



Press Statement

For Immediate Release

Review of Petroleum Pump Prices for April 2025

TAZAMA Open Access

The Energy Regulation Board (ERB) wishes to put into perspective the impact that the implementation of TAZAMA Open Access (Open Access) will have on the price of diesel. Open Access refers to the policy framework that allows multiple players in the petroleum industry to utilize the TAZAMA pipeline for the transportation of diesel. It is a key reform in the petroleum sector that will impact future pricing and security of supply of diesel in Zambia. This move is aimed at fostering competition, improving efficiency and reducing the reliance on road transportation for diesel imports.

Under Open Access, TAZAMA issues out an open tender for suppliers to bid competitively on the premiums, for the delivery of diesel through the pipeline, monthly. Petroleum product premiums refer to the additional costs added to the base or benchmark price of a petroleum product. The suppliers that apply under the open tender are assessed on two elements, that is technical requirements and financial requirements. The technical requirements assess the experience of the supplier to handle the level of business as well as ability to deliver diesel aligned to Zambian standards. On the financial assessment, suppliers are considered based on who will deliver the cheapest diesel to pass on benefits to the consumer at the filling stations across the country.

The implementation of TAZAMA Open Access is expected to bring several advantages, including:

- i. **Enhanced Security of Supply:** The open access system strengthens the reliability of diesel supply by enabling continuous importation and transportation through the pipeline and thereby reducing dependency on road logistics that are prone to disruptions.
- ii. **Reduced Transport Costs:** Diesel will be transported via both pipeline and road, unlike other petroleum products that are transported solely by road. This will lead to a lower transportation cost component in the diesel pricing structure.

Although Open Access is expected to positively influence pricing by reducing transportation costs and encouraging competition among suppliers, it does not singularly determine the price of diesel. Diesel and indeed other petroleum product prices in Zambia are determined by various cost elements, including but not limited to:

- i. **International Crude and Product Prices:** These are driven by global market conditions and directly impact on the wholesale and retail (pump prices) cost of petroleum products.
- ii. **Product Premiums (Open Access or BPS premium):** These are charges imposed by international suppliers based on market conditions and supply agreements.
- iii. **Exchange Rate Movements:** The value of the Kwacha against the US Dollar plays a critical role in determining fuel prices as all petroleum products are imported.
- iv. **Government Levies and Taxes:** These are statutory charges that contribute to the final retail price of fuel.
- v. **Transportation and Logistics Costs:** The cost of transporting petroleum products from international suppliers to Zambia varies as different transportation modes are taken either through road, pipeline or both. The cost of the chosen mode of transportation will have an impact on the final price of petroleum products.

As Open Access takes full effect on 1st April 2025, premiums on diesel may change on a monthly basis subject to the competitive bidding process. For the review period of April 2025, a premium of US\$84.00/MT was the most competitive from the Open Access tender process.

April 2025 Fuel Price Review

Since the last fuel price review on 28th February 2025, the international price of petrol declined by 7.26%, from US\$82.36/bbl to US\$76.38/bbl, whereas diesel declined by 6.85%, from US\$89.58/bbl to US\$83.44/bbl. Additionally, the price of kerosene on the international market reduced by 8.11%, from US\$89.81/bbl to US\$82.53/bbl. During March 2025, the exchange rate of the Kwacha to the United States Dollar depreciated by 0.98%, from K28.78/US\$ to K29.07/US\$.

Based on the foregoing, the domestic pump price of diesel for the month of April 2025 will be adjusted downwards from K32.54/litre to K30.23/litre.

Meanwhile, the prices of petrol, kerosene and jet A-1 for the month of April 2025, have been maintained as the wholesale price changes for these products were less than the trigger band threshold of 2.50%. The pump prices of petrol, kerosene and jet A-1 will remain at K34.98/litre, K29.56/litre and K32.51/litre, respectively, for the month of April 2025.

In summary, the pump prices for April 2025 are determined as follows:

| PRODUCT | NATIONAL UNIFORM PUMP PRICES | | | PERCENTAGE CHANGE |
|------------|------------------------------|---------|-------------------|-------------------|
| | CURRENT | NEW | ABSOLUTE VARIANCE | |
| | K/LITRE | K/LITRE | K/LITRE | |
| PETROL | 34.98 | 34.98 | - | - |
| DIESEL/LSG | 32.54 | 30.23 | (2.31) | (7.10) |
| KEROSENE | 29.56 | 29.56 | - | - |
| JET A-1 | 32.51 | 32.51 | - | - |

The Posted Airfield Prices (PAP) at International Airports have also been maintained as follows:

| AIRPORT | KKIA (LUSAKA) | MFUWE | HMKIA (LIVINGSTONE) | SMKIA (NDOLA) |
|---------|---------------|---------|---------------------|---------------|
| | K/LITRE | K/LITRE | K/LITRE | K/LITRE |
| PAP | 32.51 | 35.75 | 33.32 | 32.51 |
| | | | | |

These prices come into effect at midnight on 31st March 2025 and shall remain in effect until revised by the ERB.

The wholesale and pump price build-ups for April 2025 are available on the ERB website at www.erb.org.zm

Issued on Monday 31st March 2025

BY ORDER OF THE BOARD



JAMES BANDA

BOARD CHAIRPERSON