



Press Statement

Petroleum Product Prices unchanged

14th November 2008

The Energy Regulation Board (ERB) wishes to inform the public that there is no adjustment in prices of petroleum products, despite reductions on the international market, because the cargo being refined was purchased in September 2008 at a cost of US\$104.35 per barrel. It should be noted that the Cost plus pricing methodology sets prices on a cargo by cargo basis.

The global economic slowdown has triggered fears of a recession resulting in reduced demand for petroleum products from developed countries. Global prices dropped to a low of US\$69.85/bl on 17th October 2008. Zambia is therefore, unable to benefit from the current global price reductions on the current feedstock as it was purchased in September 2008.

The current petroleum feedstock cargo docked at the port of Dar-es-salaam on 1st October 2008, however refining of the product only commenced on 22nd October 2008 when Indeni Petroleum Refinery resumed operations. The Refinery had shut down for routine maintenance from 19th September 2008.

Further, the kwacha depreciated from an average inter-bank rate of K3,549/US\$ in September 2008 to K4,045/US\$ in October 2008 representing a depreciation of 13.98%.

In view of the afore mentioned and using the Cost Plus Model, the ERB has determined that there will be no price change on the current stocks. As such indicative pump prices countrywide remain unchanged as follows:

TOWN	PETROL BENCHMARK PUMP PRICES	DIESEL BENCHMARK PUMP PRICES	KEROSENE BENCHMARK PUMP PRICES
Kasama	8,402	7,976	5,613
Livingstone	8,089	7,662	5,343
Chipata	8,262	7,836	5,493
Solwezi	7,910	7,483	5,189
Ndola	7,594	7,167	4,917
Lusaka	7,691	7,264	5,000
Kabwe	7,665	7,238	4,978
Mansa	8,282	7,856	5,510
Mongu	8,356	7,930	5,574

The next price review is expected in December 2008 after commencing the processing of the next cargo.

LUKONDE T. MFULA
A/EXECUTIVE DIRECTOR
ENERGY REGULATION BOARD

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