



REPUBLIC OF NAMIBIA

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MEDIA RELEASE

ANNOUNCEMENT OF FUEL PRICE ADJUSTMENT

The Ministry of Mines and Energy herewith wishes to announce to the public the results of its monthly fuel price review for October 2020, as follows:

Fuel pump prices locally are influenced by a host of factors, however, this month we have seen only a few play out, namely: The international price of refined oil, the exchange rate between the Namibia dollar against the US Dollar, and the cost of shipping petroleum products from the international market to our shores (freight). The objective of the review exercise is to ensure that the fuel pump price is, at all times, reflective of the import price and to do so in an orderly manner. The review can either reveal an under-recovery, indicating that the pump price was lower than the import price; or an over-recovery, indicating that the pump price was higher than the import price. An under-recovery is ordinarily passed onto the consumer or alternatively it is defrayed from the National Energy Fund (NEF).

During the month of September 2020, the international price of the refined petroleum products has decline in comparison to the previous months. The average international price for refined petrol was US\$48.38 per barrel compared in August to US\$46.99 in September 2020; while that of refined diesel was US\$48.45 per barrel in August compared to US\$42.79 in September.

During the same period, the exchange rate between the Namibia Dollar against the US Dollar has strengthened. It appreciated, on average, from N\$17.22 in August to N\$16.62 in September. Moreover, freight has slightly increased during the period under review. The cost of shipping product was 91% above flat freight rates in September compared to 74% in August.

Owing to the aforementioned factors, during the month of September a combination of over-recovery and under-recovery was recorded. An under-recovery of 3.854 cents/litre was recorded on petrol while 50ppm diesel recorded an over-recovery of 62.600 cents/litre. Compared to last month when only under-recoveries were recorded, the situation has improved.

For us to continue to soften the burden on the consumers and at the same time to ensure the sustainability of the NEF, it has been decided to **decrease the diesel pump prices countrywide by 40 c/l as of 00H01 on Wednesday, 7th of October, 2020**. Petrol pump prices will remain **unchanged** in October.

The new diesel pump prices in Walvis Bay (*port of entry*) will become **N\$11.58 c/l** and petrol price will remain **N\$11.65 c/l**. Diesel pump prices countrywide will also be adjusted accordingly.

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