



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 October 2023 and hereby inform the public as follows:

The international oil market continues to set new highs, with additional production cuts from Russia exerting significant influence. This reduction in supply not only translates to soaring crude oil prices but also means higher costs for gasoil and gasoline at the pump. Adding to this upward trajectory are the devastating floods in Libya, which caused a number of ports to be unable to export oil. Libya is home to Africa's largest proven oil reserves, sitting at 48 million barrels of oil, representing 39% of the continent's total reserves. Brent crude, a light crude oil recognized as the world benchmark, increased nearly 2% to a high of \$92.38 a barrel for the first time in nearly ten months.

The latest calculations by the Ministry indicate that the average price of Unleaded Petrol 95 over September 2023 is at USD114.316 per barrel (compared to USD110.549 per barrel at the end of August 2023), indicating an increase of about USD3 per barrel or 3.4% over the review period. Additionally, the average price of Diesel 50ppm over September 2023 is at USD124.796 per barrel (compared to USD118.292 per barrel at the end of August 2023), a notable increase of about USD6 per barrel or 5.5% over the review period. Moreover, the average price of Diesel 10ppm over September 2023 is at USD125.712 per barrel (compared to USD119.406 per barrel at the end of August 2023), showing another notable increase of about USD6 per barrel or 5.3% over the review period.

Furthermore, the exchange rate figures for the period of 01-22 September 2023 indicate a 0.84% depreciation of the NAD against the USD at N\$18.9868 per USD (compared to N\$18.8280 per USD at the end of August 2023).

Therefore, after entering the above input factors into the fuel pricing model, the Ministry recorded progressive under-recoveries on petrol, and on both diesel products, that is an under-recovery of 194 cents per litre on petrol and under-recoveries of 290 cents and 281 cents per litre on diesel 50ppm and diesel 10ppm, respectively.

Additionally, the Ministry resolved to increase the industry margin for oil wholesalers by 18 cents per litre from 128 cents per litre to 146 cents per litre. The Ministry also resolved to increase the dealer margin for service station operators by 20 cents from 163 cents per litre to 183 cents per litre. The Ministry further resolved to offer a temporary 3-month relief margin of 20 cents per litre to the oil wholesalers to try and rescue them from dire straits which their businesses are facing. These adjustments are effective on 04th October 2023.

The circumstances above indicate that there is a pressing need to ensure that fuel prices are best reflective of the market dynamics to ensure the efficient security of supply in the country. As a result of substantial under-recoveries recorded, the increases in the industry and dealer margins, as well as the temporary 3-month relief for oil wholesalers, the Ministry is hereby announcing **an increase of 190 cents on petrol prices and an increase of 240 cents on both the diesel prices per litre. These adjustments will take effect on Wednesday, October 4, 2023. Consequently, in Walvis Bay, the price for petrol will be N\$ 22.88 per litre, while diesel 50 ppm will be priced at N\$ 23.15 per litre, and that of diesel 10 ppm at N\$ 23.35 per litre.**

Fuel prices in other regions of the country will be adjusted accordingly. To offset the under-recoveries observed in September 2023 on behalf of fuel consumers, the National Energy Fund will absorb the full cost through the fuel equalization levy.

The Ministry would like to emphasize that Namibia is subject to international oil market prices and is not able to influence them. Disruptions stemming from natural disasters, such as the devastating floods in Libya, have a notable impact on fuel prices.

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