

Power Guard 8 Feb 2012

National emergency rescue plan has resolved power woes - govt

By Judica Tarimo,
Dodoma

ENERGY and Minerals minister William Ngeleja said yesterday that load-shedding in the country has been resolved after the government contracted private power firms to support a comprehensive national emergency power rescue plan.

The minister made the revelation in an interview with The Guardian when clarifying issues related to electricity supply and power rationing, a critical problem which has adversely affected social and economic operations in many parts of the country.

He said government efforts to commission private players to assist in the implementation of the government's emergency plan had yielded positive results.

At the moment, he said

there was surplus power supply, as the quantity being supplied surpassed demand.

"In other words, we are producing far more megawatts than demand requires," said Ngeleja.

"And this is because of aggressive initiatives made by the government to engage private power firms in power generation. These players have installed power plants which produce more electricity than expected," added the minister.

He said due to strategic support from private power plants, monthly supply stood at 1,028.70 MW, which is over and above the current monthly power consumption of 821 MW.

The minister dismissed claims that the government had failed to control load-shedding, noting that the "problem was controlled since October, last year. What we are doing at the moment is

to ensure that the crisis is not repeated," Ngeleja said.

Citing an example, he said last month around 821 MW was consumed while the quantity supplied was more than 1000 MW.

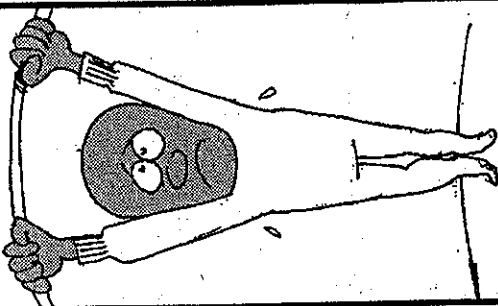
He allayed fears over a few and exceptional cases of power cuts, saying that such incidents were caused by technical faults and should not be associated with load-shedding.

In addition to the present country's power production status, he said, the ministry was finalizing implementation of several power projects, which he said would make electricity problems in Tanzania history.

He mentioned some of the projects as construction of a gas pipeline from Mnazi Bay in Mtwara region up to Dar es Salaam, scheduled to be completed next year, which is expected to produce 3,000 MW.

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GUARDIAN 25/12/12 ZANZIBAR TOURISM Z'bar govt blamed for lack of water supply, power

By Guardian Reporter, Zanzibar

SOME investors in the tourism sector here through their Zanzibar Association of Tourism Investors (Zati) have blamed the government over to failure to provide solutions to problems water supply and electricity problems.

Zati chairman Abdul Samad sounded the blame at a dinner gala for members of the association held at the weekend in Zanzibar. He said investors have been fulfilling their responsibilities under difficult environments due to lack of the two essential services in the tourism business.

Samad said tourist hotels built on the eastern zone of Zanzibar were facing water problems; as a result they spend a lot of money on alternative power and water supply to keep their businesses going.

He said members of the club queried the capability of the Zanzibar Electricity Corporation and Zanzibar Water Authority due to their failure to solve the problems, despite the fact that the sector contributes greatly to the national income.

"We have been conducting joint meetings with the authorities, but they have failed to show the commitment to resolve the problems," said Samad, adding:

"We cannot promote and strengthen the tourism sector and attain our goals without having reliable power and water first".

Meanwhile, Samad urged the Zanzibar government to beef up security for foreigners and investors in the sector.

He said crimes in the tourism sector had been increasing in Zanzibar, causing massive losses. According to him, about 60 per cent of Zati members were affected by different forms of crimes, including armed robbery, last year.

Samad reminded that the tourism sector was crucial in creating jobs. He said currently the sector employs 12,000 people, while 44,000 benefited direct from it through fishing, farming and livestock keeping.

He said the tourism sector contributes 73 per cent of foreign currency and 25 per cent to the national income annually.

Samad also said that the sector was also facing the challenge of environmental pollution, especially along the Indian Ocean coast at Stone Town area.

CTI: Power tariffs choking economy

By Felister Peter

THE Confederation of Tanzania Industries (CTI) has strongly opposed the recent power tariff hike warning that local products would be uncompetitive and calling instead for adoption of its proposed 25 per cent increase.

CTI says the hike would affect Tanzanian products' competitiveness and urged Energy and Water Regulatory Authority (EWURA) to ensure that it does not exceed six months.

Last week, EWURA approved a 40.29 per cent power tariff increase, rejecting the proposed 155 per cent hike applied by the Tanzania Electric Supply Company (TANESCO).

Briefing journalists in Dar es Salaam yesterday, CTI Chairman, Felix Mosha said there are other measures which can be taken to reduce electricity tariffs instead of resorting to the huge and sudden power increase.

He said EWURA should make sure that the increase lasts for six months only after which it must be reduced.

"TANESCO tariffs were only increased last year...we would like to call for an end to the use of expensive emergency generating plants," he said.

Mosha mentioned some of the measures that the power utility could apply to reduce electricity charges as reduction of electricity losses and the cutting of costs within the company itself, particularly reduction of administration costs to

industry level.

He called for prudent management of the company's finances and increased efforts in debt collection.

He said after the tariff increase manufacturers and the private sector would want to be assured of reliable and consistent power supply.

Mosha pointed out that though EWURA declined the request 155 percent increase, power tariff in Tanzania is high compared to neighboring countries with which Tanzania competes.

He said after the 40.29 per cent tariff increase manufacturers in the country are subjected to a cost of USD 11 cents per kWh, while countries like South Africa and Zambia pay less.

He said the cost in South Africa as January 2012, is USD 8.13 cents per kWh and Zambia USD 5 cents per kWh. He said although Uganda, Rwanda and Kenya had higher tariffs than Tanzania, the three countries do not have costs such as skills and development levy, local government taxes and fees imposed by regulatory authorities.

Meanwhile, CTI Executive Director, Christine Kilindu

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said that through the task force of the Tanzania National Business Council (TNBC) they have advised TANESCO to suspend some expenditures, including reducing to 3 percent the cost of medical treatment for its staffs.

"We went through the company's accounts and provided them with optional accounts that would enable it reduce expenditure", she said.

The new tariff became effective on January 15, this year after the approval by the EWURA Board of Directors.

The six-month emergency power tariff increment will not affect people who consume 50kWh or less of power per month.

Customers using over 50 kWh, general use consumers (restaurants, barber shops) currently paying 157/- per unit are now required to pay 221/- per unit. Customers who were paying 94/- per unit as lower voltage supply consumers are now charged 132/- per unit.

High voltage supply consumers (Mining companies, Industries and factories) who were paying 84/-

per unit now have to pay 118/-.

Meanwhile, Tanzania Gender Networking Programme (TGNP) said yesterday that the power tariff hikes will make life more difficult especially for ordinary citizens.

A statement signed by the Acting Executive Director, Mary Nsemwa said the increase will push up prices of various consumer goods and services.

"Ordinary citizens whose income depends on small businesses will hardly realise profit", it said.

TGNP advised the government to take action against all those responsible for the electricity problems the country is experiencing and to tell wananchi as to when power problems in the country will be completely solved.

It also advised TANESCO to work on plans for alternative power sources and allow the private sector to invest in electricity projects.

It described as unrealistic the announcement that customers using less than 50kWh per month would not be affected, saying there are no such people.

DAILY NEWS 20/1/12 - CTI / POWER

CTI wants review of increased power tariffs

By DORA TESHA

THE Confederation of Tanzania Industries (CTI) has called for an urgent review of an increase of 40.29 per cent in power tariffs to save local manufacturing industries from collapse.

Addressing a press conference in Dar es Salaam yesterday, CTI Chairman Mr Felix Masha said the increase was a threat to local industries, especially small and medium scale enterprises (SMEs), many of which

spend about 40 per cent of their production costs on electricity.

"The confederation urges for an urgent review of the increase and acceptance of our proposal of a tariff increase of a maximum of 25 per cent," he stressed.

According to Mr Masha, the hike will also affect Tanzanian products to similar imported products and in international markets.

"The tariff is still very high compared to tariff rates prevailing in other countries

which Tanzania competes with such as South Africa and Zambia," he stated.

He cautioned that it was wrong to compare tariffs with Uganda, Rwanda and Kenya since the three countries do not impose a myriad of duties that industries in Tanzania are required to pay.

According to him, some of the measures that could be taken include further reduction of electricity losses, cost-cutting within TANESCO, prudent management of the company's finances as well

multiple fees and levies imposed by regulatory authorities, it is wrong to compare our tariffs with those of the three countries," he noted.

He said the confederation believes that there were other measures which could be taken to reduce electricity tariffs.

According to him, some of the measures that could be taken include further reduction of electricity losses, cost-cutting within TANESCO, prudent management of the company's finances as well

as enhancing debt collection efforts.

He, however, noted that after increased tariffs, the private sector wants to be assured of reliable and consistent power supply and after the six month emergency period the tariffs should be reduced.

On January 12, this year, Energy and Water Utilities Regulatory Authority (EWURA) announced an increase of 40.29 percent in power tariff instead of 155 per cent as requested by Tanesco.