

REASONS FOR FAILURE OF CONSERVATION PROGRAM DISCUSSED

Amman JORDAN TIMES in English 14 Dec 86 p 4

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[Text]

THE volume of energy consumed in Jordan is not any more increasing at the 17 per cent a year rate of the seventies and early eighties. Yet energy consumption is still growing faster than the economy as a whole. In fact, we are consuming more energy per unit of gross domestic product than we used to consume previously.

The Ministry of Energy and Natural Resources is exerting efforts and conducting information and field campaigns to save energy. However, statistics indicate that things have been going in the opposite direction and that our efficiency in utilising energy has been worsening steadily.

During the first ten months of this year, the sales of fuel derivatives by Jordan Petroleum Refinery Company have increased by seven per cent over the same period of last year. There is of course no claim that the GDP grew at a similar or even comparable rate, if it grew at all.

Electricity consumption during the first half of this year rose by 12 per cent over the same period of last year as measured by the generation of electricity.

Apparently the laxity in the area of energy conservation has come about after the steep decline in world oil prices although this decline may prove to be temporary. The drop in oil prices should not alter the long-term policy of energy conservation especially when our energy is 100 per cent imported.

For comparison purposes we read that the energy ministers of the European Community met recently and agreed on a unified European energy policy to achieve the following main objectives:

- Limiting oil consumption to about 40 per cent of total energy consumption.
- Limiting dependency on oil imports to one-third of total energy consumed.
- Further energy efficiency improvements of at least 20 per cent.
- Limiting the share of hydrocarbon in electricity production to less than 15 per cent of fuel imports.
- Improving the competitiveness of the Community's solid fuel production.
- Maintaining the current market share of natural gas.
- Increasing substantially the contribution of new and renewable energies.

At the same meeting of EC energy ministers, it was recognised that despite the Chernobyl accident, nuclear energy would continue to play a growing role in the community's energy requirement through the nineties, because of new plants already being built.

Against the background of these aggressive policies and procedures adopted by the rich European countries, what did we do to improve the efficiency of energy utilisation and conservation?

— We transferred the cost of street lights in our cities and towns to the account of the Treasury. Naturally the municipalities immediately responded by increasing the number of street lamps and their capacity. Some street lamps in Amman are left on during day time as one can repeatedly see upon passing through the Hussein Bin Ali street in the afternoons.

— We started to electrify our highways such as the Amman-Queen Alia Airport and the Amman-Zerka highways, instead of using proper markings as done elsewhere.

— We started to export electricity to neighbouring countries at the bare cost, without accounting for depreciation, interest on loans, or administration and overheads. Even the cost of fuel consumed in generating electricity was based on world prices, which are lower than our actual cost due to transportation and the method of pricing.

— We decided to reduce prices for electricity consumed in homes by 20 per cent.

— We allowed the refinery to go lax in its debt collection policy, especially where governmental institutions are concerned. The outstanding debts in the refinery books against public sector institutions range around JD 50 million. This policy encouraged more consumption on credit.

Comparing our energy policies and procedures with those of the European Economic Community, we understand that our continued waste of energy has not happened accidentally.

A collection of 48 articles by Dr. Fanek has now been published in a book entitled "Insights into Jordan's Economy." The book is sold at JD 2.500, and can be obtained from the author's own accounting and consulting firm, P.O. Box 950244, Tel. 603902, Amman.

CSO: 4400/91
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