

Rwanda plans to significantly boost its petroleum storage capacity in a bid to strengthen energy security, following parliamentary approval of new fuel levies aimed at funding the expansion.

Under the plan, the country will increase its storage capacity from 66.4 million liters to at least 334 million liters, enough to meet national demand for more than four months, according to officials.

The decision came as lawmakers on Monday passed a law introducing levies on petrol, diesel and motor vehicles. The revenues will finance both the construction of new petroleum storage facilities and repairs to the country's road network, as part of the government's National Strategy for Transformation Phase 2 (NST2).

Godfrey Kabera, minister of state for Treasury in the Ministry of Finance and Economic Planning, told Parliament that the current levy of 115 Rwandan francs (approximately \$0.09) per liter, which has been in place since 2016, no longer covers the rising costs of road maintenance. Under the new law, the levy will be set at 15% of the value of petrol or diesel at customs, including insurance and transport costs.

The law also updates vehicle levies based on vehicle type and requires that taxes be declared and paid to the Rwanda Revenue Authority by Dec. 31 each year. Exemptions will apply to government vehicles, diplomatic missions, and international organizations operating under agreements with Rwanda.

Currently, operators of petroleum storage facilities in Rwanda earn 8 francs per liter, but the government plans to raise this to between 12 and 14 francs to attract more private investment in expanding storage infrastructure.

Rwanda's existing storage facilities include government and private depots located in Jabana, Rusororo, Gatsata, Rwabuye, Bigogwe, and Kabuye. Aviation fuel is stored at facilities in Kanombe and Rusororo.

The new measures, officials said, will help ensure that Rwanda can maintain stable fuel supplies and continue to invest in critical road infrastructure as vehicle numbers and economic activity grow.