



Press Statement

MONTHLY BULLETIN ON IMPORT PARITY PRICING OF PETROLEUM PRODUCTS

14th September 2007

The Energy Regulation Board (ERB) wishes to inform the public that changes in domestic and international factors have necessitated an upward adjustment of petroleum product prices. Since May 2007, the petroleum product prices have been kept stable by subsidisation from the Strategic Reserves Fund.

From midnight tonight, the prices of petroleum products will be adjusted upwards throughout the country. The pump price of Petrol will increase by 4.5%; Diesel by 5%; and Kerosene by 3%.

The increase in the prices is on account of a number of factors that include the INDENI shut down and the consequent importation of finished petroleum products using the most expensive mode - road transportation; depreciation of the kwacha against the United States dollar; and unprecedented high international oil prices that hit US\$80.19/bbl on 12th September 2007.

The Kwacha depreciated by **4.82%** from K3,839/1US\$, used at the last (early August 2007) price review (that was not changed) to **K4,024/1US\$** being the actual average inter-bank exchange selling rate for the month ending 7 September 2007.

In order to ensure the security of supply of petroleum products for the duration of the INDENI shut down, the ERB will continue to encourage the importation of finished products by the Oil Marketing Companies (OMCs).

To keep the price increases minimal during this period, the ERB has adjusted the Strategic Reserve Fund (SRF) line in the pricing formula. The waiver on Diesel effected in July 2007 continues; Petrol has been reduced to K100/liter from K249/liter; while Kerosene remains at K76/liter.

The ERB would therefore like to advise members of the public that the new indicative pump prices for Lusaka are as follows:

PUMP PRICES

	Kwacha Prices ZMK/m ³			
	Current	Average	Absolute Change	% Change
Petrol	6,717	7,020	302	4.50
Diesel	5,563	5,841	278	5.00
Kerosene	4,241	4,382	141	3.33

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