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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 November 2011 will remain **unchanged**.

We are now living in a world where high oil prices have once again become an economic liability. Global oil prices would likely stay above U.S \$100 per barrel for a considerable period of time due to the imbalances in supply and demand for oil. Predictions are that global funds may flow into the international oil market if flight-to-quality sentiment eases amid abated concerns over the European fiscal crisis.

On the supply and demand side, traders shouldn't expect improved production in Libya to be a factor yet. This is going to take time to develop. Libya's current oil production stands at 400,000 barrels per day (bpd) compared to 1.6 million barrels per day ahead of the uprising in that North African country. This figure is expected to hike up to 500,000 bpd by the end of this year and to one million bpd by March 2012. Improvements in the U.S. economy, which is the largest oil consumer in the world, would lead to greater demand.

In the local market, the average N\$/US\$ exchange rate has adversely weakened during the period under review, thereby resulting in relatively high under-recoveries in the Unit State calculations. Due to

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the burden that fuel prices exert on the consumers, the Ministry decided to subsidize the under-recoveries while observing very closely where the future of the local oil industry is heading in terms of prices. Thus, the present Walvis Bay fuel pump prices for the controlled petroleum products, Petrol and Diesel, remain as follows:

93 Octane Leaded Replacement Petrol	-	N\$ 9.27 per liter
95 Octane Unleaded Petrol	-	N\$ 9.34 per liter
Diesel	-	N\$ 9.60 per liter

Pump prices at various inland destinations countrywide will also remain unchanged at their current levels.


ISAK KATALI, MP
MINISTER

