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Zimbabwe Fuel Shortage Crisis (2018 - 2019)

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The Zimbabwe Fuel Crisis of 2018 - 2019 is a shortage of Petrol and Diesel that started at the beginning of September 2018. At the end of October 2018, the crisis ended briefly after the government negotiated fuel supply agreements with [Sakunda](#) (part of the [Tafigura Zimbabwe](#) operations), Engen Zimbabwe and Total Zimbabwe. However, less than a month after the government intervention fuel shortages resumed, persisted through the festive season and became acute in January 2019.

On 12 January 2019, President [Emmerson Mnangagwa](#) announced fuel price increases from \$1.34 per liter to \$3.31 for Blended Petrol. Diesel increased from about \$1.20 to \$3.11 per liter.

In Zimbabwe fuel is distributed mainly through the [National Oil Infrastructure Company of Zimbabwe](#) parastatal.

Causes

- **Foreign Currency Shortage** - Zimbabwe was currently experiencing a shortage in foreign currency and was therefore not able to procure enough quantities to satisfy demand. Fuel stations were required to sell fuel in [Bond Notes](#) but these bond notes were not easily convertible to forex by the banks. Banks, therefore, had to wait for forex allocations from the government.
- **Sabotage** - There were allegations that some fuel business people and Zanu-PF factions, were deliberately causing a shortage for political objectives against the [Emmerson Mnangagwa](#) administration.
- **High Vehicle Population** - In December 2018, RBZ governor, John Mangudya blamed the spike in demand for fuel to the growing vehicle population in the country which he said had jumped 50% to 1.8 million from 2017. ^[1]

Timeline

September - October 2018

In September of 2018 to October, the shortages of fuel resulted in some long-winding queues at some fuel stations around the country with the Harare being the hardest hit due to a higher volume of vehicles. Between October and November, the RBZ released US\$17 million in two weeks to critical sectors but admitted that the figure was not enough to meet the country's foreign currency needs. The government

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took strides to curb the fuel shortages through banning the use of Jerry Cans to buy fuel, it was believed that the government's move was meant to control hoarding of fuel. [Joram Gumbo](#) said jerrycans were promoting hoarding, and he threatened to revoke licences of petrol service stations found using them.

Said Gumbo:

Those using tanks, drums and jerrycans – all those forms of containers should stop and we are sending out inspectors and the Zimbabwe Republic Police, If anybody is going to be found maybe overcharging or using drums, they will have their licences withdrawn. We are not going to allow that

November 2018

In Mid November of 2018, the fuel shortages resurfaced again as evidenced by the long and winding queues at fuel stations.

In an interview with The Herald, Energy and Power Development Minister Joram Gumbo said the unending queues for fuel are evidence that there is indeed fuel in the country. He said fuel companies are getting 4,1 million litres of diesel per day and 3,8 million litres of petrol a day.

December 2018

In December [Zimbabwe Energy Regulatory Authority](#) (Zera) acting chief executive officer Eddington Mazambani revealed to Parliament that the country had exhausted the \$60 million worth of fuel imported end of November.^[2]

The fuel shortage crisis stayed mostly the same in December 2018 with most fuel stations that got fuel having long queues of cars waiting to refuel. The situation worsened in the festive days from about mid-December onwards when fuel queues grew longer.

On 20 December 2018, [Reserve Bank of Zimbabwe](#) (RBZ) governor [John Mangudya](#) told the parliamentary portfolio committee on Energy and Power Development that Zimbabwe had enough fuel and that fuel queues were simply a product of panic buying. Zimbabwe Energy Regulatory Authority (Zera) acting CEO, Eddington Mazambani told the same committee that rationing was the only way to manage the worsening fuel crisis.^[1]

January 2019

The fuel crisis continued in January with growing queues especially as the school terms and business opened for the new year.

In the week of 6 - 12 January, fuel stations mostly didn't have any fuel at all, with some motorists queuing several days to refuel. Deliveries of substantial amounts of fuel were eventually done on the evening on 11 January 2019 but queues remained long.

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On the evening of Saturday, 12 January 2019, President Emmerson Mnangagwa, accompanied by Vice President Constantino Chiwenga and Finance Minister Mthuli Ncube, announced a sharp increase of fuel prices of about 147%. (\$1.34 per liter to \$3.31 per litre for Petrol). Most of the increase was additional duties that the government levied on the fuel. The government said that it would provide rebates to businesses to offset the effect of the fuel price increases.

Reaction from some Zimbabweans was that this was a catastrophic move as it would cause price increases in other sectors as well as shortages of products.

Effects of the shortage

In [Manicaland Province](#), some ambulances in the province were reportedly grounded due to the crippling fuel shortages. In [Bindura](#) it was reported that motorists went for about two weeks without fuel between late November and early December. [Victoria Falls](#), experienced acute fuel shortages and black market dealers took advantage of the crisis to sell the commodity at exorbitant prices. [Hotels Association of Zimbabwe](#) (HAZ) chairperson Farai Chimba said the shortages were similar to killing the goose that lays the golden egg and were likely to impact on tourism revenue during the festive season.^[3]

Black Market

The shortage resulted in the growth of the black market where the fuel was being sold at higher prices. In areas like [Chitungwiza](#), a litre of petrol was being sold for between \$5 Bond note to \$7 Bond note depending on the supply and demand situation of the day.

Busfare Hikes

The price of busfare rose, in Bindura it was reported that commuter omnibuses were charging \$1.50 Bond note over a 3km distance. Chitungwiza to town rose from a \$1 Bond note to \$2 Bond note over a 27 km distance.

Zimbabwe's Fuel Needs

September 2018

- Zimbabwe's petrol consumption at the time was 3.8 million litres a day
- Zimbabwe's diesel consumption was 4.1 million litres

April 2018

- Petrol: 1.5 million liters a day
- Diesel: 2.5 million liters a day

Zimbabwe's Main Fuel Retailers

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- Sakunda (49% owned by Puma Energy)
- [Puma Energy](#) (49.5% held by Trafigura)
- [Engen Petroleum Zimbabwe](#)
- [Petrotrade](#) (Pvt) Ltd (Government owned company formerly [Noczim](#))
- [Total Zimbabwe](#)
- [Zuva Petroleum](#)
- [Indigenous Petroleum Association of Zimbabwe](#) (Ipaz)
- [Trek Petroleum](#) (Chaparrel Trading)

About Pindula

Pindula is a place to find information about local things on the internet. We do it a lot like Wikipedia, except everything is hyper-local. We started work on Pindula because we needed something like it. There's so little useful information about local things online and we're working to change that

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References

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2. ? [No More Fuel In Zimbabwe- ZERA Acting CEO ? Pindula News](#), *Pindula News*, retrieved: 7 Dec 2018
3. ? [Fuel shortages ground tour operators - NewsDay Zimbabwe](#), *NewsDay Zimbabwe*, retrieved: 7 Dec 2018