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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 will **increase at 00h01 on Wednesday the 15th of February 2012.**

Global oil prices are on an increasing trend, a situation propelled by EU sanctions against Iran as a large portion of that country's exports is being cut off causing a shortfall in the supply of oil globally. Countries that previously used to import from Iran are now left with no option, but to look for alternative suppliers to cater for their oil needs. The immediate effect of these new developments is that there is an excess demand of oil as opposed to supply, thereby pushing crude oil prices up.

Although worries about disruptions to Iranian oil exports have supported higher oil prices, mild winter weather in the northern hemisphere and fears about an impending recession in the euro zone are helping to moderate crude oil prices. Saudi Arabia indicated it can increase production to help make up for any disruption in Iranian oil output.

At the local market, mild under recoveries on controlled petroleum products have been experienced during the month of January. This was due to the influence from international market as stated above as well as annual increases on basic fuel price inputs. The exchange rate between the Namibia Dollar against the U.S dollar in which crude oil is trade has been strengthening, a situation that would have reduced the under-recoveries in the unit rate slate. This time, the government could not subsidize but to pass the cost to consumers.

Thus, the present Walvis Bay fuel pump price for the controlled petroleum products, **petrol** and **diesel**, is to be increased as follows:

93 Octane Lead Replacement Petrol	-	increased by 30 c/l (retail)
95 Octane Unleaded Petrol	-	increased by 34 c/l (retail)
Diesel	-	increased by 6 c/l (wholesale)

The new Walvis Bay pump price will then be:

93 Octane Lead Replacement Petrol	-	N\$ 9.57 per liter
95 Octane Unleaded Petrol	-	N\$ 9.68 per liter
Diesel	-	N\$ 10.20 per liter

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


ISAK KATALI
MINISTER, MP

