

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 100 thebe per litre;
2. Retail pump price of unleaded petrol 95 will decrease by 100 thebe per litre;
3. Retail pump price of diesel 50ppm will decrease by 23 thebe per litre.
4. Retail pump price of illuminating paraffin will decrease by 8 thebe per litre

The above changes take effect from 00:01hrs on Sunday, 11th September 2022.

The decrease is necessitated by the fall in oil prices in the past two months, whereby Brent crude oil prices averaged \$97.74 per barrel in August 2022 compared to an average of US\$105.12 a barrel in July 2022. The fall in oil prices was mostly influenced by fears of a possible global recession, which could weaken the global demand for oil. This comes mostly on the backdrop of data showing economic slowdown in China, which is the world's largest importer of oil. In addition, monetary policy actions such as interest rate hikes by central banks around the world to curb inflation and ease the demand for fuel also played a major role in the fall in prices. Furthermore, the rise of the US Dollar against major trading currencies during the month affected the demand for oil in the sense that a stronger US dollar makes oil more expensive to holders of other currencies as oil is US Dollar denominated.

Consequently, the fall in the international oil prices led to a situation where local pump prices became higher than the actual cost of individual products hence the current reduction.



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