



REPUBLIC OF NAMIBIA

MINISTRY OF MINES AND ENERGY

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31 July 2017

Ref: 10/5/4/2

MEDIA RELEASE

The Ministry of Mines and Energy hereby announce, that the fuel pump prices for the month of **August 2017 will remain unchanged.**

Although OPEC and other producers are complying with the agreement to cut output by 1.8 million barrels per day (bpd) for six months from January, oil prices still held near multi-month lows up to June. The production cut by OPEC has not yet made an impact to the global inventory as US sales has increased and it has become a concern for other oil major producers such as Nigeria. OPEC agreed on Monday this week that Nigeria would join the pact by capping or even cutting its output from 1.8 million bpd, once it stabilizes at that level from 1.7 million bpd. The market seems to be much further away from a balanced situation than some had previously forecasted. There is a possibility that oil price could be headed to the low \$40s in few months to come.

The exchange rate between the Namibia Dollar against the US Dollar has weakened during the period under review compared to how it was during the previous month. The average exchange rate for July 2017 was N\$13.1203 compared to June's average of N\$12.88. This means that importing fuel to our shore slowly but surely became costly in July, which was not a case in the preceding month of June.

In the local market, slight over-recoveries and under-recoveries were recorded on ULP 95 and diesel 500ppm & 50ppm respectively. The month of June saw a big relief at the pumps because the results of the Basic Fuel model were favourable. It is unfortunate, that the slight over-recoveries and under-recoveries recorded for July do not warrant any fuel price adjustment.

The mixture of over and under recoveries per product on the BFP import parity landed in Walvis Bay calculated as at **25 July 2017** are indicated below:

95 Octane Unleaded Petrol	-	11.911 c/ℓ
Diesel 500ppm	-	(0.457) c/ℓ
Diesel 50ppm	-	(3.379) c/ℓ

Fuel pump prices in Walvis Bay will remain as:

95 Octane Unleaded Petrol	-	N\$ 10.50 per liter
Diesel 500ppm	-	N\$ 10.33 per liter
Diesel 50ppm	-	N\$ 10.38 per liter

Fuel pump prices country-wide will also remain unchanged.

Sincerely yours



Hon. Obeth Mbuli Kandjoze, MP
Minister of Mines and Energy

