

Petroleum Pump Prices Revised

Monday, 31st October 2022

The Energy Regulation Board (ERB) has adjusted the pump prices of petroleum products upwards by K1.57/litre for petrol, K1.22/litre for diesel and by K3.17/litre for kerosene. Further, the ERB has also adjusted the retail price of jet A-1 at Kenneth Kaunda International Airport (KKIA) and Simon Mwansa Kapwepwe (SMKIA) called the Posted Airfield Price (PAP) by K1.09/litre, while the PAP at the various airports will vary according to the distances from Lusaka and Ndola.

At the last review which yielded the October 2022 fuel prices, the average prices of petrol, diesel and kerosene/jet A-1 on the international market (Arabian Gulf) were US\$95.01/bbl, US\$129.23/bbl and US\$122.14/bbl respectively, compared to US\$89.32/bbl, US\$128.80/bbl, US\$116.61/bbl respectively, for the current price review. The movements represent marginal declines of 5.99%, 0.33%, 4.53% respectively, in prices of petrol, diesel and kerosene/jet A-1 month-on-month.

Meanwhile, world supply is expected to fall as a result of pending European Union ban on Russian crude and oil products and the output cut from the OPEC+ countries, of 2 million barrels per day. The expected tightening of world oil supply against uncertain demand due to the expected global recession and the decrease in the inventory levels in the United States of America are expected to sustain relatively higher international oil prices in the short to medium term. Consequent to this situation, suppliers worldwide have put a premium on the price of petroleum products.

On the local front, the gradual depreciation of the Kwacha against the United States dollar is expected to hold in the medium to short term in view of the expected global recession and the increase in the interest rates especially in western countries. This situation is inducing subdued supply in foreign exchange while demand remains strong.

Further, during the period under review, the Zambian Kwacha depreciated, month-on-month by 2.12%, from K15.60/US\$ in September to K15.93/US\$ in October 2022. The month-on-month depreciation of the Kwacha was attributed to subdued supply of foreign exchange due to an anticipated global recession against strong demand.

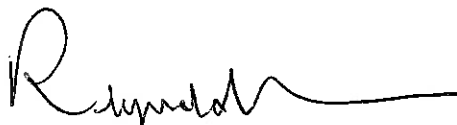
In line with the ERB pricing mechanism, the combined effect of the changes in the two factors (exchange rate and international oil prices) has resulted in the following determined changes in the national uniform pump prices for November 2022:

Retail Pump Prices and Posted Airfield Price for November 2022

PRODUCT	NATIONAL UNIFORM PUMP PRICES AND POSTED AIRFIELD PRICES			% CHANGE
	CURRENT	NEW	ABSOLUTE VARIANCE	
	K/Litre	K/Litre	K/Litre	
PETROL	22.74	24.31	1.57	6.90
LOW SULPHUR DIESEL	26.16	27.38	1.22	4.66
KEROSENE	16.06	19.23	3.17	19.74
JET A-1	20.69	21.78	1.09	5.27

These price changes take effect midnight of Monday, 31st October 2022.

By Order of the Board



Reynolds C. Bowa

Board Chairperson