

THE UNITED REPUBLIC OF TANZANIA

***BILL SUPPLIMENT***

*No.12*

*12<sup>th</sup> October, 2007*

*to the Gazette of the United Republic of Tanzania No. 41 Vol. 88 dated 12<sup>th</sup> October, 2007*  
Printed by the Government Printer, Dar es Salaam, by Order of Government

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**THE PETROLEUM SUPPLY ACT, 2007**

NOTICE

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This Bill to be submitted to the National Assembly is published for general information to the public together with a statement of its objects and reasons.

Dar es Salaam,  
15<sup>th</sup> October, 2007

**PHILLEMONT L. LUHANJO**  
*Chief Secretary*

**A BILL**

*for*

**An Act to make provisions for importation, exportation, transportation, transformation, storage and wholesale and retail distribution of petroleum and petroleum products in a liberalized market and to provide for related matters**

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**OBJECTS AND REASONS**

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The Bill is intended to make proposals for the enactment of the Petroleum Supply Act, 2007. It intends to make better provisions for regulation of the Petroleum Supply Sub-Sector in the country.

The move has been necessitated by policy's changes and challenges encountered in the regulation of the Petroleum Sub- Sector.

The Bill is divided into twelve parts.

Part I deals with preliminary matters which include the name of the proposed Act, date of commencement and interpretation of certain important words, terms and phrases.

Part II makes provision for administrative matters, which includes functions and powers of the Minister and the Authority under this Act.

Part III proposes provisions relating to issuance of construction approvals and petroleum operating licences. The Part also provides for procedures for application and granting of approvals and licences.

Matters relating to construction of pipelines, refineries and bulk liquefied petroleum gas facilities are provided for under Part IV. It proposes provisions relating to application and granting of approvals and licences under this Part.

Part V makes provisions relating to obligations of a holder of an approval or licence, which include compliance with laws, inspection, information and reporting.

Part VI deals with matters associated with fair competition. The Part prohibits all activities conducted in contravention of principles of fair competition.

Part VII proposes provisions on public health and safety and the environment in accordance with relevant laws. It proposes adoption and adaptation of international standards and specifications; it also proposes provisions relating to petroleum products spill.

Matters relating to petroleum and petroleum products prices are provided for under Part VIII. The Part underlines the rule of supply and demand in the determination of prices of petroleum and petroleum products in the supply chain. However, the Part opens the window for economic regulation and monitoring of consumer prices in certain circumstances.

Part IX deals with importation, transportation, transportation, storage and distribution of petroleum and petroleum products. The Part provides for various specifications to be made by the Minister in the regulation of the areas.

Part X proposes for various offences and penalties which may be applied in case of violation of any provisions of the proposed Act.

Part XI makes provisions relating to dispute settlement mechanism to be conducted under the proposed Act in case any dispute arise amongst the participants of the supply chain, or between them and the Authority.

Part XII deals with provisions of general nature, which include transitional provisions, repeal of the Petroleum (Conservation) Act, Cap.131 ordinance and powers of the Minister to make regulations.