



Ministry of Mines & Energy

**QUESTIONS FROM THE NAMIBIAN NEWSPAPER
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1. There is a strike in South Africa by workers at oil refineries in that country, will this have an impact on fuel supply in Namibia?

Although there could be disruptions at refineries, fuel supply is never affected as refineries do not refine crude for immediate consumption. There are measures in place to ensure that the country does not run dry on fuel. One such measure is that importing companies should hold stock for 15 days before the next stock.

A similar strike had hit SA in 2011 for three weeks as well and there were no supply disruptions in Namibia. Private oil marketing companies in Namibia have diversified their supply sources and are able to procure petroleum products from other international markets.

2. Will the strike lead to a fuel increase next month?

South Africa is a net importer of petroleum products just like Namibia. Therefore, a strike in SA by oil refinery workers has no effect on the price of fuel whatsoever.

An increase in the fuel price is mainly affected by demand and supply factors surrounding major oil producing and consuming nations such as Saudi Arabia, Russia, Nigeria, USA, China and others. However, if the oil industry in SA decides to meet the demands of the striking refinery workers, the costs of refining can go up by a certain margin and this can lead to under-recoveries in the oil products slate calculations.

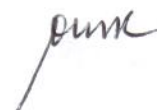
Fuel price under-recoveries are normally countered by an increase in the price of the fuel products on which the under-recoveries are recorded.

3. Is the ministry anticipating fuel shortages in Namibia as a result and what measures are you putting in place?

The Ministry of Mines and Energy is not anticipating any fuel shortages in Namibia as there have never been any, due to disruptions in the past.

Refineries in South Africa normally shut down due to maintenance and other logistical operations of which all SACU member countries are informed well in advance and there has never been a case of disruptions at all. Refined oil products are not confined to the South African market alone and Namibian oil suppliers are well aware of this fact. Unless the

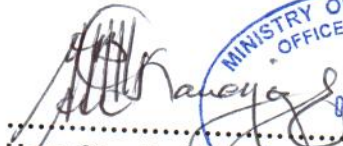
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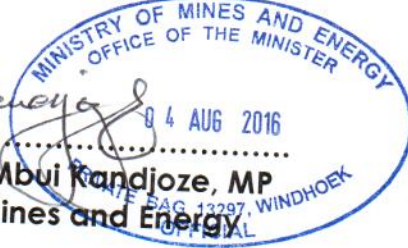


international oil market experiences a major disruption, such as global war, Namibia will not run dry with regards to fuel supply.

4. How much fuel does Namibia import from South Africa on a monthly and yearly basis?

The Ministry of Mines and Energy does not keep monthly record of volumes imported. However, Namibia imports adequate petroleum products for its market.


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Hon Obeth Mbui Kandjoze, MP
Minister of Mines and Energy



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