

MINISTERIAL STATEMENT

ON THE

THE PETROLEUM SITUATION IN THE COUNTRY

BY THE

THE MINISTER OF ENERGY (MR NKHUWA), MP

Mr Speaker, I wish to thank you for this opportunity you have given me to issue a ministerial statement on the situation of the petroleum products in the country.

Sir, as you may be aware, Zambia stock of petroleum products is met through import. These compromise of petroleum feedstock and finished products. The imported feedstock is in form of spiked crude oil or commingled, which is pumped through the 1,700 km Tazama Pipe Line and refined at the Government owned, Indeni Petroleum Refinery Company in Ndola. Indeni Refinery Accounts for 40 per cent of the national petroleum requirements and the finished petroleum products transported by road meet 60 per cent of our petroleum requirements.

Mr, the currency in which importation transactions are conducted is the United States Dollar (USA\$), which implies that the changes in the international oil prices and the depreciation of the Zambian Kwacha against the United States of America Dollar is bound to affect the cost of the petroleum products in the country. Further, the changes in these economic fundamentals also affect the operations of institutions in the Zambian fuel supply chain.

Mr Speaker, since the last upward price adjustment on 26th December, 2019, the Kwacha has depreciated by 53.1 per cent from K14 to US\$1 in December, 2019 to K21.43 to a dollar in January, 2021. Additionally, the price main crude products have been fluctuating. It is suffices to