



REPUBLIC OF NAMIBIA

MINISTRY OF MINES AND ENERGY

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MEDIA RELEASE

The global oil market is one of the most volatile markets in that it ebbs and flows when oil consumers least expect it. More so to the net importers of oil like Namibia who are natural "price takers". During the month of June, 2019, the oil market has been relatively favourable to net importers. On average, oil prices fell slightly below US\$ 75 from the beginning of June due to slow global demand for the product and an increase in oil inventories in the US. The exchange rate between the US Dollar against the Namibia Dollar has slightly weakened, from N\$14.31 in May to N\$14.6 in June, 2019. However, not weak enough to substantially escalate the cost of importing fuel to our shores into under-recoveries. Filtered through the local market, over-recoveries were recorded during the period under review.

The over-recoveries per product on the Basic Fuel Price (BFP) import parity landed in Walvis Bay calculated as at **26 June, 2019** are indicated below:

95 Octane Unleaded Petrol	-	40.880 c/ℓ
Diesel 50ppm	-	44.169 c/ℓ

Naturally, over-recoveries trigger a fuel price reduction in the local market. However, due to potential risks that there would be sharp oil price increase in the days and weeks ahead due to political tensions between USA and Iran, the National Energy Fund (NEF) would absorb the over-recoveries in order to strengthen its financial capacity to subsidize possible under-recoveries in the months ahead. Moreover, a large portion of the past under-recoveries were subsidized by NEF and it is only appropriate that they absorb the current over-recoveries to continue equalizing fuel pumps prices going forward. **Based on the aforementioned reason, the Ministry will thus keep fuel pump prices for the month July, 2019, unchanged.**

Fuel pump prices in Walvis Bay will remain as follows:

95 Octane Unleaded Petrol	-	N\$ 13.05 per liter
Diesel 50ppm	-	N\$ 13.63 per liter

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Fuel pump prices countrywide will equally remain unchanged for the month of July, 2019.

Sincerely yours,



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01 JUL 2019
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OFFICIAL