



Press Statement

Adjustment of Fuel Prices

12th February 2018

The Energy Regulation Board (ERB) has revised upwards fuel pump prices following changes in the two main variables that influence the price of the commodity at any one given time.

The two main reasons leading to the price changes are the increase in international oil prices and the depreciation of the Kwacha against major trading currencies such as the United States Dollar.

Specifically, from the last price adjustment on 17th October 2017, Murban crude oil prices per barrel **increased** by 9.04% from US\$58.10/bbl to US\$63.35/bbl in November 2017; reaching US\$64.85/bbl by December 2017.

Further, since the last price adjustment in October 2017, the Kwacha has **depreciated** against the United States Dollar by about 2.15% from an average rate of K9.76/US\$ down to the December 2017/ January 2018 level of between K9.97/US\$ and K10.03/US\$.

Of the two fundamentals, the international oil price has been the most volatile and is the key driver for this price adjustment. Notably, prices have remained stable since October 2017. Therefore, it has been five months since the ERB last adjusted the pump prices.

It should be noted that in order to ensure cost recovery following the removal of subsidies on fuel prices, and the policy of periodic reviews of fuel prices, the Board has determined that prices be revised as follows:

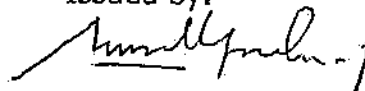
Revised Retail Pump Prices at an exchange rate of K10.00/US\$

PRODUCT	NATIONAL UNIFORM PUMP PRICES K/Litre			% CHANGE
	CURRENT	NEW	ABSOLUTE VARIANCE	
PETROL	12.97	13.75	0.78	6.01
DIESEL	11.09	12.01	0.92	8.30
KEROSENE	7.82	8.85	1.03	13.17
LSG	13.38	14.30	0.92	6.88

It should be noted that this adjustment in prices is based on the current cargo of finished petroleum products and petroleum feedstock. The price adjustment of less than K1.00 per litre for all the petroleum products except Kerosene is inevitable in order to maintain the security of supply. The ERB will endeavour to work jointly with other stakeholders to explore avenues for maintaining price stability and possibly lower prices whilst maintaining price recovery.

The changes in prices are effective today 12th February 2018 at midnight.

Issued by:



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BOARD CHAIRMAN