

PRESS RELEASE

FUEL PRICES ADJUSTMENT

Botswana Energy Regulatory Authority informs the general public that the retail pump prices for petrol, diesel and paraffin will be adjusted as follows:

1. Retail pump price of unleaded petrol 93 will decrease by 175 thebe per litre;
2. Retail pump price of unleaded petrol 95 will decrease by 183 thebe per litre;
3. Retail pump price of diesel 50ppm will decrease by 15 thebe per litre.
4. Retail pump price of illuminating paraffin will decrease by 70 thebe per litre

The above changes take effect from 00:01hrs on Thursday, 27th October 2022.

The decrease is necessitated by the fall in oil prices which is mainly driven by three demand related factors which include; the rise in the US Dollar, hike in interest rates and fears of a global recession. Firstly, a stronger US Dollar tends to curtail the demand for oil as buyers or holders of other currencies must spend more to buy oil. During the month of September 2022, the US dollar was reported to have climbed to its highest level in twenty (20) years thus limiting the purchasing ability of non-dollar consumers. In addition, central banks around the world have been increasing interest rates to curb the surging inflation, which has led to fears that this could trigger economic slowdown. Finally, synchronous interest rate hikes imposed by the world's most powerful central banks in recent months have triggered mounting concerns of a global recession.

On the other hand, diesel price continued to fall by a smaller margin mainly due to a tighter diesel market as power generators and industrial users have now diverted to using diesel as an alternative to natural gas. This has increased the demand for diesel hence the slight decline in its price.



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