



Press Statement

ERB REFUTES CLAIMS RELATING TO PETROLEUM PRODUCTS SHORTAGE AT BP SERVICE STATIONS

10th February, 2009

The Energy Regulation Board has refuted media claims that the petrol shortage being experienced in the country at BP service stations is as a consequence of the decision by the ERB to ground the entire BP Zambia plc tanker fleet, of about 14 trucks, for operating illegally. Clearly, as a regulator the ERB has to enforce the law and cannot allow the perpetration of an illegality simply because of BP's dominance in the petroleum industry. It must be stated that there are no sacred lambs in the petroleum industry. The ERB is mandated under the law to ensure that tankers engaged in the transportation of petroleum products meet the necessary technical, safety and legal requirements. Safety, health and environmental issues are vital to the operation of any undertaking in the energy sector. This can only be achieved by the licensing regime that is spelt out in the Energy Regulation Act, CAP 436 of the laws of Zambia. BP is at liberty (as it has done for its mining customers) to hire other licensed trucks (that are over 350 in number) to transport petroleum products to its various service stations in the country.

The suspension will remain in place until BP is issued with a licence to Transport Petroleum Products. Following the suspension, ERB has since received an application for the Transportation of Petroleum Products from BP Zambia plc. The processing of that application is currently on hold pending BP's submission of all relevant information.

Based on information received by the ERB from the Ndola Fuel Terminal (NFT), the NFT has sufficient stocks of petrol. Currently the petrol stocks at the NFT stand at an average of at least 12 million litres. Further, the petrol shortage experienced at BP service stations could be attributed to TAZAMA's decision to suspend BP from uplifting petroleum products from the Ndola Fuel Terminal on 28 January 2009 for the latter's failure to pay a substantial outstanding balance. The suspension remained in force until the 4th February 2009, when the outstanding amount is said to have been paid. Since then, BP has been uplifting petroleum products from the Ndola Fuel Terminal.

Dr. Mushiba Nyamazana
Acting Executive Director
Energy Regulation Board