



REPUBLIC OF NAMIBIA

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## MINISTRY OF MINES AND ENERGY

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### **MEDIA RELEASE FUEL PRICE REVIEW ANNOUNCEMENT**

The Ministry of Mines and Energy has completed the fuel price review for the month of May 2023 and herewith inform the public on the following:

The prices of crude oil dropped to about USD72 during March, resulting in OPEC+ introducing a cut in oil production of over 1 million barrels per day while Russia reduced oil production by half a million barrels per day. Although the existing OPEC+ cuts amount to nearly 2 million barrels per day, the total is now about 3.6 million barrels per day or 3.7 per cent of the total global oil demand. These cuts have sent crude oil prices to higher levels over Easter to USD87 per barrel. The USD80-90 per barrel range appears to be the preferred zone of OPEC. This increase in oil prices could spill into new inflation if prices go above USD90 per barrel and thereby contribute to more interest rate hikes, and again weaken energy demand. Geopolitical risk is still an issue with the Chinese military exercises near Taiwan and American forces in the same area.

The latest calculations by the Ministry indicate that the average price for Unleaded Petrol 95 over April 2023 is at USD103.656 per barrel (*compared to USD99.681 per barrel at the end of March 2023*), an increase of about USD4 over the review period. Additionally, the average price for Diesel 50ppm over April 2023 is at USD97.803 per barrel (*compared to USD101.249 per barrel at the end of March 2023*), a decrease of about USD4 per barrel over the review period. Moreover, the average price for Diesel 10ppm over April 2023 is at USD98.671 per barrel (*compared to USD102.235 per barrel at the end of March 2023*), a decrease of about USD4 per barrel over the review period.

Furthermore, the exchange rate figures for the period of 01-25 April 2023 indicate that the NAD has slightly appreciated against the USD at N\$18.1372 per USD (*compared to N\$18.2573 per USD at the end of March 2023*).

Therefore, after entering the above input factors into the fuel pricing model, the Ministry recorded a combination of over and under-recoveries on petrol and both diesel products, namely an under-recovery of 95 cents per litre on petrol and over-recoveries of 111 and 101 cents per litre on diesel 50ppm and 10ppm, respectively.

For this reason, the Ministry hereby announces that **petrol prices will remain unchanged while the prices of both diesel products will decrease by 80 cents per litre**. The petrol prices in Walvis Bay will thus remain **N\$ 19.78** per litre while the prices of both diesel products will become **N\$ 19.85** per litre. Diesel pump prices across the rest of the country will also be adjusted accordingly. The effective date is Wednesday **03<sup>rd</sup> May 2023** at **00h01**.

The under-recoveries recorded on the petrol prices will be absorbed by the National Energy Fund on the behalf of consumers to the tune of about N\$28.5 million.

In conclusion, the Ministry remains fully aware of the negative impact that high fuel prices inflict on the motorists, and hence the public is advised to use scarce resources more prudently during these tough economic times.

**Ends**

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