

Fuel prices in Rwanda have gone up following the introduction of new government taxes, including a value-added tax (VAT) on petroleum products, officials announced this week.

The Rwanda Utilities Regulatory Authority (RURA) released updated fuel prices effective Tuesday morning. A liter of petrol now costs Rwf 1,803, up from Rwf 1,633, while diesel has increased to Rwf 1,757 from Rwf 1,647. The adjustments reflect a Rwf 170 hike in petrol and a Rwf 110 increase in diesel.

Infrastructure Minister Dr. Jimmy Gasore said the changes follow decisions made by the Cabinet earlier this year, aimed at strengthening national revenue. In February, the Cabinet approved new taxes on fuel, including the application of VAT starting July 1.

“What’s different this time is that Cabinet decisions are now being fully implemented,” Dr. Gasore said during an interview on Rwanda Television. “The VAT on petrol is now in place, which explains the larger-than-usual increase.”

Gasore noted the government has acted to limit the impact of the price hikes on consumers. Petrol prices were expected to rise by 18% but were capped at 11%. Diesel, initially projected to go up by 14%, increased by just 6.8%.

The minister added that transportation costs, including public fares, should not be significantly affected. He cited motorcycle taxis as an example, saying the added cost of fuel should not raise fares by more than Rwf 20 per trip.

“We believe the price changes do not justify large fare increases,” he said.

Antoine Marie Kajangwe, Permanent Secretary at the Ministry of Trade and Industry, said the rise in fuel costs is not expected to heavily impact the price of basic goods. He explained that transportation accounts for only about 22% of retail prices for many consumer goods.

“For example, a 25-kilogram sack of rice from Rusizi might only see a Rwf 150 increase,” Kajangwe said. “Other staples like maize or potatoes could see a rise of just Rwf 4 per kilogram.”

He also noted that the government has absorbed some costs to keep the impact on consumers minimal.

To further cushion the public, RURA said the government has secured adequate fuel reserves to stabilize supply and manage future volatility in global oil prices.