



REPUBLIC OF NAMIBIA

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PRESS RELEASE

The Ministry of Mines and Energy has to announce that fuel pump prices for **February, 2017** will remain **unchanged**.

As the OPEC agreement to cut production output came into effect on January 1, 2017, market sentiment caused crude oil price to surge by over 40%, the biggest annual gain since 2009.

Although there are uncertainties as to whether OPEC countries will honour their commitment to cut production to the agreed level, the existence of the agreement was sufficient to push crude price up as stock markets react to the news. Since Namibia is a net importer of oil with no refining capacity, the average prices for refined petroleum products throughout January 2017 were US\$67 per barrel for petrol and US\$64 per barrel for both diesel grades, a slight increase compared to December's prices.

The average exchange rate between the Namibia Dollar against the US Dollar has strengthened slightly from N\$13.86 in December to N\$13.60 in January. Since the increase in the average prices of refined products was offset by the strengthened exchange rate in the period under review, consumers would expect prices to remain stable. However, the cost of shipping petroleum products to our shore (Average Freight Rate Assessment-AFRA) skyrocketed, from US\$90 per metric tonne in December to US\$ 127 per

metric tonne in January; an increase of a whopping US\$37 per metric tonne is a single month.

Filtered through the local slate, substantial under-recoveries were recorded that would have triggered pump price adjustments countrywide. However, the National Energy Fund (NEF) through the Fuel Price Equalisation levy will absorb the recorded under-recoveries to keep the fuel pump prices steady in February.

Following is an account of the BFP import parity landed in Walvis Bay as calculated at 25 January 2017:

95 Octane Unleaded Petrol	-	(44.362) c/ℓ
Diesel 0.05% S	-	(32.541) c/ℓ
Diesel 0.005% S	-	(30.061) c/ℓ

The present Walvis Bay fuel pump prices will remain unchanged as follows:

95 Octane Unleaded Petrol	-	N\$ 10.68 per liter
Diesel 500ppm	-	N\$ 10.58 per liter
Diesel 50ppm	-	N\$ 10.63 per liter

Fuel pump prices at various inland destinations countrywide will also remain **unchanged**.


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OBETH KANDJOZE, MP
MINISTER

