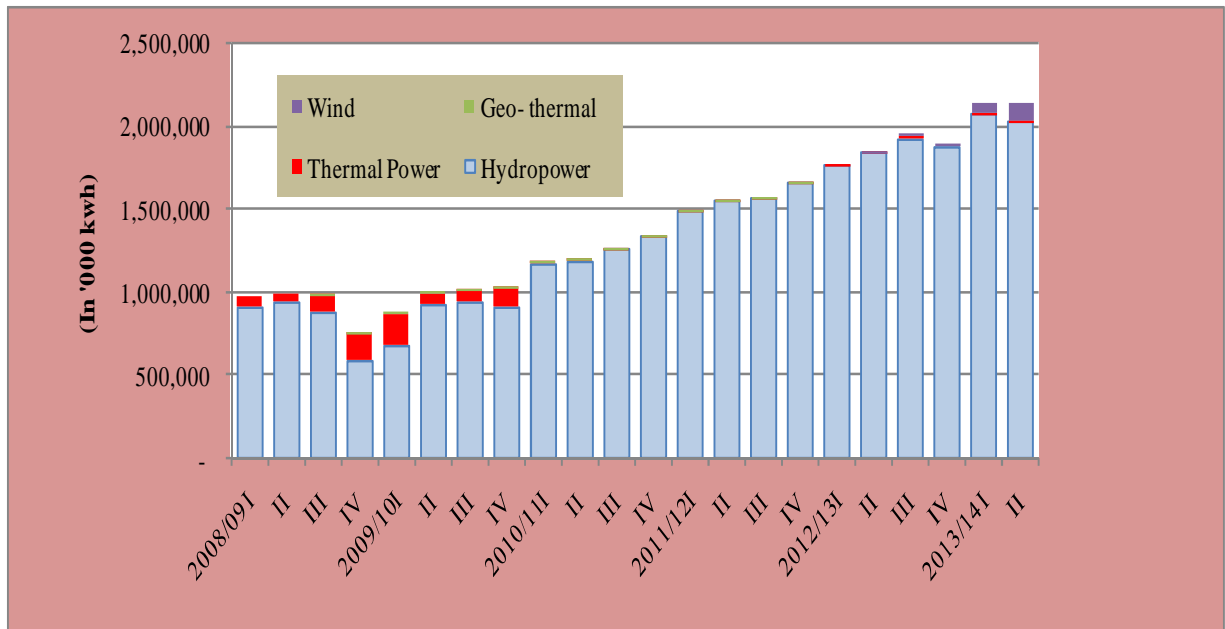
Table 2.6 Generation of Electricity Power in the Interconnected System (ICS) and Self Contained System (SCS)

(In '000 of K.W.H)

System of Power Supply	2012/13		2013/14				Percentage Change	
	Qtr II		Qtr I		Qtr II		C/A	C/B
	A	Share (in %)	B	Share (in %)	C	Share (in %)		
ICS								
Hydro Power	1,832,590.2	96.7	2,066,819.8	97.3	2,029,050.1	95.1	10.7	-1.8
Thermal Power	25.3	0.0	-	-	-	-	-	-
Geothermal	-	-	-	-	-	-	-	-
Wind	60,368.8	3.2	56,673.1	2.7	103,195.1	4.8	70.9	82.1
Sub-Total	1,892,984.3	99.9	2,123,492.9	100.0	2,132,245.2	100.0	12.6	0.4
SCS								
Hydro Power	266.5	0.0	79.6	0.0	266.5	0.0	0.0	234.7
Thermal Power	1,515.3	0.1	866.2	0.0	618.1	0.0	-59.2	-28.6
Geothermal	-	-	-	-	-	-	-	-
wind	-	-	-	-	-	-	-	-
Sub-Total	1,781.8	0.1	945.8	0.0	884.6	0.0	-50.4	-6.5
Grand Total	1,894,766.1	100.0	2,124,438.7	100.0	2,133,129.8	100.0	12.6	0.4

Source: Ethiopian Electric Power Corporation

Fig-II.5 Volume of Electricity Production by Type



Source: Ethiopian Electric Power Corporation