



REPUBLIC OF NAMIBIA

MINISTRY OF MINES AND ENERGY

MEDIA RELEASE

FUEL PRICE REVIEW ANNOUNCEMENT

The Ministry of Mines and Energy has completed the review of the fuel price for July 2024 and hereby informs the public of its decision.

Oil prices recently dropped to a four-month low, following the announcement by the Organization of the Petroleum Exporting Countries and its allies (OPEC+) that they would maintain the overall production levels steady until the end of 2025. This decision was made during the OPEC + meeting this month. The decline in oil prices was influenced by a drop in consumer confidence as the market reacts to the production decision as well as the ongoing concerns about the future, which continues to affect market sentiment.

The latest calculation by the Ministry indicates that the average price of Unleaded Petrol 95 over June 2024 stood at USD94.731 per barrel, compared to USD98.835 per barrel at the end of May 2024, indicating a decrease of USD4.104 per barrel or 4.15% over the review period. Additionally, the average price of Diesel 50ppm over June 2024 stood at USD94.480 per barrel, compared to USD94.529 per barrel at the end of May 2024. This is a decrease of less than a dollar per barrel or 0.05% over the review period. Moreover, the average price of Diesel 10ppm over June 2024 stood at USD94.0865 per barrel, compared to USD95.174 per barrel at the end of May 2024, indicating a decrease of less than a dollar per barrel or just 0.3% over the review period.

Furthermore, the exchange rate figures for the period of 01–25 June 2024 indicated a moderate 0.1% depreciation of the NAD against the USD at N\$18.4378 per USD, compared to N\$18.4202 per USD at the end of May 2024 which was negligible to outweigh the overall drop in oil prices.

Having, considered all the input factors mentioned above into the fuel pricing model, the Ministry observed an over-recovery of 120.857 cents per litre on petrol and over-recoveries of 96.398 cents on diesel 50ppm and 111.915 cents per litre on diesel 10ppm.

For Namibia as an oil-importing country, there is a pressing need to align fuel prices with market dynamics to ensure an efficient security of supply. As such analysis of the Petroleum Activities Return, which assesses returns on investment, indicates that increasing the industry margin by 23 cents to 189 cents per litre is necessary. This adjustment is crucial for oil companies to maintain a fair return on their substantial investments. In addition, the Ministry also resolved to have the dealer's margin for service station operators increased by 9 cents per litre to 192 cents per litre.

Furthermore, the Ministry has decided to increase the road rates in the *ready reckoner* by 15%, which is essential for facilitating the distribution of fuel to various parts of the country. At the same time, the Ministry has been conscious that the consumers have, in prior months, borne the adverse impact of higher oil prices. The current observed decline in global oil prices presents opportunity for this respite to be passed onto the consumers.

Therefore, after incorporating the above adjustments in the price build up, the Ministry is hereby announcing that **petrol prices will decrease by 80 cents per litre, prices of diesel 50ppm will decrease by 60 cents per litre and that of diesel 10ppm will decrease by 70 cents per litre. In Walvis Bay, the price of petrol will thus be N\$22.20 per litre, diesel 50ppm will be N\$21.57 per litre and diesel 10ppm will be N\$21.67 per litre. The effective date and time for these adjustments is at 00h01, Wednesday the 3 July 2024.** Fuel prices across the rest of the country will be adjusted accordingly.

In conclusion, the Ministry maintains optimism that the market will remain favourable, particularly for net fuel-importing countries such as Namibia.

Ends/

Issued By: Office of the Executive Director
Public Relations Office
Ministry of Mines and Energy
Tel: +264 852 990 241
Email: info@mme.gov.na

