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Press Statement

ERB Position on Fuel Prices

14th November 2014

With reference to press queries on fuel prices following oil price reductions on the international market, the Energy Regulation Board's (ERB) position is as follows:

The price of Oman and Murban Crude on the international market has reduced to US\$86.91 and US\$87.95 from US\$108.16 and US\$ 110.61 per barrel respectively. This translates into a change of 19.65% for Oman and 20.49% for Murban for the period June to October 2014.

The ERB determines the price of petroleum products using the Cost Plus Model on a cargo-by-cargo basis. As such, the ERB would like to advise stakeholders that the analysis of the latest cargo is underway.

The ERB takes cognizance that stakeholders are anxious in the face of price changes on the international market. However, once the analysis has been completed the findings will be escalated to the ERB Board who will make a decision on the pump price.

The public will be duly informed of the ERB Board's decision.


Langiwe H. Lungu (Ms)
EXECUTIVE DIRECTOR

*** NOTES TO THE EDITOR:**

Key factors which impact the price of petroleum products are the price of crude oil on the international market, as well as the kwacha exchange rate against major currencies.

A change in the pump price is only triggered when the price exceeds the threshold of 2.5% of the cost of a cargo.

Zambia uses Oman and Murban crude oil rather than Brent as has been commonly reported by the media.