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FREQUENTLY ASKED QUESTIONS ON : PETROLEUM PRODUCTS PRICE ADJUSTMENTS

1. Should we expect the fuel prices to continue dropping in the near future and why are they not adjusted frequently like in other countries such as South Africa.
 - a. Price movements are affected by a number of factors and we have our own price cushioning mechanism being the National Petroleum Fund. Botswana decided not to have frequent adjustments because fuel prices influence other services and product costs, however, the adjustment intervals are being reviewed.
2. Is the price adjustment reflective of what is prevailing in the international market?
 - a. Partly yes, however it must be noted that as a country we have our own pricing regime and its management is based on government policy e.g. there are certain levies that are collected for various purposes, therefore one does not expect this pricing to be the exact mirror of what is prevailing in the international markets.
3. How will this price adjustment affect the National Petroleum Fund?
 - a. The NPF collects a levy of 13.5thebe per litre irrespective of the current pump price. In fact, all levies are not affected by the price adjustments.
4. Will the price continue to be cushioned in the near future?
 - a. It cannot be ruled out, however price management is based on prevailing conditions from time to time. NPF will cushion the consumers from short term price fluctuations, when it becomes unsustainable to do so, price adjustments will be effected.

5. What informed these petroleum products price adjustments?

- a. This adjustment is informed by prevailing international prices which have dropped due to the volatility of oil prices and a decrease in demand following restricted travel as a result of COVID 19. However, it is important to note that the adjustment takes into account our own reality and prevailing policies as a country.**

6. After His Excellency The President announced the adjustments why did the Regulator take long to implement the price adjustments?

- a. The Authority regulates prices according to the BERA Act. When HE the President announced that there would be fuel price adjustments, he was doing so based on a brief/request from BERA via the Minister. However, there is an approval process that BERA has to follow including getting the necessary legal instruments, this is why it took some time for the new prices to become effective.**

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