



Press Statement

MONTHLY BULLETIN ON IMPORT PARITY PRICING OF PETROLEUM PRODUCTS

14th March 2007

The Energy Regulation Board (ERB) wishes to advise that the prices of petroleum products for the month of March 2007 remain **unchanged** from the last price adjustment in February 2007, owing to subsidisation of prices using the Strategic Reserve Fund (SRF).

The decision was made at a Board meeting held on 13th March 2007.

Therefore, the indicative pump prices for petroleum products in Lusaka are as follows:

AVERAGE INDICATIVE LUSAKA PUMP PRICES

	Kwacha Prices ZMK/ Litre		
	Current	New	Variation
Premium	5,935	5,935	0
Diesel	5,228	5,228	0
Kerosene	4,129	4,129	0

It will be noted that while the international oil prices registered increases in prices of Petrol, Diesel and Kerosene as shown in the table below, and the Kwacha depreciated by 1.28%, the ERB has taken steps to mitigate against price increases using the Strategic Reserve Fund (SRF).

This measure is necessary to stabilise prices and cushion consumers against frequent upward adjustments in prices, owing to factors beyond the control of the Zambian market. The subsidisation of prices has been possible due to the availability of funds in the SRF.

The prices of petroleum products on the international market had increased as per table below:

AVERAGE PERCENTAGE INCREASES IN PRICES FOR FEBRUARY 2007

PRODUCT	PRICE INCREASE
Petrol	9.68%
Diesel	6.61%
Kerosene	4.25%

The ERB will again review prices in mid April 2007 in keeping with the normal application of the Import Parity Pricing (IPP) methodology adopted in June 2004.

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ENERGY REGULATION BOARD

