



REPUBLIC OF NAMIBIA

MINISTRY OF MINES AND ENERGY

Tel.: +264 61 284-8111
Fax: +264 61 238643 / 220386
E-mail: info@mme.gov.na
Website: www.mme.gov.na

6 Aviation Road
Private Bag 13297
WINDHOEK

MEDIA RELEASE

ANNOUNCEMENT OF FUEL PRICE ADJUSTMENT

The Ministry of Mines and Energy wishes to announce the results of its monthly fuel price(s) review for November 2020, as follows:

The media and the public at large must understand that, the objective of the review exercise is to ensure that the fuel pump prices are at all times reflective of the import price and to do so in an orderly manner. The review can reveal either an under-recovery (*indicating that the pump prices were lower than the import price*) or an over-recovery (*indicating that the pump price was higher than the import price*). In a normal circumstance, when an under-recovery occurs, it is passed onto the consumer or alternatively, it is financed from the National Energy Fund (NEF), in-order-to subsidize the consumer.

In general, a host of factors influences fuel pump prices locally. However, this month the Ministry has seen only a few play out, namely: *the international price(s) of refined petroleum products, the exchange rate between the Namibia dollar against the US Dollar, and the cost of shipping the petroleum products from the international market to our shores (referred to as freight)*. Focusing on the month of October 2020, the Ministry's review exercise indicated that the international prices for refined petrol and diesel have remained relatively stable. In fact, refined petrol slightly decreased from an average of US\$47.21 in September to an average of US\$46.75 in October. Whereas, diesel slightly increased from an average US\$42.70 in September to an average of US\$43.83 during the same period.

Furthermore, the exchange rate between the Namibia Dollar against the US Dollar has remained relatively stable with a slight strengthening from an average of N\$16.71 in September to an average of N\$16.55 in October. This partly contributed to the reduction in the under-recovery recorded on petrol, from -9.264 c/l, last month to -1.270 c/l this month. In addition, the diesel pump prices were reduced in October by 40 c/l while petrol prices remained unchanged. Consequently, the previous reduction in diesel pump prices caused an over-recovery, from 60.697 c/l in September to 11.464 c/l in October 2020.

Even though, minimal under and over-recoveries were recorded. The Ministry will continue to soften the burden on the consumers and at the same time, keep the fuel pump prices stable in order to ensure the sustainability of the NEF. Therefore, it has been decided to **keep the fuel pump prices for November 2020 unchanged countrywide.**

The Ministry of Mines and Energy encourages all fuel retail operators to adhere to this decision.

Ends

Issued By: Andreas Simon
Senior Public Relations Officer
Mobile: +264 85 2929 298
Email: Andreas.Simon@mme.gov.na
www.mme.gov.na

