

# Press Statement

## Fuel smuggling risks petroleum product quality

Thursday 7<sup>th</sup> December, 2017

The Energy Regulation Board (ERB) is concerned at the rise in reported incidents of fuel being smuggled into the country. Therefore, ERB is on high alert to ensure that smuggled fuel is not offloaded onto the Zambian Market.

Following recent media reports of smuggling of fuel, the ERB has as a matter of urgency instituted investigations to ascertain possible breaches of licence conditions by the affected parties, as well as assure strict adherence to quality specifications.

In addition, the ERB intends to roll out the Fuel Marking programme in the first quarter of 2018. Fuel marking is an intervention that will help tackle challenges regarding fuel marketing and trade by focusing on the following:

- i) Minimise dumping/smuggling of tax exempt and/or transit petroleum products onto the domestic market. Dumping/smuggling entails tax evasion thus defrauding Government of due taxes on petroleum products;
- ii) Control adulteration of petrol or diesel which compromises fuel quality which ultimately damages vehicle engines, leading to increased maintenance costs, adverse environmental and health impacts; and
- iii) Promote a level playing field in the petroleum downstream operations by eliminating unfair trading practices.

It must be emphasised that smuggling fuel into the country not only deprives Government of the much needed revenue but also puts at risk the quality of fuel on the market.

This is because the quality of smuggled fuel cannot be guaranteed as it is not subjected to checks to verify compliance to set standards.

Unlike smuggled fuel, legally imported fuel is checked for conformity by way of a Certificate of Quality submitted to ZABS at the point of entry. In addition, the importer is required to sample the fuel for conformity to the Zambian standards prior to off-loading and distributing on the Zambian market. This is necessary to guard against compromised product quality.

However, smuggling fuel seeks to circumvent all these regulatory procedures for the main purpose of making maximum profits.

Interested parties and the public at large will be informed of the ERB findings on this matter and are further encouraged to contact the ERB through the Toll Free line 8484 if they wish to report suspicious activities.



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**Acting Director Consumer and Public Affairs**

### **Note to the Editor:**

The Zambian Standards (ZS) that govern the quality of petroleum products sold in Zambia are as follows:

- ZS 395: Specifications for Unleaded Petrol (Gasoline)
- ZS 369: Specification for Automotive Gas Oil (Diesel Fuel)
- ZS 718: Specification for Low Sulphur Gas Oil
- ZS 394: Specification for Aviation Turbine Fuel (Jet A1)
- ZS 384: Specification for Illuminating Kerosene