



REPUBLIC OF NAMIBIA

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## MINISTRY OF MINES AND ENERGY

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Tel.: +264 61 284-8308 / 8318  
Fax: +264 61 2848363  
E-mail: [Officeoftheminister@mme.gov.na](mailto:Officeoftheminister@mme.gov.na)  
Website: [www.mme.gov.na](http://www.mme.gov.na)

OFFICE OF THE MINISTER

6 Aviation Road  
Private Bag 13297  
WINDHOEK

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### MEDIA RELEASE

The Minister of Mines and Energy is responsible for reviewing local fuel pump prices on a monthly basis to ensure that there is a balance between the prices charged at the pumps and the actual cost of importing fuel to our shores.

The Ministry is cognisant of the fact that the fuel prices have been increasing for the past few months. Also, the Ministry has not been passing on the full increases to the consumers. Over the past few months, more than N\$470 million has been spent from the National Energy Fund to fund the fuel price increases.

This is attributed mainly to two factors namely The global price per barrel of refined oil and the exchange rate between the Namibia Dollar against the US dollar. There also remains a shortage of oil in the global market after Iran's supply was reduced by the sanctions imposed on Iran by the US. Whenever there is a shortage of supply in the market, prices of oil, naturally, go up as they have been for the past several months. Month-to-month, the price of oil has remained stable at an average of US\$86 per barrel of refined petrol and US\$95 per barrel of refined diesel in October, 2018. The exchange rate has, however, weakened marginally, from an average of N\$14.40 in September, 2018, to an average of N\$14.50 in October.

The provisional under-recoveries per product on the BFP import parity landed in Walvis Bay calculated as at **25 October, 2018**, are indicated below:

<b>95 Octane Unleaded Petrol</b>	-	<b>(64.001) c/ℓ</b>
<b>Diesel 500ppm</b>	-	<b>(112.541) c/ℓ</b>
<b>Diesel 50ppm</b>	-	<b>(114.148) c/ℓ</b>

Additionally, the bulk oil importers rely on the profit margin on the pump price in order to sustain their operations. After the assessment of the return they are

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getting on their investment, it was revealed that there is a short-fall of 2 c/l. It is for this reason that the Ministry has decided to increase the Industry Margin by **2 c/l**, effective from the 7<sup>th</sup> of November, 2018

Due to the fact that the cost of importing fuel into the country last month (September) was not fully passed on to the consumers, the fuel pump prices have to be adjusted.

For the aforementioned reasons, the Ministry of Mines and Energy has decided to, cumulatively, **increase** the local pump prices as follow, effective at **00h01** on Wednesday, the **7<sup>th</sup> of November 2018**:

<b>95 Octane Unleaded Petrol</b>	- <b>increase by 50 c/l (retail)</b>
<b>Diesel (all grades)</b>	- <b>increase by 70 c/l (wholesale)</b>

Thus, the new fuel pump prices in Walvis Bay will be:

<b>95 Octane Unleaded Petrol</b>	- <b>N\$ 13.95 per liter</b>
<b>Diesel 500ppm</b>	- <b>N\$ 14.48 per liter</b>
<b>Diesel 50ppm</b>	- <b>N\$ 14.53 per liter</b>

Fuel pump prices countrywide will also be adjusted accordingly.

Sincerely yours



**TOM K. ALWEENDO, MP**  
**MINISTER**

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