

SPEECH BY MR. BEN DRAMADRI, DELIVERED AT THE OPENING OF THE WORKSHOP ON FUEL SUPPLY COSTS

Our Dear Stakeholders,
Distinguished Guests,
Ladies and Gentlemen,

It is my honor and privilege to welcome you here today for this workshop.

Ladies and Gentlemen, we are holding this workshop to share the findings from the study that ERA in collaboration with the Ministry of Energy carried out in April and May of this year to establish the fuel supply costs and logistics.

There has been tremendous changes witnessed over the past few years in our electricity industry. First, a number of reforms have been carried out since the late 1990s. These culminated into the enactment of the Electricity Act 1999 and unbundling of the former vertically integrated UEB. It also provided for the set up of the independent regulator, ERA; the Rural Electrification Fund and the Tribunal.

Several achievements have been registered over the years including attraction of private capital into generation.

However, towards the end of 2004, the country experienced severe drought which affected hydro generation capacity. We are now largely depending on thermal generation which is using diesel as a key input.

Developments in petroleum markets have profound implications to our functions including our licensing and tariff setting roles. It is for this reason, that we carried this study.

Ladies and gentlemen, you are the experts in the petroleum market affairs than ourselves. We have therefore invited you to provide your inputs to our study findings and enrich it further. I am certain that you will discuss openly and give us your expertise views. At the same time, each one of us will endeavor to implement the policy recommendations that fall under our ambit.

I am glad therefore that amidst us, I can see a cross section of stakeholders from the government agencies and oil companies.

At this juncture, I declare the workshop open.

Ben Dramadri

Chairman, ERA