



REPUBLIC OF NAMIBIA

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MEDIA RELEASE

The Ministry of Mines and Energy announces that petrol and diesel pump prices for April 2015 will **increase at 00h01 on Wednesday, the 1st April 2015.**

Over the course of March 2015, the lowest and highest prices recorded for a barrel of oil is US\$45 and US\$57 respectively, while the average price per barrel is US\$53. The average price per barrel is US\$7 lower than last month, when an average price per barrel of about US\$60 was recorded. This is evidence that the price of crude oil continued on a downward path since the last fuel price review took place.

However, while the price of crude is falling, the average exchange rate over March 2015 went up by a margin of US\$0.55 from US\$11.57 to US\$12.12 with respect to the Namibian Dollar. Oil commodities are traded in U.S dollars in the international markets. In monetary terms, this means that Namibian oil importers required on average an extra N\$6.66 for one U.S Dollar in the process of financing the importation of oil commodities. This translates that the cost of doing business went up and, hence, the BFP recorded substantial Unit Under Recoveries.

Furthermore, since oil commodities need to be shipped to the Namibian shore by oil tankers, the costs at which these commodities are shipped is also affected by the exchange rate. This means that shipping costs have also increased and have also contributed to the Unit Under Recoveries recorded over March 2015. The Ministry of Mines and Energy expects the US\$/NAD exchange rate to stabilise in the future in order to keep the oil prices as low as possible.

Last month the cabinet of the Republic of Namibia requested the Ministry of Mines and Energy to adjust the **RFA Levy** by **10%** when it is suitable. Despite the Unit Under Recoveries for March 2015, the Ministry of Mines and Energy took a fair decision to pass on the cost of maintaining a good road network in Namibia to the consumers.

Therefore, the **RFA Levy** will be adjusted by **10 cents per litre** on the prices of unleaded petrol 95 and all grades of diesel. This adjustment is **effective** from **01 April 2015**.

The under-recoveries per product on the BFP import parity landed in Walvis Bay calculated as at **23 March 2015** are indicated below:

95 Octane Unleaded Petrol	-	(77.021) c/l
Diesel 500ppm	-	(54.579) c/l
Diesel 50ppm	-	(50.479) c/l

Due to the inclusion of a railway transport component of **10 c/l** the previous month in the Walvis Bay fuel pump price build-up, the present Walvis Bay fuel pump prices for the controlled petroleum products petrol and diesel are high and will only increase with **40 c/l** on petrol and **30 c/l** on diesel.

Fuel pump prices at various inland destinations will increase as follows:

95 Octane Unleaded Petrol	- increase by 50 c/l (retail)
Diesel (all grades)	- increase by 40 c/l (wholesale)

Thus, the new Walvis Bay pump prices will be:

95 Octane Unleaded Petrol	-	N\$ 9.99 per litre
Diesel 500ppm	-	N\$ 10.12 per litre
Diesel 50ppm	-	N\$ 10.22 per litre

Petrol and diesel pump prices at various inland destinations countrywide will also be adjusted accordingly.

