

Press Statement

Role of ERB in Petroleum Supply Chain

16th September 2020

Contrary to some misrepresentations of the Energy Regulation Board (ERB)'s role with regard to certain key aspects of the petroleum supply chain, particularly on social media, our role is limited to price determination. This role is executed in furtherance of the Law which spells out all the functions ERB.

Zambia relies on imported petroleum feedstock and finished petroleum products for its fuel requirements. Once a cargo of petroleum feedstock and/or finished petroleum products is procured, the ERB merely determines the price at which petroleum products should be sold at wholesale and retail in order to cover costs incurred by all the players so as to ensure that there are adequate resources for procurement of subsequent stocks at all times to guarantee security of supply.

Price determination is provided for as a core function of the ERB under the Energy Regulation Act No. 12, 2019. It should, however, be emphasized that the petroleum supply chain is complex and has different players, both downstream and upstream performing specific functions at different stages to ensure availability of fuel at the pump at all times.

Thus, while the ERB provides oversight as a regulator, the petroleum supply chain in Zambia also includes state owned enterprises such as TAZAMA Pipelines Limited (TAZAMA), Indeni Petroleum Refinery Company Limited (INDENI), Ndola Fuel Terminal on one hand, and private sector players such as Oil Marketing Companies (OMCs), Dealers and Transporters on the other hand.

The players in the supply chain have distinct roles which include procurement of feedstocks and finished petroleum products undertaken by Government; pricing of petroleum products by the ERB; Pumping, Storage and Wholesale of the refined products by TAZAMA; Distribution of petroleum products throughout the country by OMCs and delivery of petroleum products to retail and consumer sites by Transporters.

In light of the above, we wish to reiterate that the ERB functions are prescribed by Law. The functions include licensing, assuring quality of products and services, and pricing of petroleum products in the country, among others. Clearly, the Board's mandate does not include procurement of petroleum products contrary to what is often portrayed on some social media.

The ERB has an open door policy and encourages stakeholders to directly engage the regulator on the Toll Free Line 8484 or visit any of our offices in Lusaka, Kitwe, Livingstone and Chinsali.



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MANAGER – PUBLIC RELATIONS