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Barbara Khol

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Ecuador: Notes On Plans For Development Of Oil Production & Electricity Infrastructure

by Barbara Khol
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On the evening of April 10 at a press conference, Energy and Mines Minister Donald Castillo told reporters that Ecuador is "obligated to find new reserves," and thus, welcomes foreign investment in oil exploitation and exploration projects. Reserves total over 1 billion barrels. At the current extraction rate of 288,000 barrels per day, reserves should last 17 years. Investment projects open for consideration include improving extraction rates by 40 to 70% at the Shushufindi field in the Amazon region. Castillo said the government plans to open up bidding on concessions in August. Next, the minister reported that the sixth round of auctions for exploration of Amazon blocks 18, 19 and 22 (200,000 ha. each) is nearly complete. Contracts will be signed, he added, in May or June. Castillo then addressed plans to invite foreign capital to participate in expanding the nation's electricity grid. Under a plan for 1991-1999, the government requires $3.042 billion in investment for hydroelectric power generation, transmission and distribution. Of $526 million in investment planned for the first two years, over $300 million have been committed. The largest electrification projects are the completion of "phase C" of Paute, the nation's largest hydroelectricity complex, requiring $240 million in investment. Installation of transmission lines of 230,000 and 130,000 volts and the distribution network (including sub-stations) is aimed at supplying 75% of the population with power in 1999. A five-year $4 million joint electrification project with Colombia would increase from 3,000 to 30,000 kilowatts power distribution from the Colombian border city of Ipiales. The government's objective is to increase power generation potential from the current 1,200 megawatts to 2,300 megawatts in 1999. (Basic data from AFP, 04/11/91)

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