

**PRESS STATEMENT BY MRS F. MWANGALA ZALOUMIS,
CHAIRPERSON, ENERGY REGULATION BOARD, ON THE
APPRECIATION OF THE KWACHA VIS-À-VIS FUEL PRICES
8TH DECEMBER 2005**

Arising from the appreciation of the Kwacha and the concerns of the public on the impact of the strengthening of the Kwacha on current fuel prices, the Energy Regulation Board (ERB) wishes to inform the public that fuel prices are reviewed every second Wednesday of the month. The review is based on information from trends on the international oil market and the average exchange rate for the previous month. When determining monthly wholesale petroleum prices, the ERB takes into account parameters such as the world oil market prices and the obtaining exchange rate.

In view of the recent appreciation of the Kwacha, the ERB wishes to advise that fuel prices for December 2005 will be based on the November 2005 prices. Therefore, prices for this month to be announced next Wednesday, 14 December 2005, will be based on the November 2005 average world oil market prices and November 2005 average exchange rate as advised by the Bank of Zambia. The impact of the December 2005 trends, that is, world oil market prices and the exchange rate, will have an effect on the January 2006 prices and not the December 2005 prices.

I wish, therefore, to reiterate that fuel price adjustments are made on the second Wednesday of each month taking into account the international oil prices and exchange rate movements for the previous month. New fuel prices will be announced on 14 December 2005 based on November 2005 information.

I thank you.