



REF: PPN/03/07

**PUBLIC NOTICE ON IMPORT PARITY PRICES FOR SELECTED PETROLEUM PRODUCTS FOR
THE PERIOD 15th – 30TH NOVEMBER 2007**

Pursuant to EWURA Order No. 07-010 dated 8th October 2007, EWURA hereby publishes, for the second time Indicative Import Parity Prices for selected petroleum products. A brief explanation of the EWURA's rationale in developing this table can be found in the explanatory notes that follow. Accompanying the Indicative Import Parity Prices table is a list of pump prices from selected locations around the country. The publication of indicative prices is not a new experience in the country. The Bank of Tanzania for example, periodically publishes indicative currency rates, but the actual exchange rates are determined by the market.

Table 1: Indicative Import Parity Prices (15th – 30TH NOVEMBER 2007)

DESCRIPTION	Unit	Petrol	Diesel	Kerosene
Average World Market Prices-FOB	USD/MT	710.40	720.54	774.89
CIF Dar Es Salaam	USD/MT	728.07	754.35	795.30
Local costs	USD/MT	45.95	43.32	45.68
Landed cost	USD/MT	774.01	797.68	840.99
Taxes	TZS/Ltr	539.00	514.00	52.00
Margins	TZS/Ltr	87.21	85.33	83.20
Ex DSM Depot Prices	TZS/Ltr	1,290.80	1,374.66	906.70
Town delivery charge (30 km)	TZS/Ltr	7.20	7.20	7.20
EWURA Levy	TZS/Ltr	6.10	6.80	7.10
Indicative Pump Prices in Selected Regional Locations				
Arusha	TZS/Ltr	1,386.52	1,477.58	1,009.62
Dar Es Salaam	TZS/Ltr	1,298.00	1,381.86	913.90
Dodoma	TZS/Ltr	1,352.06	1,435.92	967.96
Mbeya	TZS/Ltr	1,393.72	1,477.58	1,009.62
Mwanza	TZS/Ltr	1,446.65	1,530.51	1,062.55

Table 2: Random Survey of Pump Prices in Selected Locations (TZS/Ltr) – on 15th - 30th November,2007

REGION : ARUSHA

NAME OF PETROL STN	MSP	GO	IK
T.T. TAPCO FILLING STATION	1500	1450	
MANJIS BP SERVICE STATION	1530	1520	
BP MARKET SQUARE	1530	1520	
ORYX CLOCK TOWER	1550	1530	1000
BAMPRESS STAR SERVICE STATION	1495	1440	980

REGION : DAR ES SALAAM

NAME OF PETROL STN	MSP	GO	IK
GAPCO VICTORIA	1500	1450	950
OILCOM VICTORIA	1500	1450	
BP KIMARA	1505	1445	
ORYX KIMARA	1510	1460	
GAPCO KIMARA	1485	1430	

REGION : DODOMA

NAME OF PETROL STN	MSP	GO	IK
OILCOM STAND	1470	1430	
BP NEW CAPITAL S/STN	1530	1480	1000
DODOMA GAPCO	1530	1430	1000
TOTAL MAPESA SERVICE STN	1520	1440	1000

REGION : MWANZA

NAME OF PETROL STN	MSP	GO	IK
USAGARA PETROL STATION	1520	1510	
BP NYERERE RD SERVICE STATION	1595	1550	1106
BP NYAMAGANA SERVICE STATION	1595	1550	1106
ORYX MAKONGORO	1570	1500	

REGION : MBEYA

NAME OF PETROL STN	MSP	GO	IK
ORYX IYUNGA	1520	1470	1010
TOTAL MBALIZI	1520	1470	1010
TOTAL MWANJELWA	1520	1470	1010

Prices appearing in "**bold**" compared favourably to import parity prices during the period under review.

Explanatory Notes

In its Order of 8th October 2007, EWURA identified several defects in Tanzania's downstream petroleum sector supply chain. It also observed a general lack of knowledge among the public at large regarding the various elements that go into the build up of the petroleum price and matters that cause changes in prices.

In its capacity as the economic and technical regulator for Tanzania's downstream petroleum sector, and as a first step to improve public awareness of petroleum product pricing components and ultimately competition, EWURA undertook that, commencing on 1st November 2007 and on a regular basis thereafter, it would publish import parity prices together with the results of random market surveys of pump prices. The information that these representative prices are based on was collected by EWURA from relevant authorities, including some oil companies.

Table One is called the **Table of Indicative Import Parity Prices**. In order for that table to be fully comprehensible, EWURA believes that some explanation of the terms and the modalities of data collection would be helpful.

"Indicative Import Parity Prices" The term "indicative price" does not mean the actual price incurred or charged. Rather, it represents the price that is incurred or charged by many companies involved in downstream petroleum commerce. Ideally, the indicative price should be an average of all of the prices incurred or charged by all companies providing these products. In the near future, when EWURA's downstream petroleum licensing regime goes into effect, it will be. Then, information received from each regulated petroleum provider will be public information and be comprised in EWURA's periodic publication of petroleum pricing information.

"Average World Market FOB" is an average FOB world market price quoted from Reuters.

"CIF Dar Es Salaam" includes FOB, insurance and freight to the port of destination (Dar Es Salaam).

"Local costs" includes port charges and other authorities' levies.

"Landed costs" includes all costs to the port of destination (Dar Es Salaam) plus local costs.

"Taxes" includes all taxes payable to the Government

"EWURA Levy" includes levy payable to EWURA.

"Margins" includes Oil Marketing Companies' and Dealers' operational costs, investment costs and profits. The number corresponding to "margins" is the average of two numbers. The first number is an average of the margins realized in August of 2007 by those oil marketing companies that submitted data to EWURA. The second number is the margin set by the Government of Tanzania in 1999 (discounted to present value). EWURA selected that number for two reasons. First, because 1999 was the last time that the government "set" the margins that oil marketing companies were lawfully permitted to realize. Second, because it is the last reported "fair" margin that was "agreed" by all marketing companies, and is therefore useful when making comparisons.

"Ex DSM Depot prices" includes CIF, local costs, taxes and levies.

"Town delivery charge (30 km)" is composed of transportation costs from depot to retail petrol stations located within a 30 km distance from the depot.

EWURA pledges to work closely with all oil marketing companies to ensure that the information that EWURA collects and publishes in these tables from time to time related to petroleum product prices, will be accurate and fair.

Table 2 indicates summary of **Survey of Pump Prices in Selected Locations**. It should be noted that because the downstream petroleum sector is fully competitive, EWURA does not set prices for Petroleum products. EWURA believes that it is in the public interest to monitor and publish current prices in selected locations, and hopes that this will assist the consuming public to make informed decisions on the matter of price when making its petroleum product purchases. Some of the price differences reflected in these tables can be attributed to cross subsidization, either by product or by region and reflect commercial intervention based on market response.

EWURA will, bimonthly, be publishing the petroleum products prices. It will also periodically be making public statements about the quality of products sold in various locations and about EWURA's continuing efforts to sample, test and penalize regulated suppliers who sell products that do not conform to the Government's legally established standards.



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