



REPUBLIC OF NAMIBIA

MINISTRY OF MINES AND ENERGY

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MEDIA RELEASE

Net importers of oil are always at the receiving end of the global oil market and, therefore, remain natural price-takers of whatever prices oil exporters set. That makes their respective local oil markets vulnerable to adverse fluctuations and shocks in the global oil market.

Namibia is one of the net importers of refined oil and although minimal, it could not fence herself off from the effects of increasing oil prices in February 2019, caused by the manifestation of oil supply politics by major oil producers under OPEC. As the cartel (OPEC) cut supply into the global oil market towards the end of January into February. Oil prices started picking up, thereby making a big turn from a decreasing trend recorded since October 2018 into an increasing trend that saw oil prices moving from averages of US\$58 and US\$69 per barrel of refined petrol and diesel respectively. In January, the prices moved to averages of US\$64 and US\$77 per barrel of refined petrol and diesel into February 2019. The exchange rate between the Namibia Dollar against the US Dollar strengthened during the period under review, but not enough to offset the adverse effects of increasing oil prices. It moved from an average of N\$14.00 in January to N\$13.70 in February 2019.

Filtered through the local market, gains recorded in January 2019, fell significantly by a margin of over 35 c/l on petrol and over 60 c/l on diesel. Over-recoveries per product on the BFP import parity landed in Walvis Bay calculated as at **25 February 2019**, as indicated below:

95 Octane Unleaded Petrol	-	25.953 c/l
Diesel 50ppm	-	7.736 c/l

hl

Based on the factors explained above, the Ministry has decided to keep fuel pump prices for the month of **March 2019 unchanged**. The National Energy Fund (NEF) will absorb the minimal over-recoveries as recorded below.

Fuel pump prices in Walvis Bay will remain unchanged as follows:

95 Octane Unleaded Petrol	-	N\$ 12.05 per liter
Diesel 50ppm	-	N\$ 13.13 per liter

Fuel pump prices countrywide will also remain unchanged.

Sincerely yours,



01 MAR 2019

TOM K. ALWEENDO, MP
MINISTER