



# Press Statement

## Petroleum Pump Prices revised downwards

**29<sup>th</sup> November 2014**

The Energy Regulation Board (ERB) has reduced the pump price of petroleum products by K0.25 for petrol; K0.28 for diesel; and K0.27 for kerosene; while wholesale prices of petroleum products have been reduced by 3.66% with effect from midnight 28<sup>th</sup> November 2014.

Pump prices are determined based on the cost of each cargo and the exchange rate of the Kwacha to the United States Dollar. In determining prices, the ERB uses the Cost Plus pricing model which operates on the principle that the final price of petroleum products should cover all costs incurred in the supply chain

Lately, there has been a general fall in the international crude oil prices in recent months. This reduction in International oil prices has been the major trigger for this fuel price reduction.

However, the exchange rate of the Kwacha against the US Dollar depreciated since the last price adjustment in April 2014 depreciated by 6.8% from K5.9/US\$ to K6.3/US\$ by mid-November 2014. The Kwacha depreciation alone would have triggered an upward adjustment in pump prices. However, this has been partially moderated by the fall in international oil prices during the same period.

Analysis of the latest crude oil feedstock purchased by the Government in reveals that the wholesale prices of Petrol, Diesel,

Kerosene, Jet A-1, Heavy Fuel Oil and Liquefied Petroleum Gas at the Ndola Fuel Terminal would have to be reduced by 3.66%. Furthermore, the uniform pump prices will change as indicated in the table below:

**National uniform pump prices in kwacha per litre**

<b>Product</b>	<b>Current</b>	<b>New</b>	<b>Absolute variance</b>
<b>Petrol</b>	10.63	10.38	(0.25)
<b>Diesel</b>	10.01	9.73	(0.28)
<b>Kerosene</b>	7.48	7.21	(0.27)

**By Order of the Board**

**CHAIRMAN**   
**ENERGY REGULATION BOARD**