



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 August 2023 and hereby announces the following:

The oil prices continued to rise throughout July 2023 mainly due to OPEC's oil cutback strategy and optimistic forecasts recently published by the International Monetary Fund (IMF). The IMF raised its 2023 global growth estimates based on promising economic activity in Q1. For 2023, the IMF is now estimating a 3% GDP growth, which is up by 0.2 percentage points from its forecast published in April. Its 2024 forecast remains unchanged at 3.0%. Oil prices rose on the news, with WTI surpassing the \$79 mark. Brent crude rose above \$83.

The latest calculations by the Ministry indicate that the average price of Unleaded Petrol 95 over July 2023 is at USD100.468 per barrel (compared to USD95.185 per barrel at the end of June 2023), indicating an increase of about USD5 over the review period. Additionally, the average price of Diesel 50ppm over July 2023 is at USD97.792 per barrel (compared to USD89.109 per barrel at the end of June 2023), an increase of about USD8 per barrel over the review period. Moreover, the average price of Diesel 10ppm over July 2023 is at USD99.321 per barrel (compared to USD91.049 per barrel at the end of June 2023), showing an increase of about USD8 per barrel over the review period.

Furthermore, the exchange rate figures for the period of 01-26 July 2023 indicate that the NAD has appreciated against the USD at N\$18.3064 per USD (compared to N\$18.7264 per USD at the end of June 2023).

Therefore, after entering the above input factors into the fuel pricing model, the Ministry recorded under-recoveries on petrol and on both the diesel products, that is an under-recovery of 54 cents per litre on petrol and under-recoveries of 53 cents and 50 cents per litre on diesel 50ppm and diesel 10ppm, respectively.

In consideration of the above, and despite the reasonable under-recoveries recorded, the Ministry is hereby announcing that **petrol prices and the prices of both diesel 50ppm and diesel 10ppm will remain unchanged over the course of August 2023**. The petrol price in Walvis Bay will remain **N\$ 19.78** per liter while the price of diesel 50 ppm will remain **N\$19.05** per liter and that of diesel 10 ppm will remain **N\$19.25** per liter. Fuel prices across the rest of the country will also remain unchanged.

The National Energy Fund, through the equalization levy, will absorb the under-recoveries recorded on-behalf of fuel consumers.

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