

Overseas Market Information



Ethiopia

Power Sector

Ethiopia has enormous potential for hydropower and geothermal energy generation. Of which hydropower potential is estimated to be 30,000 MW. Despite the fact that the country has a large potential for electric power generation, per capita consumption is one of the lowest in Africa. In terms of distribution, about 15.52 per cent of the population has access to electricity. This shows that the current capacity is not adequate to meet the domestic demand that is growing at 10 per cent per year. There is also considerable potential for exporting hydro-power to neighbouring countries. In this connection a project to connect Ethiopia, Djibouti and Sudan by means of a 750 km electrical cable is under way. The 750 km line will cost the country some US\$ 75 million for the export of electric power to the reported two countries. Ethiopia currently has around 812.46 MW of installed power generating capacity of these, hydropower-generating plants generate about 668.75 MW, while 143.71 MW is obtained from thermal power plants. Electricity energy is supplied at 380/220 volts and 50HZ AC at low level; the high voltage transmission facilities provide 230 kV, 132 kV, 66 kV, and 45 kV while the medium voltage distribution is in 33 kV and 15 kV. Electric supply is under the Ethiopian Electric Power Corporation (EPPCO). In line with the ongoing rise in power generation capacity, Ethiopia is undertaking a massive expansion in the power distribution network under the banner of the Government's Universal

Electrification Access Programme (UEAP). The full UEAP has a more ambitious aim of raising network coverage to 50% of the country within ten years, at a cost of US\$ 1.3 billion.

To meet rapidly rising demand for electricity, Ethiopian Electric Power Corporation plans to almost quadruple power generation capacity in the next five years mainly through the construction of new hydroelectric dams but also from thermal and geothermal sources. EPPCO's five year plan is based on nine key projects, which are varying stages of development. The most advanced are the Gilgel Gibe II Dam (480 MW), which is being built by Salini of Italy with funding from the Italian Government, and the Tekeze dam, which is being built by Sinohydro of China and local partners; both are due to come on stream by 2009. Other major dams are planned at Halale Worbesa and Chemo Geyada. Ethiopia is also considering building its largest ever dam, at Kara Dombe, on the Blue Nile, at a cost of US\$ 800 million. Construction would take place under the 2001 framework agreement between Ethiopia, Sudan and Egypt (concerning the use of Nile Waters) and would receive financial backing from the latter two countries. The major generation, transmission and distribution projects shall be executed through International Competitive Bidding (ICB) in accordance of the funding agencies. In this connection, it is advisable for companies to have a local agent working on a commission basis in Addis Ababa, the most important commercial center.

(Source : Embassy of India, Addis Ababa)