



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 January 2023 and wishes to inform the public as follows:

The ever-growing fears of a global economic recession led to a significant dip in oil prices, which will greatly contribute to making fuel prices more affordable in many markets across the world. The benchmark Brent crude oil decreased to the lowest price level since January 2022 with prices dropping over 3% to about USD81 per barrel. In addition, the Organisation of Petroleum Exporting Countries (OPEC) might also increase oil production in the first quarter of 2023 due to market expectations that oil consumption will rise during the winter months in the Northern Hemisphere. The high oil consumption is expected to offset the otherwise high prices which are usually accompanied by weaker demand. Although many market uncertainties remain, international oil prices have fallen significantly throughout December 2022.

The latest calculations by the Ministry indicate that the average price for Unleaded Petrol 95 over the period of 01-26 December 2022 is at USD88.072 per barrel (compared to USD104.383 per barrel at the end of November 2022), a significant decrease of about USD16 over the review period. Additionally, the average price for Diesel 50ppm over the period of 01-26 December 2022 is at USD111.240 per barrel (compared to USD129.092 per barrel at the end of November 2022), another significant decrease of about USD18 per barrel over the review period.

Furthermore, the exchange rate figures for the period of 01-26 December 2022 indicate that the NAD has slightly recorded another appreciation against the USD at N\$17.3187 per USD (compared to N\$17.4533 per USD at the end of November 2022). This has a net positive effect on the fuel prices paid by consumers at the pumps.

Therefore, after entering the above input factors into the fuel pricing model, the Ministry recorded high over-recoveries on both petrol and diesel, namely an over-recovery of 183 cents per litre on petrol and an over-recovery of 220 cents per litre on diesel.

The Ministry is, hereby, announcing that **diesel prices will decrease by 220 cents per litre** and the **petrol prices will decrease by 180 cents per litre**. The new fuel prices in Walvis Bay will thus become **N\$ 20.65** per litre for diesel and **N\$ 18.28** per litre for petrol. Fuel prices across the rest of the country will also be adjusted accordingly. These adjustments will become effective at **00h01** on **04th January 2022**.

In conclusion, the Ministry is glad that Namibian fuel consumers will move into the new year with a major reduction in the cost of petroleum products. To that end, the Ministry would like to wish all fuel consumers a prosperous 2023.

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Issued By: Andreas Simon
Senior Public Relations Officer
Mobile: +264 811402120
Email: Andreas.Simon@mme.gov.na
www.mme.gov.na

