



Press Statement

Petroleum Products Prices Increase by 15%

12th January 2010

In line with its mandate to regulate the pricing of energy products, the Energy Regulation Board (ERB) has revised upwards prices of petroleum products with effect from mid night 12th January 2010. This follows the Board's resolution of 12th January 2010 to increase prices of *Diesel*, *Petrol* and *Kerosene* by 15% across the board.

The increase has mainly been necessitated by a rise in prices of crude oil from US\$40/bl in early 2009 to the current price of about US\$82/bl. Consequently, the cost of a 90,000 metric tonne cargo has increased from US\$ 40 million in February/March 2009 to US\$70 million in December 2009.

In addition, Excise duty on Diesel has been varied from 7% to the new rate of 10% with effect from 1st January 2010 and the new Tazama pumping tariff of US\$53.52/ MT approved by the ERB on 16th December 2009 has been applied, as opposed to the previous tariff of US\$39/ MT.

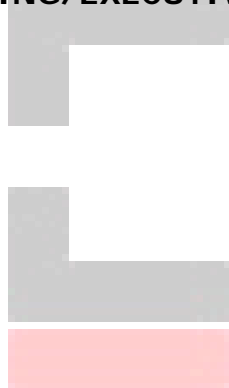
It should be noted that petroleum product prices were last adjusted in December 2008. The prices were largely kept stable from 2008 to date through government subsidies meant to cushion consumers. This price adjustment is necessary to ensure that product from the 90,000 Metric Tonnes *Iron Monger* cargo that docked at the port of Dar-es-Salaam in December 2009 is sold at an appropriate rate that enhances the sustainability of supply of petroleum products.

In view of the changes in prices, retailers are expected to issue receipts for all sales made, while consumers are advised to **demand and keep receipts** that clearly show the name of the service station; date on which purchase was made as well as the type of fuel; and price per litre for every purchase made. The record is important for future reference in case of any dispute or a complaint of overpricing.

The indicative benchmark pump prices in provincial centres in Kwacha per litre will therefore go up as per table below:

TOWN	PETROL BENCHMARK PUMP PRICES	DIESEL BENCHMARK PUMP PRICES	KEROSENE BENCHMARK PUMP PRICES
Kasama	7,508	7,119	5,114
Livingstone	7,148	6,757	4,804
Chipata	7,347	6,958	4,976
Solwezi	6,943	6,552	4,626
Ndola	6,579	6,188	4,314
Lusaka	6,691	6,300	4,409
Kabwe	6,661	6,270	4,384
Mansa	7,370	6,981	4,996
Mongu	7,455	7,066	5,069

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**ENERGY
REGULATION
BOARD**