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from Bank of Uganda. The rise in global prices driven by supply shortages in major producers, strong international demand, market expansion, and favorable currency movements.



Fuel. |

More fuel is arriving: Data shows supply is secure, at least for now

DOROTHY NAKAWEESI

An import schedule seen by this newspaper indicates that Uganda's fuel supply for April remains stable and well-buffered, even as global oil markets face uncertainty due to escalating tensions in the Middle East.

The schedule shows that several vessels are expected to discharge between April 2 and April 28, delivering significant volumes into the country.

According to the schedule, which details fuel cargo in transit through different water channels, Uganda is projected to receive approximately 157 million litres of petrol (PMS), 131 million litres of diesel (AGO), and 11.2 million litres of jet fuel (Jet A1).

The shipments, combined with existing reserves and fuel already in transit through the Kenya pipeline, place total available supply well above Uganda's average monthly consumption of about 210 million litres, providing a strong buffer against immediate global shocks.

"There is already fuel in the system," an industry source, who asked to speak on condition of anonymity, noted, pointing to stocks in national storage, recently discharged cargo, and ongoing pipeline inflows.

"When you factor in what is already available and what is still coming in, Uganda has a strong cushion," the source said.

This means that, at least for now, Uganda is insulated from immediate supply disruptions linked to the ongoing Israel–US–Iran tensions.

However, even as more fuel flows into the country, pump prices across Uganda have shown signs of relative volatility, raising concern and exposing a growing disconnect between supply fundamentals and market behaviour.

For more than a year, pump prices had remained relatively stable, with petrol averaging Shs5,080 and diesel at Shs4,950. That stability began to weaken in January, when petrol prices ticked up to about Shs5,120.

Since then, prices have continued to climb gradually. Last week, several Shell stations increased pump prices, selling petrol at Shs5,250, a 3.35 percent increase from the December levels, while TotalEnergies stations posted slightly higher prices at Shs5,299.

City Oil sold petrol at Shs5,100, up from Shs4,990 in January. The prices remain in place even as government warns against unjustified hikes at the pumps.

Government maintains that Middle East tensions would not immediately impact pump prices, particularly because much of the fuel currently being sold was procured before the escalation.

Energy Minister Ruth Nankabirwa early this week warned that the hikes are unjustified under current supply conditions.

"OMCs have no basis to increase prices for any reason whatsoever, as supply is still the same. We are closely watching and monitoring companies that want to take advantage of this situation and exploit Ugandans," she said.

Last week, the Ministry of Energy said price increases were speculative.

Energy Ministry communications director Patricia Litho said government was engaging dealers who adjusted prices prematurely.

But Uganda National Oil Company (UNOC) says it is individual pump stations that are trying to manipulate fuel prices.

"It's not OMCs. It is the physical stations that are individually playing out their prices. Our commitment as UNOC still stands," said UNOC chief corporate affairs officer Tony Otoa.

Efforts to obtain a response from oil marketing companies were unsuccessful, as several declined to comment on questions regarding the increase in fuel prices.

Market analysts, however, say underlying pressures, such as the shilling's stability, which influences the movement of fuel prices, are building.

Stephen Kaboyo, Alpha Capital managing partner, yesterday said the shilling has come under pressure amid global uncertainty.

"The shilling has been on the back foot for a second consecutive week as markets wait for clarity on what will happen next in the Middle East crisis, particularly oil prices, inflation impact, and the likely response of the Central Bank," he said, warning that Uganda, as a net energy importer, faces downside risks.

Industry players echo similar concerns. Regional fuel marketer Peter Ochieng said last week that rising crude prices and supply uncertainty are already influencing pricing decisions in and beyond Uganda.

"With everyone trying to source and uncertain about where the next litre will come from, this has definitely led to higher pump prices," he said.

Even so, government insists these global pressures have not yet fully filtered into the cost of existing fuel stock, reinforcing its position that current increases are premature.

At least more than 299 million litres of fuel are expected in April, in addition to volumes already in the system, which makes Uganda's supply outlook strong, for now.



Data shows that fuel supply remains stable with new shipments and solid reserves, despite tensions that have led to speculative pricing. PHOTO / EDGAR R BATTE

Key April arrivals

157 million

Uganda is projected to receive approximately 157 million litres of petrol which will be discharged between April 2 and 28.

131 million

The import schedule shows that approximately 131 million litres of diesel (AGO) are expected to be discharged between April 2 and 28.

11.2 million

The import schedule shows that approximately 11.2 million litres of jet fuel will be discharged between April 2 and 28.

Revamped Jinja LPG