

Petroleum Pump Prices Revised
Wednesday, 31st August 2022

The Energy Regulation Board (ERB) has adjusted the pump prices of petroleum products downwards by K1.65/litre for petrol, K1.75/litre for diesel and K1.72/litre for kerosene for the month of September.

At the last review which yielded the August 2022 fuel prices, the average price of petrol, diesel and kerosene was US\$123.05/bbl, US\$146.52/bbl, US\$135.36/bbl, respectively, compared to US\$106.87/bbl, US\$131.25/bbl, US\$124.23/bbl respectively, for the current price review. The movements represent a decline of 13.15%, 10.42%, 8.23%, respectively, in prices of petrol, diesel and Kerosene.

The reduction in pump prices is due to trends in the global petroleum prices and the exchange rate of the United States dollar to the Zambian Kwacha in the month of August. Petroleum prices continued to decline following the slowed economic activity globally due to speculations of a pending recession. The international oil market outlook remains mixed and difficult to predict as countries take various responsive measures to the geopolitical tension caused by the Russia and Ukraine war.

Further, during the review period, the Zambian kwacha also continued to appreciate. The continued appreciation of the kwacha month-on-month is attributed to increased supply of foreign exchange on the market including positive market sentiments arising from stronger prospects of an IMF deal on debt restructuring.

Notably, during the review period, crude oil prices fell by between 10 and 15%. Similarly, finished petroleum products prices on the international market declined gradually.

Since the last price review in July, the kwacha appreciated, month-on-month by 2%, from an average of K16.45/US\$ to K16.12/US\$. Meanwhile, during the same period, international prices of petrol, diesel and kerosene all declined by an average of 13%, 10% and 8%, respectively.

In line with the ERB pricing current pricing mechanism, the combined effect of the two key factors (exchange rate and international oil prices) has been favourable enough to warrant a price reduction.

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Based on the foregoing, the following are the determined changes in the national uniform pump prices for September 2022:

Retail Pump Prices for September 2022

PRODUCT	NATIONAL UNIFORM PUMP PRICES K/Litre			
	CURRENT	NEW	ABSOLUTE VARIANCE	% CHANGE
PETROL	23.19	21.54	(1.65)	(7.12)
LOW SULPHUR DIESEL	24.87	23.12	(1.75)	(7.04)
KEROSENE	18.43	16.71	(1.72)	(9.33)

These price changes take effect midnight of Wednesday, 31st August 2022.

By Order of the Board

James Banda
Vice - Board Chairperson