



REPUBLIC OF NAMIBIA

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## MINISTRY OF MINES AND ENERGY

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### **MEDIA RELEASE**

The Ministry of Mines and Energy herein announces that fuel pump prices for **October, 2018**, will **increase with 50 c/l on all petroleum products** at **00h01**, on the **3<sup>rd</sup> of October, 2018**.

Two major factors affect, adversely, our local pump prices: The international prices of refined oil and the exchange rate between the Namibian Dollar against the US Dollar in which oil is priced.

The past months have seen both factors play out and, as a result, fuel pump prices increasing at a faster pace than our capacity to contain them. Since the beginning of the year, global oil prices have been on an increasing trend, stretching from US\$77 per barrel of refined oil in January to US\$91 in September. Predictions are that they are headed to triple digits by the end of the year. The exchange rate between the Namibia Dollar against the US Dollar has depreciated, from N\$12.20 in January to N\$14.71 in September, 2018. Filtered through the local market, these two factors have contributed immensely to the recent increases in the local pump prices as it has become too expensive to ship, in bulk, oil to our shores.

The National Energy Fund has paid and continues to pay a fair share of the full costs incurred by bulk fuel importers on behalf of the consumers. It has paid a larger portion than consumers in the past few months despite the increases, and this month is no different. Provisional figures show that more than **N\$1.30** per litre was incurred by bulk oil importers to bring fuel to Walvis Bay throughout the month of September, and the National Energy Fund will pay more than **80 c/l** of that amount.

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By increasing fuel pump prices, it is not the intention of government or petroleum product suppliers, or fuel station owners to generate more income, but rather, to recover the cost already incurred by bulk oil importers to bring fuel to Namibia.

The under-recoveries per product on the Basic Fuel Price import parity landed in Walvis Bay calculated as at **25 September, 2018**, are indicated below:

<b>95 Octane Unleaded Petrol</b>	-	<b>(131.505) c/ℓ</b>
<b>Diesel 500ppm</b>	-	<b>(144.720) c/ℓ</b>
<b>Diesel 50ppm</b>	-	<b>(144.494) c/ℓ</b>

As already stated, the full costs will, however, not be passed on to consumers. More than half for each of the products under-recoveries as recorded above will be paid for by the National Energy Fund to the bulk oil importers.

Fuel pump prices in Walvis Bay will increase as follows:

<b>95 Octane Unleaded Petrol</b>	- <b>increase by 50 c/l (retail)</b>
<b>Diesel (all grades)</b>	- <b>increase by 50 c/l (wholesale)</b>

Thus, the new fuel pump prices in Walvis Bay will be:

<b>95 Octane Unleaded Petrol</b>	-	<b>N\$ 13.45 per liter</b>
<b>Diesel 500ppm</b>	-	<b>N\$ 13.78 per liter</b>
<b>Diesel 50ppm</b>	-	<b>N\$ 13.83 per liter</b>

Fuel pump prices countrywide will also be adjusted accordingly.

