



REPUBLIC OF NAMIBIA

## MINISTRY OF MINES AND ENERGY

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### PRESS RELEASE

#### FUEL PRICE REVISION OF THE CONTROLLED PETROLEUM PRODUCTS: PETROL AND DIESEL

The Ministry of Mines and Energy has to announce that fuel prices for May 2012 will **increase** at **00h01** on Wednesday, the **16<sup>th</sup> of May 2012**.

As we may have noticed, there has never been a perfect time to be a consumer in Namibia. This fact is based on past events in the local oil market and continuing unfavourable developments in the global oil markets that make it a bit difficult for consumers to scrape by.

Brent crude oil prices have risen with over 13% this year, trading at above US\$130 in the Middle-East and countries along the Mediterranean, from which Namibia imports crude oil. These skyrocketing prices threaten a nascent recovery of the global economy. Moreover, concerns of supply shortage due to production problems in some producing countries, and as the U.S and European sanctions target exports from OPEC's second largest producer, Iran, have helped keep the crude oil price above that mark. The situation in the global oil market remains the same and the cost of bringing oil to our shore is quite high, hence the recorded under-recoveries for the month of April.

In the local market, the exchange rate between the Namibia Dollar against the U.S dollar in which crude oil is traded has also been weakening, thereby negating oil companies that import oil. Moreover, after a long-overdue comprehensive Dealer Margin Survey for the financial year 2010/2011, it was revealed that dealers in the local oil market are operating at a loss and there is a need to adjust their margin

by **5.657 c/l** on all controlled petroleum products i.e. petrol and diesel. It is for this reason that the Ministry has decided to increase the Dealers Margin with **3 c/l** across the board, which is about half of the Survey's outcome, and the remainder will be added later.


The present Walvis Bay fuel pump prices for the controlled petroleum products, Petrol and Diesel, are low and are to be adjusted as follows:

**93 Octane Lead Replacement Petrol - Increased by 33 c/l (retail)**  
**95 Octane Unleaded Petrol - Increased by 39 c/l (retail)**  
**Diesel - Increased by 13 c/l (wholesale)**

Thus, the new Walvis Bay pump prices will be:

<b>93 Octane Leaded Replacement Petrol</b>	-	<b>N\$ 10.30 per liter</b>
<b>95 Octane Unleaded Petrol</b>	-	<b>N\$ 10.42 per liter</b>
<b>Diesel</b>	-	<b>N\$ 10.48 per liter</b>

Pump prices at various inland destinations countrywide will be adjusted accordingly.

  
ISAK KATALI, MP  
MINISTER

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