



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 September 2023 and hereby informs the public as follows:

In June OPEC+ members agreed to limit the global oil supply, as part of this effort, Saudi Arabia committed to an extra voluntary reduction in output for July, which would be further extended towards September. This resulted in a persistent decrease in oil inventories, to that end, the global oil demand is scaling record highs, boosted by strong summer air travel, increased oil use in power generation and a surging increase in petrochemical operations in China. Consequently, the prevailing high oil prices are driven by excess demand coupled by shortage of supply.

The latest calculations by the Ministry indicate that the average price of Unleaded Petrol 95 over August 2023 is at USD110.507 per barrel (compared to USD102.231 per barrel at the end of July 2023), indicating an increase of about USD8 per barrel or 7.8% over the review period. Additionally, the average price of Diesel 50ppm over August 2023 is at USD118.128 per barrel (compared to USD100.231 per barrel at the end of July 2023), a significant increase of about USD18 per barrel or 18% over the review period. Moreover, the average price of Diesel 10ppm over August 2023 is at USD119.249 per barrel (compared to USD101.712 per barrel at the end of July 2023), showing another significant increase of about USD18 per barrel or 18% over the review period.

Furthermore, the exchange rate figures for the period of 01-29 August 2023 indicate a 3.7% depreciation of the NAD against the USD at N\$18.8443 per USD (compared to N\$18.1889 per USD at the end of July 2023).

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Therefore, after entering the above input factors into the fuel pricing model, the Ministry recorded significant under-recoveries on petrol and on both the diesel products, that is an under-recovery of 240 cents per litre on petrol and under-recoveries of 354 cents and 348 cents per litre on diesel 50ppm and diesel10ppm, respectively.

There is a pressing need to ensure that the fuel prices are best reflective of the market dynamics to ensure the efficient security of supply. Thus, due to the significant under-recoveries the Ministry is hereby announcing that **the prices of petrol will increase by 120 cents per litre and those of diesel by 170 cents per litre. The effective date for these adjustments is Wednesday, 06 September 2023.**

The petrol price in Walvis Bay will, thus, be **N\$20.98** per liter while the price of diesel 50 ppm will be **N\$20.75** per liter and that of diesel 10 ppm **N\$20.95** per liter. Fuel prices across the rest of the country will be adjusted accordingly.

The National Energy Fund will absorb the entirety of the under-recoveries on behalf of fuel consumers, through the fuel equalization levy.

The Ministry would further like to highlight that Namibia is a price taker in the international oil market, and actions or decisions that emanate from the supply forces such as (OPEC+) have a significant impact on our local fuel prices.

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