



REPUBLIC OF NAMIBIA

MINISTRY OF MINES AND ENERGY

MEDIA RELEASE

FUEL PRICE REVIEW ANNOUNCEMENT

The Ministry of Mines and Energy has completed the fuel price review for the month of February 2023 and hereby informs the public as follows:

With the reopening of the Chinese economy, the global oil demand is predicted to rise, to at least 101.7 million barrels per day, and many oil suppliers will be capitalising on that by offsetting - higher demand through higher prices. Meanwhile, the market is also bracing itself for new shocks due to the introduction of the European Union's embargo on Russian oil. In theory, the EU embargo is expected to contribute to further increases in oil prices due to scarcity. In summary, the oil market is caught in a situation where demand is rising at an unprecedented pace while supply constraints remain. The many uncertainties surrounding oil demand and supply will continue to influence oil prices in unexpected ways.

The Ministry has further seen that international oil prices are failing to find a consistent direction over an extended period, especially over the last 24 months. In fact, the latest calculations by the Ministry indicate that the average price for Unleaded Petrol 95 over the period of 01-20 January 2023 is at USD97.059 per barrel compared to USD89.102 per barrel at the end of December 2022, this is a significant increase of about USD8 over the review period. Additionally, the average price for Diesel 50ppm over the period of 01-20 January 2023 is at USD116.377 per barrel, compared to USD111.901 per barrel at the end of December 2022, another increase of about USD5 per barrel over the review period. The Ministry's calculations are also indicating that on average - the costs of shipping petroleum products in 2023 will be significantly higher than it was in 2022.

Furthermore, the exchange rate figures for the period of 01-20 January 2023 indicate that the NAD has slightly recorded another appreciation against the USD at N\$17.0079 per USD compared to N\$17.2657 per USD at the end of December 2022. However, this appreciation was outweighed by the increases in barrel prices and freight rate(s).

Therefore, after entering the above input factors into the fuel pricing model, the Ministry recorded under-recoveries on both petrol and diesel, namely an under-recovery of 85 cents per litre on petrol and an under-recovery of 43 cents per litre on diesel.

The Ministry is hereby announcing that despite the under-recoveries recorded. **The fuel prices across the country for February 2023 will remain unchanged.** Fuel prices in Walvis Bay will remain at **N\$ 20.65 per litre for diesel and N\$18.28 per litre for petrol.** The National Energy Fund will absorb the under-recoveries on behalf of fuel consumers to the tune of approximately N\$50 million.

Finally, the Ministry is aware of the difficult economic situation which affects fuel consumers. Therefore, it will continue to make all possible interventions, to always ensure domestic oil market stability.

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