



Republic of Botswana

MINISTRY OF MINERALS AND ENERGY

FUEL SUPPLY STATUS UPDATE

BY

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Mr Speaker,

1. I wish to update this Honourable House on the status of fuel supply and national energy security in Botswana as a result of the escalating Middle East tensions.
2. Mr Speaker, average Brent crude prices surged 38.1%, from US\$69.37 per barrel in February 2026 to US\$97.23 per barrel by 26 March 2026. Since the beginning of the month, daily Brent crude oil prices moved from US\$77.74 per barrel to US\$107.81 per barrel on 26 March 2026.
3. During the same period, Brent crude reached highs of US\$119.50 per barrel on 9 March 2026, hitting levels last reached four (4) years ago. The attacks on shipping and energy facilities, along with threats to tanker traffic through the Strait of Hormuz, raised fears of severe supply disruptions. Several interventions by international energy players, which included strategic reserve releases, offered limited relief, while high freight rates and speculative trading further amplified the price spike at global scale.
4. Mr. Speaker, Mr. Speaker, reported attacks on commercial vessels and potential closures have disrupted maritime operations and forced some tankers to delay or re-route shipments away from Strait of Hormuz. At the same time, war risk insurance premiums have increased significantly, adding to shipping costs.

5. Mr Speaker, this critical situation therefore warrants that I give a statement to the public through this Honourable house on the impact of the escalation to our country's petroleum supply situation and also outline the measure put in place to address the situation the short to medium term.
6. Mr Speaker, the strategic stocks stood at 10.56 days against 10 days reported last week while the commercial stocks stood at 24.1 days against previously reported 20.8 days of the prevailing consumption equivalent.
7. The current volume of fuel stocks held by importers and wholesalers is 43.5 million litres, a slight decrease of 3.3 million litres from previously reported volumes of 46.8 million litres. The 43.5 million litres comprises of 31.5 million litres of diesel and 12 million litres of petrol. Additionally, 32.2 million litres (diesel 12.8 million litres and 19.4 litres of petrol) are in transit to Botswana. These volumes do not include product held at retail sites. Product held by Botswana Oil Limited alone stands at 33.1 million litres, comprising of 8.9 million litres of ULP 95 and 24.2 million litres of Diesel.
8. Mr Speaker, Government has a total of 62.5 million litres of strategic storage capacity for petroleum strategic stocks. The current strategic storage capacity translates to about 18.9 days of the prevailing consumption equivalent. The Francistown depot is being expanded by 60 million litres and another new strategic storage depot being constructed at Ghanzi with 30 million litres of storage capacity. Completion of these two additional storage capacities will bring the national strategic storage cover to 152.5 million litres

equivalent to 46.2 days. However, there are plans to develop the Tshele Hills strategic storage with a capacity of 187 million litres. Once completed, the three strategic storage facilities will deliver a national strategic stock cover of 102 days.

9. Mister Speaker, Government has implemented several measures to mitigate potential supply disruptions, including:

- a) Proactive supplier engagement and strengthened supply planning processes;
- b) Expedited leasing of coastal storage facilities in Mozambique and Namibia to diversify supply routes;
- c) Increasing monthly procurement volumes to build buffer stocks; and
- d) Continuous monitoring of global supply dynamics to enable early intervention.

These measures are designed to enhance resilience against external shocks, including logistical and geopolitical disruptions.

10. Mr Speaker, it is important to highlight that one of the factors contributing to the drop in commercial volumes from 46.8 million litres to 43.5 million litres is the rise in fuel prices from international traders. The current geopolitical tensions have led to an increase in international fuel prices as traders have now resorted to spot selling as opposed to contract arrangement. Spot purchases tend to be expensive because they attract additional premiums on the price. Therefore, this imposes financial burden on local importers. This situation may be exacerbated by the inability of the National Petroleum Fund to continue paying for huge under recoveries.

Hence the cost of importing on its own can turn into a security of supply issue.

11. Mr Speaker, allow me to share with this house the relationship between global supply crises and local fuel prices. My Ministry through Botswana Energy Regulatory Authority (BERA) monitors movement of international prices on a daily basis, and from the analysis done by BERA the situation looks untenable. Average international crude oil prices increased by 40.16% between February and 26 March 2026, while daily prices increased by 38.7% between 2 March and 26 March 2026.
12. Mr Speaker, it is important to note that Botswana, like the rest of the region, imports and consumes refined products. Refined products prices increased sharply between February 2026 and March 2026. Unleaded Petrol 95 (ULP 95) increased by almost 60% from US\$79.70 per barrel to US\$127.29 per barrel. Diesel increased by 91% from US\$91.18 per barrel to US\$173.93 per barrel, while illuminating Paraffin climbed from US\$90.97 per barrel to US\$191.87 per barrel, being an increase of 111%.
13. Mr Speaker, since the escalations started we have not increase pump prices as we used the National Petroleum Fund to cushion prices. Therefore, I need to state that the price cushioning instrument, which is the National Petroleum Fund is not in a position to cushion pump prices any longer.

I thank you Mister Speaker.