

Petroleum (Petroleum Products Pricing) Regulations, 2023

IT is hereby notified that the Minister of Energy and Power Development after consultation with the Authority has, in terms of section 57 of the Petroleum Act [Chapter 13:22, made the following regulations:—

Title

1. These regulations may be cited as the Petroleum (Petroleum Products Pricing) Regulations, 2023.

Interpretation

2. In these regulations—

“Authority” means the Zimbabwe Energy Regulatory Authority established in terms of section 3 of the Energy Regulatory Authority Act [Chapter 13:23];

“FOB” means the lower free on board fuel prices based on Platts Mediterranean or Arab Gulf markets plus premium ex-Beira and shall be the average price obtaining in the month preceding the implementation month as referred to in the First Schedule;

“implementation month” means the month in which the average FOB price shall be implemented by all licensees as shown in the First Schedule;

“landed cost” means the price of the petroleum product in Zimbabwe including freight charges;

“main depots” means the main fuel storage facilities in Zimbabwe, including Harare and Mutare depots;

“oil company” means a wholesale or procurement licensee;

“petrol” means unleaded petrol or blended petrol including any substitute thereof derived from a non fossil fuel source;

“petroleum products” means petroleum products as defined in the Petroleum Act [Chapter 13:22];

“premium” means the total cost of the shipment of fuel products to the port of destination including freight, maritime insurance, financing costs, docking fees, ocean losses, and demurrage;

“retail outlet” means a place or premises in Zimbabwe where a retail licensee sells one or more petroleum products which are dispensed through vending equipment for sale to the public;

“retail price” means the price of a petroleum product to the final consumer which may include any levies.

Application

3. These regulations shall apply to petroleum products prices in relation to wholesaling and retailing.

Petroleum products pricing

4. (1) The Authority shall, prescribe and by notification in the *Gazette* or national newspaper or the Authority’s website, notify all operators of the maximum wholesale and retailing petroleum products prices applicable during the implementation month.

(2) Subject to subsection (1), the Authority shall issue the notification within 5 days into implementation month.

(3) The maximum wholesale prices and the maximum retail prices shall be determined by the Authority in accordance with the formula set out in the Second Schedule.

(4) The prices determined in terms of Second Schedule shall be the maximum wholesale and retail prices of petroleum products at which a licensee shall sell their petroleum products.

(5) The price of petroleum products upon which a person shall sell their products shall—

- (a) in the case of a procurement licensee, not exceed procurement licensee purchase price plus margin per litre as determined by the Authority from time to time;
- (b) in the case of a retailing licensee, be the procurement licensee’s selling price per litre plus margin per litre as determined by the Authority from time to time.

(6) Every retailing licensee shall display in a prominent place at the retail outlet at which they operate and in clearly legible letters and figures the current prescribed prices at which he or she sells petroleum products and the price should correspond with the one appearing on the dispensing unit.

(7) Any person who—

- (a) is found selling petroleum products above the prescribed wholesale price or retailing price as prescribed by the Authority; or
- (b) fails to display the prescribed prices of petroleum products in a prominent place and on the dispensing unit at their retail outlet;

shall be guilty of an offence and liable to a fine not exceeding level 9 or to imprisonment for a period not exceeding five years or to both such fine and such imprisonment.

(8) Where a person is found guilty in terms of this subsection, the petroleum products may be forfeited to the State.

(9) Where a person is found retailing petroleum products above the prescribed price, the Authority shall immediately close down the premises to avoid further retailing of petroleum products pending prosecution in terms of subsection 7 above.

Petroleum products pricing structure

5. The Authority shall calculate the price of each petroleum product in terms of the pricing model as specified in the First Schedule.

Regional petroleum products prices

6. (1) All retailing licensees who receive petroleum products outside the main depots shall be allowed to add transportation cost as advised from time to time by the Authority for distances exceeding 100 kilometres or part thereof.

(2) Any person found retailing petroleum products above the prescribed regional price as shown in the Third Schedule shall be guilty of an offence and shall be liable to pay a fine of up to level 9 or imprisonment for a period not exceeding five years or both such fine and such imprisonment.

(3) Where a person is found guilty in terms of subsection (2), the petroleum products may be forfeited to the State.

(4) Where a person is found retailing petroleum products above the prescribed price plus transportation costs, the Authority shall immediately close down the premises to avoid further retailing

of petroleum products pending prosecution in terms of subsection (2) above.

Requirement to issue receipts

7. (1) Any person retailing petroleum products shall be required to provide a receipt as proof of payment upon request, showing the price at which the petroleum product was sold, the quantity sold and total sale.

(2) Any person who refuses to issue a receipt upon request after a purchase of petroleum products shall be guilty of an offence and shall be liable to pay a fine of up to level 5 or imprisonment for a period not exceeding two years or both such fine and such imprisonment.

Withholding of petroleum products

8. (1) No person shall withhold petroleum products which ordinarily is meant for sale without good reason.

(2) Where a person is found withholding petroleum products without good reason, the Authority shall immediately close down the premises pending submission of documentation to the Authority in support of the good reason.

(3) Any person who withholds any petroleum product or does not provide supporting documentation shall be guilty of an offence and shall be liable to pay a fine of up to level 9 or imprisonment for a period not exceeding five years or both such fine and such imprisonment.

(4) Where a person is found guilty in terms of this subsection (3), the petroleum products may be forfeited to the State.

Pricing in local currency

9. (1) The pricing of diesel and petrol in local currency will be a direct conversion using the prevailing inter-bank exchange rate.

(2) The prices in local currency will be adjusted every Monday using the closing inter-bank exchange rate of the previous week for implementation on the following Tuesday.

Repeal

10. The following regulations shall be repealed—

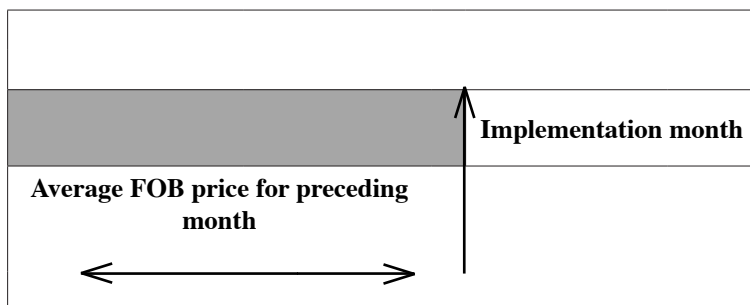
Petroleum (Petroleum Products Pricing) Regulations, 2019, published in Statutory Instrument 270 of 2019;

Petroleum (Petroleum Products Pricing) (Amendment) Regulations 2022, (No. 2), published in Statutory Instrument 104 of 2022.

FIRST SCHEDULE (*Section 2*)

PETROLEUM PRICING STRUCTURE

FOB shall be the average price obtaining in the preceding month.



SECOND SCHEDULE (*Section 5*)

PETROLEUM PRICING MODEL

		Diesel Formula	Blend Formula
1	FOB Price	a	a
2	Freight (Pipeline)	b	b
3	Financing Cost	c	c
4	Total Landed Cost	(a+b+c) = D	(a+b+c) = D
5	TAXES & LEVIES		
6	Duty	E	e
7	Zinara road levy	F	f
8	Carbon tax	G	g
10	Strategic Reserve Levy	H	h

Petroleum (Petroleum Products Pricing) Regulations, 2023

11	Total taxes & levies	$(e+f+g+h) = I$	$(e+f+g+h) = I$
12	ADMINISTRATIVE COSTS		
13	Storage and Handling	J	J
14	Clearing Agency fee	K	k
15	Total administrative costs	$(j+k) = L$	$(j+k) = L$
16	Total product cost landed Msasa	$D + I + L$	$D + I + L$
17	BLENDING COSTS		
18	Ethanol Cost		m
19	Blend ratio		n
20	DISTRIBUTION COSTS		
21	Inland bridging cost	m	o
22	Storage and handling costs	n	p
23	Secondary transport cost	o	q
24	Total distribution costs	$(m+n+o) = P$	$(o+p+q) = R$
25	Total Costs	$D + I + L + P = Q$	$((D+I+L) * (1 - m)) + (m * n) + R = S$
26	Oil Company margin	R	T
27	Oil Company Gross proceeds	$Q + R = S$	$S + T = U$
28	Dealer Margin	T	V
29	Final Pump Price	$S + T = U$	$U + V = W$
30	Exchange Rate	V	X
31	Final Price in ZWL	$T*V=W$	$W*X=Y$

S.I. 12 of 2023

THIRD SCHEDULE (*Section 6*)
TRANSPORTATION RATES

KM BAND	Rate (USc/litre)
101 – 200	0.0441
201 – 300	0.0617
301 – 400	0.0786
401 – 500	0.0883
501 – 600	0.0955
601 – 700	0.1053
701 – 800	0.1141
801 – 900	0.1230
Above 901	0.1318

*The transport rates are added to the final pump price

