



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 December 2021 and wishes to inform the public as follows:

After a series of OPEC's meetings, members have still not agreed to increase supply into the market owing to prospects of surging Covid-19 cases which will depress demand. As a result, global oil prices remain high, although they fell slightly during the period under review. Refined petrol remains high, trading at an average of US\$94 in November whereas diesel traded at an average of US\$92.

Furthermore, the local currency depreciated slightly against the US Dollar, from an average of N\$14.85 in October to an average of N\$15.35 in the period under review. Since fuel pump prices increased only minimally in November, in comparison to the under-recoveries recorded, the depreciation pushed up the under-recoveries brought forward from the previous month.

Owing to the aforementioned factors, which played out during the month of November, the following under-recoveries were recorded:

An under-recovery of 110.063 cents per litre was recorded on ULP-95 petrol whilst 50-ppm diesel recorded an under-recovery of 106.902 cents per litre, during the month of November, these under-recoveries will be paid by the National Energy Fund. Additionally, the Government, through the National Energy Fund (NEF), fuel equalization mechanism, will pay over N\$154 Million of under-recoveries recorded last month. Government holds the position to ensure that an undue burden is not exerted onto the Fund, in order to safeguard its long-term sustainability. It is the intent of Government to end the year on a positive note and start the coming year 2022, on a positive note. The public is advised, that the fuel price review process is one that requires a great understanding of forecasting, since Government cannot be too certain on how the market could perform in the future.



The Ministry found itself at a crossroad during the review period. After exhausting all avenues, and ultimately, for the sake of keeping the NEF balance healthy. The Ministry has decided, **to increase fuel pump prices for petrol and diesel by 70 c/l, effective from 1st December 2021.**

The petrol pump prices in Walvis Bay (*port of entry*) will become **N\$15.65 c/l** and diesel price will become **N\$15.58 c/l**.

Fuel pump prices countrywide must be adjusted accordingly.

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