



Press Statement

For Immediate Release

Petroleum Pump Prices Revised

Friday, 30th September 2022

The Energy Regulation Board (ERB) has adjusted the pump prices of petroleum products upwards by K1.20/litre for petrol and K3.04/litre for diesel, and also adjusted downwards the pump price of kerosene by K0.65/litre.

Further, the ERB has commenced the full regulation of the retail price of Jet A-1 at airports and shall going forward determine applicable prices on a monthly basis. Therefore, the regulated Jet A-1 price, which is called the Posted Airfield Price (PAP), has been set at K20.69/litre for the month of October 2022. The regulation of Jet A-1 prices has been necessitated by the need to attain regional competitiveness.

At the last review which yielded the September 2022 fuel prices, the average prices of petrol, diesel and kerosene were US\$106.87/bbl, US\$131.25/bbl and US\$124.23/bbl, respectively, compared to US\$95.01/bbl, US\$129.23/bbl and US\$122.14/bbl, respectively, for the current price review. The movements represent declines of 11.10%, 1.54% and 1.68%, respectively, in prices of petrol, diesel and kerosene.

The changes in pump prices and the posted airfield price are due to trends in the global petroleum prices and the exchange rate of the United States Dollar to the Zambian Kwacha in the period between the last and the current price review.

Specifically, international oil prices continued to decline due to the global slowdown on consumption. This is amid concerns of inflationary pressures worldwide, anticipated slowdown of global economic growth and continued fears of a global recession.

Further, during the review period, the Zambian Kwacha continued to appreciate mainly due to increased supply of foreign exchange on the market on the backdrop of the continued positive market sentiments following the conclusion of the International Monetary Fund (IMF) package in August 2022. Since the last price review in August, the Kwacha appreciated, month-on-month by 3.23%, from an average of K16.12/US\$ to K15.60/US\$.

In September 2022, Government issued Statutory Instruments (SI), No. 59 on Value Added Tax (VAT) and No.44 of 2022 on Customs and Excise Duty, in order to restore taxes on petroleum products which were revised in January 2021. The taxes which have been restored are excise duty and VAT.

Consequent to the SIs, the Government has restored excise duty from K0.64/litre to K2.07/litre while VAT has been restored from 0% to 16% on petrol. On diesel, the Government has restored excise duty from K0/litre to K0.66/litre while VAT has been restored from 0% to 16%. Like before, no taxes have been levied on kerosene and Jet A-1.

In line with the ERB pricing mechanism, the combined effect of the changes in the three factors (exchange rate, international oil prices and taxes) has resulted in the following determined changes in the national uniform pump prices for October 2022:

Retail Pump Prices and Posted Airfield Price for October 2022

PRODUCT	NATIONAL UNIFORM PUMP PRICES AND POSTED AIRFIELD PRICES			% CHANGE
	CURRENT	NEW	ABSOLUTE VARIANCE	
	K/Litre	K/Litre	K/Litre	
PETROL	21.54	22.74	1.20	5.57
LOW SULPHUR DIESEL	23.12	26.16	3.04	13.15
KEROSENE	16.71	16.06	(0.65)	(3.89)
JET A-1	26.50	20.69	(5.81)	(21.92)

These price changes take effect midnight of Friday, 30th September 2022.

By Order of the Board

Reynolds C. Bowa

Board Chairperson

