

## **MINISTERIAL STATEMENT**

**ON**

### **NON-PARTICIPATION OF ZAMBIANS IN FUEL TRANSPORTATION IN THE COUNTRY**

**BY THE**

**HON. MINISTER OF ENERGY (MR KAPALA), MP**

Madam Speaker, a point of order was raised by Hon. Menyani Zulu, hon. Member of Parliament for Nyimba Parliamentary Constituency, on the non-participation of Zambians in the transportation of fuel in the country.

Madam Speaker, the Ministry of Energy is mandated to manage and develop the petroleum industry in order to ensure security of supply of petroleum products in the country. In its quest to ensure a robust petroleum sector, the Government on 4<sup>th</sup> May, 2021, promulgated Statutory Instrument (SI) No. 35 of 2021, which stipulates that:

“A person who intends to import a commodity (in this case petroleum products) into Zambia shall ensure that at least 50 per cent of the product is transported by a local transporter.”

Madam Speaker, the promulgation of SI No. 35 was made upon realisation that transportation of imported finished petroleum products and other commodities was dominated by foreign owned companies which implied that jobs and wealth were being exported to other countries. The objective of SI No. 35 of 2021 is to grow capacity and create jobs for Zambians.

Madam Speaker, my ministry, in conjunction with the Zambia Revenue Authority (ZRA), has put in place a monitoring mechanism that indicates whether a fuel tanker crossing the Zambian border is Zambian registered or not.

Madam Speaker, in order to ensure security of supply of petroleum products, my ministry has contracted seven suppliers of finished petroleum products to supply and deliver petrol and diesel. These are:

- (a) BB Energy;
- (b) Dalbit International Limited;
- (c) Delta Energy Zambia;
- (d) ER Industries;
- (e) Othniel Brooks;
- (f) Sahara Energy Resources DMCC; and
- (g) HASS Petroleum.

Further, a waiver on customs duty has been given to seventy Oil Marketing Companies (OMCs) through the issuance of SI No. 43 of 2021, to facilitate the importation of 678,600 m<sup>3</sup> of diesel, 304,000 m<sup>3</sup> of petrol, 5,000 m<sup>3</sup> of kerosene and 5,000 kg of Liquefied Petroleum Gas (LPG). This was done to supplement the imports from government contracted suppliers. The SI No. 43 of 2021 is valid up to 31<sup>st</sup> December, 2021, which is end of next month.

Madam Speaker, for the period June to August, 2021, a total of 4,184 road tankers were used to import petrol and diesel of which 1,692 were Zambian road tankers, representing an overall compliance of 40 per cent. According to SI No. 35 regarding citizen economic empowerment in the transportation of heavy and bulk commodities by road, import waiver conditions as well as conditions of contract for government contracted suppliers, shall ensure that at least 50 per cent of the commodity is transported by local road transporters.