



REPUBLIC OF NAMIBIA

MINISTRY OF MINES AND ENERGY

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MEDIA RELEASE

The Ministry of Mines and Energy announces that fuel pump prices for March 2017 will **increase at 00h01 on Wednesday, 01 March 2017.**

The production cuts by the OPEC members and Russia to balance the oversupplied crude oil market is the main reason for the current rally. OPEC has achieved about 90 percent compliance rate on the proposed cuts in January 2017, whereas, the non-OPEC members who had supported the cuts have achieved 60 percent compliance. However, even after achieving close to their targeted 1.8 million barrels a day of production cut, the huge stockpiles have not reduced. On the contrary, U.S. crude stocks have risen 39 million barrels this year, to 518 million, since OPEC started cutting production in January.

The latest fuel price review indicates that the average Free On Board prices per barrel increased by about US\$ 2 for ULP 95 and US\$ 4 for both Diesel grades. Barrel prices for refined oil traded at an average increase of US\$ 68.75 for ULP95, US\$ 65.53 and US\$ 66.17 for Diesel 500ppm and Diesel 50ppm respectively.

The Basic Fuel Price Unit Rate Slate calculations for the past month recorded high under-recoveries on all the regulated petroleum products. The under-recoveries recorded are sufficient to trigger an increase in local pump prices. However, the National Energy Fund will meet Namibian fuel consumers halfway by absorbing a portion of the under-recoveries recorded.

The average exchange rate remained stable at about N\$ 13.2656 per US\$ over the period reviewed. Despite the exchange rate, stability in the financial markets the prices of fuel products were affected heavily by OPEC's announcement under the period reviewed.

NEF Strategic Oil Storage Levy

The original cost for the Strategic Oil Storage Facility has gone up. The cabinet has therefore authorized an increase of **10c/l** from all fuel products towards the NEF Strategic Oil Storage Levy. The Strategic Oil Storage Levy will therefore increase from **50c/l** to **60c/l** on all fuel products.

Dealer Margin

An annual survey for the dealer margin was completed in November 2016. Based on the results of the survey, it was recommended that the margin should be adjusted with **4.228 c/l**. The Dealer Margin levy will therefore increase with **4c/l** from **93c/l** to **97c/l** on both fuel products.

Import Parity

The under-recoveries per product on the BFP import parity landed in Walvis Bay calculated as at **24 February 2017** are indicated below:

95 Octane Unleaded Petrol	-	(38.896) c/l
Diesel 500ppm	-	(31.927) c/l
Diesel 50ppm	-	(32.305) c/l

Fuel pump prices will increase as follows:

95 Octane Unleaded Petrol	- increase by 32 c/l (retail)
Diesel (all grades)	- increase by 25 c/l (wholesale)

Thus, the new Walvis Bay pump prices will be:

95 Octane Unleaded Petrol	-	N\$ 11.00 per liter
Diesel 500ppm	-	N\$ 10.83 per liter
Diesel 50ppm	-	N\$ 10.88 per liter

Fuel pump prices countrywide will be adjusted accordingly as well.

Yours Sincerely,


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Hon Obeth Mbui Kandjoze MP
Minister of Mines and Energy

